

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2021**
Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 21/10/2022

1.2 | Decision

The applied deviation request is approved. The Project Developer may continue with the request for performance review for the monitoring period starting 01/03/2018 for which the site visit was conducted between 29/06/2022 to 30/06/2022. However, the PD shall:

- i. Ensure that a continuity in the Project's monitoring activities is maintained and PD is able to justify that no monitoring gaps exist (especially for SDG parameters) within the Monitoring Period(s). However, if gap(s) exist, the project shall justify that conservative approach(es) have been applied in line with section 3 of the Deviation Approval Requirements and Procedures (version 1.2) and overarching GS principles (as applicable).
- ii. Document the deviation request, its implications, and GS' decision in the appropriate section of the GS Monitoring Report (for the relevant MP).

The verifying VVB shall through appropriate means at its disposal, evaluate the Project's compliance with the above-mentioned conditions and provide its opinion in the Verification Report.

SustainCert shall review both the PD's response and the VVB's assessment/opinion of the same and take appropriate steps.

1.3 | Is this decision applicable to other project activities under similar circumstances?

No

B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation (Submit deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	DEV_299	
Date of decision	21/10/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	20/07/2022	
Project/PoA/VPA	Project	ID – GSXXXX
	<input checked="" type="checkbox"/> PoA	ID – GS3112
	<input checked="" type="checkbox"/> VPA	ID – GS 3544, GS 3482, GS 3619, GS 3620, GS 3618, GS 4372, GS 4373, GS 4374, GS 4375, GS 4376, GS 4377, GS 4378, GS 4379, GS 4380, GS 4381, GS 4382, GS 4384, GS 4383, GS 4385, GS 4386, GS 4387, GS 4388, GS 4389, GS 4390, GS 4391, GS 4392, GS 4393, GS 4394, GS 4395, GS 4396, GS 4397, GS 4398, GS 4399, GS 4400, GS 4401
Project/PoA/VPA title	<p>PoA Title: GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh</p> <p>VPA Title: GS 3544 VPA 01- GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh</p> <p>to</p> <p>GS 4401 VPA 36 - GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh</p>	
Date of listing	04/08/2014	
GS Standard version applicable	GS4GG	
Date of transition to GS4GG (if applicable)	28/01/2022	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	Not Applicable	
Date of design certification/inclusion (if applicable)	08/05/2015	
Location of project/PoA/VPA	Host country(ies): Bangladesh	

Scale of the project/PoA/VPA	<input checked="" type="checkbox"/> Microscale <input type="checkbox"/> Small scale <input type="checkbox"/> Large scale
Gold Standard Impact Registry link of the project/PoA/VPA	https://registry.goldstandard.org/projects/details/537
Status of the project/PoA/VPA	<input type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input checked="" type="checkbox"/> Certified project
Title/subject of deviation	Verification site visit frequency
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	
Specify the monitoring period for which the request is valid (if applicable)	Start date 01/03/2018 End date 28/02/2021
Submitted by	Contact person name: Rohit Lohia
	Email ID: Rohit.lohia@climate-secure.com
	Organisation: Climate Secure
	Project participant: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes; VVB name: VVB Staff name(s):
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> DEV_163, Date of Decision: 11/01/2021 COV_DEV_277, Date of Decision: 23/06/2022

3 | Deviation detail

3.1 | Description of the deviation:

**Guidance* Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for requesting deviations, given in the [Deviation Approval Procedure/Design Change Requirements](#).*

3.1.1 | Deviation detail (to be completed by Project developer):

The PoA under concern in a micro-scale PoA in Bangladesh and consists of 35 design certified VPAs (VPAs 01-02, 04-36), that has been instrumental in bringing a significant change in the rural and semi-urban ecosystem in Bangladesh. The project ICS are manufactured by micro entrepreneurs (a network on >5000 small sanitary shop owners created by BBF). These micro entrepreneurs manufacture the project ICS and sell at a subsidized price to the beneficiary. The subsidized price helps in easy adoption of project ICS by beneficiaries. The revenue from sale of ICS is the income of corresponding micro entrepreneur. Thus, in this PoA, the CME is not receiving any monetary proceeds from sale of ICS. Further, the subsidy bill of the micro entrepreneur is settled by BBF using proceeds from carbon credits. This ensures that the micro-entrepreneurs see the manufacturing and sale of project ICS as a viable and sustainable business and are not affected by price reduction being offered to ICS beneficiaries. Thus, this PoA is one of the most exemplary PoAs as it keeps itself sustainable from sale of carbon credits.

The PoA has also been severely affected by floods in Bangladesh. The VPAs under concern were registered with ~325k stoves installed. However, due to floods in 2016, only ~183k ICS remained and rest were damaged/washed away. This event made the carbon finance generated from the remaining stoves crucial for the continuation of the project.

With this deviation, the PD intends to draw attention towards previously approved deviation DEV_163 and its application on latest rules regarding verification site visits. DEV_163 was requested in Nov 2020 after series of email discussions with SustainCert and Gold Standard (first discussion initiating in July 2020, refer the email thread with key points highlighted).

One of the key requests raised under DEV_163 was that no verification was conducted since 2016 and its bearing on the retroactive crediting period. This deviation was sought as a desperate attempt to revive the PoA which was stranded for last 5 years due to a slouching carbon market.

In the deviation requested, the CME confirmed that last verification for the PoA (and concerned VPAs) was concluded in 2016 and no verification site visits could be made thereafter (although the project continued with annual monitoring frequency). The deviation thus sought an exemption from the 3-year verification cycle requirement, albeit for the retroactive period 2016-till date of deviation approval with the plan of regularizing the verification site visits for subsequent monitoring periods thereafter.

The Gold standard issued the decision on the aforesaid deviation on 11 Jan 2021 as "**APPROVED**", confirming the PD to claim credits from 2016 onwards as follows:

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 11/01/2021

1.2 | Decision - Approved

The deviation request is approved on account of the appropriateness of justifications provided by the CME in this deviation form. Consequently, the CME is allowed to:

- a) initiate a combined design certification and performance/issuance review for VPAs 21-36, pertaining to monitoring period 01/08/2014 to 31/07/2016, by submitting all relevant documents to SustainCert through the Impact Registry interface.
- b) claim emissions reduction occurring from 01/08/2016 to 28/02/2018 by following all relevant requirements of the GS version currently under use (i.e., GSv2.2).

The deviation approval is subject to the following conditions being met -

- i. For carrying out activities listed in points (a) and (b) above, the PD shall demonstrate compliance with all standard/methodological requirements documented in the registered PoA/VPA-DD(s), and where gap(s) exist, justify that conservative approach(es) have been applied in line with the GS principles.
The verifying VVB shall assess PD's compliance with this condition and provide their opinion in the Verification Report. SustainCert shall subsequently review both the PD's compliance and VVB's assessment and opinion.
- ii. For claiming emissions reduction occurring from 01/03/2018 onwards, the CME shall first transition the PoA from GSv2.2 to the current version of GS4GG by following the Transition Requirements (v1.1 dated March 2018) available on the GS website and subsequently undergo verification and performance review by following the established performance certification/issuance procedure.

Once the deviation was approved, the CME executed the following tasks:

Sl. No.	Task Description - pertaining to decision a) under DEV_163)	Timeline
1.	Approval of Deviation	11 Jan 2021
2.	Submission of VPA 21-36 for combined review	19 Jan 2021
3.	Initiation of combined design certification and performance review of VPA 21-36 by SustainCert (invoices triggered)	27 Jan 2021
4.	First combined review feedback received from SustainCert	01 Jun 2021
5.	Responses to GS review feedback submitted by CME on SustainCert	03 Jul 2021
6.	Final Approval on combined design and performance review	26 Jul 2021

Thus, prior to 26 Jul 2021, VPA 21-36 were not yet designated as design certified and it was not possible for CME to initiate any further verification site visits.

Post design certification of VPA 21-36, the following tasks were executed for VPA 01-02, 04-36.

Sl. No.	Task Description - pertaining to decision ii) under DEV_163)	Timeline
---------	--	----------

7.	Submission of Transition Annex AA for PoA and all design certified VPAs – for transition to GS4GG	31 Aug 2021
8.	Round 1 feedback received from SustainCert	29 Sep 2021
9.	Responses to GS review feedback submitted by CME on SustainCert	27 Nov 2021
10.	Final approval of transition of VPAs from GS ver 2.2 to GS4GG	Jan 28, 2022

The aforesaid was executed in line with the approved deviation which mandated the CME to first transition the PoA and the VPAs to GS4GG before commencing any verification and performance reviews.

As it can be seen from above, the timelines indicate prompt revert on either side (from SustainCert to CME and viceversa). Thus, it is substantiated that best endeavors resulted in conversion of the PoA and associated VPAs under GS4GG by Jan 2022. Needless to mention, this entire period was COVID affected which had its own perils in slowing the cycle.

Post transition for GS4GG, the following tasks were executed by CME:

Sl. No.	Task Description - pertaining to decision i) and ii) under DEV_163)	Timeline
11.	Requesting proposal from VVB for verification services (for period Aug 2016- Feb 2018)	13 Jan 2022
12.	Contract Signature with VVB for verification of GS 3112	23 Feb 2022
13.	VVB verification site visit (for period Aug 2016- Feb 2018) – this entire audit is recorded and the sampled ICS are objectively verifiable as operational during the recorded video calls made with the sampled users by the VVB.	05-06 April 2022
14.	Submission of performance review request for the aforesaid	09 Jun 2022
15.	Requesting proposal from VVB for subsequent verification services (for period Mar 2018 - Feb 2020)	22 Apr 2022
16.	Contract Signature with VVB for verification of GS 3112	05 May 2022
17.	VVB verification site visit (for period Mar 2018 - Feb 2020)	29-30 Jun 2022

For the task 17 above, the CME had initially intended to cover the entire retroactive period (Mar 2018 – Feb 2021) under one verification. Thus, CME sought a deviation from SustainCert against COVID interim measures clause 4.3.1, however, the same was not accepted by the SustainCert (COV_DEV_277) and thus the monitoring period under task 17 being remotely verified was limited till Feb 2020.

A breakdown of the references quoted in the decision of the deviation COV_DEV_277 designated **"NOT APPROVED"** (refer Fig. above) is given below in form of a table along with the justification:

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 23/06/2022

1.2 | Decision

The deviation is **NOT APPROVED**.

- i) According to [SITE VISIT AND REMOTE AUDIT REQUIREMENTS AND PROCEDURES](#) "Summary ... Physical site visits are required within 2 years of the project start date and thereafter every 3 years."
- ii) Additionally according to [PROGRAMME OF ACTIVITY REQUIREMENTS AND PROCEDURES](#) "§ 8.4.12 |For the regular VPAs directly included by the CME following Fast track inclusion pathway, the VVB shall conduct the site visit within two years of a VPA's start date." and to [MICROSCALE PROJECT REQUIREMENTS](#) "§11.1.2 A microscale project must be subjected to an Objective Observer appraisal and site visit at least once within two years of date of Design certification or the start of certification/crediting period, whichever is later."
- iii)
- iv) According to the information available for this PoA the latest site visit has been performed from 01/11/2015 to 03/11/2015, hence the next on-site assessment should have been performed in 2018, hence the deviation is not approved.

References	Justification
i.	The "Site visit and remote audit requirements and procedures" cited came into force on 17 Nov 2021, much after the date of the original deviation decision (DEV_163). It is not deemed applicable to the concerned retroactive monitoring period (Mar 2018 – Feb 2021).
ii.	The clause 8.4.12 "Programme of activity requirements and procedures" is met by all design certified VPAs as the first verification was concluded in 2016, which was within the first two years of VPA start date. Although the VPAs are not under fast-track inclusion pathway
iii.	"Microscale project requirements" 11.1.2 is also met by all design certified VPAs.
iv.	It is being re-emphasized here that this deviation was not related to maintaining a verification cycle frequency of once every three years and was rather requested against COVID Interim Measures para 4.3.1 to allow remote verification for more than two-year period. The concluding remarks of the decision (for #277), however, focusses on the non-adherence to the same set of requirements against which the earlier deviation (#163) was sought and that eventually was approved by GS TAC. In DEV_163, PD explicitly specifies on page 5, point#2 that there has not been any verification site visit since 2016. Given

	the decision itself was issued in Jan 2021 (which is more than 5 years since the last site visit), it is implicit that the deviation allows crediting for the retroactive period (from the date of decision).
--	---

Further, it is requested to consider that the CME has received pre-finance against the aforesaid credits and has invested the same in the renewing/continuing the PoA. The pre-finance has been instrumental in meeting the subsidy bill of around 140k families that have received ICS in last 6-8 months. The pre-finance was approved by the investor against DEV_163 decision which allowed crediting the PoA from Mar 2018 onwards. Also, had the deviation decision explicitly indicated requirement of needing to conduct the verification visits any earlier, the CME would have done the same.

As already demonstrated above, via detailed chronology, that despite taking prompt measures, the VPAs could be design certified only in Jul 2021 and GS4GG transitioned by Jan 2022. Without the transition, it was not possible to conduct the verification audit any earlier.

The CME is committed towards highest standards of environmental integrity and professional ethics. The CME, therefore, requests SustainCert to allow CME to claim the credits for the period 01 Mar 2018 - 29 Feb 2020.

The CME is further committed to following a strict verification schedule moving forward. For the period 01 Mar 2020 – 28 Feb 2022, the CME shall be convening another verification physically. Further, the CME voluntarily proposes to have the subsequent verification (01 Mar 2020 – 28 Feb 2022) witnessed by an objective observer, if desired by GS.

As stated earlier, the CME does not earn any revenue from installation of the project ICS. Instead with each ICS installed, the subsidy bill for CME increases which must be paid to the manufacturer. The CME cannot afford to default on already financed credits, with the issuance from this monitoring period being critical in keeping the PoA alive. To this end, the CME stands ready and very willing to work with SustainCert in finding a constructive and workable solution that will enable the continuity of project activity.

3.1.2 | VVB opinion (to be completed by VVB, if applicable):

Not applicable

3.2 | Assessment of the deviation:

3.2.1 | Deviation assessment (to be completed by Project developer):

The deviation is not impacting the applicability, accuracy, completeness or conservativeness of GHG assertion. The deviation is related to the verification site visit requirements.

3.2.2 | VVB opinion (to be completed by VVB, if applicable):

Not applicable.

3.3 | Impact of the deviation:

3.3.1 | Impact assessment (to be completed by Project developer):

The deviation does not impact the PoA/VPA design, safeguarding principles assessment, SDG assessment, Emission reductions, monitoring frequency or data quality. The deviation is being sought to resolve the conflicting deviation decision COV_DEV_277.

Additionally, the CME is obligated to pay the subsidy bills to manufacturing entrepreneurs (partner organizations). A successful approval shall result in CME being able to repay the subsidy bills from the proceeds of carbon credits. Further, it will drive the PoA by allowing addition of new VPAs covering new installations and benefitting hundreds of new families currently deprived of clean cooking in Bangladesh.

3.3.2 | VVB opinion (to be completed by VVB, if applicable):

Not applicable.

3.4 | Documents:

Email Discussions between CME/project representative with Gold Standard and Sustain Cert.

Version number	Release date	Description
5	11.04.2022	Additional information added: <ul style="list-style-type: none"> - date of listing, design certification, transition - standard version - specific reference to a requirement deviated from - any previous deviations/design changes approved Guidance on VVB opinion
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption