TRANSITION REQUIREMENTS FOR EXISTING PROJECTS

INTRODUCTION

The following clarifications are relevant to all Project Proponents, regardless of the version of the standard under which your project is Registered. It provides a clarification to the 'Gold Standard for the Global Goals Transition Requirements' document in the following areas:

1. Certification Renewal and maximum certification periods for existing projects (i.e. those Registered under earlier versions of the Standard)

2. Use of existing sustainable development monitoring indicators

In addition to the above Gold Standard also clarifies Requirements concerning:

3. Additionality and Ongoing Financial Need

The updates will be included in the planned update of Gold Standard for the Global Goals, March 2018 but the updates enter into force immediately as of the date of publication. The rationale for this is that the updates are largely in favour of Project Proponents or provide additional clarification without materially affecting the expected workload or evidences required.

Other 'Frequently Asked Questions' have been published to date here.

BACKGROUND

All existing Gold Standard projects (i.e. those certifying under earlier versions) shall transition to Gold Standard for the Global Goals. This transition shall take place at the next Verification or Certification Renewal event that takes place on or after 01st March 2018. The specific Requirements for transition are contained in the 'Gold Standard for the Global Goals Transition Requirements' (found here).

Further to stakeholder feedback concerning the above areas, Gold Standard provides further clarification as to the application of the rules (Item 1) and the application of existing sustainable development indicators (Item 2).

In addition to providing further clarification concerning transition projects, the published version of Gold Standard for the Global Goals also stated that further detail concerning additionality and Ongoing Finanial Need applications would be provided. This document provides these further details (Item 3).

1 – Certification Renewal and maximum certification periods

Gold Standard for the Global Goals introduced a new 5 year certification cycle. It also limits maximum certification periods to 10 years as a default, 15 years in the case of Renewable Energy or Community Services Activities or 30 to 50 years in the case of A/R Projects (specific Activity Requirements can be found here).

For projects transitioning from earlier versions of the Standard the following clarifications are made:

- Transition Projects shall maintain their existing crediting cycle and maximum crediting periods upon transition to GS4GG, specifically as follows:

  - A 10 year fixed crediting period project shall retain the balance of its 10 year period post-transition.

- A 7 year renewable project shall maintain the balance of its existing crediting period upon renewal. Its future renewals shall take place as per a 7 year cycle instead of 5 as envisaged under GS4GG, up to the maximum 21 years.

- A/R Projects shall continue as per the existing 5 year cycle.

- For PoAs any VPA submitted within the first crediting period (i.e. 7 years) of the PoA shall be allowed to use the same 7 year, twice renewal model. All VPAs/CPAs submitted after the first crediting period of PoA shall apply the GS4GG Certification Cycle (i.e. 5 year renewals).

The rationale for this clarification is to allow existing projects to maintain their maximum crediting periods as envisaged at Registration. Note that the new Ongoing Financial Need Requirements shall also apply at Renewal, see separate clarification in Item 3, below.

2 – Use of existing Sustainable Development monitoring parameters

New projects applying GS4GG shall follow the Requirements set out in the Standard for the identification, selection and monitoring of SDG indicators. This envisages stronger justification of monitoring parameters put forward by the Project and how they can be shown to directly and logically lead to an SDG contribution.

For existing Gold Standard projects (i.e. those transitioning from an early version) it is recognised that implementing new monitoring indicators can be impractical; the following clarification is therefore provided:

- Existing Projects that transition to GS4GG may retain their existing sustainable development monitoring plan, including indicators chosen.

- To do so the Project shall provide a brief and simple explanation that links the parameter already monitored to the closest, most relevant SDG Target.

- Transition projects may add further SDG monitoring parameters as they choose, provided these meet the Requirements set out in GS4GG and are subject to Gold Standard Performance Review.

The rationale for this clarification is to minimize the disruption and additional work for existing projects that could be caused by re-designing an existing Monitoring Plan, while still also providing a link to the SDGs.

3 – Additionality and Ongoing Financial Need

GS4GG requires the demonstration of Additionality and Ongoing Financial Need (OFN) for projects seeking to certify for the purposes of issuing a monetized product, such as VERs or Certified SDG Impact Statements, such as ADALYs. Gold Standard provides further information as follows:

- Gold Standard will continue to recognize and apply the CDM additionality tools as a default position, as noted in GS4GG. Gold Standard will continue to explore improvements and new tools in this regard and welcomes stakeholder submissions and ideas.

- Regarding OFN all projects[1] (including those that transition from earlier versions) shall provide a qualitative narrative, supported by an overview of project finances, that demonstrates how the finance derived Gold Standard certification is material to the ongoing sustainability of the Project. In requiring this Gold Standard further clarifies:

  - The information may remain confidential (i.e. shall be submitted alongside other project documentation and not published to the GS Registry), in recognition of the commercially sensitive nature of the information.

- Provision of the information shall satisfy the OFN portion of project renewal and no further information (beyond responding to clarification questions) will be requested.

- The information shall not be used for formal decision making i.e. Gold Standard will not use the information to decide whether a project shall renew or not, though the submission of the information is mandatory.

Gold Standard does not formally specify what information or how to provide the OFN demonstration but the following guidance is provided as to the areas covered:

- The information should highlight the key categories and amounts or relative proportions (%) of project income and outgoings, including the relative proportion of GS related cost and revenue.

- Where no revenue is realized from GS certification during a given period this would be considered an FAR for the next Issuance.

- The narrative should describe how the GS finance contributes to or is being used to sustain or enhance the project.

The rationale for these clarifications is that Gold Standard acknowledges that the discussions around the Paris Agreement are likely to touch upon additionality and the role of compliance mechanisms in the near to mid term. Accordingly, since Gold Standard has already made a series of improvements to its approach it will continue to monitor the policy discussions and adapt further as required in future.

Regarding OFN Gold Standard seeks to make an incremental step towards ensuring finance is directed where it is most needed. It is recognised that demonstrating and assessing OFN can be very challenging, hence the approach proposed allows Gold Standard to gather information and review how its finance is supporting projects, with a view to creating future improvements. By making this both confidential and not for decision making it is intended that this will minimize disruption and additional effort on behalf of the project. Proponents support and participation in these efforts is greatly appreciated.

[1] Please check relevant Activity Requirements for any project-specific OFN applicability