North East Carbon and Nature Marketplace

The Market Playbook

Carbon and Nature Marketplace
powered by:

North East Combined Authority

NET ZERO NORTH EAST ENGLAND

Developed in collaboration with: CUNDALL

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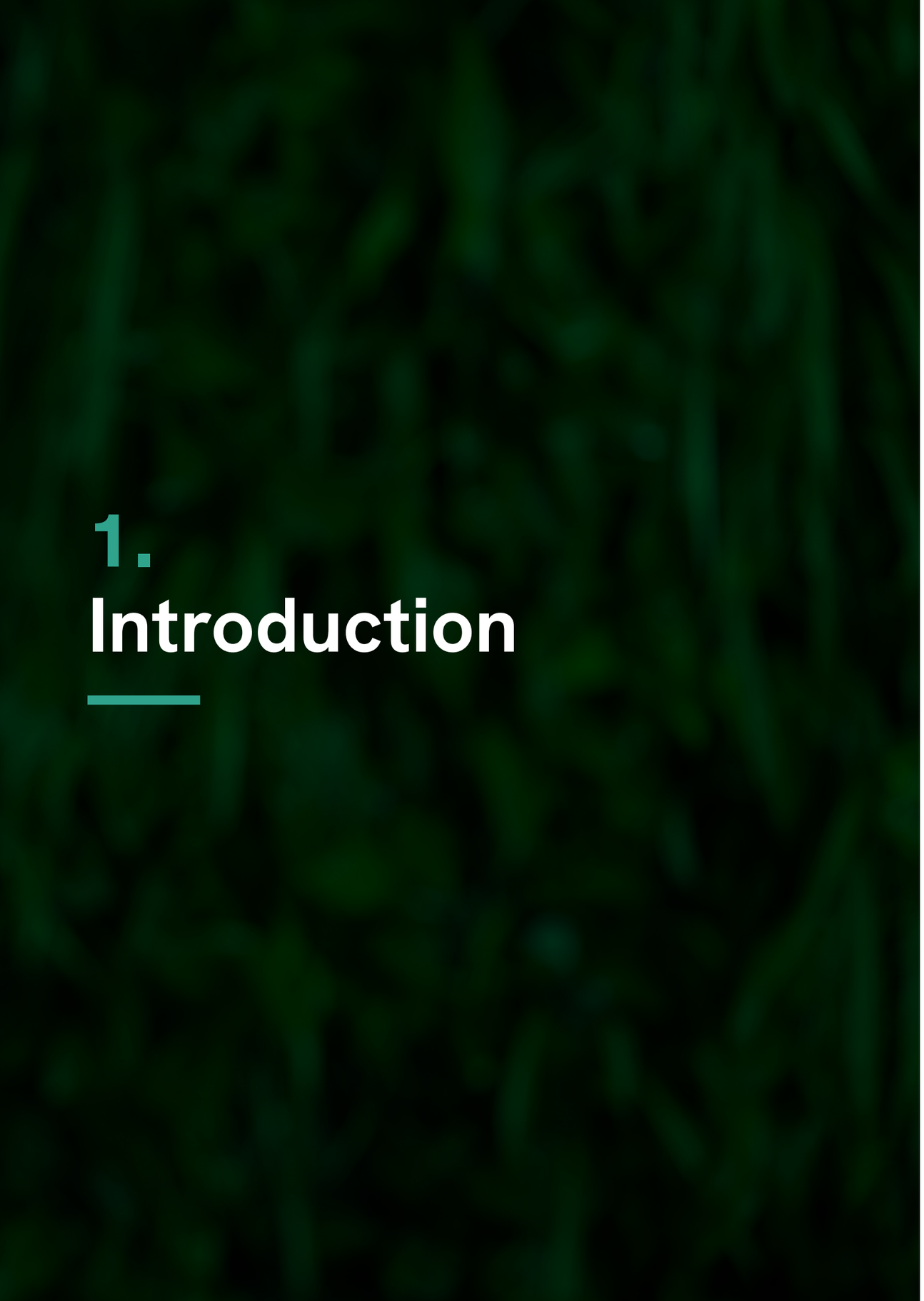
Contents



1. Introduction

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The **Market Playbook** is a practical guide designed to support all those involved in operating, supporting and engaging with the **North East Carbon and Nature Marketplace (NECaNM)** – a regionally focused, high-integrity platform that connects funders and carbon credit buyers with impactful environmental and social value projects across the North East.

The Playbook is intended for use by:

- **Local authorities and North East Combined Authority (North East CA)** representatives responsible for administering or overseeing the marketplace.
- **Project suppliers** (e.g. community organisations, landowners, developers or local authorities) seeking to list their projects on the platform.
- **Corporate buyers and funders** looking to support high-impact, local initiatives that align with their sustainability and Environmental, Social and Governance (ESG) goals.

Purpose of the Playbook

The purpose of this document is to:

- Provide **clear, step-by-step guidance** on how to interact with the marketplace.
- Explain the **key tools and templates** used throughout the project lifecycle – from listing to engagement.
- Clarify the **roles and responsibilities** of different actors across the system.
- Offer **best practice recommendations** for maintaining integrity, transparency and regional benefit throughout the process.
- Support **responsible participation** by all parties – ensuring confidence, accountability and alignment with UK and international voluntary carbon market principles.

What the Marketplace Offers

The NECaNM is a digital platform, administered by the North East CA that connects high-quality, independently assessed projects with corporate buyers, sponsors and funders. These projects may be:

- **Carbon-credit generating initiatives**, offering verified emission reductions/removals.
- **Funding-only projects**, which do not generate carbon credits but deliver tangible, place-based environmental and social benefits.

In both cases, the platform aims to **keep the benefits of carbon and climate investment within the North East,** supporting local jobs, nature recovery, climate resilience, and community wellbeing.

Why This Matters

Voluntary carbon and nature markets are rapidly evolving. While they offer major opportunities for climate and community impact, they also come with risks – including greenwashing, a lack of transparency or the misrepresentation of carbon credits. This Playbook helps mitigate those risks by equipping stakeholders with the knowledge, structure and guidance they need to make informed, credible decisions – and to contribute to a marketplace that is:

Locally rooted in the communities and landscapes of the North East.

Globally aligned with best practices on carbon integrity and responsible offsetting.

Built for trust, transparency and long-term impact.

2.
Overview of the Marketplace

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The NECaNM is a **regionally focused, high-integrity platform** that connects organisations seeking to support climate and nature outcomes with local projects delivering measurable environmental and social value. It is built to serve the North East of England, with a focus on transparency, accountability and local benefit.

What the Marketplace Is

The **NECaNM** is more than just a digital platform — it is a trusted, place-based infrastructure designed to catalyse high-integrity investment in local climate and nature solutions. It brings together communities, public and private sector funders, and project developers under a common framework that promotes transparency, credibility, and environmental and social value.

At its core, the marketplace is:

✓ **A regional hub for environmental impact**

A dedicated platform for showcasing eligible projects that deliver measurable benefits across the North East - from peatland restoration and biodiversity enhancement to energy efficiency and community wellbeing initiatives.

✓ **A connection point for climate and nature collaboration**

The marketplace links project suppliers with responsible buyers and funders who want to invest in local solutions that align with their sustainability goals.

✓ **A quality assurance and governance framework**

All listed projects are subject to a structured due diligence process, ensuring they meet minimum standards of credibility, transparency, and ethical delivery. This reduces reputational risk for funders and safeguards marketplace integrity.

✓ **A decision-support tool for local authorities and investors**

Through the Value Matrix and project Value Profiles, users can evaluate and compare projects based on environmental, social, and economic co-benefits - enabling informed, strategic investment in regional priorities.

✓ **A new model for ethical voluntary markets**

The NECaNM offers an alternative to fragmented or opaque carbon and nature markets by putting governance, community benefit, and regional identity at the heart of environmental action.

The platform hosts two main categories of projects:

Credit-Generating Projects

These are projects that issue verified carbon credits based on independently assessed carbon savings (e.g. woodland creation, peatland restoration, renewable energy).

Funding-Only Projects

These do not generate carbon credits but deliver important co-benefits for the region (e.g. biodiversity, social value, education, flood resilience) and are seeking funding or sponsorship.

Both types of projects undergo a structured submission and screening process to ensure quality and alignment with the platform's purpose and values.

What the Marketplace Is Not

To manage expectations and clarify its role, it is important to understand what the NECaNM does not do:

- × It does not facilitate or process financial transactions. All purchases, funding agreements or credit transfers take place externally, directly between the buyer/funder and the project supplier.
- × It does not issue or certify credits. Instead, projects listed on the platform must use independent, third-party verifiers to confirm their emissions reductions/savings.
- × It does not act as a broker or agent. The marketplace provides a space for connection, transparency and trust - not commercial intermediation.
- × It does not guarantee investment returns or credit quality. All listed projects must pass a rigorous due diligence process, but final decisions on engagement rest with the buyer and project supplier.

Platform Functions and Features

The marketplace provides the following core functions:

Project Listings

Each project is displayed in a structured format, showcasing essential details including project description, location, objectives and co-benefits.

Value Assessment

Credit-generating projects are assessed using the Value Matrix and displayed using a Value Profile – a visual summary of their wider social and environmental impact.

Search and Filter Functionality

Users can browse and search projects based on themes such as carbon benefit, biodiversity impact, location, or alignment with the UN Sustainable Development Goals (UN SDGs).

Direct Contact with Project Suppliers

The platform provides contact details to enable buyers and funders to connect with project leads and discuss engagement or funding opportunities.

Dedicated Funding Opportunities Section

For projects that are not selling credits but are seeking funding support, a dedicated section highlights funding-only opportunities with relevant project details and funding needs.

Why This Marketplace Is Different

Unlike many voluntary carbon markets that rely heavily on international projects or abstract claims of offsetting, the NECaNM offers a place-based, transparent and regionally accountable model, built around the following key principles:

- **Local First:** All projects must be based in the North East, keeping environmental and financial benefits within the region.
- **Independent Assessment:** Due diligence and value assessments are carried out independently of the project suppliers to avoid bias.
- **Beyond Carbon:** Every listed project is evaluated not only for its carbon impact but also for its wider contribution to biodiversity, community, resilience, and more.
- **Connection Over Commerce:** The marketplace connects - it doesn't commercialise. This allows for flexibility, transparency and meaningful relationships between buyers and suppliers.

3. How Projects are Listed on the Marketplace

3. How Projects are Listed on the Marketplace

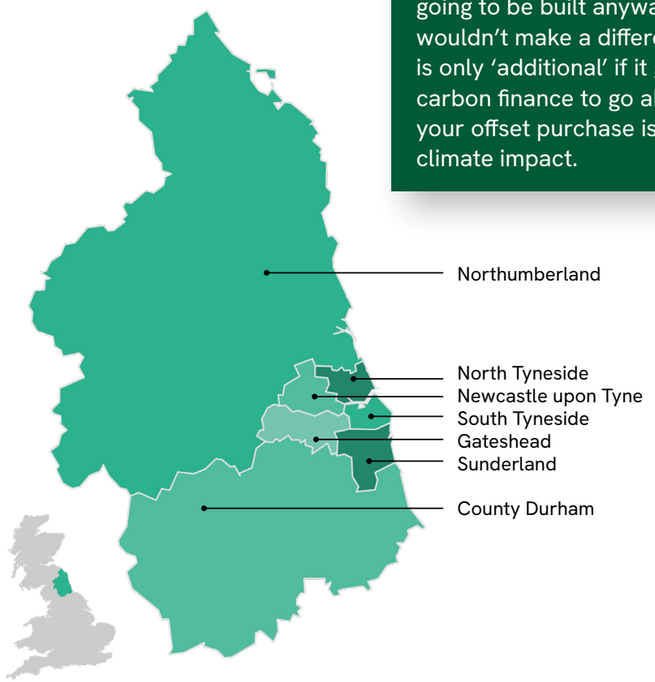
To ensure every project listed on the marketplace meets a consistent level of integrity, quality, and transparency, all project suppliers must follow a clearly defined submission and evaluation process. This process balances accessibility with rigour - making it straightforward for high-quality projects to participate, while safeguarding the credibility of the marketplace.

Eligibility Criteria for Listing

- **Location:** Projects must be physically located within one or more of the following local authority areas in the North East of England:
  - County Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside, and Sunderland.
- **Project Type:** Eligible project types include, but are not limited to:
  - Nature-based solutions (e.g. tree planting, habitat restoration)
  - Renewable energy (e.g. solar, wind, hydro)
  - Energy efficiency or retrofit schemes
  - Waste reduction or circular economy initiatives
  - Projects delivering social, biodiversity or climate resilience benefits
- **Additionality:** For credit-generating projects, the project must demonstrate that the carbon savings would not have occurred without support from carbon finance.
- **Verification:** Credit-generating projects must have third-party verification in place, aligned with a recognised methodology or standard.

What does Additionality mean?

Think of additionality like funding a new public park. If the park was already going to be built anyway, your donation wouldn't make a difference. A project is only 'additional' if it genuinely needs carbon finance to go ahead - meaning your offset purchase is truly creating new climate impact.



Project Submission Requirements

Getting started on the marketplace is designed to be a clear and straightforward process. Project suppliers are only asked to provide the information that's necessary to demonstrate the quality and credibility of their initiatives – with structured templates provided to guide each step:

- **Project Due Diligence Template**
  - This captures key details about the project – such as its aims, location, partners, carbon savings, and how the project is being delivered. It's designed to ensure all necessary information is gathered in one place, helping the North East CA to confirm that the project meets the core requirements for listing.
- **Value Matrix Project Supplier Information Template**
  - This template invites the supplier to share additional detail about the wider benefits their project may deliver – such as social value, biodiversity improvements, or climate resilience. It's a chance for the supplier to highlight the broader impact of the project beyond carbon savings.

There's no need to navigate complex systems or prepare lengthy submissions – the goal is to give every credible project a fair opportunity to access funding and support through the marketplace.

Tip:

Supplying relevant supporting documents – such as environmental statements or community engagement records - can help strengthen the assessment, but the process is designed to be flexible and proportionate to the size and scope of each project.

4.
Due Diligence Assessment Process

4. Due Diligence Assessment Process

Ensuring that every project listed on the marketplace is **high-integrity and trustworthy** is at the heart of the platform's mission. The Due Diligence Assessment is how we achieve this - a structured, step-by-step process that checks each project meets the key standards needed for inclusion.

The aim is not to make things complicated or bureaucratic, but to protect buyers, suppliers, and the marketplace itself by ensuring that **only credible and transparent projects are promoted.**

What is Due Diligence?

Due diligence means doing the necessary checks to ensure a project is what it claims to be. This might involve reviewing documentation, confirming that claims are accurate, and making sure the project follows recognised good practice.

Step 1: Project Submission

Project suppliers complete the **Project Due Diligence Template**, a structured and easy-to-follow form that asks for key project information, including:

- Basic organisational details (e.g. registered name, primary contact).
- A clear description of the project and its aims.
- Project location and timeline.
- Estimated carbon impact (if applicable).
- Any third-party verification or certification.
- Monitoring and reporting plans.
- Legal, ethical or risk-related disclosures.

Suppliers are encouraged to provide as much relevant information as possible, including links or attachments to supporting documents where available (such as impact assessments or verification reports). Once submitted, this information is used by the North East CA to complete the **Due Diligence Matrix**, which is the next stage of the assessment process.

Tip:

The more complete and well-evidenced the submission, the smoother the review process - and the better the project will perform across the assessment.

Step 2: The Due Diligence Matrix

Once a project supplier has submitted their completed **Project Due Diligence Template**, a structured review is carried out by a North East CA representative using the **Due Diligence Matrix** – the core evaluation tool used to ensure that only high-integrity, credible projects are approved for listing on the marketplace.

What is the Due Diligence Matrix?

The Due Diligence Matrix is a structured checklist of minimum requirements that all projects must meet to be eligible for listing. It is designed to ensure that projects meet the highest standards of transparency, traceability, additionality, and environmental integrity — while also avoiding risks such as greenwashing or double counting.

The **Due Diligence Matrix** evaluates projects against a structured set of criteria to ensure transparency, credibility and alignment with best practices in carbon and nature markets. Each category contains clear sub-requirements that applicants must meet for their project to be approved for listing on the platform. The key evaluation areas include:

- **Company Information** – Ensures that the project supplier provides complete and accurate details on the organisation responsible for the project.
- **Project Overview** – Confirms the project type, objectives, location, timeline, estimated carbon savings (if applicable), and certification details are clearly outlined.
- **Supply Chain Mapping & Traceability** – Assesses the project's supply chain, including key suppliers, contractors and traceability measures to ensure responsible sourcing and transparency.
- **Compliance & Risk Assessment** – Verifies compliance with local and international regulations and assesses any Environmental, Social or Governance (ESG) risks within the supply chain.
- **Project Integrity & Validation** – Ensures that the project has undergone third-party verification, follows recognised carbon accounting methodologies and is not subject to double counting.
- **Monitoring, Reporting & Verification** – Reviews the project's systems for data collection, verification and impact reporting, ensuring transparency and accountability.
- **Legal & Ethical Considerations** – Assesses whether the project has any legal disputes and the mechanisms in place for dispute resolution.
- **Declaration & Signature** – Ensures that responsible individuals have formally declared to act in good faith and signed the submission.

Each sub-requirement is assessed using a binary compliance system (**Yes/No**) to determine whether the project meets the necessary standards for inclusion. Only projects that satisfy all mandatory criteria are considered for listing, maintaining a high level of integrity within the marketplace.

Two Stage Assessment Process

The assessment process is divided into two stages:

- **Assessment 1** – The project is initially reviewed against the due diligence requirements, based on the information provided by the project supplier in the **Project Due Diligence Template**. Any gaps or missing information are then identified. A list of required actions is recorded, and feedback is provided to the project supplier to address any deficiencies.
- **Assessment 2** – The project then undergoes a second assessment to verify whether the necessary corrective actions have been implemented. If all requirements are satisfied, the project is recommended to be considered for final marketplace approval by NECA.

Step 3: Final Marketplace Approval

Once both stages of the **Due Diligence Assessment** are complete, the final outcomes are reviewed and validated within the **Due Diligence Matrix.** Following this, a summary of the assessment findings is presented to the **NECaNM Project Board**, who determine whether the project should be approved for listing on the marketplace.

This decision is based not only on whether the project meets all minimum requirements, but also on broader considerations of project integrity, credibility and alignment with the overarching purpose of the marketplace.

Note:

Achieving full compliance with the Due Diligence Matrix is a necessary condition for listing, but it does not guarantee approval. The final listing decision remains at the discretion of the NECaNM Project Board to ensure all projects uphold the highest standards of transparency, quality, and regional benefit.

Due Diligence as an Ongoing Process

Due diligence is not a one-time event. While initial project approval is based on the two-stage review process, ongoing credibility and alignment with marketplace standards require continuous oversight. Over time, project circumstances may change, new information may emerge, or updated reporting may highlight discrepancies or progress not previously captured.

To uphold marketplace integrity and safeguard the reputation of all participants, the NECaNM applies an ongoing due diligence approach. This ensures that all listed projects remain compliant and continue to reflect the highest standards expected by buyers, stakeholders and the public. This ongoing process includes:

- **Spot Checks & Reassessments** – Projects may be periodically re-evaluated, especially when new data, updated documentation or performance issues emerge.
- **Updated Evidence Review** – If a project provides updated verification or reporting, it may trigger a review of key due diligence fields.
- **Stakeholder Feedback** – The NECaNM may act on information received from buyers, verifiers, or the wider public that raises concerns or questions about a listed project.
- **Post-listing Non-Compliance** – If a project is found to no longer meet the required standards, it may be temporarily flagged, require corrective action, or be removed from the marketplace.

Higher-Risk Projects and Enhanced Due Diligence Measures

While the **Due Diligence Matrix** ensures all projects meet a consistent set of minimum requirements, some projects may present a higher risk profile due to their novelty, complexity, or the limited track record of the supplier or verifier. These projects may require additional scrutiny to protect the integrity of the marketplace and to manage reputational and environmental risk.

The NECaNM may flag projects as higher risk during the initial assessment stages or based on ongoing monitoring. In these cases, enhanced due diligence may be undertaken before any listing decision is made, and further assurances may be required from the project supplier.

Additional due diligence actions may include:

- **Supplier Interviews** – A meeting or call with the supplier to clarify concerns and gather more detailed responses.
- **Request for Further Documentation** – Submission of additional financial, technical, or verification evidence to strengthen credibility.
- **Expert Peer Review** – Input from independent specialists on the methodology, risk level or claims made by the project.
- **Conditional Monitoring** – Approval may be granted on the condition of additional monitoring milestones being met or future disclosures being provided.

5. Value Assessment Process

5. Value Assessment Process

Following the project due diligence process, each listed project undergoes a value assessment using the **Value Matrix** – a structured evaluation tool designed to highlight the project's broader environmental and social contributions beyond carbon reduction.

Whereas the **Due Diligence Matrix** determines whether a project meets the minimum integrity standards for listing, the **Value Matrix** goes a step further. It helps both suppliers and buyers understand how the project performs across a range of value categories such as biodiversity, social value, climate resilience, and more. This ensures that high-integrity projects are not just compliant, they are recognised for the positive change they bring to communities and ecosystems.

While carbon reduction is a key objective of the NECaNM, projects can also provide a range of additional benefits that contribute to broader environmental and social goals. Assessing these co-benefits is essential for:

- **Encouraging high-integrity projects** that deliver a positive impact beyond emissions reduction.
- **Helping buyers understand the full value of each opportunity**, ensuring better alignment with their sustainability priorities.
- **Enhancing transparency**, preventing the misrepresentation of projects and ensuring that co-benefit claims are credible and auditable.

What is the Value Matrix?

The **Value Matrix** is a scoring framework made up of clearly defined value categories and sub-criteria, designed to evaluate and visualise the co-benefits of each project in a consistent and transparent way.

To capture this broader impact, the **Value Matrix** evaluates projects across **five key Value Categories**:

Value Category	Description
Social Value & Community Benefits	The extent to which the project supports local communities, including job creation, economic opportunities, public health improvements, and skills development.
Biodiversity Conservation & Enhancement	The project's contribution to ecosystem restoration, habitat connectivity, species conservation, and long-term ecological enhancement.
Climate Resilience & Adaptation	The project's ability to enhance resilience to climate change, such as improving flood protection, drought resilience, or sustainable land management.
Air & Water Quality Improvement	The extent to which the project reduces air pollution, improves water retention, or enhances natural filtration processes that contribute to human and environmental health.
Waste Reduction & Circular Economy	The project's role in minimising waste, reducing landfill dependency, and promoting circular economy principles, such as material repurposing, sustainable resource use, and long-term waste reduction strategies.

Each **Value Category** contains a series of sub-criteria (e.g. "**Does the project create local employment opportunities?**" or "**Does the project enhance native habitats?**") that the project is assessed against. By integrating these impact areas into a structured evaluation framework, the NECaNM enhances marketplace transparency and provides buyers with **clear, comparable insights into project impact.**

How the Assessment Works

1. **Project Supplier Input**

   - Project suppliers complete the **Value Matrix Supplier Information Template**, which is aligned with the structure of the matrix. This template asks for structured responses to a range of co-benefit-related criteria and invites supporting evidence such as reports, community engagement summaries, or environmental strategies.

2. **Value Assessment**

   - A NECA representative reviews the supplier's responses and evaluates the project against each sub-criterion. Scores are assigned on a 1 to 5 scale, based on both the anticipated impact and the strength of the supporting evidence provided.

3. **Category Scoring**

   - Scores across each sub-criterion are averaged to generate an overall **Value Category Score**. This results in a clear performance overview across the five defined value areas.

This approach ensures a consistent evaluation of both **quantitative metrics** (e.g. biodiversity net gain), and **qualitative value** (e.g. community impact or climate resilience).

Who Completes the Matrix?

The **Value Matrix** is completed by a **North East CA representative**, using the information provided by the project supplier in the **Value Matrix Supplier Information Template**. While the supplier is responsible for providing accurate and well-supported responses, the assessor determines the scores based on consistency, relevance, and quality of the evidence.

Tip:

The more detailed and evidence-based a supplier's responses, the higher their project is likely to score. It is in the supplier's interest to showcase the full breadth of their project's impact. Strong, well-documented responses are more likely to lead to higher scores across the value categories.

Benefits of the Matrix Approach

The use of the Value Matrix offers several advantages:

- **Enables Comparability**
  - Projects can be consistently evaluated across shared criteria, supporting side-by-side comparisons.
- **Supports Portfolio Evaluation**
  - Buyers or investors can assess how different projects complement one another across diverse value areas.
- **Drives Transparency**
  - A clear, consistent scoring system reduces subjectivity and reinforces confidence in project value.
- **Informs Buyer Decisions**
  - Value Profiles generated from the matrix help buyers select projects that align with their sustainability goals.
- **Recognises Broader Impact**
  - The framework ensures projects are rewarded for benefits that go beyond carbon reduction, such as habitat restoration, local employment, or climate resilience.

Value Scoring System

Each value sub-criterion is scored on a 1-5 scale, reflecting its anticipated contribution according to the following interpretation scale:

Score	Interpretation
1	No anticipated impact or clear evidence of negative impact.
2	Minor benefits, but not a core feature of the project.
3	Moderate anticipated impact but lacking strong supporting evidence.
4	Significant impact with good supporting evidence.
5	Strong, verifiable impact with clear supporting data and additional long-term benefits.

The overall score for each **Value Category** (carbon reduction, social value, climate resilience etc.) is then calculated using the following formula:

$$\text{Value category score} = \frac{\text{Sum of sub criteria score}}{\text{Total number of sub criteria}}$$

This provides each **Value Category** with a total score between **1.0 and 5.0**, based on the average of its **Value Sub-Criteria** scores. The final score is then classified into a **Value Category Performance Level** using the following scale:

Total Value Category Score	Value Category Performance Level	Description
4.5 – 5.0	Exceptional Contribution	The project makes an outstanding impact in this category, demonstrating best practices and high integrity.
3.5 – 4.4	Strong Contribution	The project significantly contributes to this category, although some improvements could enhance its impact further.
2.5 – 3.4	Moderate Contribution	The project has a measurable positive impact, but with notable areas for improvement.
1.5 – 2.4	Limited Contribution	The project provides some benefits in this category but does not significantly address key impact areas.
1.0 – 1.4	Minimal Contribution	The project has very little impact in this category, with minimal measurable benefits.

Interpreting the Scores

A project's overall score reflects its combined performance across the five value categories. However, interpretation is contextual:

- A high-scoring project in **biodiversity conservation** may appeal to buyers prioritising ecological restoration or nature recovery goals.
- Another project may demonstrate **strong social value and community engagement**, making it well-suited to funders focused on local wellbeing or inclusive growth.

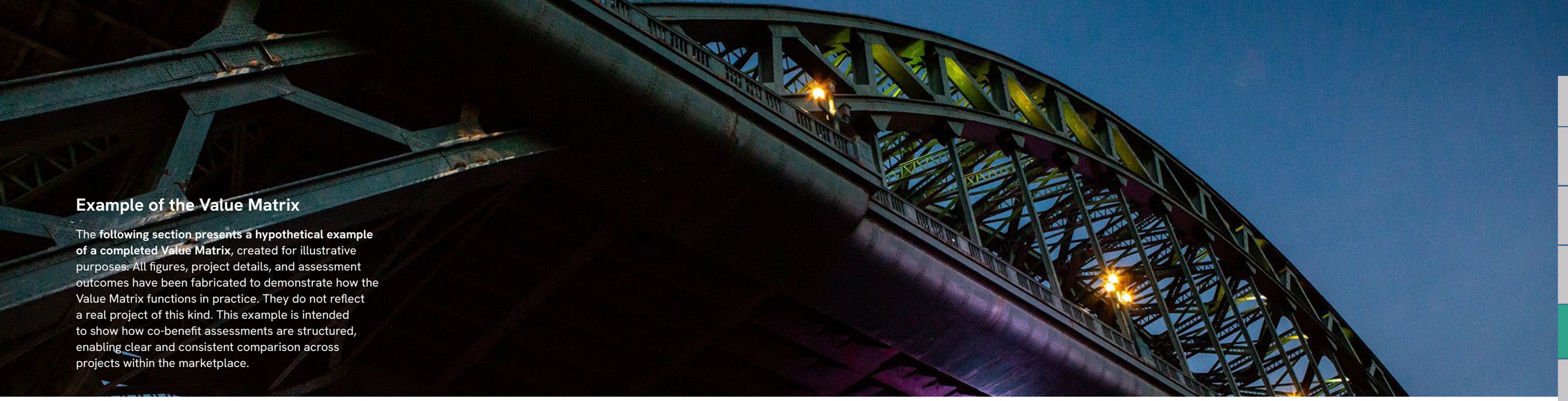
Note:

The Value Matrix is not a ranking system. It is a decision-support tool that provides an evidence-based view of a project's co-benefits to help inform buyer preferences.

While the matrix provides a quantitative overview, it does not replace in-depth due diligence or ongoing project monitoring. Instead, it acts as a **high-level evaluation** of expected impact, based on available information. It is therefore important to consider the following:

- Some scoring relies on **professional judgment**, especially where quantitative data is limited.
- The matrix captures **anticipated value**, not guaranteed results.
- The assessment is based on information supplied in good faith by the project developer.

However, despite these limitations, the Value Matrix remains a powerful tool for evaluating co-benefits. Its structured and transparent approach provides a consistent framework for assessment, enabling fair comparisons, supporting informed decision-making and strengthening trust and credibility of the marketplace.



Example of the Value Matrix

The **following section presents a hypothetical example of a completed Value Matrix**, created for illustrative purposes. All figures, project details, and assessment outcomes have been fabricated to demonstrate how the Value Matrix functions in practice. They do not reflect a real project of this kind. This example is intended to show how co-benefit assessments are structured, enabling clear and consistent comparison across projects within the marketplace.

Value Category	Value Sub-Criteria	Value Sub-Criteria Score (1-5)					Justification/ Evidence	Supporting Documents/ Notes	Value Sub-Criteria Score
		1	2	3	4	5			
Social Value & Community Benefits	Has a Local Needs Analysis (LNA) been conducted to assess community requirements and priorities?					✓	A local consultation identified high demand for forestry-related employment and training opportunities.	[Community Consultation Report]	5
	Has a social value strategy been developed against a local needs analysis?					✓	The project aligns with regional economic development goals and addresses rural employment gaps.	[Regional Social Value Strategy]	5
	Does the project provide a Social Return on Investment or other quantifiable assessment of social value?				✓		A preliminary SROI analysis estimates a £4 return for every £1 invested in local economic benefits.	[Social Return on Investment Analysis]	4
	Will the project generate long-term economic benefits for the community (e.g. tourism, sustainable agriculture)?				✓		Future potential for eco-tourism, woodland-based recreation, and sustainable timber production.	[Economic Impact Assessment]	4
	Does the project support training and skill development?					✓	Includes a forestry skills training programme with 150 placements per year in forestry, conservation, and woodland management.	[Training Programme Brochure]	5
	Will the project create direct local employment opportunities			✓			30 temporary jobs and 10 full time jobs	[Employment Strategy Report]	3
	Will the project enhance local infrastructure (e.g. roads, water supply, energy access)?			✓			Minor track and road improvements will be made for site access, benefitting local transport routes.	[Infrastructure Improvement Plan]	3

Value Category	Value Sub-Criteria	Value Sub-Criteria Score (1-5)					Justification/ Evidence	Supporting Documents/ Notes	Value Sub-Criteria Score
		1	2	3	4	5			
Biodiversity Conservation & Enhancement	Does the project restore or protect important habitats?				✓		Native woodland creation supports biodiversity and restores degraded land.	[Habitat Management Plan]	4
	Does the project enhance ecological connectivity (e.g. wildlife corridors, buffer zones)?				✓		New woodlands will connect existing forested areas, forming corridors for wildlife movement.	[Ecological Connectivity Map]	4
	Does the project support native and endangered species conservation?					✓	Will enhance habitat for red squirrels, barn owls, and bats, which are priority species in the region.	[Species Conservation Report]	5
	Is the project aligned with national or regional biodiversity conservation strategies?					✓	Aligns with UK Biodiversity Action Plan (UK BAP) and local rewilding initiatives.	[Link to Biodiversity Action Plan]	5
	Does the project improve pollinator habitats and ecosystem services?				✓		Includes wildflower planting schemes to support pollinators and natural pest control.	[Pollinator Impact Study]	4
	Has a Biodiversity Net Gain (BNG) calculation been undertaken by a qualified BNG assessor, and if so, what is the assessed impact?		✓				No specific BNG assessment undertaken, however the project is expected to have a strong contribution to biodiversity enhancement.	[Link to Biodiversity Action Plan]	2

Value Category	Value Sub-Criteria	Value Sub-Criteria Score (1-5)					Justification/ Evidence	Supporting Documents/ Notes	Value Sub-Criteria Score
		1	2	3	4	5			
Climate Resilience & Adaptation	Does the project enhance resilience to climate-related hazards such as flooding, drought, or coastal erosion?				✓		Woodland creation reduces flood risk and enhances soil moisture retention.	[Flood Risk Mitigation Report]	4
	Does the project introduce sustainable land management practices to improve long-term soil health and productivity?					✓	Agroforestry techniques improve soil structure, organic matter, and carbon storage.	[Land Management Plan]	5
	Does the project help to regulate local microclimates, such as reducing urban heat island effects and improving temperature stability?			✓			New woodlands will moderate local temperature fluctuations and improve shade cover.	[Microclimate Study]	3
	Does the project promote climate-adaptive infrastructure, such as nature-based solutions for stormwater management or extreme weather protection?				✓		Woodlands will slow surface runoff, reducing flood risk.	[Climate Resilience Strategy]	4
	Does the project contribute to long-term water resource management, ensuring sustainable water availability and quality?				✓		Improves groundwater recharge and protects local watercourses.	[Water Resource Management Report]	4
	Does the project integrate long-term climate adaptation measures into its design, ensuring continued resilience under future climate scenarios?				✓		The woodland mix is climate-resilient, with drought-resistant species.	[Climate Adaptation Plan]	4

Value Category	Value Sub-Criteria	Value Sub-Criteria Score (1-5)					Justification/ Evidence	Supporting Documents/ Notes	Value Sub-Criteria Score
		1	2	3	4	5			
Air & Water Quality Improvement	Does the project contribute to improved air quality (e.g. reduction of particulate matter, NO_x, SO_x)?				✓		Trees will capture pollutants and improve air quality.	[Air Quality Modelling Report]	4
	Does the project enhance water retention, filtration or replenishment?				✓		Woodland soils enhance filtration and water retention.	[Hydrology Report]	4
	Are water bodies protected or restored as part of the project?			✓			Includes buffer zones to protect rivers and streams.	[Riparian Protection Plan]	3
	Does the project mitigate industrial, agricultural or urban run-off impacts?				✓		Forest buffers will reduce agricultural runoff into watercourses.	[Environmental Impact Assessment]	4
Waste Reduction & Circular Economy	Does the project incorporate waste reduction strategies, such as minimising construction, agricultural or industrial waste?			✓			Woodland management follows zero-waste forestry principles.	[Sustainable Forestry Plan]	3
	Does the project integrate circular economy principles, such as repurposing materials, reusing waste, or recycling products?			✓			Timber waste will be repurposed for mulch and biomass energy.	[Circular Economy Strategy]	3
	Does the project contribute to reducing landfill dependency by diverting waste streams into more sustainable uses?			✓			Organic materials will be composted and reused.	[Waste Reduction Plan]	3
	Does the project contribute to long-term behaviour change and education around waste reduction and sustainable consumption?				✓		Education programmes promote sustainable forestry and circular economy principles.	[Public Engagement Strategy]	4

6.
Value Profiles: Aligning Projects with Sustainability Goals

The table below provides an overview of the overall scores for each **Value Category** and their resulting **Value Category Performance Levels**. These scores are outlined within the project's **Value Profile** which provides a snapshot of the project's co-benefits alongside its carbon reduction/removal impact.

Value Category	Value Category Score	Value Category Performance Level
Social Value & Community Benefits	4.1	Strong Contribution
Biodiversity Conservation & Enhancement	4.0	Strong Contribution
Climate Resilience & Adaptation	4.0	Strong Contribution
Air & Water Quality Improvement	3.8	Strong Contribution
Waste Reduction & Circular Economy	3.3	Moderate Contribution

6. Value Profiles: Aligning Projects with Sustainability Goals

Value Profiles provide a structured, transparent summary of the broader benefits associated with each project listed on the marketplace. These profiles distil the insights generated through the **Value Matrix**, offering a clear representation of how the project contributes across multiple impact areas beyond carbon reduction. By presenting these profiles in a standardised and visually engaging format, stakeholders - including buyers, project developers, and decision-makers - can quickly assess the **holistic value of a project and make more informed choices.**

Value Profiles are especially helpful for buyers or funders who are seeking to support initiatives that align with their broader ESG, Net Zero, or nature-positive ambitions.

What is a Value Profile?

A **Value Profile** is a clear, consistent summary of a project's wider environmental and social contributions - beyond carbon savings - based on its performance in the **Value Matrix**. While carbon reduction is a key component of any climate action, the **Value Profile** highlights the additional co-benefits that make a project valuable to people, places, and the planet.

Tip:

Think of the Value Profile as a project's "impact snapshot" - a high-level overview of how the project supports multiple sustainability outcomes in one place.

Purpose of the Value Profiles

The Value Profiles serve several key functions within the marketplace:

- **Enhancing Transparency** – Provides buyers with clear, evidence based insights into the broader benefits of a project.
- **Enabling Comparability** – Allows users to compare projects based on multiple impact categories, rather than solely carbon reduction.
- **Supporting Decision-Making** – Helps buyers select projects that align with their own corporate sustainability goals or social impact priorities.
- **Encouraging High-Value Projects** – Incentivises project developers to enhance co-benefits such as biodiversity, community engagement and climate resilience.

While carbon reduction remains a key focus of the marketplace, the Value Profiles ensure that additional benefits are recognised and factored into decision making.

What the Value Profiles Include

Each **Value Profile** presents a comprehensive overview of a project's impact, combining quantitative scoring from the **Value Matrix** with descriptive insights. A typical profile consists of the following elements:

Project Overview:

- Project name, type, and location.
- Carbon reduction potential (tCO_2e) (if applicable).
- Project developer details.
- A brief project description outlining its objectives and scope.

Value Category Scores:

A breakdown of the project's performance across the five Value Categories, with total scores and performance levels (e.g. Exceptional, Strong, Moderate, Limited).

Key Co-Benefits:

A summary of the most significant benefits, such as biodiversity enhancements, employment creation, or improvements to local infrastructure.

Visual Representation:

- A radar chart illustrating how the project performs across different **Value Categories**.
- A table of **Value Sub-Criteria scores**, providing a more detailed breakdown of performance within each category.

Relationship Between the Value Matrix and the Value Profiles

The **Value Matrix** serves as the **underlying evaluation framework**, while the **Value Profile** functions as the **final output** summarising a project's assessed performance. The matrix provides a structured, step-by-step evaluation, and the profile presents this information in a digestible format for marketplace users.

- **The Value Matrix** systematically scores projects based on predefined criteria.
- **The Value Profile** translates these scores into a visual and written summary, making the results easy to interpret.

Because of this direct relationship, the accuracy and robustness of the **Value Profile** depend on the quality of the data provided during project evaluation. Project suppliers are encouraged to provide **comprehensive supporting information**, ensuring that **Value Profiles** are as reflective of real-world benefits as possible.

Who Uses The Value Profiles?

Value Profiles are a central feature of the NECaNM and are used by:

- **Buyers & Funders** – To identify projects that align with their climate, social value, biodiversity, or regional impact goals.
- **Project Suppliers** – To showcase their project's broader benefits to potential backers.
- **Marketplace Administrators** – To ensure consistency, transparency, and integrity across all listed projects.

Tip:

Buyers can use the Value Profile to shortlist projects that reflect their corporate sustainability priorities before reaching out to suppliers.

Using Co-Benefit Scores to Guide Decision-Making

Each **Value Profile** presents co-benefit scores that help buyers understand where a project excels. These scores make it easier to match buyers with projects based on **shared values and strategic impact goals**. For example:

- A buyer focused on **nature-positive investment** may prioritise projects with a high biodiversity score.
- A company seeking to support **just transition goals** might look for high social value scores tied to employment or community engagement.
- An organisation addressing **climate risk** may favour projects with strong climate resilience indicators.

Because every buyer's priorities are different, **the Value Profile is not a ranking system – it is a flexible tool that supports decision-making.**

Why Value Profiles Matter:

Make Sustainability Tangible
Buyers can clearly see how a project contributes to broader environmental and social outcomes.

Improve Transparency
Project information is standardised, making comparisons simple and fair.

Support Credible Investment
The Value Profile helps ensure that carbon finance flows to high-quality, high-integrity projects.

Align With Strategy
Buyers can use profiles to align with internal policies, ESG reporting requirements, or net zero targets.

Promote Regional Impact
Profiles highlight how projects deliver place-based benefits within the North East region.

Example of a Value Profile

To illustrate the concept, the following section presents a hypothetical example of a **Value Profile**, demonstrating how a project's data is structured, scored, and visually represented. This example highlights the **Wear Valley Forestry and Skills Programme**, a fictional project, which has been evaluated across all **Value Categories** and assigned corresponding performance levels.

This is a hypothetical example created for illustrative purposes only and does not represent a real project. The profile is designed to showcase how different co-benefits are assessed and presented within the Value Matrix framework.

Please note that while this example provides an indication of the information typically included within a **Value Profile**, the final format may be subject to change or integrated directly within the project listing on the NECaNM platform.

Wear Valley Forestry & Skills Programme

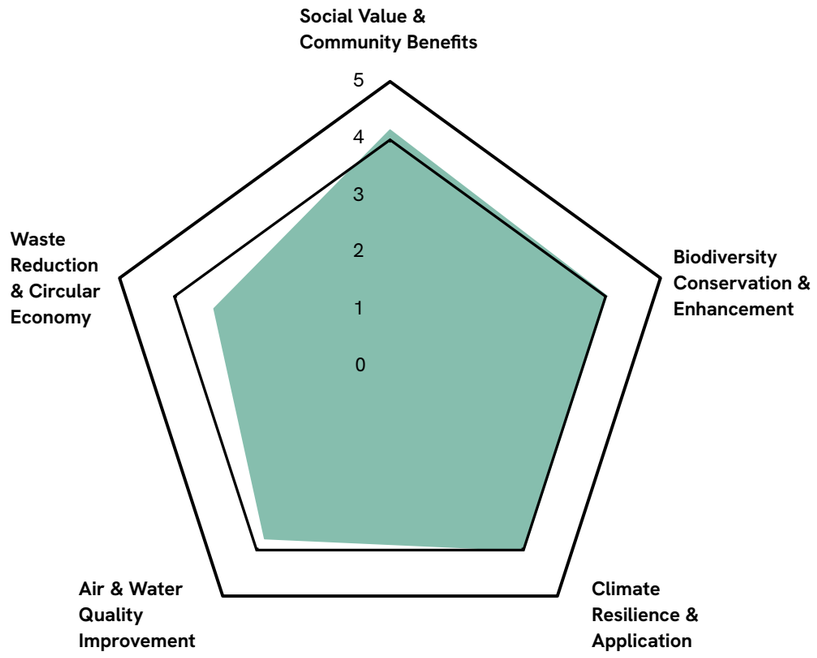
Project Name: Wear Valley Forestry & Skills Programme

Project Type: Forestry & Land Use

Location: Wear Valley, UK

Carbon Reduction: 500,000 tCO_2e

Project Developer: Sustainable Forestry & Skills Initiative



Project Description

The Wear Valley Forestry & Skills Programme is a large-scale afforestation and training initiative aimed at enhancing carbon sequestration, biodiversity, and local employment opportunities. The project covers approximately 250 hectares of degraded or underutilised land in Wear Valley, County Durham, and is expected to sequester 500,000 tCO_2e over a 50-year period. Alongside afforestation, the project integrates vocational training in forestry management, conservation, and sustainable land use, providing valuable skills and employment opportunities for local communities.

Value Category Scores

The Project has been assessed across five key impact categories, with scores determined based on the Value Matrix Scoring System.

Value Category	Performance Level	Score
Social Value & Community Benefits	Strong Contribution	4.1
Biodiversity, Conservation & Enhancement	Strong Contribution	4.0
Climate Resilience & Adaptation	Strong Contribution	4.0
Air & Water Quality Improvement	Strong Contribution	3.8
Waste Reduction & Circular Economy	Moderate Contribution	3.3

Key Co-Benefits

- ✓ **Biodiversity Enhancement** – Establishment of mixed native woodlands, improving habitat connectivity and supporting local wildlife.
- ✓ **Employment & Skills Development** – Provides forestry apprenticeships and certified training programs, supporting careers in sustainable land management.
- ✓ **Flood Mitigation & Climate Resilience** – Tree planting helps to reduce flood risk, stabilise soil, and improve water retention.
- ✓ **Social & Community Benefits** – Community engagement through educational programmes, volunteering opportunities, and conservation initiatives.
- ✓ **Circular Economy & Waste Reduction** – Promotes recycling of forestry waste into sustainable by-products such as mulch and biochar.

Value Sub-Criteria Scores

Social Value & Community Benefits	4.1
Has a Local Needs Analysis (LNA) been conducted to assess community requirements and priorities?	5
Has a social value strategy been developed against a local needs analysis?	5
Does the project provide a Social Return on Investment or other quantifiable assessment of social value?	4
Will the project generate long-term economic benefits for the community (e.g. tourism, sustainable agriculture)?	4
Does the project support training and skill development?	5
Will the project create direct local employment opportunities	3
Will the project enhance local infrastructure (e.g. roads, water supply, energy access)?	3

Biodiversity Conservation & Enhancement	4.0
Does the project restore or protect important habitats?	4
Does the project enhance ecological connectivity (e.g. wildlife corridors, buffer zones)?	4
Does the project support native and endangered species conservation?	5
Is the project aligned with national or regional biodiversity conservation strategies?	5
Does the project improve pollinator habitats and ecosystem services?	4
Has a Biodiversity Net Gain (BNG) calculation been undertaken by a qualified BNG assessor, and if so, what is the assessed impact?	2

Climate Resilience & Adaptation	4.0
Does the project enhance resilience to climate-related hazards such as flooding, drought, or coastal erosion?	4
Does the project introduce sustainable land management practices to improve long-term soil health and productivity?	5
Does the project help to regulate local microclimates, such as reducing urban heat island effects and improving temperature stability?	3
Does the project promote climate-adaptive infrastructure, such as nature-based solutions for stormwater management or extreme weather protection?	4
Does the project contribute to long-term water resource management, ensuring sustainable water availability and quality?	4
Does the project integrate long-term climate adaptation measures into its design, ensuring continued resilience under future climate scenarios?	4

Air & Water Quality Improvement	3.8
Does the project contribute to improved air quality (e.g. reduction of particulate matter, NOx, SOx)?	4
Does the project enhance water retention, filtration or replenishment?	4
Are water bodies protected or restored as part of the project?	3
Does the project mitigate industrial, agricultural or urban run-off impacts?	4

Waste Reduction & Circular Economy	3.3
Does the project incorporate waste reduction strategies, such as minimising construction, agricultural or industrial waste?	3
Does the project integrate circular economy principles, such as repurposing materials, reusing waste, or recycling products?	3
Does the project contribute to reducing landfill dependency by diverting waste streams into more sustainable uses?	3
Does the project contribute to long-term behaviour change and education around waste reduction and sustainable consumption?	4

7.
End-to-End Process for Project Suppliers

7. End-to-End Process for Project Suppliers

The following section provides a clear, step-by-step overview of the journey a project supplier will follow when seeking to list a project on the marketplace. While earlier sections have explained the technical components of due diligence and co-benefit evaluation in detail, this section consolidates that information into an accessible, end-to-end view of the process. It is designed to help suppliers navigate the stages with confidence, while understanding how their input contributes to building trust and transparency within the marketplace.

Step 1: Initial Engagement and Project Preparation

Project suppliers begin by reviewing the eligibility criteria for participation in the marketplace, ensuring their project aligns with the required project types and regional scope. If eligible, the supplier can request access to the necessary submission templates, including:

- The **Project Supplier Due Diligence Template**, which gathers structured information across all core project categories, including project details, verification, risk, compliance, and more.
- The **Value Matrix Project Supplier Information Template**, which captures responses to co-benefit sub-criteria related to environmental and social impact.

Tip:

Supplying relevant supporting documents - such as community consultation records, ecological assessments, or impact strategies - will help strengthen the project's submission and improve transparency.

Step 2: Due Diligence Review (Two-Stage Assessment)

Once submitted, the project undergoes a two-stage assessment process using the Due Diligence Matrix:

- **Assessment 1**: The North East CA representative completes an initial review of the submission. Any gaps, missing information, or areas requiring clarification are flagged, and a list of recommended actions is shared with the supplier.
- **Assessment 2**: Following updates from the supplier, the second assessment is conducted to verify that all requirements have now been met.

Each essential sub-requirement is marked as **Yes/No**, and upon satisfactory completion, a final review is conducted. The outcome is presented to the **NECaNM Project Board** for final decision-making on whether the project should be listed.

Note:

Even if all matrix requirements are met, the final decision to list a project sits with the Project Board, ensuring broader alignment with the ethos of the marketplace.

Step 3: Value Matrix Evaluation

In parallel to the due diligence process, a North East CA representative completes the **Value Matrix assessment**, based on the information provided by the supplier within the **Value Matrix Project Supplier Information Template**. This structured process evaluates the project's anticipated co-benefits across the five core value categories, assigning scores from 1 to 5 based on impact and supporting evidence.

The results from this assessment are used to generate a **Value Profile**, which becomes an integral part of the project's listing on the platform.

Step 4: Final Listing on the Marketplace

Once both assessments are successfully completed, and the **Value Profile** is generated, the project is approved for listing on the marketplace.

The project will be featured with:

- A structured project summary
- Its key value areas
- A visual representation of its co-benefit performance

This ensures buyers have a clear, transparent view of the project's impact, enhancing opportunities for engagement.

Step 5: Ongoing Engagement and Updates

Listing a project is not a one-off event. Project suppliers are encouraged to continue engaging with the marketplace team, providing updates when relevant - such as new verification milestones, improved biodiversity impact, or additional community benefits.

This helps **keep project listings current and strengthens buyer trust**, while providing an opportunity for **Value Profiles** to be updated and improved over time.

Tip:

Keeping your project information current reinforces transparency, enhances visibility, and increases the likelihood of attracting aligned buyers or investors.

Step 6: Notify When the Project Has Sold

As transactions take place externally to the platform, it is important that project suppliers inform the North East CA once their carbon credits or funded opportunities have been sold or fulfilled. This ensures that the project can be promptly removed or updated on the marketplace, helping to maintain transparency and minimise the risk of double counting.

Note:

Timely updates help protect the integrity of the marketplace and ensure buyers only engage with currently available opportunities.

8. End-to-End Process for Buyers & Funders

8. End-to-End Process for Buyers & Funders

Buyers and funders engaging with the marketplace can participate in two key ways:

- Purchasing **high-integrity carbon credits** from listed projects.
- Providing funding to projects that are not selling credits but seek support to **deliver nature, social, or place-based benefits.**

This section outlines the step-by-step journey for both types of engagement, providing clarity on how to navigate the marketplace, identify aligned opportunities, and contribute to regional impact.

Step 1: Explore Marketplace Opportunities

Buyers and funders begin by browsing the live listings available on the marketplace. These listings fall under two categories:

- **Carbon Credit Projects** – Projects that have successfully passed the Due Diligence and Value Matrix processes and are offering verified carbon credits for purchase.
- **Funding-Only Projects** – Projects seeking support to deliver impactful environmental or social outcomes without selling carbon credits.

Each listing includes clear project information, including its purpose, expected outcomes, and the value areas it contributes to.

Note:

All listed projects are local to the North East and have been through a structured review process, helping ensure credibility and alignment with the marketplace's integrity standards.

Step 2: Review the Project Profile

For carbon credit projects, buyers can view a **Value Profile** - a visual and narrative summary of how the project performs across five co-benefit categories. This allows buyers to assess:

- Alignment with their own climate and sustainability strategies.
- Broader impact areas such as biodiversity, community value, or circular economy performance.

Funding-only projects include a clear description, SDG alignment, and a defined funding need - helping funders quickly identify initiatives that resonate with their goals.

Note:

The Value Profile is a concise, evidence-based overview of the project's anticipated co-benefits, scored using the Value Matrix assessment framework.

Step 3: Contact the Project Supplier

Once a buyer or funder has identified a project of interest, they can reach out directly to the project supplier using the contact details provided in the listing.

This enables early dialogue and builds the foundation for a transaction, funding arrangement or partnership.

Note:

The marketplace itself does not facilitate transactions - these are agreed externally between the buyer or funder and the project supplier.

Step 4: Agree Terms and Support the Project

Following contact, the buyer/funder and supplier can:

- Define the structure of engagement (e.g. purchase of carbon credits or provision of funding).
- Discuss how the investment will be used and how outcomes will be tracked.
- Agree any expectations around impact reporting, visibility or communications.

This flexible approach allows projects and buyers/funders to align based on shared values and intended outcomes, without the marketplace acting as a transactional intermediary.

Step 5: Align with Your Strategy & Communicate Impact

Buyers and funders are encouraged to integrate their involvement with projects into their broader sustainability and ESG strategies.

For buyers of carbon credits, this may include:

- Reporting to voluntary standards such as the **Science Based Targets initiative (SBTi)** or the **Voluntary Carbon Markets Integrity Initiative (VCMI)**.
- Demonstrating responsible offsetting, where carbon credits are used in conjunction with internal emissions reductions.

For funders supporting non-credit projects, this may include:

- Showcasing support for high-impact local projects.
- Demonstrating delivery against key **UN Sustainable Development Goals.**
- Strengthening place-based investment strategies.

Tip:

Publicly communicating your support for local, verified initiatives not only demonstrates environmental leadership - it also strengthens brand credibility and stakeholder trust.

9. Responsible Participation in the Marketplace

9. Responsible Participation in the Marketplace

The NECaNM has been designed to deliver climate and nature-based impact with integrity, transparency and place-based value at its core. To uphold these principles, all participants – whether buying credits, supplying projects, or providing funding - are expected to engage responsibly and in alignment with the values of the marketplace.

Upholding Marketplace Integrity

Participation in the marketplace is more than a transaction - it's a commitment to ensuring that carbon and nature markets deliver **real, additional, and verifiable benefits to the North East region.** As such, all participants are expected to:

- **Act in Good Faith:** Provide honest, accurate information and refrain from misrepresentation.
- **Support High-Integrity Climate Action:** Use carbon credits as part of a broader decarbonisation strategy, not a substitute for emission reductions.
- **Engage Transparently:** Be clear about project claims, funding intentions, and buyer use of credits or outcomes.
- **Avoid Greenwashing:** Communicate environmental contributions truthfully and in line with recognised frameworks (e.g. SBTi, VCMI, UK Government guidance).

Responsibilities for Sellers and Funded Projects

Project suppliers are expected to:

- **Provide Accurate Information:** Complete all templates with care and evidence, ensuring the information reflects the actual aims, impacts and status of the project.
- **Engage with the Assessment Process:** Collaborate with North East CA representatives during due diligence and value assessment stages.
- **Maintain Standards Over Time:** Inform the North East CA of any major project changes or new evidence that may affect listing eligibility or the project's value profile.

Responsibilities for Buyers and Funders

Buyers and funders are expected to:

- **Align with Best Practice:** Where credits are purchased, integrate them into a wider emissions reduction strategy, in line with guidance from recognised bodies.
- **Use Credits Transparently:** If reporting carbon credits, disclose how they are being used and avoid misleading claims about climate impact.
- **Engage Thoughtfully with Suppliers:** Approach project suppliers with clarity and respect, and ensure any agreed engagement or funding is delivered as promised.
- **Showcase Value Where Appropriate:** Funders are encouraged to highlight their involvement in high-impact regional projects as part of their sustainability and social value strategies.

Misuse of the Marketplace

To maintain trust and credibility in the marketplace, the North East CA reserves the right to:

- **Remove Listings** where projects are found to be misrepresented or no longer meet due diligence standards.
- **Restrict Buyer Access** where there is evidence of greenwashing, inappropriate use of credits, or breach of participation principles.
- **Request Clarification or Additional Evidence** at any time to ensure continued confidence in project listings.

A Shared Responsibility

Maintaining the quality and credibility of the NECaNM is a shared effort. All participants - whether local authorities, suppliers, buyers, or funders - have a role to play in safeguarding the purpose of the platform: to deliver meaningful environmental and social impact that is measurable, trustworthy, and local.

By participating responsibly, all stakeholders can help to ensure the marketplace can serve as a model of **high-integrity, place-based climate action** - led by and for the communities of the North East.

10. Guidance on Responsible Offsetting

10. Guidance on Responsible Offsetting

The credibility of the NECaNM depends not only on the integrity of the projects listed but also on the responsibility with which buyers engage. While sellers are subject to a formal due diligence process, the approach for buyers is based on **transparency, education, and proactive guidance.**

The marketplace offers a trusted environment for sourcing high-quality, third-party verified carbon credits. However, the responsibility for how credits are applied lies with buyers. To maintain confidence in the system, minimise reputational risk, and uphold best-practice standards, the NECaNM provides clear guidance for responsible participation.

Note:

The NECaNM does not verify or control how credits are ultimately used but reserves the right to restrict access to buyers whose practices are misaligned with the marketplace's integrity principles.

What Is Responsible Offsetting?

Responsible offsetting refers to the ethical and transparent use of carbon credits to address residual emissions after prioritising direct emissions reductions. It involves selecting high-integrity projects, applying credits in line with recognised standards, and avoiding misleading claims.

Offsetting should be seen as one tool among many - used to address emissions that are currently unavoidable, while long-term efforts focus on transforming business operations, supply chains, and energy use. By applying this approach, organisations can credibly demonstrate climate leadership, meet stakeholder expectations, and contribute to real, measurable impact both locally and globally.

What Are Residual Emissions?

Residual emissions are the greenhouse gas emissions that remain after all technically and economically feasible efforts to reduce an organisation's footprint have been made.

Principles For Responsible Offset Use

The NECaNM encourages buyers to align with the following international best-practice principles:

Principle	Application
Complement, Don't Replace Emissions Reduction	Offsetting should support broader decarbonisation efforts, not replace them. Buyers are encouraged to reduce emissions at source as a priority.
Use Verified, High-Quality Credits	Only credits that have been verified by reputable, independent third-party bodies should be used. The due diligence processes within the NECaNM are designed to help ensure that listed credits meet this standard.
Avoid Misleading Claims	Claims such as "carbon neutral" or "net zero" should only be made if supported by a clear emissions reduction strategy and accurate credit usage.
Ensure Transparency	Public disclosure of offset use - including credit volume, project type, and purpose - is essential for accountability and building trust.
Favour Co-Benefits	Buyers are encouraged to support projects that also deliver social or environmental value (e.g. biodiversity, health, jobs). The Value Profiles within the NECaNM can help to identify these.
Align with Frameworks	Offset strategies should consider alignment with frameworks such as the Science Based Targets initiative (SBTi), the Task Force on Climate-Related Financial Disclosures (TCFD), the Greenhouse Gas (GHG) Protocol, and guidance from the Department of Energy Security and Net Zero (DESNZ).

Tip:

Use the Value Profile to select projects that not only reduce emissions but also align with your organisation's broader Environmental Social & Governance (ESG) or Corporate Social Responsibility (CSR) goals.

Marketplace Right to Restrict Buyer Participation

To preserve marketplace integrity, the NECaNM may restrict or remove buyers who engage in behaviours that contradict responsible offsetting practices. This includes greenwashing, a lack of transparency, or the repeated misuse of credits. Some potential violations of marketplace principles are outlined in the table below.

Violation	Explanation
Greenwashing	Making unsubstantiated or exaggerated claims (e.g. claiming "carbon neutrality" without reductions or appropriate offsets).
Non-Disclosure	Failing to report or provide information on how credits are used.
Misuse of Credits	Using credits in multiple reporting contexts or reselling without appropriate authorisation.
Persistent Misalignment	Ignoring previous warnings and continuing misleading behaviour.

Enforcement actions may include:

- Written warnings and requests for clarification or correction.
- Temporary or permanent suspension from the platform.
- Public communication to address repeated or harmful behaviour.
- Referral to appropriate regulatory or industry bodies in cases of serious misconduct.

Responsible offsetting is about more than just purchasing carbon credits - it's about ensuring that those credits are used in a way that is **credible, transparent, and aligned with climate leadership**. By supporting this approach, buyers not only strengthen their own sustainability strategies but also contribute to the success and trustworthiness of the broader marketplace.

11. Calculating & Verifying Emission Reductions & Removals

11. Calculating & Verifying Emission Reductions & Removals

Projects that intend to generate and sell carbon credits through the NECaNM must be able to clearly demonstrate the amount of carbon dioxide equivalent (tCO_2e) they reduce or remove. To ensure credibility and integrity, this requires two key steps:

1. **Calculating the emissions reduction or removal** using a recognised, transparent methodology.

2. **Verifying those calculations** through an independent, third-party assessment.

This chapter provides guidance to project suppliers on how to complete these steps in line with the marketplace's minimum requirements.

Calculating Emission Reductions or Removals

Before a project can generate and list carbon credits on the marketplace, it must be able to **credibly demonstrate the amount of GHG emissions it is expected to reduce or remove from the atmosphere.** This process of quantification is a vital first step in ensuring transparency, consistency and integrity across all listed carbon projects.

Carbon savings must be calculated using a **robust and evidence-based methodology**, appropriate to the type of project being delivered (e.g. renewable energy, forestry, peatland restoration, energy efficiency). These calculations will form the basis for how many credits a project can claim and must be verifiable by an independent third-party.

While the NECaNM **does not prescribe specific calculation methods**, project suppliers are expected to work with qualified professionals and/or independent verifiers to ensure their carbon impact is measured credibly and transparently.

The calculation of emission reductions or removals is **the responsibility of the project supplier and/or the third-party verifier.** The NECaNM does not verify or endorse specific methodologies, but encourages approaches that are **transparent, evidence-based and aligned with recognised standards.**

With that in mind, the following principles are widely used across voluntary carbon markets and may help guide the approach:

- **Baseline vs. Project Scenario:** Emission reductions are determined by comparing the expected emissions under a "business-as-usual" baseline (what would have happened without the project) with the reduced emissions resulting from project implementation.
- **Project Boundaries:** The boundaries (geographic, temporal, and operational) of the project should be clearly defined to avoid overlaps or double counting.
- **Data Quality and Transparency:** Assumptions, emission factors, and sources of data should be well-documented, using UK-relevant or locally specific data where possible.
- **Permanence:** Projects involving carbon sequestration (e.g. tree planting or peatland restoration) must consider the risk of reversal and how long the carbon is expected to remain stored.
- **Credible Methodologies:** Projects should use recognised or independently verifiable methods for estimating GHG savings (see next section for examples).
- **Conservativeness:** Where there is uncertainty in data or assumptions, conservative estimates should be used to avoid overstating carbon benefits.

Note:

While the NECaNM does not prescribe specific calculation methodologies, it expects the chosen approach to be robust, technically defensible, and suitable for third-party verification.

Example Methodologies for Calculating Emission Reductions or Removals

The following methodologies are commonly used within established voluntary carbon markets. These examples are provided for reference only and **do not represent an endorsement by the NECaNM.** It is the responsibility of the project's **independent third-party verifier** to determine whether the methodology used is credible, scientifically robust, and appropriate for the project type. The NECaNM does not validate, approve, or guarantee the suitability of any specific methodology.

1. **Verra – Verified Carbon Standard (VCS) Methodologies**

Verra's VCS programme is widely used across the voluntary carbon market and includes sector-specific methodologies, such as:

- **VM0002** – Afforestation, reforestation, and revegetation.
- **VM0014** – Energy efficiency improvements in commercial and residential buildings.
- **VM0033** – Improved forest management.
- **VM0042** – Agricultural land management improvements.
- **VM0018** – Renewable energy (solar, wind, hydro).
- **VM0010** – Methane capture and destruction from landfills.

View the VCS Methodologies database

2. **Gold Standard Methodologies**

The Gold Standard focuses on projects with strong climate and sustainable development co-benefits including:

- Household and community-scale energy efficiency.
- Renewable energy supply (grid-connected or off-grid).
- Forestry and land use-based sequestration.
- Soil carbon and regenerative agriculture practices.

View the Gold Standard methodologies database

3. **UK-Specific Methodologies**

Several UK-specific tools and methodologies are also used in projects aiming to deliver local impact:

- **Woodland Carbon Code** – UK-specific standard for woodland creation.
- **Peatland Code** – Restoration of degraded peatlands.
- **SAP (Standard Assessment Procedure)** – Used to estimate building energy performance and retrofit impact (commonly in social housing).

4. **Clean Development Mechanism (CDM) Methodologies**

Although developed under the Kyoto Protocol, CDM methodologies are still used in some voluntary projects:

- **AMS-II.E:** Energy efficiency and fuel switching measures for buildings.
- **AMS-II.D:** Energy efficiency and fuel switching measures for industrial facilities.
- **AMS-I.D:** Grid-connected renewable electricity generation.
- **AMS-I.F:** Renewable electricity generation for captive use and mini-grid.
- **AR-AM0001:** Reforestation of degraded land.
- **AR-AMS0001:** Simplified methodologies for small-scale afforestation and reforestation projects.
- **AMS-III.D:** Methane recovery in wastewater treatment.
- **AMS-III.G:** Landfill methane recovery.
- **AMS-III.A:** Methane recovery through composting.
- **AMS-III.B:** Biogas capture and combustion from manure management systems.

View the CDM methodologies database

Choosing an Appropriate Methodology

Selecting the right methodology is a critical step in ensuring that the calculation of emission reductions or removals is robust, credible, and aligned with best practices. While the NECaNM does not prescribe specific methodologies, it does expect that any chosen approach is fit-for-purpose and can be clearly understood and independently verified.

Project suppliers must therefore ensure that the methodology:

- **Matches the specific project type**
  - The selected methodology should be tailored to the intervention. For example:
    - A peatland restoration project should use a methodology designed for wetland or land use change.
    - A social housing retrofit project might use SAP-based energy modelling.
    - A woodland project should refer to UK Land Use Change or Woodland Carbon Code guidance.
- **Uses UK-appropriate or regionally relevant data where possible**
  - Emission factors, assumptions, and benchmarks should reflect the UK context (e.g. UK Government GHG Conversion Factors or DEFRA datasets) to ensure location-specific relevance and avoid over- or under-estimation of impact.
- **Is clearly documented and can be independently reviewed**
  - All calculations, assumptions, tools and models used must be transparently recorded. This allows the third-party verifier to fully assess the methodology and confirm its accuracy.
- **Can be explained transparently to the verifier**
  - Simplicity and clarity are key. Methodologies that are too complex or poorly documented can delay the verification process or risk being rejected.
- **Is not financially tied to the verifier**
  - If the methodology has been developed or provided by the same organisation that is also verifying the results, it is essential that operational and financial independence is demonstrated. This protects the integrity of the assessment.

Note:

Ultimately, the third-party verifier is responsible for validating the credibility and suitability of the chosen methodology as part of the due diligence assessment. The NECaNM does not endorse or certify any particular method - its role is to ensure that robust standards are being upheld through transparent review.

Who Can Do the Calculation?

Project suppliers are responsible for ensuring that their project's carbon emission reductions or removals are calculated in a clear, accurate, and transparent manner. This calculation forms the foundation of the verification process, and while suppliers may undertake the calculation themselves, they may also engage external experts - including the third-party verifier – but only under strict safeguards.

Acceptable calculation approaches include:

- **In-house by the project supplier:** If the supplier has the necessary technical capacity, they may calculate the carbon impact directly.
- **By a third-party consultant or external specialist:** Independent consultants with relevant experience can be commissioned to carry out the emissions modelling or estimation.
- **By the third-party verifier** — only with safeguards in place (see below).

Can the Verifier Also Do the Calculation?

Yes — but only under strict conditions to ensure impartiality and to avoid any conflicts of interest.

Where a third-party verifier also supports the emissions calculation, the project supplier must demonstrate that the verifier maintains clear operational and financial independence throughout the process. This follows best-practice standards in carbon market integrity. Although this should be assessed on a case-by-case basis, it may be acceptable for the third-party verifier to carry out the carbon calculation if the following safeguards are met:

- **Independent Assessors:**
  - Ensuring that a different individual within the verifying organisation is responsible for the verification process than the individual who undertook the calculation.
- **No Performance-Based Payment:**
  - The verifier must not be financially incentivised based on the approval of the project or the outcome of the calculation.
- **Methodology Must be Transparent**
  - The methodology used for the calculation must be clearly documented, replicable by others, and auditable by the NECaNM or external reviewers if required.

If these conditions cannot be satisfied, the emissions calculation should be completed by a separate individual or organisation before undergoing an independent verification process.

Note:

The NECaNM reserves the right to request evidence of independence and may reject verification outcomes if conflicts of interest are identified.

Verification of Emission Reductions & Removals

As part of the NECaNM's commitment to high-integrity carbon and nature-based projects, all credit-generating projects are required to undergo **independent third-party verification** of their emissions reductions or removals. This ensures the credibility of the credits being listed, increases buyer confidence, and helps safeguard against risks such as double-counting or misrepresentation.

Note:

Verification is not carried out by the NECaNM and is not the responsibility of the marketplace to arrange or oversee. It is the responsibility of the project supplier to commission a suitable verifier and provide all supporting documentation.

The verification process is a technical review of the project's claimed carbon benefits, carried out by an independent and qualified third party. The verifier's role is to assess whether the emission reductions or removals have been:

- **Credibly calculated**, using appropriate methodologies.
- **Properly evidenced**, through supporting data, assumptions and documentation.
- **Additional, not overclaimed, and not already used elsewhere** (i.e. not double-counted).

Depending on the methodology, this may include:

- **Reviewing baseline assessments or models.**
- **Checking emission factors, assumptions, and calculations.**
- Ensuring project boundaries are **clearly defined.**
- **Verifying monitoring and data collection processes.**
- **Confirming serialisation and credit tracking** if applicable.

Tip:

Verifiers typically require access to technical reports, energy assessments, site documentation, and any carbon accounting tools or calculations used. Suppliers should ensure these are clear and well organised.

Who Can Be a Third-Party Verifier?

To maintain independence and transparency, a third-party verifier must:

- Be **operationally and financially independent** from the project supplier.
- Be a **reputable, specialist assessor** with recognised expertise in carbon accounting, emission reductions and the relevant project type.
- Be able to provide a **written, formal verification statement or report.**

A verifier can be a specialist consultancy, a certification body, or an individual assessor with proven credentials - such as experience verifying projects for recognised carbon standards.

What if the Verifier Also Did the Calculations?

In some cases, the same organisation may both calculate and verify emissions reductions. This may be permitted only if strict independence protocols are followed, including:

- Separate staff conducting the verification (not the same individuals who prepared the calculations).
- Transparent documentation of assumptions and methods.
- No performance-based fees or incentives tied to the project's listing success.

Note:

Where this model is used, the NECaNM will expect project suppliers to clearly demonstrate how independence has been maintained and that verification is unbiased.

What the Project Supplier Must Provide

As part of the due diligence process, all project suppliers seeking to sell verified carbon credits on the marketplace must submit clear and transparent information about their **carbon calculation methodology and the verification of their emission reductions or removals.** This is a critical step to ensure project credibility and compliance with marketplace integrity standards.

The required information must be submitted via the **Project Due Diligence Template**, which is reviewed by a North East CA representative and assessed using the **Due Diligence Matrix**. The project supplier should provide the following:

1. **A Summary of the Emission Calculation Approach**

- A brief description of the methodology used to calculate the project's **emission reductions or carbon removals.**
- A clear explanation of **what has been measured** (e.g. avoided emissions, removals from sequestration, energy efficiency savings).
- If an established or registry-approved methodology has been used (e.g. Verra, Gold Standard, Woodland Carbon Code), it should be named and referenced.
- If a **bespoke or in-house methodology** has been applied, the supplier should describe:
  - The modelling approach
  - Assumptions used
  - Data sources (e.g. SAP scores, metered energy data, local emissions factors)

Note:

Suppliers are encouraged to use regionally appropriate data and recognised UK tools where available.

2. **Supporting Documentation**

Project suppliers are encouraged to upload relevant documents that support the calculation process where possible, such as:

- Calculation spreadsheets or models
- Baseline and post-intervention data
- Energy or emission reports
- Assessment methodology or conversion factors used
- Any guidance or documentation if using publicly available tools

3. Third-Party Verification Details

- The **name of the third-party verifier** who has independently reviewed and verified the emission reduction/removal claim.
- **Confirmation of the verifier's independence** (i.e. no operational or financial ties to the project).
- Confirmation that the **verifier is a reputable, specialist assessor** with recognised expertise in carbon accounting, emission reductions and the relevant project type.
- The **date of verification** and, if available, the **verification statement or letter** should be included.

Project suppliers are also encouraged to upload a summary or report issued by the verifier confirming that the calculation approach is sound and consistent with best practice, and that the reported reductions or removals are credible and can be attributed to the project.

Note:

Where the verifier has also contributed to calculating the emissions, the supplier must confirm that all necessary safeguards are in place to ensure objectivity and independence (e.g. separate assessors, no performance-based payments).

4. **Declaration of Accuracy**

In the final section of the template, the project supplier must sign a **Supplier Declaration**, confirming that:

- All information has been provided in **utmost good faith.**
- The calculation and verification are **accurate to the best of their knowledge.**
- They are willing to provide **clarification or additional information if requested.**

This structured submission process ensures that the carbon benefit of each project is calculated transparently, supported with evidence, and independently verified before being offered to buyers. It upholds the credibility of the marketplace while also allowing flexibility in the type of methodologies used - provided they meet the required standard of rigour and verification.

12. Re-Baselining Emissions: Avoiding Double Counting for Local Authorities

12. Re-Baselining Emissions: Avoiding Double Counting for Local Authorities

When a local authority develops a project that generates verified carbon credits - such as a woodland creation, peatland restoration, or renewable energy initiative - it may choose to sell those credits on the voluntary market. However, to maintain environmental integrity and avoid **double counting** (i.e. claiming the same carbon saving in more than one place), the local authority must adjust or **"re-baseline"** its own internal carbon footprint accounting.

This chapter outlines how local authorities can approach re-baselining, why it's important, and what steps to take to ensure alignment with national and international best practices.

What Is Double Counting?

Double counting occurs when the same carbon reduction or removal is claimed by more than one entity. For example, if a local authority sells carbon credits but also counts the associated emissions savings toward its own net zero target, both the buyer and seller are claiming the same impact - undermining transparency and environmental integrity.

Why Re-Baselining Matters

Double counting occurs when a single tonne of carbon reduction or removal is claimed by more than one party - commonly both the project developer and the credit buyer. If a local authority counts a carbon saving toward its own net zero targets and sells it to a third party, both entities are claiming the same impact, which undermines the credibility of carbon accounting.

By re-baselining, **a local authority removes that carbon saving from its own inventory**, ensuring that only the buyer can claim the benefit of the credit. This strengthens transparency and prevents greenwashing.

When to Re-Baseline

You should consider re-baselining your emissions when:

- You **sell carbon credits** from a project developed or funded by the local authority.
- The credits are **transferred to an external buyer**, and the buyer intends to use them to offset emissions.
- The emission reductions or removals from the project were **previously included in your own carbon accounting.**

What Is Re-Baselining?

Re-baselining is the process of **adjusting your carbon footprint reporting** to reflect that a portion of emissions reductions are now being claimed externally. It is a necessary integrity step to ensure your reporting remains aligned with best-practice standards and international guidance.

Step-by-Step Guide to Re-Baselining

Follow these steps to ensure a clear and accurate re-baselining process:

1. **Identify the Relevant Project(s):**
   - Determine which projects within your emissions reporting boundary are being used to generate carbon credits.
2. **Quantify the Credited Reductions/Removals:**
   - Use the verification documentation and carbon accounting methodology associated with the project to determine the amount of carbon savings being issued as credits (e.g. 2,000 tCO_2e over 30 years).

3. **Adjust Your Emissions Inventory**

   - In your annual or multi-year carbon reporting:
     - Exclude the emission reductions or removals being sold as credits from your local authority's reported performance against climate targets.
     - Clearly flag that these reductions have been monetised and claimed elsewhere.

4. **Document the Change Transparently**

   - In your climate reporting documents, include a short explanation such as:
     - **"X Council developed a woodland creation project that generated 10,000 tCO_2e of verified carbon credits. These credits have been sold on the voluntary carbon market. As such, the associated emission reductions have been removed from our organisational carbon footprint from 2025 onwards."**

5. **Review Reporting Framework Alignment**

   - Ensure your re-baselining approach aligns with recognised frameworks, such as:
     - The Greenhouse Gas Protocol (specifically its guidance on double counting),
     - The Local Partnerships' Greenhouse Gas Accounting Tool,
     - Or other regional/local emission accounting methods in use.

6. **Communicate Internally and Publicly**

   - Maintain internal clarity and share this process with stakeholders to avoid confusion. This step enhances trust and accountability with residents, buyers and auditors.

Note:

This does not reduce your climate impact - your project is still delivering real-world benefit. It simply clarifies who gets to claim it.

13. Additionality: Ensuring Real Impact

13. Additionality: Ensuring Real Impact

Additionality refers to whether a project's climate benefits - such as carbon reductions or removals - would have occurred only because of the carbon finance it receives. In other words, if the project would happen anyway, without revenue from carbon credits or funding via the marketplace, it is not considered additional.

Ensuring additionality is critical to the integrity of the marketplace. Buyers need assurance that they are supporting genuinely impactful projects, not subsidising initiatives that were already planned or fully funded.

What Is Additionality?

A project is considered "additional" if it results in emissions reductions or removals that would not have happened without the financial support derived from the sale of carbon credits or similar external funding.

Why Does Additionality Matter?

Additionality underpins trust and environmental credibility in voluntary carbon and nature markets. If non-additional projects are listed:

- **Buyers may unknowingly fund non-impactful initiatives**, undermining their own sustainability goals.
- **The credibility of the marketplace is compromised**, making it vulnerable to greenwashing accusations.
- **Genuine projects may lose out on investment**, while non-additional ones receive undeserved support.

That's why the NECaNM applies a clear set of due diligence checks to ensure each listed project provides a real, measurable **climate additionality benefit.**

Types of Additionality

Additionality can take several forms, each helping to demonstrate that a project would not have gone ahead in the same way **without the support of carbon finance.**

Not every project needs to demonstrate all types of additionality, but every listed project must show **at least one robust form, and carbon finance must be essential to overcoming the identified barrier** - whether financial, regulatory, technical, or otherwise.

For credit-generating projects, **financial additionality** is often the most critical and direct form. However, other types of additionality may also strengthen a project's case - especially if carbon funding enables the project to scale up, start earlier, or deliver greater impact than would otherwise be possible.

Here are the key types of additionality to be aware of:

Type of Additionality	Explanation	Example
Financial Additionality	The project could not proceed - at all or in its current form - without carbon finance.	A woodland creation scheme that depends on carbon funding to cover planting and long-term maintenance costs.
Regulatory Additionality	The project goes significantly beyond what is legally required, and carbon finance is needed to do so.	A retrofit programme delivering deeper energy savings than mandated by law, enabled by carbon credit revenue.
Technological Additionality	The project adopts emerging or underused technology, made viable only through carbon funding.	A solar PV project trialling battery storage in a way not yet common in the market.
Barrier-Based Additionality	The project faces major non-financial barriers (e.g. social, institutional), which carbon finance helps overcome.	A peatland restoration scheme requiring complex landowner engagement, where carbon revenue unlocks delivery.

Note:

Financial additionality is the most common and straightforward to demonstrate, but a strong case can still be made through other types - especially where carbon finance enables meaningful enhancement, scaling, or acceleration of the project's delivery.

How to Determine if Your Project Is Additional

Project suppliers can ask themselves the following questions:

- Would this project happen at the same scale or in the same timeframe **without the funding provided** via carbon finance?
- **Is there a funding gap** that carbon credits or funding from the marketplace will help to close?
- Is the project **required by law or policy** (e.g. planning conditions, environmental regulations)? If so, it may not be additional.
- Can you **evidence that your project faces financial, technical or operational barriers** that carbon finance will help to overcome?
- Have you received **external investment or subsidies** that cover the full cost of the project? If yes, the project may lack financial additionality.

Providing Evidence of Additionality

To maintain marketplace integrity and ensure that only high-quality, truly additional projects are listed, all project suppliers must demonstrate that their initiative would not be possible without carbon finance.

As part of the **Project Due Diligence Template**, suppliers are asked to formally declare whether the project is additional, and to explain why. This includes:

- Whether the project would not proceed at all, or
- Whether the project would not proceed at the same scale, scope, or timeframe without the support of carbon credit revenue.

Note:

This declaration is a minimum requirement for project listing. However, project suppliers are strongly encouraged to provide supporting evidence to strengthen the credibility of their additionality claim.

Examples of Supporting Evidence

The table below outlines some examples of types of supporting evidence that can be used to strengthen a project's additionality claim.

Type of Evidence	What It Demonstrates
Financial statements or business cases	Shows that the project is financially dependent on carbon revenue to be viable.
Cost-benefit analysis	Provides a clear comparison of project viability with and without carbon funding.
Delivery timeline comparisons	Illustrates how carbon funding will accelerate delivery or expand scope.
Feasibility studies or risk assessments	Offers evidence that specific financial, technological, or institutional barriers exist.

Tip:

The more clearly a project can demonstrate the role of carbon finance in enabling impact, the more confidence it will give to the Combined Authority - and to buyers.

Providing robust, well-documented evidence helps ensure your project stands out as a credible, investable opportunity.

14. Guidance on Permanence & Risk of Reversal

14. Guidance on Permanence & Risk of Reversal

In the context of carbon and nature markets, **permanence refers to the duration and stability of the benefits** delivered by a project - especially when those benefits include environmental outcomes such as ecosystem restoration or avoided emissions. It's about ensuring that positive impacts - like biodiversity improvements, nature restoration, or social outcomes - are **long-lasting and not easily reversed.**

This concept is especially relevant where projects involve carbon storage (e.g. forestry), habitat recovery, or community benefit schemes that depend on ongoing stewardship and protection.

What Is Permanence?

Permanence is the likelihood that the environmental and/or social benefits of a project will continue for the intended duration without being reversed or lost.

Why Permanence Matters for the Marketplace

While not every project listed on the marketplace will involve carbon storage, permanence remains a **core integrity principle.** Projects must demonstrate a **credible pathway for long-term success**, providing confidence to buyers and funders that their investments are **meaningful, resilient, and impactful over time**, with measures taken to reduce the risk of reversal.

This is especially relevant in a voluntary marketplace where trust, transparency, and confidence in outcomes are critical to participation and reputation.

What Is Risk of Reversal?

Risk of reversal is the potential that the project's intended benefits - such as increased biodiversity, ecosystem resilience, or even community value - could be undermined, interrupted, or reversed due to external factors. These may include environmental events (e.g. flooding, fire), financial constraints, changes in land use, or loss of local support.

How Project Suppliers Can Demonstrate Permanence

While the level of permanence risk may vary by project type, all suppliers are encouraged to **show how their project's benefits will be protected or sustained.** This may include:

- **Operational plans** that demonstrate how the project will be managed long-term.
- **Financial models or funding strategies** that support ongoing delivery and maintenance.
- **Landowner agreements, governance arrangements, or legal protections** in place.
- **Community or stakeholder engagement plans** to ensure local buy-in and continuity.
- **Nature-based projects:** evidence of resilience measures (e.g. fire management, invasive species control, buffer planting).
- **Social value projects:** policies or frameworks that embed the outcomes within local organisations or service delivery.

Tip:

Use the Due Diligence Template to outline these mechanisms clearly - doing so can strengthen your project's listing and improve buyer confidence.

How Permanence is Addressed in the Marketplace

The NECaNM does not treat permanence as an optional consideration. While not all projects are long-term by nature, all listed projects must demonstrate a credible approach to **ensuring the longevity of their benefits** - whether environmental, social, or economic.

The way permanence is evaluated depends on the type of project, but it is embedded in several parts of the listing and review process.

Due Diligence Matrix Assessment

Permanence is assessed during both Assessment 1 and Assessment 2 stages of the Due Diligence Matrix. Project suppliers are asked to outline:

- What practical or structural measures are in place to support the long-term success of the project.
- Whether there are any financial, legal, or environmental risks that could affect the durability of the outcomes.
- How they will monitor, maintain, or safeguard the project's key impacts beyond initial delivery.

The assessor uses this information to determine if sufficient consideration has been given to permanence, and if not, what further information or commitments may be required.

Note:

For some funding-only projects, permanence may relate more to sustainability of benefits or ongoing community engagement rather than long-term land management or ecological maintenance.

Value Matrix Assessment

Although permanence is not scored as a standalone category, elements of long-term impact are **reflected within several Value Matrix categories**, including:

- **Biodiversity Conservation & Enhancement** - long-term ecological protection or habitat management.
- **Social Value & Community Benefits** - sustained delivery of services or embedded community ownership.
- **Climate Resilience & Adaptation** - durability of interventions in response to changing environmental conditions.

Note:

These aspects of the value matrix assessment indirectly reinforce a project's likelihood of generating lasting value and can help funders or buyers differentiate between projects with temporary vs. enduring benefits.

Project Listings & Value Profiles

Once listed, the **Value Profile** - or corresponding section within the project listing - may highlight aspects of permanence through:

- Summary comments on long-term governance or delivery structures.
- References to impact monitoring over time.
- Mentions of post-completion support or exit strategies.

Note:

While the marketplace integrates permanence considerations throughout its due diligence and value assessment processes, it cannot guarantee that permanence risks (such as project reversal, environmental degradation, or discontinued funding) will not occur. Project suppliers remain responsible for implementing and maintaining safeguards, and buyers are encouraged to consider this when evaluating long-term impact.

Buyers & Funders: What to Look For

Understanding how permanence is addressed can help buyers and funders make more informed decisions, particularly when looking to support projects that deliver long-term, resilient impact. While the marketplace applies structured due diligence to assess project credibility, buyers and funders are encouraged to consider the following when reviewing listings:

- **Clear Long-Term Management Plans**
  - Projects that outline ongoing land or asset stewardship (e.g. habitat maintenance, community oversight, replanting cycles) are more likely to secure lasting outcomes.
- **Stakeholder Engagement and Local Ownership**
  - Projects that involve local communities, stakeholders or delivery partners are often more embedded in place and purpose, reducing the risk of abandonment or poor upkeep.
- **Monitoring and Follow-Up Commitments**
  - A project's plan for post-completion monitoring - including timelines, data collection methods, and impact reporting - gives confidence that progress will continue to be tracked and issues identified early.
- **Risk Management or Contingency Measures**
  - Look for evidence of how risks are identified and mitigated - for example, measures to prevent habitat degradation, address climate threats, or respond to funding shortfalls.
- **Alignment with Broader Strategies**
  - Projects that contribute to regional biodiversity strategies, long-term community plans, or policy frameworks are more likely to receive continued support and remain relevant.

While no project is entirely risk-free, these features offer stronger signals of resilience, sustainability, and alignment with funder expectations - especially for those seeking meaningful and durable outcomes from their support.

15.
Carbon Pricing – Guidance for Suppliers & Buyers

15. Carbon Pricing – Guidance for Suppliers & Buyers

What is Carbon Pricing?

Carbon pricing is a mechanism used to assign a financial value to greenhouse gas (GHG) emissions - typically expressed as the cost of emitting or avoiding one tonne of carbon dioxide equivalent (tCO_2e). The idea is simple: by putting a price on carbon, organisations are financially incentivised to reduce their emissions or support projects that do so on their behalf.

In **voluntary carbon markets**, this price is associated with the purchase of carbon credits - units that represent verified emission reductions or removals. When a buyer purchases a carbon credit, they are effectively funding a project that has either prevented emissions (like a renewable energy installation) or removed CO_2 from the atmosphere (like a tree planting initiative).

There are two main types of carbon pricing mechanisms:

1. **Compliance Markets** – Operated by governments and regulators (e.g. the UK Emissions Trading Scheme). Prices are set by supply and demand within a regulated cap.
2. **Voluntary Markets** – Where businesses and individuals choose to purchase credits for their own environmental goals. Prices are set by the market, based on project-specific factors.

In **voluntary markets – like the one supported by the NECaNM** – there is usually no single universal price. Instead, prices can vary based on:

- Project type and location (e.g. solar, peatland, retrofit)
- Project scale and duration
- Verification and certification standard
- Additional co-benefits (e.g. biodiversity, community uplift)
- Market demand and buyer preferences

Example:

A small, high-integrity urban greening project may command a higher per-tonne price than a large-scale wind farm, due to its stronger local impact and co-benefits.

What Is a Carbon Credit?

A carbon credit represents 1 tonne of CO_2e that has been reduced or removed from the atmosphere, as verified by an independent third party.

The **NECaNM operates within the voluntary carbon market,** serving as a neutral, enabling platform that connects buyers with high-quality, locally rooted projects. While it facilitates transparency and integrity in how projects are listed and assessed, it does not act as a broker, buyer, or seller of carbon credits. Instead, project suppliers are free to determine their own pricing or funding requests based on the nature, impact, and needs of their initiative. This flexibility ensures that pricing can reflect both the unique value of the project and evolving market dynamics.

Note:

The NECaNM does not participate in financial transactions, pricing negotiations, or credit transfers. Prices are determined solely by project suppliers and agreed upon externally with buyers. While all projects must meet strict integrity and due diligence standards to be listed, the NECaNM does not endorse or validate the financial terms attached to individual listings.

Why the NECaNM Does Not Set a Fixed Carbon Price

To preserve flexibility, encourage innovation, and reflect real project diversity, **the NECaNM has chosen not to set a fixed carbon price.** Instead, project suppliers are empowered to set their own price for the credits or value they bring, based on the specifics of their initiative.

This decision reflects a number of key considerations:

- **Recognising Project Diversity** – Projects vary significantly in cost, scale, and co-benefits. A fixed price could undervalue some and overvalue others.
- **Respecting Market Principles** – In a voluntary marketplace, project developers and buyers should be free to agree prices that reflect both cost and perceived value.
- **Encouraging High-Quality Projects** – Projects with rich social or environmental benefits should not be discouraged from participation because of an inflexible pricing ceiling.
- **Avoiding Market Distortion** – Imposing price controls could lead to unintended outcomes, including reduced supplier participation or misaligned expectations.

Note:

While the NECaNM does not fix the price of credits, all projects listed on the platform must still meet high integrity standards - including verification, additionality, and transparency.

Guidance for Project Suppliers: How to Price Carbon or Co-Benefit Opportunities

Project suppliers are free to determine their own pricing, but this decision should be **well-reasoned and transparent** to inspire buyer confidence. Below are some key considerations for project suppliers when trying to set a carbon price.

1. Understand Your Cost Base

When pricing your project, make sure to factor in the following:

- Project development and implementation costs
- Verification or validation costs (if applicable)
- Long-term monitoring and reporting
- Any ongoing operational costs

Tip:

Don't undervalue your project. Pricing should reflect the actual cost to deliver impact - including co-benefits like habitat restoration or community resilience.

2. Use Your Carbon Impact to Inform Pricing

If you are looking to list your project on the marketplace as a carbon credit opportunity, you will already have calculated the estimated carbon impact. You can use this figure to help determine an indicative price per tonne of CO_2e by comparing it against your total project cost.

Example:

If your project costs £200,000 and will remove 10,000 tCO_2e, your baseline cost per tonne would be £20.

This figure can serve as a starting point to reflect project costs, but may be adjusted based on market conditions, project quality, or strategic goals.

3. Factor in the Value of Co-Benefits

Buyers often seek more than just carbon reduction. If your project contributes to biodiversity, local jobs, or social outcomes, this may justify a premium price. **Don't undervalue these wider impacts** - projects that align with corporate ESG goals or demonstrate strong community value may command higher prices even with similar carbon output.

Tip:

Your project's Value Profile will help communicate this impact to buyers. Use it as a supporting tool in setting your price.

4. Research Comparable Projects

Look at market averages and prices for similar projects in terms of type, location, and benefits. This can help anchor your price in real-world benchmarks. Platforms like MSCI, Puro.Earth or Verra may provide useful references, but remember that local relevance and quality can justify deviation from wider market prices.

5. Be Transparent

Where possible, explain the rationale for your price on your project listing. This could include:

- The cost breakdown
- Why your project is high-value
- How the funding will be used

This builds trust with buyers and improves your chance of success. Transparency demonstrates credibility and accountability, helping buyers to understand the positive impact of their investment and feel confident in supporting your project.

Guidance for Buyers: Understanding and Interpreting Prices

Buyers engaging with the NECaNM should evaluate carbon credit or funding prices not solely based on cost, but on overall value, credibility, and how well the project aligns with their sustainability ambitions. Below are some key considerations for buyers when evaluating the prices of different projects.

1. Review the Value Profile

Each listed project includes a Value Profile – a structured, visual summary of its co-benefits across impact areas such as biodiversity, social value, and climate resilience. Use this to help identify which projects align with your organisation's ESG priorities or specific impact themes.

2. Don't Just Go for the Cheapest Option

While all projects listed on the marketplace meet high integrity standards, some may offer co-benefits that more closely align with your organisation's ESG priorities or climate goals. A higher-priced project may deliver greater long-term value by contributing to social outcomes, biodiversity enhancement, or local community impact - making it a more strategic investment.

3. Evaluate Price Against Impact

Instead of focusing solely on a fixed cost-per-tonne, consider the overall value the project delivers. Look at the strength and relevance of the co-benefits, how well the project aligns with your organisational values, and the potential for meaningful local impact. Paying a premium for the right project can support deeper, place-based environmental and social outcomes.

4. Ask Questions

You are encouraged to contact project suppliers directly to better understand how their price was determined, what it includes, and how your support will be used. This dialogue can also open up opportunities for longer-term collaboration or partnership.

Tip:

High-quality carbon projects often deliver wider social and environmental value. Look beyond the price-per-tonne and consider how a project aligns with your broader sustainability and ESG goals.

16. Maintaining Trust: Oversight, Roles & Disclaimers

16. Maintaining Trust: Oversight, Roles & Disclaimers

The NECaNM operates on the principles of trust, accountability and high-integrity climate action. To support this, a strong governance framework is in place to ensure that all marketplace activities align with UK guidance, best practices, and local authority standards.

This section sets out the roles and responsibilities of all key stakeholders involved in the platform, alongside important disclaimers to clarify the function, limitations, and legal standing of the marketplace.
This ensures transparency and protects all parties - project suppliers, buyers, and the Combined Authority from misunderstandings or unintended liabilities.

Governance Roles & Responsibilities

Combined Authority (North East CA)

The Combined Authority acts as a governance and oversight body, rather than an entity that directly facilitates or guarantees transactions within the marketplace. It acts as a regulatory overseer, with the following key responsibilities:

- Oversees the overall governance and operation of the marketplace.
- Responsible for managing and updating project listings directly on the platform.
- Conducts formal due diligence and value assessments using the **Due Diligence Matrix and Value Matrix.**
- Approves projects for listing once all integrity requirements are satisfied.
- Maintains the right to remove or restrict access to buyers or suppliers who do not meet the marketplace's standards.
- Provides support, guidance, and oversight to ensure alignment with UK policy and voluntary market best practices.
- Does **not** independently verify or audit emission reductions or project claims beyond the information submitted and assessed through the due diligence process.
- Does **not** facilitate or process financial transactions – these occur directly between buyers and project suppliers outside of the marketplace.
- Does **not** act as a broker, intermediary or credit trader.
- Does **not** guarantee project performance or credit outcomes beyond what has been assessed and approved for listing.

Note:

Final decision-making sits with the North East CA and the Project Board, but responsibility for project delivery remains with suppliers.

Platform Provider

The platform provider supplies the underlying software infrastructure that powers the marketplace. It acts as a neutral, passive host of the platform. Key responsibilities include:

- Ensures that the platform remains operational, secure, and accessible.
- Provides technical support and implements any requested changes or improvements from the North East CA.
- Hosts all project content and listings as uploaded by the North East CA.
- Does **not** assess, verify, or approve project content or submissions.
- Does **not** manage or oversee any part of the due diligence, value assessment, or approval processes.
- Does **not** facilitate transactions or communications between buyers and sellers.
- Does **not** assume any legal or reputational responsibility for the accuracy of project information.

Note:

The platform provider is a backend service provider, not a data controller or decision-maker.

Project Suppliers (Credit Sellers or Funding Applicants)

Project suppliers are responsible for submitting project proposals, whether they seek to sell verified credits or request funding support. Key responsibilities include:

- Complete and submit the **Project Due Diligence Template** and, where applicable, the **Value Matrix Supplier Template.**
- Provide clear, honest and well-evidenced information relating to project scope, impact, co-benefits, and verification.
- Respond to requests for further information or clarification during the assessment process.
- Maintain accurate records and update project information as necessary.
- Engage directly with buyers/funders once listed on the platform.

Buyers and Funders

Buyers and funders explore the marketplace to find projects that align with their sustainability goals - either to purchase carbon credits or support funding-only initiatives. Key responsibilities include:

- Use the **Value Profiles** and project listings to identify suitable projects.
- Conduct internal checks and confirm that the selected project aligns with their offsetting or investment principles.
- Engage directly with project suppliers to discuss purchasing or funding.
- Follow best practice guidelines on **responsible offsetting and transparent sustainability reporting.**

Note:

All commercial and financial arrangements occur outside of the marketplace and are the responsibility of the buyer and the project supplier.

Legal and Operational Disclaimers

To maintain the integrity, clarity, and transparency of the marketplace, the following legal and operational disclaimers apply to all users - including project suppliers, buyers, funders, and other participating stakeholders. These disclaimers outline the roles, responsibilities, and limitations of the marketplace and should be carefully reviewed by all users.

Disclaimer Title	Statement
No Guarantee of Verification or Accuracy	The marketplace does not verify the accuracy or scientific integrity of carbon savings claims or co-benefit impacts provided by suppliers. All project data and supporting documentation are submitted by the project supplier and reviewed against established minimum standards, but the marketplace does not guarantee their absolute validity.
Seller Responsibility	All project suppliers are fully responsible for the accuracy, honesty, and completeness of their submitted information. This includes emissions data, co-benefit claims, third-party verification details, and supporting documents. Suppliers are expected to act in utmost good faith and remain accountable for their claims.
Buyer Due Diligence	Buyers are responsible for conducting their own internal checks to ensure projects align with their sustainability strategies and risk appetite. The marketplace provides structured project assessments, but it does not endorse any specific project nor offer investment advice.

Disclaimer Title	Statement
No Facilitation of Financial Transactions	The marketplace is a connection platform only. All financial arrangements - including credit purchases, funding contributions, and partnership agreements - are made independently between the buyer and the project supplier. The marketplace does not process payments, oversee transfers, or mediate transactions.
Dispute Resolution	The marketplace does not intervene in disputes between buyers and sellers, nor does it provide legal arbitration or enforce contractual terms. All disagreements arising from transactions or claims must be resolved independently by the parties involved.
No Financial Liability	The combined authority and platform operator accept no financial liability for losses, damages, or contractual failures that may arise from participation in the marketplace. This includes, but is not limited to, the misrepresentation of credits, buyer-supplier disputes, or project delivery risks.
Compliance with Laws and Standards	All users are expected to comply with relevant laws, environmental standards, and carbon market protocols applicable to their jurisdiction. The marketplace assumes no responsibility for ensuring regulatory compliance.
Right to Modify or Remove Listings	The combined authority reserves the right to modify, pause, or remove project listings from the marketplace at its sole discretion, especially where new information emerges that may affect a project's integrity, legality, or reputational standing.
Right to Restrict Buyer Participation	The combined authority retains the right to restrict or revoke access to the marketplace for buyers found to be engaging in greenwashing, making misleading claims, or otherwise violating the principles of responsible participation.
Data Privacy and Compliance	All personal and project data submitted to the marketplace will be handled in accordance with relevant data protection laws (e.g. UK GDPR). Users are responsible for ensuring the lawful sharing of any third-party information or data.

Tip:

It is good practice for both buyers and sellers to retain a clear record of their interactions, project documents, and decision-making rationale. This supports accountability, compliance reporting, and long-term confidence in marketplace operations.

17. Key Terms & Definitions

17. Key Terms & Definitions

This section provides a comprehensive glossary of key terms, acronyms, and definitions relevant to users of the NECaNM and the wider voluntary carbon and nature markets. It is designed to provide clarity and consistency for all marketplace participants, including local authorities, project suppliers, buyers, funders, and third-party verifiers.

Key Term	Definition
Additionality	The principle that a project must result in carbon savings or co-benefits that would not have occurred in the absence of the intervention or carbon finance. Additionality can be financial, regulatory, or based on prevailing common practice.
Air & Water Quality Improvement	The extent to which the project reduces air pollution, improves water retention, or enhances natural filtration processes that contribute to human and environmental health.
Barrier-Based Additionality	When a project faces major non-financial barriers (e.g. social, institutional), which carbon finance helps overcome.
Baseline Scenario	A hypothetical scenario representing the emissions or conditions that would have occurred without the project intervention. Used to calculate emission reductions.
Biodiversity Conservation & Enhancement	The project's contribution to ecosystem restoration, habitat connectivity, species conservation, and long-term ecological enhancement.
Biodiversity Net Gain (BNG)	An approach to development that leaves biodiversity in a better state than before. Measured using biodiversity units through DEFRA's statutory biodiversity metric.
Buyer	An organisation or individual that purchases carbon credits or contributes funding to a project listed on the marketplace.
Carbon Accounting	The process of quantifying greenhouse gas emissions reductions or removals resulting from a project, typically in tonnes of carbon dioxide equivalent (tCO_2e).
Carbon Credit	1 tonne of CO_2e that has been reduced or removed from the atmosphere, as verified by an independent third party.
Carbon Dioxide Equivalent (CO_2e)	A standard unit used to express the global warming potential (GWP) of different greenhouse gases in terms of the amount of CO_2 that would have the same warming effect over a specific time period (typically 100 years).
Carbon Finance	The funding provided to support emission reduction or removal projects in exchange for carbon credits. It enables projects that would not otherwise be viable to proceed by monetising their climate impact.
Carbon Offset	A measurable, verifiable emission reduction from a project that is used to compensate for emissions occurring elsewhere. Offsets are typically achieved through carbon credits.

Key Term	Definition
Carbon Pricing	The practice of assigning a monetary value to carbon emissions. This can take the form of carbon taxes, emissions trading systems, or voluntary credit pricing - intended to incentivise emission reductions.
Circular Economy	A system that focuses on minimising waste and making the most of resources by reusing, repairing, recycling, and regenerating materials and products, rather than following a linear "take-make-dispose" model.
Clean Development Mechanism (CDM)	An international carbon offset framework established under the Kyoto Protocol, allowing emission-reduction projects in developing countries to earn certified emission reduction (CER) credits.
Climate Resilience & Adaptation	The project's ability to enhance resilience to climate change, such as improving flood protection, drought resilience, or sustainable land management.
Co-Benefits	The wider environmental, social, or economic benefits delivered by a project, beyond carbon reduction. These include biodiversity, air and water quality, social value, climate resilience and waste reduction.
Combined Authority (CA)	The regional authority responsible for overseeing the governance, operation, and integrity of the marketplace.
Compliance Carbon Market	A regulated market where companies and countries buy carbon credits to meet legally binding emission reduction targets (e.g. the EU ETS or UK ETS).
Conservativeness	A principle in carbon accounting where conservative assumptions are used to avoid overestimating a project's impact. This helps maintain credibility and minimise risk.
Credit Broker/Agent	An intermediary who facilitates the sale of carbon credits between project suppliers and buyers. Brokers may help source buyers, negotiate terms, or manage listings, but are not responsible for the verification or due diligence of credits.
Credit-Generating Project	A project that reduces or removes greenhouse gas (GHG) emissions and generates carbon credits that can be sold to buyers looking to offset their emissions.
Credit Misrepresentation	When a carbon credit is inaccurately described or promoted - for example, exaggerating the impact or failing to disclose that it has already been used - leading to integrity concerns.
Credit Serialisation	The process of assigning a unique identification number to each carbon credit. This ensures traceability and prevents double counting by allowing credits to be tracked and retired publicly.
Department for Energy Security & Net Zero (DESNZ)	A UK government department that oversees energy policy and net zero goals. DESNZ provides guidance and standards for carbon markets, emissions reduction, and sustainable finance.
Double Counting	When a single carbon benefit is claimed more than once - either by multiple parties, across multiple platforms, or within different reporting frameworks.
Due Diligence	A structured process used to assess the credibility, risks, and eligibility of a project before it is approved for listing on the marketplace.

Key Term	Definition
Due Diligence Matrix	A structured assessment tool used by the combined authority to evaluate whether projects meet the minimum requirements for marketplace listing.
Emission Factor	A value that represents the amount of greenhouse gases emitted per unit of activity (e.g. kg CO_2e per kWh of electricity). Used to calculate emissions from various sources.
Emission Reduction	A decrease in the amount of greenhouse gases released into the atmosphere as a result of a project intervention.
Emission Removal	The capture and storage of atmospheric greenhouse gases through processes such as afforestation, peatland restoration, or carbon capture technologies.
Emissions Inventory	A comprehensive account of all GHG emissions and removals associated with an organisation, region, or activity over a defined period. Used for reporting and planning climate action.
Financial Additionality	A form of additionality where a project would not be financially viable without the revenue from carbon credits or external funding.
Funders	Organisations or individuals who contribute financial support to projects listed on the marketplace without necessarily purchasing carbon credits.
Funding-Only Project	A project that seeks financial support but is not generating or selling carbon credits. These projects focus on delivering social, environmental, or nature-based outcomes.
Global Warming Potential (GWP)	A measure of how much heat a greenhouse gas traps in the atmosphere over a specific time period - typically 100 years - compared to carbon dioxide (CO_2), which has a GWP of 1.
Gold Standard	A global carbon credit standard that emphasises both emissions reductions and sustainable development co-benefits, such as health, education, and biodiversity.
Greenhouse Gas (GHG)	A gas that traps heat in the atmosphere, contributing to global warming. Common GHGs include carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).
Greenhouse Gas Protocol (GHG Protocol)	The world's most widely used standard for measuring and reporting greenhouse gas emissions. It provides a consistent framework for businesses and governments.
Greenwashing	The act of making misleading or unsubstantiated environmental claims to appear more sustainable than is accurate. Greenwashing can damage trust and undermine genuine climate action.
Independent Third-Party Verification	A process whereby an external body verifies the accuracy of a project's emission reduction/removal claims and compliance with recognised standards.
Integrity Standards	The ethical and technical requirements a project must meet to be listed on the marketplace, covering areas such as verification, additionality, permanence, and transparency.
Leakage	The unintended increase in emissions outside a project's boundary due to project activities (e.g. deforestation moving to a nearby area because of a conservation project).

Key Term	Definition
Market Playbook	The guidance document that explains how the NECaNM works in technical detail. It is intended for local authorities, project suppliers, buyers, and other stakeholders to navigate the processes, governance, and integrity standards of the platform.
Methodology	A recognised, standardised set of procedures used to quantify carbon savings.
Monitoring, Reporting & Verification (MRV)	A framework of practices and systems used to track project performance, report outcomes, and independently verify the results.
Nature-Based Solution (NBS)	An approach that uses natural processes or ecosystems to address environmental challenges - such as climate change, water security, or biodiversity loss - while also delivering benefits for people and nature (e.g. tree planting, peatland restoration).
Net Zero	A state in which a company, organisation, or country balances the amount of greenhouse gases emitted with the amount removed from the atmosphere. Achieving net zero typically involves cutting emissions as much as possible and offsetting any residual emissions.
Non-Disclosure	A failure to share required or relevant information about a project or credit - such as verification details, project location, or impact. This can lead to lack of transparency and reduced trust.
North East Carbon and Nature Marketplace (NECaNM)	A regional platform established to connect high-quality carbon and nature projects with buyers and funders, underpinned by robust governance and due diligence processes.
Peatland Code	A UK certification scheme for peatland restoration projects that reduce GHG emissions. It provides a clear framework for calculating emissions savings and verifying restoration efforts.
Permanence	The likelihood that carbon savings will be sustained over time without being reversed. Projects must take steps to mitigate the risk of reversal.
Platform Provider	The software and digital infrastructure used to host the marketplace. It enables project listings, data input, and user interactions but is not responsible for credit issuance, transactions, or due diligence decisions.
Project Boundary	The defined physical and operational limits of a project, used to determine which activities and impacts are included in the carbon accounting.
Project Due Diligence Template	A structured form that project suppliers must complete to provide key information about their project. It is used by the NECaNM team to evaluate a project's credibility and eligibility for marketplace listing using the Due Diligence Matrix.
Project Listing	A project that has been approved through the due diligence process and is visible on the marketplace platform, where buyers or funders can review and choose to support it.
Project Supplier	An organisation responsible for implementing the project and providing the necessary data and documentation for marketplace assessment.

Key Term	Definition
Radar Chart	A type of visual graphic used in the Value Profile to display a project's performance across multiple Value Categories. Each axis represents one value area, making it easy to see strengths and balance.
Re-Baselining	The process of updating the emissions baseline against which future carbon reductions are measured - often due to changes in data quality, project design, or to avoid double counting once credits have been issued.
Registry	A system that tracks the issuance, ownership, and retirement of carbon credits. Examples include Verra, Gold Standard, and the UK Land Carbon Registry.
Regulatory Additionality	When a project goes significantly beyond what is legally required, and carbon finance is needed to do so.
Residual Emissions	Emissions that remain after an organisation has taken all reasonable steps to reduce its carbon footprint. These are the emissions that can be offset as part of a net zero strategy.
Responsible Offsetting	The use of carbon credits in a transparent and ethical way - complementing internal emissions reductions rather than replacing them, and only using verified, high-quality credits.
Retired Credit	A carbon credit that has been permanently removed from circulation after being used by a buyer to claim an emission reduction - ensuring it cannot be resold or reused.
Risk of Reversal	The possibility that carbon benefits will be undone, for example due to land use change, wildfire, or project failure.
Science Based Targets initiative (SBTi)	An internationally recognised framework that helps companies set greenhouse gas reduction targets that align with climate science and the goal of limiting global warming to 1.5°C.
Social Return on Investment (SROI)	A framework for measuring and accounting for the social value generated by a project. Usually expressed as a ratio of benefit to cost.
Social Value	The broader, non-financial impacts a project has on people and communities, including health, wellbeing, inclusion, education, and skills development.
Social Value & Community Benefits	The extent to which the project supports local communities, including job creation, economic opportunities, public health improvements, and skills development.
Standard Assessment Procedure (SAP)	A UK government methodology for calculating the energy performance and CO_2 emissions of dwellings. Often used for modelling the impact of housing retrofit projects.
Sub-Requirement	An individual assessment criterion used within the Due Diligence Matrix to evaluate whether a project satisfies a specific component of the marketplace integrity standards.
Supplier Declaration	A formal statement completed by a project supplier confirming that the information provided is accurate, complete, and submitted in good faith. It typically includes an agreement to notify the marketplace of any material changes.
Sustainability Goals	The environmental, social, and economic targets set by buyers or funders that guide their decision-making in selecting projects to support.

Key Term	Definition
Sustainable Development Goals (SDGs)	The 17 global goals adopted by the United Nations to promote prosperity while protecting the planet. Many buyers and funders use SDG alignment to guide investment.
Task Force on Climate-Related Financial Disclosures (TCFD)	A global initiative that helps organisations disclose climate-related risks and opportunities in a clear and consistent way, supporting informed investment and strategic decisions.
Technological Additionality	When a project adopts emerging or underused technology, made viable only through carbon funding.
Value Category	One of the five core themes used in the Value Matrix to assess co-benefits beyond carbon. This includes Social Value & Community Benefits, Biodiversity Conservation & Enhancement, Climate Resilience & Adaptation, Air & Water Quality Improvement, and Waste Reduction & Circular Economy.
Value Matrix	A structured tool used to assess and score the wider co-benefits of a project across five impact categories, forming the basis for the Value Profile.
Value Matrix Project Supplier Information Template	A supporting template completed by project suppliers to describe the wider co-benefits of their project - such as social value or biodiversity enhancement. This information is used by a North East CA representative to complete the Value Matrix assessment and generate the project's Value Profile.
Value Profile	A visual and narrative summary of how a project performs across the co-benefit categories in the Value Matrix. Helps buyers align their purchases with their sustainability priorities.
Value Sub-Criteria	Specific checks or questions under each Value Category that help assess how well a project contributes to that area. Each sub-criterion is scored to inform the overall Value Profile.
Verified Carbon Standard (VCS)	One of the most widely used carbon credit standards globally, developed by Verra, offering detailed methodologies for verifying emission reductions across sectors like forestry, energy, and agriculture.
Verifier	A qualified, independent third party responsible for confirming the accuracy of a project's emission reduction/removal claims and adherence to standards.
Voluntary Carbon Market (VCM)	A marketplace where individuals or organisations can voluntarily purchase carbon credits to offset emissions or support climate action, outside of compliance obligations.
Voluntary Carbon Markets Integrity Initiative (VCMI)	A UK-backed initiative that provides clear guidance and guardrails for businesses using voluntary carbon credits. It aims to ensure transparency, credibility, and climate integrity in the voluntary carbon market.
Waste Reduction & Circular Economy	The project's role in minimising waste, reducing landfill dependency, and promoting circular economy principles, such as material repurposing, sustainable resource use, and long-term waste reduction strategies.
Woodland Carbon Code (WCC)	A UK standard for certifying woodland creation projects that sequester carbon. It sets out requirements for project design, monitoring, and verification to ensure credible climate benefits.

Carbon and Nature Marketplace
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