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The Gold Standard

Transition Guideline

for projects certified under CDM A/R and JI A/R

Applicable for A/R Requirements
Valid since June 2015
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Version 1.2



Transition Guideline – CDM A/R & JI A/R The Gold Standard



Background

Several project owners have been approaching the Gold Standard asking for guidance on how to transition from CDM A/R or JI A/R to Gold Standard A/R. This document describes the process for transitioning UNFCCC A/R projects to The Gold Standard.

Terminology

UNFCCC terminology differs from the terms used in the Gold Standard 'A/R Requirements'. The following list gives on overview on the differences in terminology.

UNFCCC

- Actual net GHG removals by sinks, Ex-post actual net GHG removals by sinks
- A/R project activity, or Project activity
- Baseline net GHG removals by sinks, Baseline
- Ex-ante actual net GHG removals by sinks
- Management stratum (strata) (MS)
- Net anthropogenic GHG removal by sinks
- Non-CO₂ GHG emissions
- Project area, Project activity area
- Project area
- **Project proponents**
- Validation
- Verification

Gold Standard A/R

CO₂-Fixation¹

Project activity

Baseline

Long-term CO₂-Fixation Modeling Unit(s) (MU)

Net-CO₂-Fixation **Project emissions**

Project area

Eligible planting area

Project owner

Initial certification

Performance certification

When communicating with the Gold Standard Secretariat or applying for Gold Standard certification, please use the Gold Standard terminology as defined by the 'A/R Requirements'.

What is JI A/R?

In contrast to CDM A/R, forest activities under the Joint Implementation (JI) scheme are less know. This is due to the fact that there are only very few projects that have applied under this scheme.

Generally, JI is not differentiating between different scopes under LULUCF (A/R, IFM, REDD). As this guideline is limited for the scope of A/R, the term 'JI A/R' is used throughout the document.

JI A/R is most of the time following the CDM A/R accounting methodologies, with the exception on rules for the national accounting.

Documentation

Gold Standard Templates

The project can apply for Gold Standard certification by filling-in the Gold Standard A/R templates (www.goldstandard.org/luf_ar-requirements) and referring in these templates to the existing CDM A/R or JI A/R documentation. Where the documentation under CDM A/R or JI A/R requirements does not fully cover a certain Gold Standard A/R requirement, additional documentation shall be provided.

¹ Unlike in UNFCCC A/R, in Gold Standard the term 'CO₂-Fixation' does include the 'Project Emissions'



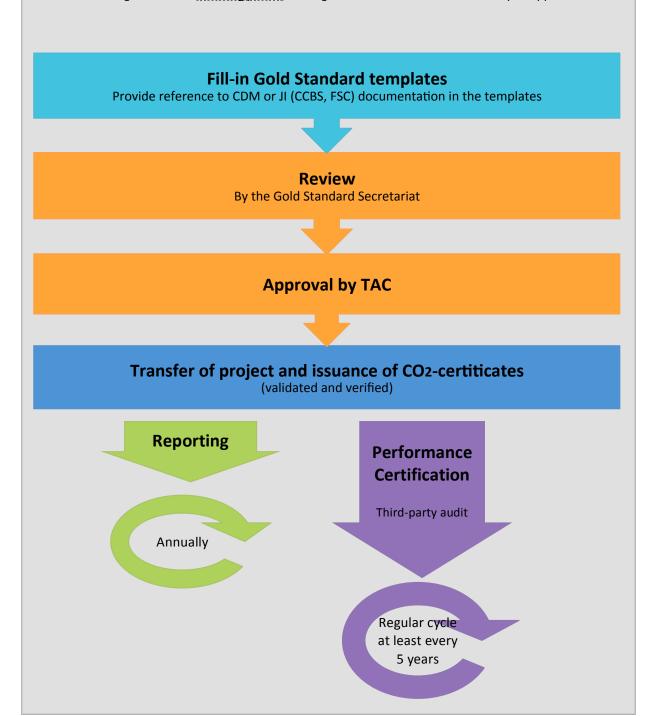
Transition Process

The Gold Standard Secretariat will review the completed Gold Standard A/R templates of the project, including the supporting documents, which are referenced in these templates.

During the review, the <u>Gold Standard Secretariat</u> may raise Corrective Action Requests (CAR) to the <u>project</u> owner. When all CARs are closed, the <u>Gold Standard Secretariat</u> will provide the <u>project information</u> (filled-in *templates* and *supporting documents*) to the Gold Standard Technical Advisory Committee (TAC) for consideration.

Upon approval by the <u>TAC</u>, the <u>project</u> will be registered as a Gold Standard A/R <u>project</u>. The standard process for issuance of Gold Standard <u>CO2-certificates</u> can then proceed. At this point the <u>project</u> has successfully transitioned from UNFCCC to Gold Standard.

For the remaining time of the crediting period, the regular Gold Standard certification cycle applies.



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Certification under CCBS or FSC

Where the transitioning CDM A/R or JI A/R project is certified under the Climate, Community & Biodiversity Standard (CCBS), the same documentation process as outlined in the paragraph 'Gold Standard Templates' applies.

CCBS project documentation (PDD and reference information) and CCBS validation/verification reports shall be provided as *supporting documents*.

Where the transitioning CDM A/R or JI A/R project is certified under the Forest Stewardship Council (FSC), reference to the 'FSC Certification Report' shall be provided in response to the Gold Standard 'A/R Requirements' in section '3. Sustainability' (except for chapter '3.6 Legal Rights'). It is not necessary to reference individual FSC criteria in the Gold Standard *templates*.

The latest 'FSC Certification Report' shall be provided as a *supporting document*.

Registry

All <u>project information</u> (filled-in *templates* and *supporting documents*) shall be uploaded through the <u>Gold</u> Standard Registry which is hosted by Markit (<u>www.goldstandard.org/our-activities/project-registry</u>).

All project information, except confidential information, shall be made publically available through the Gold Standard Registry.

Reporting

For all <u>projects</u> that transition, the annual reporting as outlined in the Gold Standard 'A/R Requirements' chapter '6.3 Reporting' will commence in the same year as the project is transitioned to Gold Standard.



Other technical specification

Double counting

To avoid double counting of <u>CO2-certificates</u>, the <u>project owner</u> shall provide clear evidence needs to be provided that <u>CO2-certificates</u> that want to transition to Gold Standard have been cancelled/expired under the respective mechanism.

This can be through a 'voluntary cancellation' of CO2-certificates. Example:



United Nations Climate Change Secretariat Nations Unies

Secrétariat sur les changements climatiques

Date: 27/11/2014 Reference: VC0326/2014

ATTESTATION OF VOLUNTARY CANCELLATION

In accordance with the provisions to provide voluntary cancellation services in the CDM Registry, this attestation hereby certifies completion of the following voluntary cancellation transaction:

Transaction reference: CDM32422
CDM project activity reference number: 2569

CDM project activity name: Reforestation as Renewable Source of Wood Supplies

for Industrial Use in Brazil

Number and type of cancelled units: 12,400 tCERs

 Start serial number:
 BR-6-65659904-1-1-1-2569

 End serial number:
 BR-6-65672303-1-1-1-2569

Purpose / beneficiary of the cancellation: Chugoku Electric Power Company, Inc. has requested

the International Bank for Reconstruction and Development (IBRD) as Trustee of the Prototype Carbon Fund (PCF) to cancel all tCERs from this

project

Date of cancellation transaction: 27/11/2014

The above information is also published on the CDM website at the following link: https://cdm.unfccc.int/Registry/vc_attest/index.html

> CDM Registry Administrator UNFCCC Secretariat Bonn

*tCERs/ICERs originate from afforestation/reforestation activities and are non-permanent units. tCERs expire at the end of the commitment period following the one in which they were issued and ICERs expire at the end of the last crediting period of the project activity.

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Temporary CO2-certificates (tCERs / ICERs) will NOT get a Gold Standard label.

Temporary CO2-certificates (tCERs / ICERs) already transferred (sold) can only be transition once the respective tCERs / ICERs have expired.

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Double counting for JI A/R

This topic is currently being discussed within the Gold Standard Technical Advisory Committee (www.goldstandard.org/about-us/governance) as well as the Gold Standard board. Until the mid of 2015, we aim to provide an easy and cost-efficient solution for this topic.

For further information please contact the Gold Standard secretariat: Moriz Vohrer

moriz.vohrer@goldstandard.org

Crediting period

In contrast to CDM A/R or JI A/R, Gold Standard A/R projects cannot renew their crediting period. Gold Standard projects have a fixed crediting period which must be selected when the project is registered, and can be between 30 and 50 years.

Transitioning CDM A/R or JI A/R projects will need to redefine their <u>crediting period</u>. The start of the <u>crediting period</u> under Gold Standard must be the same as the start date for the <u>project</u> under CDM A/R or JI A/R.

Permanence risks (only relevant for CDM A/R)

CDM A/R manages permanence risks associated with the carbon fixation of the project by issuing temporary CO2-certificates (tCERs / ICERs). CDM A/R does not use a buffer pool to manage permanence risks.

The Gold Standard does NOT issue temporary <u>CO2-certificates</u>. The Gold Standard issues <u>validated CO2-certificates</u> or <u>verified CO2-certificates</u> (see definitions of '<u>CO2-certificates</u>' in the Gold Standard 'A/R Requirements').

Permanence risks (relevant for CDM A/R and JI A/R)

In order to assure the permanence of <u>CO2-certificates</u> under the Gold Standard, <u>projects</u> must contribute 20% of the <u>CO2-certificates</u> issued to the <u>project</u> (or an equivalent number of other Gold Standard <u>CO2-certificates</u> from <u>Energy</u> or <u>Land Use & Forests</u> projects) to the <u>Gold Standard Compliance Buffer</u> at the time of issuance.

Certification

Once the <u>project</u> is transitioned, the <u>project</u> will be registered under the Gold Standard and shall undergo a third-party <u>performance certification</u> within the next 3 years from the transition or within 5 years since its last verification under CDM A/R or JI A/R.

The <u>performance certification</u> shall be executed by an <u>auditor</u> recognized through the Gold Standard <u>www.goldstandard.org/luf_auditors</u>

Fee

For the review of the transitioning <u>project information</u>, the Gold Standard changes a fee of 2'000 USD. This fee must be paid prior to the commencement of the review which will follow the process for Gold Standard Pre-Feasibility Assessments.

Where a review of the transitioning project information identifies topics which involve additional costs in order to provide full evidence to the Gold Standard, the project owner will be informed before any costs are incurred. In this case the transition process will only continue when an agreement with the project owner was found on how to proceed.





History of this document

Version	Date	Nature of revision
1.0	Jun 2014	Initial publication
1.1	Sep 2014	The guideline was extended from CDM A/R to CDM A/R and JI A/R.
1.2	Jun 2015	The guideline improved the description on measures to put in place to avoid double counting (through voluntary cancellation). The ERAA option was taken out, as it focused only on pre-CDM activities.