REVISED ANNEX C – GUIDANCE ON PROJECT TYPE ELIGIBILITY

Project activities are eligible under Gold Standard as long as they belong to the three categories defined below. Furthermore, specific eligibility criteria apply to some types of project activities - see the section 2 entitled 'Project Types and Eligibility Criteria' below (this list is subject to regular updates). If you have any doubts about the eligibility of your project, contact The Gold Standard Secretariat <info@cdmgoldstandard.org>.

1. Eligible Project Types:

Renewable Energy Supply

The renewable energy supply category is defined as the generation and delivery of energy services (e.g. mechanical work, electricity, heat) from non-fossil and non-depletable energy sources.

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.

Waste Handling and Disposal

The waste handling and disposal category refers to 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).

2. Project Types and Eligibility Criteria

The below lists project types and the corresponding eligibility criteria:

Project type: **Hydro**

- Hydropower project activities located in **High Conservation Value** (HCV) areas shall NOT be eligible under The Gold Standard. According to the High Conservation Value Resource Network, HCV areas are:

- *Areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia etc.).*
- *Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.*
- *Areas that are in or contain rare, threatened or endangered ecosystems.*
- *Areas that provide basic ecosystem services in critical situations (e.g. watershed protection, erosion control).*
- *Areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).*
- *Areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).*

Project Participants must assess whether their activity takes place in such a High Conservation Value area, based on both consultations with the local authorities (e.g. protected areas such as national parks) AND existing international sources of information such as the World Database on protected planets (IUCN, UNEP)[1], the Ramsar list of wetlands[2], and the United Nations list of protected areas[3]. The outcome of the assessment shall be provided in the Local Stakeholder Consultation report (regular activities) or as part of the documentation submitted for pre-feasibility assessment (retroactive activities).

- Unless already addressed satisfactorily as part of an existing **Environmental and Social Impact Assessment** (ESIA), the opinion of an independent, relevant expert(s) shall be provided at a minimum on all of the following issues - the opinion may be that an issue is not relevant for the considered project, but evidence must be provided to demonstrate so:
    1. Are there any competing uses of water resources at the project location, of what nature and how severe are they? Convincing evidence must be provided that the hydropower project does not divert water from other current users or that these are in agreement with the shift of use. The expert opinion must be provided on time for validation, and be reflected in the Monitoring Plan for verification along the crediting period.
    2. What minimal ecological flow shall be complied with at any point in time, accounting for the specificities of local ecosystems and for seasonality? What quality assurance and control procedures must be put in place for an appropriate continuous monitoring over the crediting period? The expert opinion must be provided in time for validation.
    3. Is the groundwater level seriously affected by the hydropower project? What quality assurance and control procedures must be put in place for an appropriate continuous monitoring over the crediting period? The expert opinion must be provided in time for validation.
    4. Is the design of the fish passages and screens (water intake structure) installed in line with internationally recognised guidance? The expert opinion must be provided in time for

[1] www.protectedplanet.net
[2] www.ramsar.org/pdf/sitelist.pdf
[3] http://data.iucn.org/dbtw-wpd/edocs/UNLNP-2003.pdf

validation. Are these measures indeed effective over the crediting period, and if not what must be done to improve the situation? The expert opinion must be provided in time for verification.

5. What sediment management plan shall be considered? The expert opinion must be provided in time for validation. Is it indeed effective over the crediting period, and if not how must it be improved? The expert opinion must be provided in time for verification.
6. What mitigation measures shall be put in place to prevent soil erosion? The expert opinion must be provided in time for validation. Are they effective and if not, what complementary action must be taken? The expert opinion must be provided in time for verification.

Besides the issues listed above, the expert(s) is free to include any other issue that he identifies as being relevant for the project. Project Participants have the opportunity to provide their views on the identified issues and their relevance as part of the report to be delivered by the expert in the context of a **Memorandum of Understanding** (MoU) signed between The Gold Standard Foundation, the Project Representatives and the independent expert.

For regular cycle projects, the independent expert(s) shall be invited to the LSC and will identify the list of issues for which an independent expert opinion will be needed on time for validation and/or verification. This list is approved by The Gold Standard Foundation as part of the review of the stakeholder consultation report.

For retroactive projects, fast-tracking is NOT allowed. A full pre-feasibility assessment must be conducted and the independent expert(s) shall be contracted on time to deliver as part of the documentation submitted for pre-feasibility assessment the list of issues for which an independent expert opinion will be needed on time for validation and/or verification. This list is reviewed and potentially approved by The Gold Standard Foundation as part of the pre-feasibility assessment.

- Project Participants shall plan for, and conduct a one-day training for the hydropower plant staff on the different issues identified by the independent expert. This training must be included in the Monitoring Plan.

- Project Participants shall refer to Gold Standard Annex G for additional guidance on expectations on a series of issues associated with hydropower activities.

- The Gold Standard Foundation will evaluate on a case-by-case basis the eligibility of hydropower activities with an installed capacity greater than 20 MWe using the pre-feasibility assessment (PFA), and in accordance with the procedure provided in section T.2.5. This 20 MWe capacity threshold shall apply to each one of the project activities as part of a bundle, and not to the overall bundle, and to each one of the CPA/VPA as part of a PoA. The project participant shall provide the following additional information as part of the documentation to be reviewed:

- A Local Stakeholder Consultation Report, in accordance with the guidelines for a Local Stakeholder Consultation as provided in section T.2.6**.** For project activities involving existing dams (such as dams built for irrigation purposes), the stakeholder consultation shall include a site-visit by local stakeholders taking part in the consultation.
- A report ('Compliance Report') showing that the project is in compliance with the latest **WCD guidelines**[4], validated by a DOE/AIE.

Project type: **Electricity and/or heat, and liquid biofuels from biomass resources**

Biomass resources:

- Activities making use of non-renewable biomass resources shall NOT be eligible for Gold Standard registration. Project Participants shall therefore provide convincing evidence that the project activities make use of **renewable biomass resources**[5]. This criteria shall be monitored along the crediting period and therefore be included in the Sustainability Monitoring Plan.

- Activities expected to make use of biomass resources already in use shall NOT be eligible for Gold Standard registration unless convincing evidence is provided showing that the current users are in agreement with the envisioned shift of use (potential leakage associated to such a shift must be taken into account). In the absence of such an agreement, Project Participants shall demonstrate that their project makes use of **surplus biomass** for each type of biomass resources used[6]. They must do so once, ex-ante on time for validation for small-scale activities, and in time for validation and for each one of the verifications (inclusion in the Sustainability Monitoring Plan) for large-scale activities.

- Project Participants shall demonstrate that their activity will only make use of **degraded**[7] **land** and shall include this criterion in the Sustainability Monitoring Plan. Two exceptions may be considered: convincing evidence is provided showing that the envisioned energy crop is part of a traditional rotational cropping, OR an increase of the productivity is obtained, locally and to the benefit of the current users, through measures implemented in the context of the activity so as to at a minimum compensate for the part of the land newly allocated to growing the energy crop. Compliance with these criteria above must be monitored over the crediting period and thus be part of the Sustainability Monitoring Plan.

- Activities making use of **GMOs** shall declare so in a transparent way. Local stakeholders opinion on GMOs shall prevail and appropriate mitigation measures shall be put in place to address their concerns, if any, in a satisfactory way.

[4] www.dams.org
[5] Refer to EB 23, Annex 18 "Definition of Renewable Biomass or its update http://cdm.unfccc.int/EB/023/eb23_repan18.pdf
[6] In accordance with the approach proposed in paragraph 18 of the Attachment C to Appendix B: General Guidance on Leakage in biomass projects (Attachment C to Appendix B of 4/CMP.1 Annex II) http://cdm.unfccc.int/Reference/Guidclarif/ssc/index_guid.html
[7] http://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-13-v1.pdf

Biomass conversion:

- Avoidance of methane from biomass decay shall be eligible as long as biomass is used as a substitution for non-renewable fuels in project activities delivering energy services or for the production of usable product with sustainable development benefits (e.g. composting).

- The use of non-renewable fuel in biomass heat and/or electricity generation plants is authorised as long as the renewable fuel share reaches 50%[8] after the first 3 years[9] of operation for retrofit projects, and represents 80%[4] from the outset for Greenfield projects.

- The eligibility of activities making use of Palm oil and/or palm oil mill by-products or residues for electricity and/or heat generation, and/or for biofuel production shall be evaluated on a case-by-case basis by The Gold Standard Foundation, in light of a pre-feasibility assessment. The project participants shall provide the following on top of the usual project documentation:
  - A Local Stakeholder Consultation Report, in accordance with the guidelines for a Local Stakeholder Consultation as provided in section T.2.6**,** and provided as part of the documentation to be reviewed at the time of the pre-feasibility assessment.
  - A report ('Compliance Report') showing that the project is in compliance with the latest version of the **Roundtable on Sustainable Palm Oil** guidance document on Principles and Criteria for Sustainable Palm Oil Production[10] (including the national interpretations), validated by a DOE/AIE, and provided as part of the documentation to be reviewed at the time of the registration review. Project participants must demonstrate that they have started the process for RSPO compliance at the time of submission for the pre-feasibility assessment. If the project is located in a country where a national interpretation of the RSPO principles has not been established and approved by the RSPO, compliance shall be established against the international RSPO Criteria. In such a case, the certification body must develop local indicators through a consultative process, available in the local language.

Project type: **Biogas (landfill gas and biogas from agro-processing, wastewater and other residues)**

- Methane recovery activities shall be eligible for emission reductions from both methane avoidance (including from the flared biogas fraction) and non-renewable fuel substitution as long as evidence is provided on time for validation to demonstrate that the system was designed in a way to at least make use of some of the biogas recovered for the delivery of energy services (e.g. electricity, heat).

[8] Refers to the percentage of the total fuel consumed on an annual energy basis.
[9] The reference date for the 3-year period is the start date of crediting period.
[10] RSPO Website <http://www.rspo.org>

- Methane recovery activities at wastewater treatment plants related to Palm Oil production shall comply with all rules provided for palm oil related activities in the section above 'Electricity and/or heat, and liquid biofuels from biomass resources'.

Project type: **Waste heat recovery**

- Activities involving waste heat recovery in industrial processes shall be eligible for emission reductions related to on-site energy consumption. Emission reductions related to the export of heat or electricity generated from the waste heat shall NOT be eligible unless it can be shown that the primary and unique source of energy for the industrial process is renewable energy. This requirement applies on an annual basis and the electricity generation profile does not have to necessarily match the on-site demand profile on an instantaneous basis.

Project type: **Waste gases recovery**

- Activities involving the use of waste gases recovery in industrial processes shall be eligible for emission reductions related to on-site energy consumption. Emission reductions related to the export of heat or electricity generated from the waste gases recovered shall NOT be eligible unless it can be shown that the primary and unique source of energy for the industrial process is renewable energy. This requirement applies on an annual basis and the electricity generation profile does not have to necessarily match the on-site demand profile on an instantaneous basis. Emissions from the combustion of the recovered gases shall of course be taken into account in the calculation of project emissions.

Project type: **Fossil-fired cogeneration**

- Fossil-fired co-generation activities shall be eligible for emission reductions from end-use energy efficiency improvements, i.e. related to on-site energy consumption. Emission reductions related to the export of heat or electricity generated from the waste heat recovered shall NOT be eligible. This requirement applies on an annual basis and the electricity generation profile does not have to necessarily match the on-site demand profile on an instantaneous basis.

Project type: **Waste incineration and gasification**

- Co-firing of non-renewable and renewable waste within incineration or gasification facilities shall NOT be eligible under Gold Standard.

Project type: **Waste handling and disposal**

- Activities planning to make use of waste materials that are already in use in the pre-project situation shall NOT be eligible unless convincing evidence is provided to show that the current users are in agreement with the shift of use resulting from the project. In the absence of such an agreement, the project participants shall demonstrate that the activity makes use of surplus waste

materials[11] and shall include this analysis in the Sustainability Monitoring Plan. They must do so once, ex-ante on time for validation for small-scale activities, and in time for validation and for each one of the verifications (inclusion in the Sustainability Monitoring Plan) for large-scale activities.

Project type: **Relighting**

- Relighting activities involving the substitution of incandescent light bulbs by CFLs shall provide a detailed description of the future collection and disposal or recycling plan of the CFLs, with a particular attention to mercury. The effectiveness of the plan shall be part of the Sustainability Monitoring Plan. Recycling is not mandatory in the absence of existing recycling infrastructure but disposal must be addressed satisfactorily.

Project type: **End-use fossil fuel switching**

- Activities involving fossil fuel switching shall only be eligible for emission reductions related to end-use energy efficiency improvements (e.g. energy recovery through condensation of water in the fumes of natural gas fired boilers). The emission reductions related to the difference in carbon content between a non-renewable fuel and a less carbon intensive non-renewable fuel used for substitution shall NOT be eligible.

Project type: **Improved distributed heating and cooking devices (e.g. biodigesters, cook-stoves), and distributed micro-scale electricity generation units (e.g. micro-hydro and PV for households)**

- Activities involving a large amount of small, distributed heating, cooking or electricity generation devices using renewable energy sources shall provide The Gold Standard Foundation with a clear description of the transfer of credits ownership all along the investment chain, and with proof that end-users are aware of and willing to give up their rights on emission reductions. The transfer of credit ownership must be discussed during local stakeholder consultations for regular cycle projects. For retroactive projects, the project participants must collect stakeholder feedback through live consultations, telephonic discussions, electronic mode etc. as deemed necessary to reach out to the relevant stakeholders. Section E.2 of the Passport should document the feedback received from stakeholders on transfer of credit ownership.

[11] In accordance with the approach proposed in paragraph 18 of the Attachment C to Appendix B: General Guidance on Leakage in biomass projects (Attachment C to Appendix B of 4/CMP.1 Annex II)
http://cdm.unfccc.int/Reference/Guidclarif/ssc/index_guid.html