

SOVEREIGN CARBON REGISTRY

DJIBOUTI

RULES

(English Version)



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I. DEFINITIONS

Carbon Contribution: An action of carbon footprint mitigation by making a financial contribution to support the financing and development of impact projects for vulnerable population that are the most affected by climate change, or environmental or energy transition projects.

Carbon Credit: A carbon credit represents one ton of carbon dioxide equivalent (tCO2e) avoided or removed from the atmosphere. Carbon Credits are issued by independent certification standards (e.g. Verra, Gold Standard, etc.) based on projects that avoid, reduce, or sequester carbon (e.g. renewable energy, forest preservation or restoration, carbon capture and sequestration technology) and are registered on the carbon registries of these standards.

Carbon Footprint: The carbon footprint is an indicator that measures the amount of greenhouse gases released into the atmosphere by human activity. It assesses the impact of human activities on the environment and is expressed in carbon dioxide equivalent (CO2e) to indicate the global warming potential (GWP) of 7 main greenhouse gases as defined by the Intergovernmental Panel on Climate Change (IPCC). It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Carbon Offset: An action of carbon footprint mitigation by the retirement of carbon credits.

Dead Weight Tonnage (DWT): The dead weight tonnage refers to the load-carrying capacity of a ship, including the cargo, crew, fuel, provisions, etc.

Emission Factor: The ratio between the amount of greenhouse gases (CO2e) emitted by a product or service and the quantity of that good or service. The Emission Factors recognized and used in the Sovereign Carbon Registry are established by reference standards and norms (IMO, ICAO, etc.)

Greenhouse gases (GHG): The Carbon Offset Certification Protocol is aligned with the GHG Protocol recognising GHGs as the seven gases covered by the UNFCCC: carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF6), nitrogen trifluoride (NF3).

Gross Tonnage (GT): Gross tonnage is a measure of a ship's overall internal volume. It is used to assess the relative size of ships, regardless of their actual weight or load capacity. GT is a standardized measure used in the maritime industry for classification, taxation, and regulation purposes.

Mitigation (carbon footprint): The action of reducing a carbon footprint through the payment of a Carbon Contribution or offsetting by withdrawing carbon credits from the voluntary carbon market.

Movement (of ship or aircraft): Any journey of a ship or aircraft arriving or departing from Djibouti is considered as a Movement that Obligors must report along with its associated carbon footprint (of which 50% is considered as Djibouti's associated carbon footprint).

Obligors: By Presidential Decree of March 13, 2023 (Décret Présidentiel n°2023-074), the main international GHG emitters from the aviation and maritime sectors, institutional organizations, and foreign armed forces based in the Republic of Djibouti, are designated as Obligors. Based on the 'Polluter-Pays' principle, the Obligors are required to mitigate their GHG emissions related to their activities in the Republic of Djibouti.



Sovereign Carbon Agency (SCA): A national agency founded by Presidential Decree, mandated to support the implementation of the country's carbon initiative. This includes defining and collecting a Carbon Contribution from the Obligors, and funding impactful projects, environmental, or energy transition initiatives. The SCA is responsible for implementing the Sovereign Carbon Registry in compliance with internationally recognized standards and norms and best governance principles.

TEU: The twenty-foot equivalent unit (TEU) is an approximate unit of measure used for container terminals and container ships, based on the volume of a 20-foot (6.1 meter) container. It is used to simplify the calculation of container volume in a terminal or on a ship.

Verification: Independent assessment and assurance provided by a third-party expert with proven experience in accordance with the requirements of an independent verification standard (such as ISO 14064 or ISAE 3410/3000) to ensure that the quality of input data, carbon footprint assessment, or the use of Carbon Contribution certification and Compensation (i.e. Offsetting) mechanisms are compliant with the requirements of the Sovereign Carbon Registry. Limited assurance corresponds to a confidence level the auditor has in the data, positioned between the lower level of assurance given by a simple procedural verification only and the higher level of assurance known as reasonable assurance (very high confidence level). A limited assurance opinion is issued after a thorough audit that encompasses both well-defined procedures and an extensive data sample

Volunteers: According to Article 6 of the Presidential Decree establishing the Djibouti National Carbon Initiative and qualifying the Obligors, all economic actors operating in the Republic of Djibouti are encouraged to join the initiative and contribute to the global effort to tackle climate change with their expertise, know-how, and/or financing.



II. INTRODUCTION

In line with the ambitions of the Government of Djibouti and its commitments to reducing greenhouse gas (GHG) emissions, the Sovereign Carbon Registry of the Republic of Djibouti has been established by Presidential Decree No. 2023-074 dated March 13, 2023.

The Sovereign Carbon Registry allows Obligors or Volunteers to report and record the carbon footprint of their activities in Djibouti, as well as their mitigation actions (Carbon Contribution and/or Carbon Offsetting).

 The rules governing carbon footprint calculation and reporting, as well as mitigation mechanisms, are aligned with internationally recognized standards, international commitments (e.g. Paris Agreement), and sector-specific agreements and commitments.

In particular:

- The principles of carbon accounting and tracking adhere to the GHG Protocol, ISO14064, and PAS2060 standards.
- The Emission Factors used to calculate and report carbon emissions of maritime activities (vessel movements) are established by the International Maritime Organization (IMO), while those for aviation are defined by the International Civil Aviation Organization (ICAO) and the European Union Aviation Safety Agency (EASA).
- Carbon credits eligibility criteria and offsetting mechanisms are aligned with the Core Carbon Principles defined by the Voluntary Carbon Markets Integrity Initiative (VCMI), CORSIA standard, and the recommendations of the Integrity Council for the Voluntary Carbon Market (ICVCM), and the Carbon Offset Certification standard.

Carbon credits authorized for Carbon Offsetting obligations are certified by internationally recognized standards (Verra, Gold Standard, American Carbon Registry, etc.) and must be withdrawn from the associated carbon registries to avoid any risk of double counting.

 The rules governing the Registry described in this document are regularly reviewed and defined with international independent experts to ensure compliance with current international best practices and standards.

Obligors or Volunteers can thus robustly and verifiably account for and report their mitigation actions related to their carbon footprint in Djibouti (e.g., corporate reports, Corporate GHG Inventories).

- The carbon initiative of the Republic of Djibouti aims to be a model without hindering the country's development and economic attractiveness. Therefore, rules and obligations for Carbon Contribution and Offsetting, as well as the implementation schedule, are established to align with the best international practices and standards, ensuring the initiative's credibility while being among the least restrictive compared to equivalent compliance systems and markets.
- The Sovereign Carbon Registry is governed by strict principles of transparency, independence, and third party verification by an external audit firm.



Implementation and obligation for Carbon Contribution and Offsetting:

After a transition phase from September to December 2024, the Sovereign Carbon Registry will be fully operational starting January 1, 2025. (See: SCHEDULE & MITIGATION OBLIGATION).



Reporting and Mitigation Obligations Summary - Starting January 1, 2025:

III. CARBON FOOTPRINT : Calculation and Reporting

Aligned with international standards for carbon emission quantification and reporting (e.g. GHG Protocol, ISO 14064 standards, PAS2050), as well as sector-specific standards (e.g. IMO for the maritime industry, CORSIA for aviation), Obligors must report the carbon footprint associated with their activities in Djibouti.

Aviation and maritime Obligors' carbon footprint attributed to Djibouti is defined as 50% of the carbon emissions from ships or aircraft movements between their origin or destination ports or airports, and Djibouti. The remaining 50% of the carbon footprint is attributed to, and can be accounted for in, the country of origin or destination.

Principles of Carbon Footprint Accounting and Reporting

In accordance with the principles of leading carbon accounting standards (GHG Protocol, ISO 14064, PAS2050), the rules for carbon footprint calculating and reporting adhere to these fundamental principles:



Relevance	Guarantee that the carbon footprint calculation serves the beneficiary's understanding and decision-making. The information presented is easy to understand and use.
Integrity	Guarantee that the calculated carbon footprint report covers the defined perimeter of the product, service or activity considered and communicated. Communicate and justify any exclusions or omissions in the greenhouse gases considered in the calculation.
Consistency	Selection of recognized methodologies and Emission Factors databases, enabling relevant and usable comparisons of carbon footprint reports.
Transparency	Communicate and document any justification for a calculation that can be used for auditing and verification by a third party. Explains any assumptions used in the justification and document references.
Accuracy	Guarantee that carbon emission ratios are not systematically higher or lower than actual emissions, and that uncertainties are kept to a minimum as far as possible.

A. MARITIME

Any ship calling at Djibouti (subject to customs clearance obligations and receiving a Port Clearance certificate) is obliged to report its movements (port of origin and port of destination) and the carbon footprint associated with these movements.

The Shipping Agent, the ship's legal representative in its port obligations (representing the operator, owner or charterer) is responsible for the proper execution of the reporting and mitigation obligations as defined in this document.

1. Exemption

The following vessels are exempt from the obligation to report their carbon footprint and mitigation action:

- DWT less than 3,000 tonnes,
- GT less than 500 tons,
- Container ships of less than 300 TEU,
- and vessels sailing with the Djibouti flag.



2. Reporting of Movements

The ship's legal representative (the Shipping Agent) is obliged to report the movements of ships for which they are the legal representative, as well as the type of ship and certain ship specifications as below:

- 1. Port of origin and port of destination (as well as voyages distances in nautical miles),
- 2. Vessel identifiers: Vessel name, IMO_MMSI number,
- 3. Technical tonnage of the vessel:
 - Maximum TEU carrying capacity for container ships
 - Maximum DWT for bulk, ro-ro, gas or oil tankers
 - GT of the vessel for other passenger vessels or special vessels (e.g. military).

Monthly reporting period on a quarterly basis:

Obligors must report ships movements (and their carbon footprint) on a monthly basis, and no later than 3 months after the movements have taken place. (i.e. January movements must be reported no later than April of the same year).

3. Carbon Footprint Calculation and Reporting

As a reminder: the carbon footprint attributed to Djibouti for any movement is 50% of the total carbon footprint of that movement. (i.e. of the journey between Djibouti and the port of origin or destination). The remaining 50% is associated with the country of origin or destination. This mechanism is applied in the European Union (EU ETS compliance carbon scheme).

a. <u>Carbon Footprint calculation:</u>

Obligors are invited to report and justify the calculated carbon footprint of ship movements, either in terms of the ship's fuel consumption, or with recognised Emission Factors for this specific vessel's voyage.

i. Fuel Consumption :

An Obligor can calculate the carbon footprint of a ship's movement by justifying and documenting the consumption and type of fuel consumed during the movement of that vessel.

The Obligor shall justify:

- Quantity of fuel consumed
- Type of fuel consumed

This justification must be documented at the time of reporting by an authentic document such as a copy of the Captain's Logbook. This justification may be verified by the Registry Administrator and during the Registry audit by a third-party auditor.

The carbon footprint is then calculated on the basis of Emission Factors for each type of fuel.



Fuel type	tCO2e / t fuel (TTW)
Unknown	3,24
Heavy fuel oil	3,15
Marine Diesel oil	3,24
Marine gas oil	3,24
Gasoline	3,25
Bioethanol	0
Gasoline, 5% bioethanol blend	3,08
Diesel	3,21
100% Biodiesel (B100)	0
Diesel, 5% biodiesel belnd (B5)	3,04
Liquefied petroleum gas	3,1
LNG	2,68

Emission Factors for Maritime Fuel : Smart Freight Center

 Special fuels: A shipping company using a fuel not referenced among these Emission Factors can justify a different Emission Factor if certified by an independent certification body (e.g. International Sustainability & Carbon Certification : <u>ISCC</u>).

ii. Voyage Distance

An Obligor may report the calculation of the carbon footprint of a ship's movement using the Emission Factors associated with the specific type of vessel and the voyage distance of the reported movement (in nautical miles between Djibouti and the last or next port of call).

The reference Emission Factors are those provided by the International Maritime Organization (IMO).

Example :

A container ship with a maximum loading capacity of 3,500 TEU, coming from Jeddah and then sailing to Fujairah:

• Jeddah – Djibouti : 684 nm - Voyage's carbon footprint : 330 tCO2e

Carbon footprint accounted for in Djibouti: 165 tCO2e

Djibouti - Fujairah : 1607 nm – Voyage's carbon footprint : 776 tCO2e

Carbon footprint accounted for in Djibouti: 388 tCO2e

Ship Type	Size category	UNIT	EF (AER Mean) gCO2/t.nm	Ship Type	Size category	UNIT	EF (AER Mean) gCO2/t.nm
	0-9999	dwt	22,80	Container	0-999	Teu	205,40
	10000-34999	dwt	7,60		1000-1999	Teu	320,70
Bulk corrier	35000-59999	dwt	5,40		2000-2999	Teu	396,70
Buik carrier	60000-99999	dwt	4,10		3000-4999	Teu	525,70
	100000-199999	dwt	2,70		5000-7999	Teu	748,30
	200000-+	dwt	2,30		8000-11999	Teu	909,80
Chemical	0-4999	dwt	52,60		12000-14499	Teu	1026,50
tanker	5000-9999	dwt	28,50		14500-19999	Teu	1059,50

Emission Factors (Fourth IMO GHG Study 2020)



	1		
	10000-19999	dwt	17,40
	20000-39999	dwt	11,50
	40000-+	dwt	7,80
	0-4999	dwt	25,30
General	5000-9999	dwt	19,40
cargo	10000-19999	dwt	17,10
	20000-+	dwt	8,30
	0-4999	dwt	59,30
	5000-9999	dwt	35,60
	10000-19999	dwt	23,90
	20000-59999	dwt	11,10
Oll tanker	60000-79999	dwt	7,10
	80000-119999	dwt	5,20
	120000-199999	dwt	4,40
	200000-+	dwt	2,70
	0-1999	dwt	152,60
Refrigerated	2000-5999	dwt	72,70
bulk	6000-9999	dwt	48,20
	10000-+	dwt	36,40
	0-4999	dwt	112,90
Po Po	5000-9999	dwt	51,10
	10000-14999	dwt	39,30
	15000-+	dwt	20,50

	20000-+	Teu	1041,50
	2000-4999	gt	185,10
Ferry-RoPay	5000-9999	gt	308,90
	10000-19999	gt	473,80
	20000-+	gt	632,40
Cruise	2000-9999	gt	279,80
	10000-59999	gt	574,90
	60000-99999	gt	1248,80
	100000-1499999	gt	1405,30
	150000-+	gt	1410,90
Other	0-999	dwt	899,80
tankers	1000-+	dwt	304,60
	0-49999	cbm	23,40
Liquefied	50000-99999	cbm	9,50
gas tanker	100000-199999	cbm	10,60
	200000-+	cbm	10,60
Ferry-pax	0-1999	gt	257,70
only	2000-+	gt	173,50

b. Exception : Military Vessels

Military vessels are also considered as Obligors, but are not subject to reporting their movements, nor to calculating their carbon footprint.

Military vessels are subject to a Carbon Contribution calculated on the basis of their Gross Tonnage. (See section: SCHEDULE & MITIGATION OBLIGATION)

B. AVIATION

The legal representative of an air operator is responsible for the proper execution of reporting obligations and mitigation measures for aircraft movements, in accordance with the rules defined in this document.

1. Exemption

Aircrafts that are:

- less than 18.5t maximum take-off weight (*MTOW*)
- from the national company Air Djibouti

are exempt from carbon footprint and mitigation action reporting requirements.



2. Reporting of Movements

Obligors from the aviation industry shall report every aircraft movement arriving or leaving Djibouti, as well as the type of aircraft:

- 1. Origin and destination airports (and flight distances in kilometres)
- 2. Aircraft identification: ICAO aircraft type ID and identification number

Monthly reporting period on a quarterly basis

Obligors shall report aircraft movements, and their associated carbon footprint, on a monthly basis and no later than 3 months after the movements are reported. (i.e. January movements must be reported no later than April of the same year).

3. Carbon Footprint calculation and reporting

As a reminder: the carbon footprint attributed to Djibouti for any movement is 50% of the total carbon footprint of that movement. (i.e. of the flight between Djibouti and the airport of origin or destination). The remaining 50% is associated with the country of origin or destination.

Obligors are invited to report and justify the calculated carbon footprint of aircraft movements, either on the basis of the aircraft's fuel consumption during the movement, or on the basis of Emission Factors associated with this type of aircraft.

i. Fuel Consumption :

Obligors can calculate the carbon footprint by documenting the aircraft's fuel consumption and type during the flight associated with the movement.

Obligors shall justify :

- Quantity of fuel consumed
- Type of fuel consumed

This justification must be documented at the time of reporting by an authentic document, such as a fuel loading justification. This justification may be verified by the Registry Administrator and during the Registry audit by a third-party auditor.

The carbon footprint is then calculated on the basis of Emission Factors for each type of fuel.

Fuel type	Emission Factor kg.CO2e/Kg.fuel
Unknown	3,16
Jet-A	3,16
Jet-A1	3,16
TS-1	3,16
No3 Jet Fuel	3,16
Jet-B	3,1
AvGas	3,1

Emission Factors : CORSIA



 Special fuels: An Obligor using a fuel not listed among these Emission Factors, can justify a different Emission Factor if certified by an independent certification body (e.g. International Sustainability & Carbon Certification: <u>ISCC</u>)

ii. Voyage Distance

An Obligor can calculate and report the carbon footprint of an aircraft movement using Emission Factors associated with the aircraft type and distance of that movement (in kilometres between Djibouti and the last or next airport).

The reference Emission Factors are those established by the International Civil Aviation Organization (ICAO) and recognized by the European Aviation Safety Agency (EASA).

The Sovereign Carbon Registry provides a calculator based on these recognised Emission Factors, developed by the European Environment Agency: <u>Aviation -Annex 1 - Master emissions calculator - 2023.</u>

This calculator considers average consumption on take-off and landing, by distance flown, and by aircraft type:

Example:

Flight : From Djibouti to Dubai

Aircraft : Boeing 737-700 (B737)

Flight Distance : 1,988 km

Fuel Consumption		
LTO (Landing and Take Off)	824.65	kg
Flight	5,347	kg
Total Consumption	6,172	kg.fuel

- Emission Factor : 3.16 kgcO2e/kg Fuel
- Flight carbon footprint : 19.50 tCO2e

Carbon footprint accounted for in Djibouti : 9.75tCO2e

C. VOLUNTEERS

While maritime and aviation industry players are considered as Obligors in the Djibouti carbon initiative, all economic players are invited to voluntarily participate in the effort to combat climate change by reporting and mitigating their carbon footprint (through payment of the Carbon Contribution and through Offsetting action).

Voluntary participation can enable a company to communicate its action and concrete participation in this joint effort to combat climate change, in line with its environmental commitments and objectives.

Volunteers can register their calculated carbon footprint on this Registry and their mitigation action (carbon contribution and/or offsetting).

Volunteers are invited to contact the Sovereign Carbon Registry team, who can guide them in calculating their carbon footprint.



IV. MITIGATION: Carbon Contribution and Offsetting

After an initial transition phase running until the end of 2024, the Sovereign Carbon Registry will be fully operational from January 1st, 2025.

- From September 1st, 2024, for Obligors from the aviation sector, and from January 1st, 2025, for the maritime industry, this mitigation effort will be exclusively carried out by paying a Carbon Contribution based on the Obligors' actual carbon footprint.
- Starting from July 1st, 2025, this mitigation effort will be divided between an obligation to pay the Carbon Contribution and an effort to achieve Carbon Offsetting. This obligation for Carbon Offsetting will be applied following the initial certification and issuances of carbon credits from avoidance and sequestration projects developed in the Republic of Djibouti.

To preserve the economic attractiveness of the Port of Djibouti and limit the economic burden of the mitigation effort for the commercial maritime sector, the Carbon Contribution for maritime Obligors is capped to US\$ 7,500 per movement (except for special vessels).

A. SCHEDULE & MITIGATION OBLIGATION

1. Transition Period : from September 1st 2024 to December 31st 2024

Transition period, and presentation of the Sovereign Carbon Registry to Obligors from the aviation and maritime sectors.

Obligors are invited to familiarize themselves with the Registry's reporting mechanisms and their mitigation obligations (Carbon Contribution and Offsetting) before their full application starting January 1st, 2025.

a. <u>Maritime</u>

No change, Carbon Contribution calculation and payment remain unchanged.

b. Aviation

- * Carbon Contribution:
 - 100% of carbon footprint accounted for in Djibouti.
 - Carbon Contribution price: US\$ 17 tCO2e.
- * Offset: nil

2. From January 1st 2025:

- a. <u>Maritime</u>
 - * Carbon Contribution :
 - 100% of carbon footprint accounted for in Djibouti.
 - Carbon Contribution price: US\$ 17 tCO2e.
 - Carbon Contribution is capped at **US\$ 7,500** per vessel movement.
 - Offset: nil



- * Military Vessels :
 - Carbon Contribution : US\$ 0.50 / GT.
 - Offset: nil

b. Aviation

- * Carbon Contribution :
 - 100% of carbon footprint accounted for in Djibouti.
 - Carbon Contribution price: US\$ 17 tCO2e.
- * Offset : nil

3. From July 1st, 2025:

a. Maritime

- * Carbon Contribution :
 - **70%** of carbon footprint accounted for in Djibouti.
 - Carbon Contribution price: US\$ 17 tCO2e.
 - Carbon Contribution is capped at **US\$ 7,500** per vessel movement.

* Offset:

• **30%** of carbon footprint accounted for in Djibouti.

✤ Military Vessels :

- Carbon Contribution : US\$ 5.50 / GT.
- Offset: nil

b. Aviation

- * Carbon Contribution :
 - **70%** of carbon footprint accounted for in Djibouti.
 - Carbon Contribution price: US\$ 17 tCO2e.
- Offset:
 - **30%** of carbon footprint accounted for in Djibouti.

4. Summary: Chronogram and Application Rules





B. CARBON CONTRIBUTION

The Djibouti Carbon Contribution collected by the Sovereign Carbon Agency (SCA) enables to:

- **Finance and implement impact programs** for the benefit of the most vulnerable populations. These programs shall meet and address Sustainable Development Goals defined by the United Nations,
- Design and implement **environmental**, **energy transition**, **carbon avoidance and sequestration programs** alongside specialized investors.

The collection of the Carbon Contribution is subject to a strict financial audit by an independent international accounting firm.

The selection of impact or energy/environmental transition projects funded by the collected carbon contributions is approved by the Government of the Republic of Djibouti and is transparently communicated by the SCA.

Carbon Contribution payment and certificate :

Based on the calculated and reported carbon footprint, the Sovereign Carbon Registry issues an invoice to the Obligors and then sends a Payment Certificate once the invoice is paid.

This Payment Certificate is recorded on the Sovereign Carbon Registry. Obligors can access these Carbon Contribution payment certificates on their dashboard and communicate them to third parties to prove mitigation of their carbon footprint related to their activities in Djibouti.

Payment Certificates are also accessible to the audit companies appointed to verify the Registry's good governance and compliance with international best practices.

C. OFFSET

The carbon offset mechanisms recognized by the Sovereign Carbon Registry are aligned with the best practices and eligibility criteria of the international carbon markets, as defined by reference standards and initiatives:

- VCMI : Voluntary Carbon Markets Integrity initiative,
- ICVCM : Integrity Council for the Voluntary Carbon Market,
- International standards (e.g. <u>CORSIA</u> : Carbon Offset and Reduction Scheme for International Aviation),
- <u>Carbon Offset Certification</u>: International independent certification label for environmental claims and communication.
- ISO14064 : Specification of the International Organization for Standardization for the quantification and reporting of GHG emissions and removals with an approach similar to the GHG Protocol standard.

Carbon credits used to offset the carbon footprint of Obligors must meet the highest standards of best practices in international voluntary carbon markets. Carbon credits certified according to the principles outlined above meet these requirements and are thus eligible to offset the carbon footprint of Obligors.



These requirements are reviewed annually by the Governance Board of the Sovereign Carbon Registry to ensure their compliance with best practices and the expected performance of carbon credit standards.

1. Carbon Credits

There are generally accepted principles applied in both regulatory and voluntary carbon offset credit programs to ensure the environmental and social integrity of certified avoidance, reduction, or sequestration projects that generate these carbon credits.

These principles stipulate that offset credit programs must provide credits representing GHG emission reductions, avoidances, or sequestrations that:

- 1. are additional,
- 2. are based on realistic and credible baseline scenarios,
- 3. are quantified, monitored, reported and verified,
- 4. demonstrate clear governance and a transparent chain of custody,
- 5. estimate, take into account and mitigate any displacement of GHG emission sources,
- 6. are counted and claimed only once.

Here are the <u>Core Carbon Principles</u> defined by ICVCM and internationally recognized.

2. Eligible Carbon Credits

Eligible Standards & Registries	Carbon Credits
American Carbon Registry	Emission Reduction Tonnes (ERT)
Architecture for REDD+ Transactions	Emission Reduction unit (ER)
Australian Emissions Reduction Fund	Australian Carbon Credit Unit (ACCU)
Climate Action Reserve	Climate Reserve Tonnes (CRT)
Gold Standard	Voluntary Emission Reduction (VER)
J-Credit Scheme	J-Credit
Puro.earth	CO2 Removal Certificates, or CORC
UK Woodland Carbon Code	Woodland Carbon Units (WCU)
Verified Carbon Standard (Verra)	Verified Carbon Units (VCU)

This selection of standards is regularly reviewed to reflect best market practices, and the performance of selected standards.

3. Vintage Year

To align with best market practices and to guarantee efficient offsetting, only carbon credits generated less than 6 (six) years before the date of the activity to be offset are accepted. This is the Vintage Year of the carbon credits.

For example, for a vessel's movement in 2025, only credits generated in the years 2025, 2024, 2023, 2022, 2021, 2020 and 2019 will be accepted.



4. Carbon credits withdrawal

GHG emissions offsetting is considered effective only once the corresponding carbon credits have been withdrawn (i.e. retired) from the public registries of the certification standards, to cancel them permanently, thus avoiding their future use.

When authorized by the carbon credits certification registry, the purpose of the withdrawal of those carbon credits must be notified at the time of withdrawal with a publicly visible and explicit reason to avoid the risk of double claims, e.g. "Withdrawn on behalf of company XX in order to offset the carbon footprint relating to its activity in Djibouti during period XX".

5. Offset reporting to the Sovereign Carbon Registry

Obligors shall justify their Offsetting action by providing information on the withdrawn carbon credits:

- Proof of carbon credits withdrawal
- Carbon certification Standard & Registry
- Vintage Year
- Quantity of withdrawn carbon credits
- Carbon credits serial numbers
- Withdrawal date

6. Access to carbon markets: purchase and withdrawal of carbon credits

Obligors are free to purchase and withdraw carbon credits to meet their Offset obligations by any means they choose.

Aware that voluntary carbon markets remain a complex subject, the Sovereign Carbon Registry proposes carbon credits from various projects through the services of third-party carbon market access providers. Carbon credits presented in the Registry are all eligible according to the criteria defined in these Rules. They give Obligors access to quality projects at competitive market prices.

Sovereign Carbon Registry teams can also facilitate the introduction of Obligors to third-party carbon market specialists.

V. INDEPENDENT VERIFICATION & CORE PRINCIPLES

The Sovereign Carbon Registry is based on the following principles:

Transparency: The Sovereign Carbon Registry, and more generally the Africa Sovereign Carbon Registry Foundation that develops and manages the Registry, are governed by strict transparency principles. The Sovereign Carbon Registry is subject to verification by an internationally recognized independent auditing firm (Bureau Veritas).



- Compliance: The rules for calculating and reporting the carbon footprint of Obligors comply with international reference standards (GHG Protocol, ISO 14064, PAS 2060), international and sectoral agreements (CORSIA, IMO), and recognized emission factor databases (IPCC, DEFRA, IMO, etc.). Carbon offsetting actions adhere to the Core Carbon Principles as defined by the Integrity Council for the Voluntary Carbon Market (ICVCM).
- Independence: The African Sovereign Carbon Registry Foundation and the Registry itself are strictly independent from any governmental entity, including the Sovereign Carbon Agency.
- Integrity: The Sovereign Carbon Registry has been established to guarantee the credibility of the Djibouti Carbon Initiative, and consistency in the applicability of the best practices and reference standards on which it is based

With the support of the Africa Sovereign Carbon Registry Foundation and based on these principles, the Djibouti Sovereign Carbon Registry aims to be a model for all countries on the continent wishing to establish their own national carbon initiatives.

To ensure adherence to these values, the Sovereign Carbon Registry and the recorded operations of carbon footprint reporting and mitigation, are regularly audited (at least semi-annually) by verification companies renowned for their assurance services quality, in accordance with prevailing standards such as ISAE 3410/3000.

The Surveillance Committee, an organ of the Africa Sovereign Carbon Registry Foundation, which includes the independent verification company **Bureau Veritas**, the **Carbon Offset Certification** label, and a financial and accounting audit firm, conducts these audits and reports its findings to the Governance Council of the Foundation

VI. ACCOUNT ADMINISTRATION DELEGATION

The Sovereign Carbon Registry management team is aware of the administrative workload that reporting and offsetting operations can generate for Obligors. The Sovereign Carbon Agency (SCA) will, unless the Obligor wishes otherwise, conduct the reporting on behalf of the Obligors in the Sovereign Carbon Registry.

The Sovereign Carbon Agency (SCA) operator:

- Carries out movement and carbon footprint reporting on behalf of the Obligor,
- Invoices Carbon Contribution and sends the Carbon Contribution payment certificate to the Obligor (certificates remain accessible on the Obligor's account dashboard),



• Carries out Carbon Offsetting actions on behalf the Obligor, giving priority to the purchase and withdrawal of quality carbon credits at the most competitive cost, and invoices the offset costs to the Obligor while providing all information on the purchased and withdrawn carbon credits.

At any time, and by simply emailing the Registry, an Obligor can request to take full responsibility for reporting operations. The Registry administrator will then grant the Obligor complete reporting rights, and the Sovereign Carbon Agency will cease its administration and reporting services on behalf of the Obligor.

VII. CONFIDENTIALITY

Data communicated to the Sovereign Carbon Registry is processed and stored for the purpose of managing the Registry and satisfying legal or regulatory obligations for a minimum period of 5 (five) years.

The Sovereign Carbon Registry will share the data communicated with other parties only when legally permitted or required for audit and verification purposes.

Where the Sovereign Carbon Registry uses subcontractors, it shall ensure that such subcontractors apply technical and organizational security measures at least equivalent to those implemented by the Sovereign Carbon Registry to guarantee the security of subcontracted personal data.

Right of Modification or Deletion:

Users of the Sovereign Carbon Registry may request access, rectification, transmission or deletion of their personal data.

To exercise their rights, they are invited to contact the Sovereign Carbon Registry:

contact@asc-registry.org