

المجلس العالمي للبصمة الكربونية
GLOBAL CARBON TRUST



PROJECT STANDARD

v1.0 - 2016

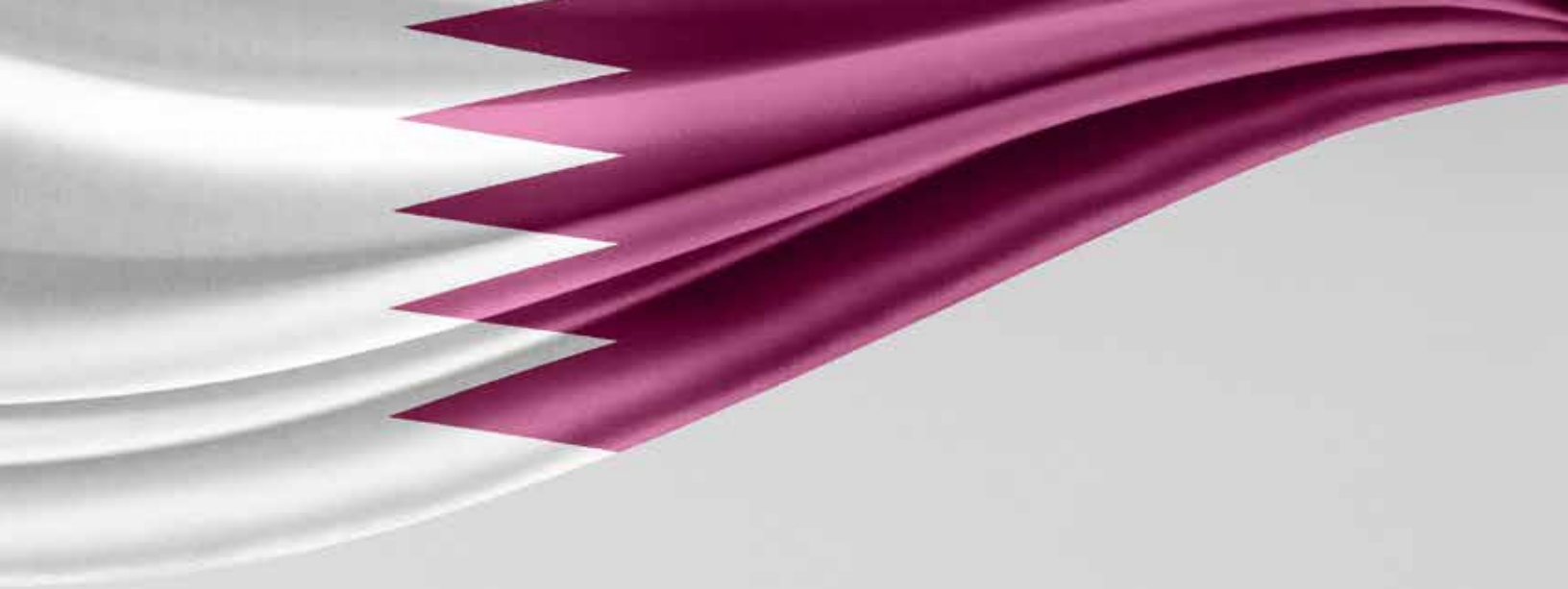


GLOBAL CARBON TRUST (G.C.T)

Project Standard v1.0 - 2016

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Realising journey
to a low carbon
economy

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ACRONYMS	
CAR	Climate Action Reserve
CDM	Clean Development Mechanism
GHG	Greenhouse Gas
GORD	Gulf Organisation for Research and Development
GS	Gold Standard
GWP	Global Warming Potential
IETA	International Emissions Trading Association
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
GCT	Global Carbon Trust
UNFCCC	United Nations Framework Convention on Climate Change
VB	Verification Body
VCS	Verified Carbon Standard
WBCSD	World Business Council on Sustainable Development
WWF	World Wildlife Fund

1 INTRODUCTION

This GCT Project Standard document defines the rules and requirements for GHG reduction projects being developed for registration under GCT Program and/or facilitation and climate finance for projects seeking registration under international carbon programs credits standards such as the Climate Action Reserve (CAR), Clean Development Mechanism (CDM), Gold Standard (GS) and Verified Carbon Standard (VCS).

1.1 VERSION

All information about version control of GCT Program documentation is contained in the GCT Program Manual.

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document. Where external documents are referenced and such documents are updated, the most recent version of the document shall be used.

2 STANDARD PROJECT REQUIREMENTS OF GCT

2.1 GENERAL PROJECT PRINCIPLES

The following principles are applied to GHG emission reduction projects submitted for the registration with GCT Program.

Additional

Projects shall demonstrate their “additionality” to ensure that anthropogenic emissions of GHG are reduced below those that would have occurred in the absence of the project.

Avoidance of Double Counting

There shall be no double counting of GHG emission reductions within the jurisdiction of the region where GCT operates to safeguard environmental integrity.

Conservative

Conservative assumptions, values and procedures must be used to ensure that the GHG emission reductions of projects are accurately estimated and not over-estimated.

Independently Audited

All GHG emission reductions shall be verified through an independent audit process (periodic or spot checks), using the expertise necessary to understand the context of both the country and the sector in which the project is implemented, with an aim to provide a reasonable level of assurance to GCT about their credibility.

Compliance of legal requirements

GHG reduction projects shall comply with all the legal requirements; and, either acquire necessary licenses for its implementation and operation; or, demonstrate potential compliance of legal requirements before submission of documents to GCT.

Legal binding

GHG reduction projects which are implemented according to an enforced legal mandate (government policy, regulation, law) cannot be submitted to GCT for claiming emission reductions.

Quantifiable emission reductions

All GHG emission reductions shall be quantifiable using recognized measurement tools (including adjustments for uncertainty and leakage) against a credible emissions baseline.

Permanent Emission Reductions for Supporter

Where GHG emission reductions are generated by projects that carry a risk of reversibility, adequate safeguards shall be in place to ensure that the risk of reversal is minimized and that, should any reversal occur, a mechanism is in place that guarantees that the reversed reductions for supporter will be replaced or project owner will be financially penalized in subsequent result-based payments.

Real

Project owners shall prove that their GHG emission reduction projects have been implemented, operated and monitored according to the documentation submitted to GCT.

Sustainable Co-Benefits

Projects shall demonstrate their sustainable co-benefits for the society, country and the region. The demonstration can be in the form of project contribution to either of environmental (other than GHG emission reductions), social, economical and human capital pillar/s of sustainability.

Transparency and credibility

In order to make decisions on project registration and approval, and methodology approval with reasonable confidence, GCT requires that project/methodology related data/information should be taken from credible sources and made transparently available for stakeholders to comment.

2.2 GENERAL PROJECT REQUIREMENTS

For submission of projects to GCT, project owners shall follow all applicable rules adopted under the GCT Program, in addition to this standard.

Project owners shall apply methodologies eligible under the GCT Program. Baseline and monitoring methodologies shall be applied in full, including the full application of any tools or guidance referred to by a methodology.

New requirements shall not be applied retroactively to existing projects but only to projects which have been submitted to GCT after the requirement have entered into force and in accordance with the grace period defined for certain standards.

2.3 SPECIFIC PROJECT REQUIREMENTS

2.3.1 PROJECT DESCRIPTION

The description provides the details of the GHG emission reduction activities, including schematics, specifications and how project reduces GHG emissions. Project owners shall use the GCT Project Submission Form.

2.3.2 PROJECT OWNERSHIP

Project owners shall provide documentary evidence establishing conclusively a right of use arising by virtue of a statutory, proprietary or contractual right of the plant, equipment, process or measure that generates GHG emission reductions and which is accorded to the project owner.

2.3.3 PROJECT START DATE

The project start date is the date on which the project begins generating GHG emission reductions.

2.3.4 PROJECT CREDITING PERIOD

Crediting periods for the various project types are determined in the relevant baseline and monitoring methodologies and refer to minimum between 10 years and a conservative technical lifetime of the installed technologies or implemented measures.

The start of the crediting period shall be the same as the project start date.

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2.3.5 PROJECT SCALE

Project owners shall prepare an estimate of expected emission reductions every year and over the project crediting period.

2.3.6 PROJECT LOCATION

Project owners shall provide details of the physical/geographical location of the project including information which allows its unique identification (by single geodetic coordinate, and a map).

2.3.7 PROJECT BOUNDARY

Project owners shall define the boundary of the proposed project, including the physical delineation of the project and which emission sources and GHGs are included in the baseline and project scenario, in accordance with the applied baseline and monitoring methodology.

2.3.8 PROJECT ADDITIONALITY

GCT applies a following approach to determining additionality which consists of two components

- Legal Requirement Test
- Positive List Test or any other projects specific test than objectively establishes the additionality.

Legal Requirement Test

Projects are very likely to be non-additional if their implementation is required by a law which is enforced on ground. A positive outcome to legal requirement test ensures that eligible projects (and/or the GHG reductions they achieve) would not have occurred anyway in order to comply with federal, state or local regulations, or other legally binding mandates. A project passes the legal requirement test when there are no laws, statutes, regulations, court orders, environmental mitigation agreements, permitting conditions or other legally binding mandates requiring its implementation, or requiring the implementation of similar technology/measure that would achieve equivalent levels of GHG emission reductions. The voluntary commitments/agreements by a sector or an entity do not translate into the legal requirements.

The specific provisions of the legal requirement test may differ depending on the project type and the applicable methodology.

Additionality Test

For qualifying the additionality test under GCT the project must not be a common practice and shall demonstrate at least one of the following, in accordance with the provisions of applicable baseline and monitoring methodology.

- (i) The project activity applies the technology, fuel or feedstock listed under positive list. The positive list identifies a broad set of abatement activities that are deemed additional. GCT will develop the positive list of technologies and measures for some of the popular GHG reduction project activities, and reassess and update (if required) the positive lists every three years. However, an updated list will not have any impact on an already registered project under GCT program or on financial support to their future emission reductions. The technology or fuel or feedstock complies with either, some or all of the following conditions:
 - (a) Has a performance (in terms of energy intensity (kWh/unit of product) or carbon intensity (ton CO₂/unit of product)) better than other technologies/fuels/feedstocks contributing to 80% of the output of the sector.
 - (b) Has a low penetration rate of (10% adoption level of project activity, relative to maximum adoption potential).
 - (c) Is less economically attractive than alternatives, considering all revenue streams except sale of carbon credits.
 - (d) Has no revenues other than carbon revenues.
- (ii) The project activity is additional due to project specific circumstances. Example of project specific circumstances are following.
 - (a) The project activity is not the most economically attractive among its real and credible alternatives, and/or does not meet the expected rate of return, and that the carbon finance available through GCT Program will help to raise the economic attractiveness of project activity to acceptable level.
 - (b) The project activity faces barriers that its real and credible alternatives do not face, and than the business will be alienated due to carbon finance available through GCT Program.

2.3.9 BASELINE SCENARIO FOR THE PROJECT

Project owners shall determine (or use) the baseline scenario for the project in accordance with the requirements (or default baseline scenario) set out in the methodology applied to the project.

Project owners shall demonstrate the equivalence in type and level of service provided by alternative scenarios and, where appropriate, shall explain any significant differences between the project and the baseline scenario.

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In developing the baseline scenario, project owners shall justify assumptions, values and procedures for a conservative determination of GHG emission reductions.

2.3.10 PROJECT EMISSION REDUCTIONS

Project owners shall provide calculations of baseline, project and leakage GHG emissions as well as GHG emission reductions of the proposed project for each year of the crediting period, in accordance with the selected baseline and monitoring methodology.

If the selected baseline and monitoring methodology includes different scenarios and/or options and/or default values to choose from, project owners shall justify its selection/s for the proposed project.

2.3.11 PROJECT MONITORING

Project owners shall provide evidence of successful installation of technologies or implementation of measures and operation and monitoring of the project as set out by the applied baseline and monitoring methodology.

2.3.12 PROJECT RECORDS AND INFORMATION

Project owners shall ensure that all documents and records are kept in a secure and retrievable manner for at least two years after the end of the project crediting period.

For verification purposes, project owners shall make available to the verification body the supporting information and data on project description, evidence of their right of use, evidence of successful installation of technologies or implementation of measures.

3 INTERNATIONAL STANDARDS

Global Carbon Trust supports national/international GHG reduction projects applying one of the following four carbon standards:

- Clean Development Mechanism (CDM)
- Climate Action Reserve (CAR)
- Gold Standard (GS)
- Verified Carbon Standard (VCS)

All standards require the external verification of monitored emission reductions by independent external auditors (or verification bodies). For the regional projects applying these standards, GCT will be involved for evaluating the merit of project for additional carbon finance. GORD will be involved for facilitating the financial transactions between project supporters and project owners and for disbursing upfront and result-based finance, after ensuring that emission reductions have been issued and voluntarily retired (or cancelled) in the respective registries where the projects are listed. GCT will not be responsible for

quality of carbon credits generated, nor it will take any financial risk on their part. GCT will store all approvals of emission reduction retirements as a proof of the use of carbon funds.

3.1.1 CLEAN DEVELOPMENT MECHANISM (CDM)

The CDM, operated by the United Nations Framework Convention on Climate Change (UNFCCC), is one of the flexibility mechanisms of the Kyoto Protocol which shall allow industrialized countries to achieve cost effective emission reductions abroad and support developing countries developing their societies sustainably. By the end of 2015, 7560 projects have been registered world wide and 1,600 MT emission reductions have been issued.

3.1.2 GOLD STANDARD (GS)

The Gold Standard, founded by the World Wide Fund (WWF) for Nature, is a quality label which can either be used as add on certification of CDM projects or for voluntary GHG reduction projects (based mainly on CDM baseline methodologies for renewable energy and energy efficiency). Sustainability is a core requirement of the Gold Standard. Sustainability aspects of the projects are examined before and after implementation through a sustainability assessment, in addition to emissions reduction reporting. Sustainable development indicators are monitored, reported, and verified. By the end of 2015 the Gold Standard has approximately 1,100+ projects registered world wide and 46 MT emission reductions have been issued.

3.1.3 VERIFIED CARBON STANDARD (VCS)

The Verified Carbon Standard (VCS), founded by the The Climate Group, International Emissions Trading Association (IETA), The World Economic Forum and the World Business Council for Sustainable Development (WBSCD), aims to pioneer innovative rules and tools that open new avenues for carbon crediting and allow businesses, nonprofits and government entities to engage in on-the-ground climate action. By the end of 2015 the Verified Carbon Standard has approximately 1,300 projects registered world wide and 170 MT emission reductions issued

3.1.4 CLIMATE ACTION RESERVE (CAR)

CAR was founded as Nonprofit organization as the California Climate Action Registry by state legislation in 2001 (renamed to Climate Action Reserve in 2008). It aims to encourage actions to reduce emissions by developing protocols to track GHG emissions and reductions and having those emissions verified and publicly reported. By the end of 2015 180 projects were registered at the Climate Action Reserve and 62 MT emission reductions issued.

4 VERIFICATION REQUIREMENTS

The GCT Program requires a third-party verification of all GHG projects. The verification body is appointed by GCT on behalf of the project supporter, however the fees for the entity is paid by the project supporter. This provides an independent review of data and information to be used by GCT to make the final approval and release of upfront payment for a project. For every project, a third-party verification body reviews if the installation of equipment and implementation of measures is in accordance with the documentation submitted by the project owner to GORD. The verification body submits a verification statement and verification report that provide the basis for determining the quantity of potential GHG reductions.

Where the project does not meet the criteria for verification, the verification body shall produce a negative verification conclusion and provide the verification report and project description, to GCT. The project shall be ineligible for release of payment unless corrective actions identified by verification body are implemented by project owner and the verification body has provided a positive verification.

The verification report describes the verification process, any findings raised during verification and their resolutions, and the conclusions reached by the verification body. The verification body shall use the GCT Verification Report Template. The verification report shall be accompanied by a verification statement, which shall be prepared using the GCT Verification Statement Template.

The verification report shall contain a verification statement stating if the project complies with the project documentation approved by GCT. The verification body shall keep all documents and records in a secure and retrievable manner for at least two years after the end of the project crediting period.

5 DOCUMENT HISTORY

Version	Date	Comment
v1.0	01/11/2016	Initial version released under GCT Program Version 1

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