

Summary of Gold Standard Version 2.2 rules

Introduction

The Gold Standard Version 2.2 came into force on 1st June 2012 and is available for immediate use by market actors. Project applicants currently using version 2.1 can use a part or all of the upgrades of version 2.2. The grace period for the use of version 2.1 is until 31st July 2012, which implies that regular cycle projects that have uploaded the Local Stakeholder Consultation Report or projects applying for retroactive registration that have uploaded the required documents and paid the pre-feasibility assessment fee by the end of July, will still be able to make use of version 2.1.

Version 2.2 rule book expands The Gold Standard scope to waste handling and disposal, provides revised eligibility criteria, introduces a revised micro-scale scheme and a new micro-programme scheme, provides revised rules and new guidance for PoAs and includes new procedures such as the Grievance Mechanism and the Appeal Mechanism.

Gold Standard Version 2.2 is composed of The Gold Standard requirements, The Gold Standard Toolkit, and the following Gold Standard annexes:

1. Mandatory Guidelines – mandatory rules and procedures in addition to those provided in The Gold Standard Requirements.
2. Guidance Notes – supporting information such as checklists, guidance documents and process flowcharts.
3. Legal documents – legally binding documents such as the terms and conditions or the fee structure.
4. Templates – mandatory templates for project documentation.

The aim of this document is to provide a summary of the amendments and additions to the new Gold Standard rulebook to help you navigate the documentation more easily.

Disclaimer

This document is for informational purposes only. The binding rules for all Gold Standard projects are located in the Gold Standard documentation, Version 2.2, available on the Gold Standard website ([www.http://www.cdmgoldstandard.org/project-certification/rules-and-toolkit](http://www.cdmgoldstandard.org/project-certification/rules-and-toolkit)).

Update	Description of the update	Where can you find it?
New Rules/ Clarifications		
Definition of End-use Energy Efficiency	The End-use Energy Efficiency improvement category is defined as the reduction in the amount of energy required for delivering or producing non-energy physical goods or services. Project activities must implement measures to reduce energy requirements as compared to the baseline without affecting the level and quality of the services provided (service equivalence). Furthermore, the following principle applies: efficiency measures implemented are considered 'end-use' energy efficiency measures when final end-users of products or services delivered can be clearly identified and therefore are within the project boundaries, and when physical intervention is required at the end-user side. Both emission reductions from direct and indirect energy savings are potentially eligible, i.e. the introduction of measures which directly reduce the use of non-renewable fuels at the point of intervention, or of measures that do not directly reduce the amount of fossil fuels consumed at the point of intervention but lead to a reduction of the amount of an energy intensive product (e.g. fertilizer) used for the delivery of the same non-energy physical goods or services.	Requirement – III.d.3
Design change rules	The rules define the process for design change case during the pre and post registration stages of a project. A fee is applied to design change requests and is based on the resulting incremental emission reductions.	Mandatory guidelines – Annex AA
Renewal of crediting period rules	The Gold Standard procedures for renewal of crediting period are explained in Annex Z. The process to be adopted for projects under version 1.0, 2.0 and onwards for renewing the crediting period is outlined in the rules. In order to claim the start of renewed crediting period immediately after the end date of previous crediting period, the application for renewal must be submitted to Gold Standard prior to the end of the previous crediting period.	Mandatory guidelines – Annex Z
Methodology Eligibility Tool	A reference tool is now available as Annex AD to assess the eligibility of a UNFCCC methodology to a project activity applying for Gold Standard registration and the specific GS requirements to be met for the project activity to be qualified.	Guidance Notes – Annex AD

Revised rules on PoAs	<p>The revised rules provide detailed information on the procedures and requirements for implementing a Programme of Activities (PoA). The main revisions are the following ones:</p> <ul style="list-style-type: none"> ▪ The reference point for the time of first submission is the date of submission of the PoA Design Consultation Report. The <i>Design Consultation</i> is mandatory for all programmes applying for GS certification and issuance. ▪ Different procedures for the registration of a regular and a retroactive cycle activity are provided. The description of cases for a pre-feasibility assessment & fast-tracking, validation, and registration review are included in detail in the revised rules. ▪ The process for the registration of a multi-technology and/or a multi-methodology programme is provided. At least one CPA/VPA shall be submitted per type of technology/methodology or combination along with the PoA at the time of registration. ▪ The approach for a site-visit in view of inclusion of future activities must be discussed in the PoA-DD. ▪ More description on the process for inclusion is given i.e. inclusion report outline, compliance check period (2-weeks), spot-checks (target-random) and review period (1-week) or an 8-week period if there is a complete validation (e.g. new technology/ methodology introduced post- registration). ▪ Sampling verification and the risks to consider when designing the approach must be defined in the PoA-DD during the registration process. ▪ Multiple DOEs can be contracted for verification of different activities within the same programme. 	Mandatory Guidelines - Annex F
Revision of reference to determine if project	<p>Until version 2.1 a project was considered retroactive when the local stakeholder consultation (LSC) report was submitted to Gold Standard after the start date of construction or implementation of the project. The reference point in time now used to differentiate regular activities from retroactive activities is the earliest date among the start dates of</p>	Requirements – Definitions

is retroactive	implementation, construction and real action, which is defined as the start date of the project activity. This implies that if the local stakeholder consultation (LSC) report is submitted to Gold Standard after the start date of the project activity then the project activity is considered retroactive. The guidance provided in paragraph 67 of CDM EB 41 st meeting report is also applicable.	
Hydropower projects	<p>The rules for eligibility of hydropower projects have been amended as follows:</p> <ul style="list-style-type: none"> ▪ Revised Eligibility criteria includes: <ul style="list-style-type: none"> - Hydropower projects located in High Conservation Value Areas will not be eligible. - Projects which do not have a satisfactory Environmental Assessment and Social Impact Assessment report (ESIA) covering issues at a minimum on soil erosion, minimum ecological flow, sediment management, fish passages, competing use of water and impact on ground water level shall provide an independent expert opinion on these issues. - Independent Expert(s) will be hired in accordance with rule XIII.b given in the Gold Standard Requirements. - For regular cycle projects it is mandatory to invite independent expert(s) for the Local Stakeholder Consultation meeting who shall identify issues considered on time for validation and/ or verification. - For retroactive projects, project developers are required to conduct a pre-feasibility assessment. The fast-tracking option is not available for such projects. An independent expert(s) shall be contracted on time to deliver as part of the documentation submitted for prefeasibility assessment, the list of issues for which an independent expert opinion will be needed on time for validation and/or verification. - For issues identified by the independent expert, project owner shall conduct training for all staff and personnel at the project site. - For large scale projects, the Gold Standard Foundation will evaluate on a case-by-case basis the eligibility of hydropower activities with an installed capacity greater than 20MW using the pre-feasibility assessment (PFA), and in 	Mandatory guidelines – Annex C, Guidance Notes – Annex G, Requirements XIII.b

	<p>accordance with the procedure provided in section T.2.5. A compliance report showing compliance to latest WCD Guidelines validated by DOE/AIE is required to be submitted along with other documents for PFA.</p> <ul style="list-style-type: none"> ▪ Guidance on Sustainable Development Assessment - Specific guidelines for sustainability assessment of hydropower projects have been introduced for project developers and DOEs. Annex G is a non-exhaustive tool which provides guidance for assessing impacts of some universal issues in hydro power projects, their mitigation measures, monitoring of the parameters and guidance for evaluation by a DOE during validation and verification. 	
Fee Structure	<p>The revised fee structure is provided in Annex L. Some important revisions to the previous fee structure are as follows:</p> <ul style="list-style-type: none"> ▪ Project developers have a choice between the fee per credit or SoP model. Payment of the registration fee is mandatory in both options. ▪ Design change requests – Project developers will incur a fee of USD 0.10 per credit over one year of incremental annual average emission reductions as a result of design changes in the project activity. A minimum fee of USD 500 is applicable in all cases. 	Legal documents – Annex L
Scope Expansion	<p>Under version 2.2 of the rules, the scope is expanded to waste handling & disposal category, which allows composting projects to apply under Gold Standard.</p> <p><i>Definition: All waste handling activities that deliver an energy service (e.g. LFG with some of the recovered methane used for electricity generation) or a usable product with sustainable development benefits (e.g. composting).</i></p>	Requirement – III.d.4

Streamlined rules & procedures

Additionality review	<p>The Gold Standard relies on the UNFCCC's decision on additionality for CDM or JI projects applying for GS registration. This implies that Gold Standard CDM or JI projects will not be required to carry out further demonstration of additionality over and above of what was established during registration with the CDM EB or JISC respectively.</p> <p>Small scale GSVER projects can now apply 'Attachment A to Appendix B of 4/CMP.1 Annex II' to demonstrate additionality with the condition that retroactive projects cannot be deemed additional as per positive list in this document.</p> <p>Regular cycle projects that meet the stipulated criteria can apply the CDM 'Guidelines for demonstrating additionality of micro scale project activities'.</p>	Requirements - VI.b
Verification site visit	<p>For small scale projects undergoing verification, a systematic site-visit will not be necessarily required in between mandatory site-visits that must occur within the two first years of start of crediting period and then every three years. In view of this, project participants should provide a justification and the DOE should provide a positive opinion during the first verification, as part of the verification report.</p> <p>For a large-scale project, a DOE site visit is required each time verification is conducted.</p>	Requirements - VIII.g.9
Special procedures for conflict zones	<p>The procedures for conflict zones and refugee camps allow for project proponents to combine DOE validation or verification based on a desk-review with on-site validation or verification conducted by an Objective Observer. These procedures are valid when project developers face challenges in contracting DOEs for validation and verification of projects located in conflict zones or refugee camps.</p>	Mandatory guidelines – Annex X
Revision of the Conservativeness Principle	<p>The GS conservativeness principle has been revised, which would allow project developers to choose between any of the equally convincing applicable options allowed by the applied methodology even though this chosen option may not necessarily result in a more conservative baseline than the other applicable options.</p>	

Date of Registration	The formal registration date for Gold Standard projects is the end of registration review period. This will be irrespective of the time taken to conclude the issues mutually between project participants and Gold Standard.	Requirements - VIII.f.6
Stand-alone micro-scale scheme	<p>The Gold Standard new micro-scale scheme combines the approaches of the First Generation Micro-scale Scheme and the Community Focused Micro-scale Scheme. The new scheme replaces the two schemes with effect from 22nd November 2011. Some of the features of the new scheme are:</p> <ul style="list-style-type: none"> ▪ Activities applying under the micro-scale scheme are capped at 10,000 tCO₂e per annum. ▪ Activities generating up to 5,000 tCO₂e per annum for each year of crediting period have to pay USD 5,000 as internal validation fees to the validation fund. Activities generating between 5,000 and 10,000 tCO₂e per annum in any year of the crediting period have to pay USD 10,000 as internal validation fees to the validation fund. Verification fee of USD 2,500 has to be paid on an annual basis to the verification fund. ▪ Activities located in LDCs, LLDCs and SIDs can benefit from simplified rules for demonstration of additionality, as long as they are not retroactive activities. ▪ No debundling rules apply to micro-scale projects. ▪ Sustainability assessment is simplified with a focus on the mitigation of negative impacts only, and uses an Objective Observer based on a target random approach for the assessment. ▪ Local stakeholder consultations are conducted without the SD Matrix scoring exercise (inc. 'blind scoring exercise'). 	Mandatory guidelines – Annex T
Micro-programme scheme	The Gold Standard micro-programme scheme allows for the extension of the programmatic approach to Gold Standard's micro-scale scheme activities. It combines benefits associated with the respective approaches, such as the concept of a validation and verification fund and the simplified procedures for the replication of similar activities under a programme thereby	Mandatory guidelines – Annex U

	<p>reducing transaction costs and project cycle time. Each activity under the programme is capped at 10,000 tCO₂e per annum, but no overall cap is applied to the programme as a whole. The regular activities also benefit from simplified additionality rules. The SD assessment focuses on mitigation of negative impacts and systematically makes use of an Objective Observer during validation and on a target random approach during inclusion and verification.</p> <p>Micro-programme Fee:</p> <ol style="list-style-type: none"> 1. USD 20,000 as internal validation fees to the validation fund for validation of the Programme. 2. USD 2,500 per activity as internal validation fees to the validation fund for inclusion of an activity. 3. USD 1,500 per activity/annum as internal verification fees to the verification fund for verification. 	
Eligibility Criteria	<p>The following eligibility criteria have been simplified:</p> <ul style="list-style-type: none"> ▪ Biomass surplus – The use of surplus biomass for each type of biomass must be demonstrated prior to GS registration of the project. This must be determined once ex ante for small-scale project activities without the need for regular monitoring, while for large-scale projects it must be determined in time for validation and for each subsequent verification. ▪ Biomass use and fossil fuel co-firing - The use of non-renewable fuel in biomass heat and/or electricity generation plants is authorized as long as the renewable fuel share reaches 50%, within the first 3 years of the start of crediting period for retrofit projects, and represents 80% from the outset for Greenfield projects. ▪ Biogas, Landfill Gas projects (LFG) - Activities that recover and utilise methane must provide evidence on time for validation to demonstrate that the system is designed in a way to at least make use of some of 	Mandatory guidelines – Annex C

	<p>the biogas/landfill gas recovered for the delivery of energy services.</p> <ul style="list-style-type: none"> ▪ Waste handling and disposal - Activities using waste materials already in use shall not be eligible unless convincing evidence is provided to show that the current users are in agreement with the shift of use. Alternatively the project participant shall demonstrate that waste material is available in surplus and shall include this in the sustainability monitoring plan. This must be determined once ex ante for small-scale project activities in time for validation, while for large-scale projects it must be determined in time for validation and for each subsequent verification. 	
Governance		
Appeals Body Rules	The rules provide project developers with a provision to appeal decisions by the Gold Standard Foundation with respect to project registration, and to issuance or labeling of credits.	Mandatory guidelines – Annex AH
Grievance Mechanism	The grievance mechanism must be complied with by all projects with time of first submission after 31 December 2011. They must have a formal continuous input mechanism in place, which will help foster mutual trust between project owners and local stakeholders. The rationale is to remediate issues identified during the crediting period as early as possible and prior to verification. Unforeseen issues that may arise during the course of the project and are not identified in the Monitoring Plan can also be addressed this way and local stakeholders can suggest improvements or modifications based on their understanding of the local situation.	Mandatory guidelines – Annex W
External experts	An independent expert can be hired for any activity following complaints or for the need of further neutral information. The expert(s) shall be hired in accordance with rule XIII.b given in the Gold Standard Requirements. It shall entail a MoU based approach to define the scope of the study and report shall be owned by the Gold Standard.	Requirements XIII.b
Terms and	The Terms and Conditions document has been revised. It is a pre-requisite for participating in The Gold Standard procedures for certification and issuance of emission reductions, for using	Legal documents –

Conditions	The Gold Standard brand or The Gold Standard registry.	Annex M
Cover Letter	<p>A revised cover letter format is available now, which also entails information on the following:</p> <ul style="list-style-type: none"> ▪ Project information ▪ Ownership and legal title ▪ Fee structure ▪ Statements on DNH information ▪ Compliance with local legislation <p>The provided template must be used by project developers and is required for all projects applying for Gold Standard registration.</p>	Legal documents – Annex S
New Guidance documents		
PoA guidance document	<p>A detailed guidance for developing PoAs and micro-PoAs is introduced for project developers. Flow-charts are provided as annex for an easy understanding of the programme cycle. Detailed guidance has been provided on the following key aspects:</p> <ul style="list-style-type: none"> ▪ Programme versus activity level Stakeholder Consultations ▪ Programme Design Consultation ▪ Local Stakeholder Consultation ▪ Sustainable Development Assessment at PoA versus activity level ▪ Validation and registration of the programme ▪ Procedure for inclusion of activities ▪ Use of multiple DOEs during verification 	Guidance Notes – Annex V
Diagrammatic Process charts	Flow charts for certification process under PoAs, micro-programmes, standalone micro-scale scheme have been provided for a step-wise understanding of the programme cycle and the new micro-scale rules respectively.	Guidance Notes – Annex AF, Annex AG, Annex AE

Sustainable Development checklists	Checklists for wind, biomass and hydropower activities highlighting sustainability issues, possible impacts and assessment criteria have been developed to provide better guidance to PPs to help them assist in carrying out sustainable development assessment of project activities. These checklists also provide detailed guidance on possible mitigation measures that can be implemented to mitigate identified impacts. The checklists are available under Annex G and also provide validation and verification means for DOEs.	Guidance Notes – Annex G
Local Stakeholder Consultation checklist	A checklist which provides guidance to DOEs on how to assess issues from the Local Stakeholder Consultation outcomes is available under Annex AB.	Guidance Notes – Annex AB
Sustainable Development Indicators	Revised description of Sustainable Development Indicators has been introduced in Annex I. The indicator <i>Balance of payment</i> was changed to <i>Access to investment</i> . Additions are made to the list of possible parameters to assess the SD indicators for monitoring.	Guidance Notes – Annex I
Sustainable Development Indicative questions	Annex AC provides Sustainable Development indicative questions for a more effective blind scoring exercise with local communities to explain better what each sustainable development indicator means. It will also help project developers in the scoring of the indicators.	Guidance Notes – Annex AC
Templates		
For a small or large scale PoA	PoA Design Consultation report, PoA LSC report, PoA Passport	Templates – Annex AK, AL, AM
Micro-scale project	For a stand-alone project - Simplified PDD and Sustainability Appraisal Reports (Validation and Verification stage) For a Micro-programme – Micro PoA-DD, VPA-DD, Sustainability Appraisal Reports (Validation and Verification stage)	Templates – Annex AN, AO, AP, AQ, AR
Conflict Zone project	Conflict Zone Validation or Verification Report Template	Templates – Annex AS and AT