

# VALUE CHAIN INTERVENTIONS

Terms of Reference for the pilot testing of Gold Standard Certification for Value Chain Interventions

**Version 3**

**November 2019**

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## 1.0 INTRODUCTION & OVERVIEW

In July 2018 GS and partners (Mars, Danone, Livelihoods Fund, WRI, WWF, CDP) published a draft Guidance for consultation (current version, September 2018, [here](#)). The Guidance provides a recommended approach for the accounting of 'interventions' (projects and programmes of change within a company value chain) and how to include them in Greenhouse Gas Protocol Scope 3 reporting.

The Guidance is intended for eventual publication to the Greenhouse Gas Protocol 'Built on Guidance' page ([here](#)). The testing phase will greatly contribute to the further improvement and refinement of the Guidance prior to this.

As part of this development, Gold Standard (GS) has implemented a 'pilot certification' programme for Value Chain Interventions. In this context the following definitions are provided:

- Pilot Certification – means the piloting of certification of projects and programmes brought forward under the Gold Standard Value Change initiative, in line with these TORs.
- Value Chain Interventions – means projects and programmes brought forward for pilot certification by proponent companies participating in the Value Change initiative.

This document (henceforth the TORs) is intended for Gold Standard stakeholders and participants in the pilot certification programme. It provides an overview of the scope of the pilot certification programme, its intended outcomes, and the criteria and timelines for pilot projects to be involved. It also provides details of how stakeholders can provide comments on the TORs and the ongoing process.

The TORs are intended to promote transparency and good governance of the testing phase and stakeholders are therefore encouraged to review and contact GS with any queries, clarifications, concerns or opportunities.

### How to get involved:

- **General feedback from interested stakeholders (for example civil society, academic, governmental):** : [platform@goldstandard.org](mailto:platform@goldstandard.org)
- **Companies/Projects seeking to join the testing phase:** please review the criteria included in this document and contact [sandra.genee@sustain-cert.com](mailto:sandra.genee@sustain-cert.com)

## 1.0 PURPOSE & OBJECTIVES OF THE PILOT PROGRAMME

1.1 The intended outcome of the pilot programme is summarised as follows:

- Promote 'first-user' uptake and demonstrate the feasibility and value of undertaking, verifying and certifying Value Chain Interventions
- Publicise success and promote further uptake beyond testing phase, including assessing how to make each work at greater scale
- To test the Value Chain Interventions Guidance in order to improve, refine and redraft them as required
- To review lessons learned and make further updates to both the Standards Requirements and the certification approach

1.2 Projects that participate in the programme **will be 'pilot certified'** against GS4GG, provided they meet all necessary Requirements. The rationale for this is that the base Standards Requirements and infrastructure are already in place and do not require re-approval or further governance review though it is recognised that some requirements and processes need to be adapted to be better suited for use in the proposed context.

1.3 This document sets out the adaptations to standards requirements and processes that are intended to support the pilot programme. It is acknowledged that not all will be included as permanent changes to standards nor made available to projects outside the pilot programme. It is further acknowledged that further changes may need to be made as the pilot programme progresses. These will be communicated via the Gold Standard website.

## 2.0 PILOT ELIGIBILITY CRITERIA & TIMELINES

2.1 The following table provides an overview of the key criteria for project eligibility for each pathway:

Criteria	Requirements
<b>Must be eligible for <a href="#">GS4GG</a> (see Section 2.0)</b>	The GS4GG Principles & Requirements and Activity Requirements shall apply
<b>Location</b>	Projects may be located anywhere
<b>Scale</b>	Projects may be of any scale

<b>Scope/Sector</b>	Agriculture focused pilots are prioritised, other sectors will be considered on a case by case application basis
<b>Inclusion under other standards</b>	At GS discretion though companies applying the Greenhouse Gas Protocol and Science Based Targets are preferred
<b>Other</b>	GS retains right to refuse applicants based on reputational concerns

2.2 No firm timeline is set for concluding the testing phase, rather this will depend on when lessons have been suitably captured for the improvement of the Guidance and Requirements. Indicatively it is expected that testing will begin in September 2018 and run for a period of 2 years, with interim reviews and updates following. This period may be extended if necessary, at the discretion of GS.

2.3 There are no set number of testing projects sought. Indicatively 10-15 Value Chain are expected. GS retains the right to seek a lower or higher number of testing projects.

### 3.0 SCOPE & OUTPUT OF CERTIFICATION

3.1 The scope of pilot certification is defined as:

- Gold Standard for the Global Goals Principles & Requirements
- Gold Standard for the Global Goals Activity Requirements (as appropriate – certain requirements related to carbon credits for example will not apply)
- Deviations and departures from the above included within this document, see below

3.2 In addition to the above the Value Chain Interventions Guidance will be considered as a reference document defining how to present results for assessment, along with other criteria. As the Guidance is not standards document nor a set of formal requirements its role is defined as informative and for reference.

3.3 Upon successful Design and/or Performance Certification, the proponent will be provided with a Gold Standard Pilot Certification Statement, detailing the results of the assessment. This Certificate, along with key project related documents and assessment reports will be uploaded to the Gold Standard Registry.

3.4 In addition to the above the following areas of flexibility will be considered on a per applicant basis:

3.4.1 GS4GG requires that the project start date be no longer than one year prior to submission to GS for Preliminary Review. Due to the pioneering nature of these approaches and that neither has been historically available to applicants GS is prepared to consider projects up to 5 years old with a preference for those from 0-3 years since start date at the time of application to join testing phase.

3.4.2 GS4GG Activity Requirements apply but these will be assessed by Gold Standard Secretariat to determine any that are relevant for application to Value Chain Interventions. Primarily these will be Requirements that relate to or support the issuance of carbon credits as this is not an intended outcome of the pilot programme.

3.4.3 SustainCERT (see Section 4.0) will act as both Validation & Verification Body and Certification Body. This is determined for two reasons:

- As this is a new certification pathway the relevant experience of market VVBs is limited. SustainCERT, whose staff were a key participant in the development of both GS4GG and the Value Chain Interventions Guidance are therefore the most experienced and appropriate body to carry out this work.
- SustainCERT intends to use the pilot programme as an opportunity to create the management processes and approaches to support further development of its systems, in support of potential accreditation in future.

See Section 4.0 for more details.

3.4.4 Interventions will not be required to adhere to a pre-approved Gold Standard methodology. These typically relate to carbon credit approaches which are not applicable to the Value Chain Interventions approach. Instead, pilot projects will bring forward their proposed approaches for assessment by SustainCERT, using the Value Chain Interventions Guidance as a reference document to support review.

3.4.5 Eligibility is also not determined by the presence of a Gold Standard approved methodology but will instead be determined case by case by Gold Standard Secretariat, with input from the Gold Standard Technical Advisory Committee as required.

3.4.6 Pilot projects will submit evidences and responses via a newly designed 'conformity checklist' instead of the standard Project Design Document. This is intended to better reflect the operations of a company and more closely adhere to the Value Chain Interventions Guidance.

3.4.7 Pilot projects will be expected to declare adherence to Gold Standard Safeguarding Principles as well as to provide evidence for relevant and significant safeguarding mitigation.

## **4.0 CERTIFICATION APPROACH & GOVERNANCE**

4.1 In March 2018, GS [announced the creation of a new Certification Body, SustainCERT \(SC\)](#). SC is now fully operational and the approved Certification Body of Gold Standard. For the pilot programme, unlike other GS4GG pathways where a third party auditor is required (for example for carbon credits), SC will be responsible for the Validation and Design Review and the Verification and Performance Review. In simple terms, SC will audit and take the Certification decision regarding each Project.

4.2 To support this, each project will be peer reviewed by both SC and GS, with independent, third party input from the GS Technical Advisory Committee (GS-TAC) and other experts as required.

4.3 In addition to the above and in the absence of pre-approved methodologies, SC will apply a sample-based validation and verification approach, befitting the nature of the pathways. This will involve the creation of targeted audit plans that review a sample of projects and requirements to reduce the overall burden, while maintaining the overall rigour of the approach.

4.4 Pilot interventions will be provided with a Design Certificate and/or a Performance Certificate, as appropriate. This is referred to as 'Pilot Certification' in recognition of both the efforts of first mover interventions deserving of Gold Standard certification and that the requirements for this pathway are evolving. Further requirement changes are generally intended to be incorporated at Certification Renewal unless urgent, unforeseen matters are required before.

## **5.0 REVIEW AND CAPTURE OF LESSONS LEARNED**

5.1 Periodic reviews will be conducted based on the lessons learned from the programme and to make recommendations for further improvements. An informal review will take place every six months (the first being March 2019) while a more formal review will take place at the end of the envisaged 2 year period. This review may recommend the extension of the testing period, or to end the testing period and propose any changes to the guidance and Requirements.

GS reserves the right to initiate further reviews during the period. Any changes recommended shall follow the [Gold Standard Standards Setting Procedure](#) and will be transparently published to the GS website..



