

Influence. Innovate. Inspire.

The Gold Standard
A/R Smallholder & Microscale Guidelines

Applicable for
Valid since
Version
Author

A/R Requirements
November 2014
1.0
The Gold Standard

With the support of:



Table of content

Background / How to read.....	2
I. Applicability / Scope	3
1. Definitions	4
2. Key Project Information	7
3. Sustainability	8
4. Additionality	11
5. Methodology	12
7. Project Cycle	14

Background

These guidelines are an add-on module for the 'A/R Requirements' - www.goldstandard.org/luf_ar-requirements. They were developed to overcome some of the obstacles smallholder and microscale projects face to access the carbon market.

The guidelines simplify the existing requirements and aim to a reduction of transaction costs. For this certain requirements have been modified, simplified or waived. Furthermore, the use of a special class of auditors is possible.

If there is no mention of a particular requirement from the 'A/R Requirements' in these guidelines, it implies that the 'A/R Requirements' are unchanged.

Please note that the numbering of chapters is not always continuously within this guideline, as some chapters of the 'A/R Requirements' remain unchanged.

How to read

The following symbols indicate the relevance of requirements for a specific chapter or subchapter:



Relevant for 'smallholder projects'



Relevant for 'microscale projects'



Not relevant for 'microscale projects'



I. Applicability / Scope

Applicability / Scope

To be added as new requirements:

1. This guideline shall be applied in combination with the Gold Standard 'A/R Requirements v0.9'.
2. **Smallholders** | This guideline can be applied by 'smallholder projects' - project areas that are managed by smallholders.

There is NO limit in size for such 'smallholder projects'.

Projects that consist of areas, which are managed by a mix of smallholders and non-smallholders ('smallholders' as defined in chapter '1. Definitions') can use this guideline only for the project areas that are managed by smallholders.

Combined certifications are possible and economically worthwhile.
3. **Microscale** | This guideline can be applied by 'microscale projects' - projects with a project area of maximum 500ha.

In order to avoid undermining the purpose of this guideline, project owner shall not register projects with similar characteristics as separate projects.
4. This guideline aims to simplify the existing 'A/R Requirements'. In case a project intends to use in a particular case the original requirement of the 'A/R Requirements' instead of the adapted version by this guideline, it may do so.



1. Definitions

The 'A/R Smallholder & Microscale Guidelines' modify some of the existing definitions of the 'A/R Requirements'. Thus the 'A/R Requirements' shall be interpreted accordingly.

When the project owner is uncertain about a particular interpretation, he shall contact the Land Use & Forest team of the Gold Standard Secretariat.

* All definitions with a red start might be subject to adaption due to the streamlining process with the Gold Standard 'Agriculture Requirements'. These are currently in the developing phase and will be published by the end of 2014. Meanwhile the definitions in this guideline are valid.

Governance

To be added to the definition '6. Auditor':

- (c) Auditors are individuals that have successfully completed the Gold Standard training for 'LUF Auditors'. These trainings are still to be developed in 2015. Until then regular 'company auditors' shall be used.

These 'individual auditors' are limited to audit projects

- as New Area Certification
- as Performance Certification (except for the first Performance Certification)

The cumulative amount of CO₂-certificates issued through one or several certifications executed by 'individual auditors' cannot exceed 100'000.

Beyond this threshold a Performance Certification by a 'company auditor' can reinstate a project's eligibility for subsequent cumulative 100'000 CO₂-certificates - again issued through one or several certifications executed by 'individual auditors'.

Project Actors

The term '11. Worker' is adapted to:

11. **Workers*** | (adapted from Fairtrade and FSC) Workers are all persons that are employed by a written or verbal agreement.

This includes permanent, migrant, part-time and seasonal employees, of all ranks and categories, including field workers, artisans, labourers, administrators, supervisors, executives, contractor employees as well as self employed contractors and sub-contractors.

Excepted from the definition above are:

- (a) workers employed by a verbal agreement on smallholder farms for less than 3 months per year, AND
- (b) smallholder farmers themselves, AND
- (c) family members of the smallholder farmer

Smallholder* | Smallholders are farmers that have more than 50% of farm work done by family members, cooperative members or neighbours.

Areas

The term project area **replaces/merges** the definitions of '14. Project area', '15. Planting area' and '16. Eligible Planting Area':

Project area* | (Source: adapted from FSC, where the relevant term is 'Management Unit') The project area is a spatial area submitted for certification, managed to a set of explicit long-term management objectives.

For the efficient calculation of the amount of CO2-certificates or other accounted ecosystem services (e.g. carbon reduction, removal and avoidance, biodiversity enhancement, water supply) under The Gold Standard, the project area is divided into the sub-unit of Modelling Units (MUs).

New project areas can be added and removed to an existing project area after its Initial Certification (see 'Procedures, 3. New Area Certification').

To be added as new definition:

Project activity* | Project activities are activities (planning, implementation and management) undertaken with the objective to certify one or several ecosystem services (e.g. emission reduction, removal and avoidance, biodiversity enhancement, water supply).

The term '7. Project' is **adapted** to:

Project* | A project is the realization of project activities.

The term '18. Modelling Unit (MU)' is **adapted** to:

Modelling Unit (MU)* | A Modelling Unit (MU) represents an area with *homogeneous characteristics* to predict (model) and verify a certain ecosystem service.

A/R projects

For A/R projects these *homogeneous characteristics* are usually defined by the

- age cohorts, AND
- (mix of) tree species, AND
- silvicultural treatment, AND
- agro-ecological conditions (e.g. elevation, precipitation, soil type, etc.).

Certificates

The term '21. Crediting period' is **adapted** to:

Crediting period* | The crediting period is the time span in which the reduction, removal and avoidance of CO₂ can be accounted for and is subject to monitoring.

*Smallholder projects**

Smallholders join and exit projects more frequently than participants in regular projects. Although a project always has only *one* crediting period, smallholders of a project can have different commitment periods to a project.

Overall, it is in the responsibility of the project owner to deliver the estimated CO₂-certificates within its crediting period, as outlined during the Initial Certification.

Smallholder and microscale A/R projects

For 'smallholder and microscale projects' the crediting period shall be minimum 30 years and maximum 50 years. The project owner selects the crediting period based on the characteristics of the project during the Initial Certification.

The crediting period starts with the planting start.

An adaptation of the crediting period after the Initial Certification is possible, as long as it stays within the timeframe of 30-50 years. For the procedures, please contact the Gold Standard secretariat.



2. Key Project Information

Requirement 1 is **adapted** to:

- (b) Organisations involved in the project (including legal details of the project owner and its relationship to the *local communities* of the project)
- (c) Target smallholder groups that will be invited to participate
- (d) Location of the project area
- (e) Size of the project area
- (p) Distribution of revenues (between the project owner and the smallholders)

The requirement 3 is **adapted** to:

- 3. The project owner shall have a digital map with the location of all project areas. These maps shall contain for every participating smallholder
 - (a) one GPS point, **OR**
 - (b) one polygon (reflecting the boundaries of the individual area).
- 4. Each smallholder participating in the project shall
 - (a) know during any field visit what area of his land is part of the project activity (project area), **AND**
 - (b) have a hand-drawn (or digital) map of this area that contains the size of his land and/or the number of trees.



3. Sustainability

3.1 Do-No-Harm Assessment

Social

Note that the requirements for **Working Conditions** (6 - 12) and for **Occupational Health & Safety** (15 - 18) are limited to 'workers' of the project.

The 'workers' definition excludes "... temporary workers on smallholder farms who are verbally 'self-employed' for less than 3 months per year on an irregular basis ..." – see chapter '1. Definition' term 11.*

The requirement 10 is **adapted** to:

10.* There shall be no child labour.

Excepted are children for work on their families' property as long as:

- (a) their compulsory schooling (minimum of 6 schooling years) is not hindered, **AND**
- (b) the tasks they perform do not harm their physical and mental development.

To be added as new requirements:

Safeguarding Food security

18.2* Food security and human health of *local communities* surrounding the project, including project participants, shall not be negatively affected by the project activities.

Women

18.3* The project shall meet minimum two from the following four domains to improve the women's

- (a) *income or assets* (material goods, monetary resources, land, livestock, etc.),
- (b) discretionary or socialising *time*,
- (c) *skills, education or knowledge*,
- (d) role for decision making.

The domains are based on the *W+ Standard*¹. The *W+ Standard* is a certification label developed by the *Women Organizing for Change in Agriculture Network* (WOCAN) that endorses projects that create increased social and economic benefits for women participating in economic development or environment projects, including those that provide renewable energy technologies, time and labor saving devices, forest and agriculture activities, and employment opportunities.

¹ W+ Standard

www.wplus.org

Environmental

The requirements 21, 23 and 34 are **removed**:

21. Through a smart mosaic of the planting areas, buffer zones and infrastructure habitat connectivity for flora and fauna should be enhanced.

23. Minimum 10% of the project area shall be identified and managed to protect or enhance the *biological diversity*² of *native ecosystems*³. For this, the *HCV*⁴ approach should be followed.

34. On both sides of permanent or temporary *water bodies* (lakes, streams, rivers, wetlands, etc.) riparian buffer zones of 15 meters shall be implemented on each site. In these riparian buffer zones:

- (a) only *native tree species*⁵ may be planted, **AND**
- (b) *invasive species*⁶ shall be removed, **AND**
- (c) all existing vegetation shall be kept, **AND**
- (d) no timber harvesting activities shall take place, **AND**
- (e) no use of fertilizer or chemical pesticides.

Requirement 24 and 31 is **adapted** to:

24.* (a) Existing patches of trees or single solitary stems with a high degree of *biological diversity*², **AND**
(b) habitats of *endangered species*⁷
shall always be *identified* and *managed* to protect or enhance the *biological diversity*².

31.* Workers shall transport, store, handle and apply chemical pesticides in a safe way.

² Biological diversity (Source: FSC) The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.

³ Native ecosystem (Adapted from FSC) Sites to favour or restore native species and associations of native species that are typical of the locality, and for managing these associations and other environmental values so that they form ecosystems typical of the locality.

⁴ HCV High Conservation Value - www.HCVnetwork.org

⁵ Native tree species (Source: FSC) Species, subspecies, or lower taxon, occurring within its natural range (past or present) and dispersal potential (that is, within the range it occupies naturally or could occupy without direct or indirect introduction or care by humans).

⁶ Invasive species (Source: FSC) Species that are rapidly expanding outside of their native range. Invasive species can alter ecological relationships among native species and can affect ecosystem function and human health.

⁷ Endangered species All *endangered* and *critically endangered* species as defined by the IUCN Red List - www.IUCNredlist.org

3.2 Local Stakeholder Consultation (LSC)

The requirements 9, 10, and 11, are **removed**.

According to the 'Guidelines - LSC', which needs to be applied by all projects, all requirements of the chapter '3.1 Do-No-Harm Assessment' are subject to discussion during the local stakeholder consultations - and need to be monitored in case any risk of future non-compliance is identified.



3.5 Legal Rights

The requirement 2 is **adapted** to:

2. Each smallholder shall sign an *agreement* with the project owner which confirms that
 - (a) the smallholder holds the 'CO₂ user rights' from the trees that are planted due to the project and passed these rights on to the project owner, AND
 - (b) the smallholder holds all necessary rights to implement the project (e.g. planting permits, right to harvest).

Such *agreements* shall include the

- (d) contact details of the smallholder, AND
- (e) contact details of the land owner (if differing), AND
- (f) length of lease contract (if applicable), AND
- (g) a confirmation that the land tenure on which the trees are planted is uncontested, AND
- (h) the liabilities and benefits for the smallholder.

An example *agreement* is provided by the 'Smallholder agreement' template. **This template is still to be developed in 2015.** *Agreements* with comparable meaning may be used.

If a smallholder does not meet requirements 2(a) and 2(b), the person or legal entity that does meet those respective requirements shall endorse the participation of the smallholder in a written form.

- 2.1 All paragraphs within the *agreement* shall be explained and discussed with the smallholders in meetings. If helpful, the *agreement* should be translated to the local language and/or in an oral way.

- 2.2 The project owner shall have a list with all
 - (a) names and contact details from the participating smallholders, AND
 - (b) the locations (GPS points) and area (ha) of their project areas, AND
 - (c) the *end dates* of the lease contracts and frequency of renewal (if applicable), AND
 - (d) the *start and end dates* of the smallholders participating in the project.



4. Additionality

4.1 Additionality

Please note that the 'A/R Requirements' contain two options for the proof of additionality. Though, the adaptations made by this guideline only refer to 'Option 2', 'Option 1' can also be applied by the project owner.

To be added to the 'Process for New Area Certification':

Process for New Area Certification

Option 2: The project owner may use the *UNDP Human Development Indicator* of the Initial Certification.

The requirement 4 is **adapted** to:

5. The project area shall not have been *forest*⁸ for at least 10 years prior to the planting start.

In case the project area has been deforested during the last 10 years, evidence shall be given that the deforestation activity has not taken place with the intention to reforest the area and generate CO₂-certificates.

⁸ Forest A forest is defined by the Designated National Authority (DNA) of the project's host-country:
<http://cdm.unfccc.int/DNA/index.html>



5. Methodology

Practical Approach

Many projects take place in countries where little scientific information is available for trees species, biomass in general and other land use related activities.

To provide cost-efficient estimations for the parameters 'Baseline', 'Leakage' and 'CO₂-Fixation' it is thus *recommended* for the project owner not to execute expensive field research, but to use wherever possible existing national or international default values.

5.5 Baseline

To be added as new requirement:

0. Applicability conditions for each Baseline scenario shall be set.

The process for 'New Area Certification' is **adapted** to:

Process for New Area Certification

For the New Area Certification the project owner shall provide justification that the *new areas* meet the applicability conditions (see new requirement 0 above) that were set during the Initial Certification.

In case 'new' Leakage scenarios are created the process for Initial Certification shall be followed.

The resulting figures of the 'Baseline' template shall be used to update the projects 'Modelling Units Report'. This can be a self-made spreadsheet by the project or a generated PDF-spreadsheet by the *ClimateProjects* software.

5.6 Leakage

To be added as new requirement:

0. Applicability conditions for each Leakage scenario shall be set.

The process for 'New Area Certification' is **adapted** to:

Process for New Area Certification

For the New Area Certification the project owner shall provide justification that the *new areas* meet the applicability conditions (see new requirement 0 above) that were set during the Initial Certification.

In case 'new' Leakage scenarios are created the process for Initial Certification shall be followed.

The resulting figures of the 'Leakage' template shall be used to update the projects 'Modelling Units Report'. This can a self-made spreadsheet by the project or a generated PDF-spreadsheet by the *ClimateProjects* software.

5.7 CO₂-Fixation

To be added as new requirement:

0. Applicability conditions for each *MU growth-model* shall be set.

The process for 'New Area Certification' is **adapted** to:

Process for New Area Certification

For the New Area Certification the project owner shall provide justification that the *new areas* meet the applicability conditions (see new requirement 0 above) that were set during the Initial Certification.

In case 'new' *MU growth-models* are created the process for Initial Certification shall be followed.

The resulting figures of the 'CO₂-Fixation' template shall be used to update the projects 'Modelling Units Report'. This can be a self-made spreadsheet by the project or a generated PDF-spreadsheet by the *ClimateProjects* software.

Forest Inventory

The requirement 2 is **adapted** to:

2. For *forest inventories* the 'Guidelines - Forest Inventory' should be followed. **This template is still to be developed by the end of 2014.**

The requirement 5 is **adapted** to:

5. The *forest inventory* shall be sufficient to meet a MU precision with a maximum error of $\pm 20\%$ at a 90% confidence interval. Where the error is above 20%, the additional difference shall be deducted.



7. Project Cycle

7.3 New Area Certification

To be added as information:

New Area Certification can also be executed by 'LUF auditors' as defined in the chapter '1. Definition'.

The requirement 1 is **adapted** to:

1. The process for New Area Certification shall be followed, as outlined in the individual chapters.