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FORUM ETHIBEL

CO2LOGIC

# CARBON BALANCING SOLUTIONS REDUCING CLIMATE IMPACT CERTIFICATION STATEMENT 2022



**Forum Ethibel** is a Belgian association that actively promotes Corporate Social Responsibility (CSR) and Socially Responsible Investing (SRI) to accelerate the transition to a more sustainable society. In this context, Forum Ethibel develops products and services **to promote transparent and sustainable financial market behaviour**.

A **Forum Ethibel certificate** guarantees that the client's rules are observed and also serves to confirm and communicate this to the stakeholders.

*To CO2logic's stakeholders,  
To private individuals and companies wishing to reduce their ecological footprints,  
To the public,*

**CO2logic** S.A. has appointed **Forum ETHIBEL asbl**<sup>1</sup> to carry out an independent audit of the financial and procedural aspects of its carbon accounting, mainly concerning the offsetting mechanisms. More information is available on [www.co2logic.com](http://www.co2logic.com)

**CO2logic** seeks verification of the (1) **reallocation of the collected funds** and their (2) **conformity with the Code of Conduct** it has developed. It also aims to confirm the authenticity of the carbon neutrality announced in the offsetting certificates awarded to companies, projects, and private individuals.

**Forum ETHIBEL** has examined **CO2logic's carbon offsetting** credits sales services.

We had **CO2logic's** full administrative cooperation for our audit work, and they provided us with all the additional information we requested. This statement relates to the financial year 2021. We carried out the audit entirely in accordance with the contract provisions. This is the fifteenth annual certificate issued to **CO2logic**.

**CO2logic** intends to observe the rules of its Carbon Offsetting Code, which sets criteria such as additionality, transparency, traceability, and permanence of the carbon reductions. **CO2Logic** updated this Code in the first half of 2015.

## Offsetting Code

**CO2logic** follows the guidelines of the **Clean Development Mechanism (CDM)**, those of the **Gold Standard Foundation (GSF)** and those of the **Verra Registry**. The CDM credits are known as **Certified Emissions Reductions (CER)** and the GSF credits as **Voluntary Emissions Reductions (VER)**. These offsets allow Global North's countries to offset their emissions by buying carbon reduction credits in the Global South.

**CERs** are generated for avoided carbon emissions from projects that meet the Clean Development Mechanism criteria and that are located in the Global South that are signatories to the Kyoto Protocol. More information can be found on <http://cdm.unfccc.int/about/index.html>.

**VERs** are generated for avoided emissions from sustainable projects that meet the Gold Standard Foundation's strict criteria. The Gold Standard system also allows the purchase of carbon credits from projects located in countries that are not signatories to the Kyoto Protocol. These are credits from projects in the run-up to the approval from the Clean Development Mechanism.

The Gold Standard Foundation's criteria for determining the avoided emissions are of an equivalent level of quality to the CDM criteria. The difference is that Gold Standard projects have a more holistic focus with, in addition to carbon, regard for the economic, social, and environmental impact.

Small-scale projects, often with a substantial social impact, can also benefit from a more pragmatic approach, which improves the projects' sustainability. More information is available on [www.goldstandard.org](http://www.goldstandard.org).

The Verra Registry issues credits in the form of **VCUs**, being Verified Carbon Units. More information can be found on <https://verra.org/>.

**Plan Vivo** is intended to avoid emissions through projects that support local communities in the sustainable management of natural resources, taking into account the climate, livelihoods, and the ecosystem. More information is available on <http://www.planvivo.org/>.

## Offsetting projects

Thirteen projects have been validated and approved as a Clean Development Mechanism by the UNFCCC Secretariat (United Nations Framework Convention on Climate Change). Plan Vivo approved one project, while the Gold Standard Foundation endorsed the other twenty projects.

Project	Country	Code
Development and distribution of <b>energy-saving and energy-efficient charcoal stoves</b> to replace more polluting stoves, and reduce wood consumption and consequently deforestation and land degradation. This also reduces air pollution and the emission of harmful gases.	China	GS 949
	Rwanda	GS 3947 – GS 2894 – GS 2892
	Ghana	GS 407
	Uganda	GS 447
	Kenya	GS 5642
	Eritrea	PoA GS 1247 - GS 6041, 6042
	Nigeria	GS 7312
	Ethiopia	GS 5463
	Burkina Faso	PoA GS 1340 - GS 6419. 6152
	Uganda	GS 6604
	Bulgaria	VCS 1258
	Brazil	VCS 1902
	<b>Restoration of degraded pastures</b> in the Burkinabé Sahel. Recovery of the original structure, productivity, and diversity.	Burkina Faso
Using borehole technology to provide <b>safe water</b> . This reduces the amount of firewood used by households in the water purification process and the amount of carbon dioxide emitted.	Eritrea	PoA GS 1247 - GS
	Rwanda	GS 6598
	Rwanda	PoA GS 1247 - GS
	Uganda	PoA GS 1247 - various
Construction and operation of a <b>wind power plant</b> . Electricity generated by the wind turbines reduces greenhouse gas emissions and stimulates sustainable energy generation.	Turkey	GS 744, 398
	India	GS 4425, 4426, 3969
	India	VCS 669
	India	VCS 927
	Mauritania	VCS 1733

Project	Country	Code
Construction and operation of a <b>solar power plant</b> . Today's energy consumption is still mainly dominated by wood fuel, while solar energy is largely underexploited.	India	GS 5928
<b>Reduction of deforestation</b> by improving the living conditions of the communities. This generates climate, social and biodiversity benefits.	DR Congo	GS 5618
	Bolivia	GS2951
Stimulation of <b>forest conservation and sustainable agriculture</b> by increasing the income and welfare of local farmers (in a sustainable manner) and avoiding uncontrolled loss of forest.	Kenya	VCS 1225
	Guatemala	VCS 1541
	Zambia	VCS 1532
	Kenya	VCS 612
	Rwanda	VCS 1225
<b>Hydro power</b> renewable energy project.	Liberia	VCS 1665
	Indonesia	VCS 488
	Indonesia	CDM 4118

## Two-step certificate

Carbon offsetting has had a growing success over the recent years. The projects are developed in a difficult context in the Global South, where unforeseen circumstances put some delay on the expected delivery of credits. Increasing delays at the level of the certification body have made the certification of impact even more challenging. Therefore, it is not possible to certify anymore in a given year, that all carbon credits sold in the year prior have been offset. The timeframe is too short.

In order to not deliver a certificate in a given year concerning the offset of two years before, we chose to make a certificate in two steps: from now on, the certificate of year Y will be issued in year Y+1 with the percentage of carbon credits that have been certified and verified indeed offset, and in the certificate of Y+2, there will be a section with the follow-up on year Y to ensure 100% is attained.

### (1) Reallocation of the collected funds

At the date of **15 December 2022**, **88,5%** of the total number of tonnes of CO<sub>2</sub> sold to clients for offsetting in 2021 was in balance with the tonnes offset by the projects cited before.

This percentage is not at 100% due to:

- delays in certifying for 1,5% and
- projects not delivering for 10%. For projects who did not deliver, alternative projects were found and the offsetting processes have started. There is however no clear framework on how to tackle those possible issues in the future. CO2Logic work on a case-by-case basis.

In next year's certificate, the outstanding offsetting will be monitored again.

### (2) Conformity with the Code of Conduct

The following section explains how the carbon offsetting of CO2Logic is conform with their Code of Conduct on following points: *Ensure additionality, transparency, traceability and permanence of the carbon reductions.*

#### Additionality

*Additionality* guarantees that the support given to a project is contributing to a real carbon reduction. It means that without the financial support of the clients of CO2Logic, those projects would not be undertaken. The offset projects were safeguarded by the **Clean Development Mechanism (CDM)** and the **Gold Standard Foundation (GSF)** to the maximum extent possible in terms of additionality.

#### Transparency

This certification also aims to confirm the *transparency* and authenticity of the carbon neutrality announced in the invoices to companies, projects, and private individuals. Forum Ethibel has received all invoices and has detected no negative gaps between carbon offsetting announced and carbon actually offset or in the process to be offset.

Due to the challenges of the growing demand as explained above, some offsetting had to be done with other projects than the one announced and invoiced to clients. The sold carbon credits were then allocated to other – comparable projects. This was not always communicated to the concerned clients. In general, clients are not aware that the projects they chose could be replaced in case the project they chose did not deliver. As this will be a recurrent issue in the future, we advise CO2Logic to improve the terms and conditions and/or communication towards clients.

### Traceability

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For 88,5% of the carbon credits invoiced by CO2Logic, we examined the offsetting certifications received by the **Clean Development Mechanism (CDM)** and the **Gold Standard Foundation (GSF)** and concluded that they are all linked to a single carbon credit sold by CO2Logic to their clients.

### Permanence

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*Permanence* guarantees that the carbon offsetting has lasting benefits over time. As for additionality, the choice of VCS and Gold Standard labelled projects ensure permanence of the offsetting as they set precise criteria for carbon credits.

### Conclusion

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The scope of the carbon neutrality has always been indicated on invoices. Additionality, traceability and permanence are secured by the **Clean Development Mechanism (CDM)** and the **Gold Standard Foundation (GSF)** standards.

CO2Logic, to this date, **offset 88,5% of the carbon credits** they sold in 2021. The projects are not always communicated clearly to clients, but each carbon credit has been offset either with the corresponding project, either with a similar project. CO2Logic might need to improve their **transparency** to inform clients of the state of the projects. The remaining 10,5% is either in the process of being officially certified by the certification bodies of the projects, either reallocated to new projects as the initial projects failed to deliver. **This will be followed-up in the next certificate.**

Therefore, we declare that, for the financial year 2021, the investments made with the offsetting contributions to **CO2logic** are in compliance with the objectives and the Code of Conduct for 88,5%. And that CO2logic manages the carbon accounting of its credit trade on a best effort basis.

Brussels, 15 December 2022,  
For Forum ETHIBEL asbl,



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<sup>1</sup> **Forum ETHIBEL** is a Belgian independent association, created in 1992 and recognized as an expert in rating, independent audits and certification of products and services that meet ESG and ethical standards ([www.forumethibel.org](http://www.forumethibel.org))