

Community-focused Micro Scale Scheme

The objective of this new scheme is to allow for streamlined procedures and lowered transactions costs for poor community-focused micro-scale project activities, in particular for those located in Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS).

Timeframe

Project activities must be submitted to the Gold Standard Foundation during a period of one year from the date of its official launch to be eligible for the pilot phase of this 'community-focused micro-scale scheme'. The date of submission of a project activity to this new scheme is defined as the upload of a simplified local stakeholder consultation report to the Gold Standard Registry (simplified PDD with section D completed) .

The renewal of an opened window for submissions to this new micro-scale scheme after the pilot phase, for a period to be determined, will be decided 15 days before the end of the pilot phase in light of an internal Gold Standard appraisal process and of the feedback received from practitioners.

The scheme can be discontinued anytime upon decision of the Gold Standard Technical Advisory Committee in case it is shown as being abused. All project activities submitted during the pilot phase are eligible for review, and potentially for issuance, over the entire crediting period.

Rules and procedures

Unless otherwise stated in the following paragraphs, the procedures and rules as per GS Requirements and Toolkit apply.

Eligible countries

Micro-scale project activities implemented in Least Developed Countries¹ (LDCs), Landlocked Developing Countries² (LLDCs) and Small Island Developing States³ (SIDS), as per the list established by the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, are eligible.

Micro-scale project activities that are implemented in other countries can be submitted to the scheme and may be approved for review on a case-by-case basis. Project proponents will be required in such case to demonstrate that project implementation will essentially benefit poor communities. No specific definition of 'poor communities' is pre-established, therefore the Millennium Development Goals-based long term National Development Strategy (NDS) will serve as the basis to assess the eligibility of the targeted communities.

¹ See Annex A

² See Annex B

³ See Annex C

Retroactive registration and retroactive crediting

Retroactive registration

Project activities that have started construction OR that have started implementation before submission (as defined above) to the Gold Standard Foundation, shall NOT be eligible.

Retroactive crediting

Project activities that have not started construction or implementation before submission (as defined above) to the Gold Standard Foundation can claim for emission reductions generated between the start date of operation of the project activity and the date of registration under Gold Standard.

Additionality

Eligible project activities are deemed additional without any further requirement to demonstrate additionality.

Eligible project activities

Renewable energy and end-use energy efficiency⁴ activities that reduce less than 5,000 tonnes of CO₂e per year, in any of the years within the crediting period, and comply with the GS specific eligibility requirements listed in Annex D to this document, are eligible types of activity.

Project activities that generate electricity shall either qualify as on-site generation (electricity generated at the point of use and no connection with any grid), OR shall feed into an existing or new local, low voltage⁵ isolated grid. They may also feed into the regional/national high voltage grid if convincing evidence can be provided to demonstrate that the implementation of the project activity will significantly improve electricity access for the poor local communities.

Bundling and PoAs

Project activities can be submitted within a bundle. The upper threshold applies to the bundle as a whole.

Project activities cannot be submitted as part of a Programme of Activities.

Debundling rules

No de-bundling rules apply to this scheme.

Baseline and project emissions

Baselines and project emissions shall be defined as per an approved CDM or GS methodology or

⁴ For a definition of what is meant by renewable energy and end-use energy efficiency please refer to the latest version of Gold Standard Requirements

⁵ From down to the consumption level and up to a distribution level in the order of 10 kV.

a new approach shall be described and submitted as part of the project documentation for approval by the Gold Standard during the Validation process. New simplified, conservative approaches (e.g. based on default factors) are encouraged in order to further streamline the evaluation of emission reductions as long as convincing argumentation is provided as to why the approach proposed is conservative enough. The simplified methodology is submitted as part of the Project Design Document (PDD). Once approved as part of a given project activity, new methodologies can be used by all project developers for future activities. Project proponents shall make use of the simplified PDD template provided in Annex E.

Monitoring of emission reductions

The monitoring of emission reductions shall be defined as per an approved CDM or GS methodology or a new approach shall be described and submitted as part of the project documentation for approval by the Gold Standard during the Validation process. New, simplified approaches are encouraged in order to further streamline the monitoring of emission reductions as long as convincing argumentation is provided as to why the approach proposed is conservative enough. The simplified methodology is submitted as part of the Project Design Document (PDD). Once approved as part of a given project activity, new methodologies can be used by all project developers for future activities. Project proponents shall make use of the simplified PDD template provided in Annex E.

Local Stakeholder Consultation and Sustainable Development Assessment

A Local Stakeholder Consultation must be conducted at the design phase, before implementation or construction has started as per the Gold Standard Requirements and Toolkit, but without the need for SD scoring and blind sustainable development exercise.

Project developers are not required to fill in the SD matrix and carry out a 'Do No Harm Assessment'. Instead, they are asked to identify and provide the Gold Standard with the name and contact details of three Objective Observers (local independent⁶ experts from local universities, NGOs, consultancies, etc.) who can credibly carry out an appraisal of the project activity with regards to environmental and social impacts. The Gold Standard appoints Objective Observers amongst the three people suggested and/or other experts preferably chosen from the GS NGO supporters, the GS Roster of Experts, or representatives of development organizations with host country experience such that environmental and socio-economic impacts can be credibly assessed.

The Objective Observers are required to visit the project activity and to attend the Local Stakeholder Consultation meeting to provide independent assessment on risks associated with the project (human rights abuse, environmental degradation, non-adherence to labour laws, corruption, etc.) as well as to identify potential negative impacts associated with the project activity on social, environmental and economic well being in the local community.

They shall make use of the Validation Project Appraisal Form template provided in Annex F.

When risks with regards to the safeguarding principles are identified and/or when negative impacts on sustainable development aspects are expected as per the Objective Observer's appraisal, project proponents are required to prepare and submit an appropriate mitigation plan to the

⁶ A statement with regards to potential conflict of interest will be required as part of the appraisal report.

Objective Observer(s) who will evaluate the appropriateness of the mitigation measures and report about them in the Validation Appraisal Form.

The Validation Appraisal Report by Objective Observers is to be made available to the Gold Standard TAC and Secretariat and to the GS NGO Supporters at the time of Registration Review and will form part of the registration approval. It will be made publicly available after registration.

The Objective Observers selected through the above-defined process will revisit the project site post-implementation during one of the first two years after the start of operation. After this, the Objective Observers will be required to visit the site each time a request of issuance is to be submitted after a new cumulated amount of at least 10,000 tCO_{2e} has been reached. During each site visit, the Objective Observers will be required to:

1. Confirm the status of project operation
2. Assess whether the mitigation plan has been effectively implemented and negative impacts and risks have been mitigated
3. Check that other negative impacts have not resulted due to implementation and operation of the project

The project proponents are responsible for ensuring that the data required to inform the monitoring of the mitigation measures are available at the time of verification by the Objective Observer(s).

Objective Observers shall make use of the Verification Project Appraisal Form template provided in Annex G.

The Verification Appraisal Report by Objective Observers is to be made available to the Gold Standard TAC and Secretariat and to the GS NGO Supporters at the time of Verification Review and will form part of the verification approval. It will be made publicly available after issuance.

Project cycle

The project cycle is similar to the first generation micro-scale scheme. However, the Feedback-round Stakeholder Consultation is not required unless recommended by the Objective Observers' appraisal and the sustainable development assessment is simplified and conducted by Objective Observers rather than by the project proponents as described above.

Local Stakeholder Consultation

A consultation shall be conducted with all the relevant local stakeholders with regards to sustainable development risks and benefits brought by the project activity, but no scoring of an SD matrix is required. The project activity is formally listed as a 'Gold Standard Applicant' upon approval of a simplified local stakeholder consultation report. Project proponents shall make use of section D of the simplified PDD for the reporting on this consultation.

Validation

If the community-focused micro-scale project activity makes use of an existing approved CDM or GS methodology, the validation of carbon accounting (simplified PDD: *baseline, project emissions, emission reductions, carbon monitoring plan*) shall be conducted in one of the following ways:

1. The contracting of a DOE, as is the case for any other project activity;
2. The submission to the Gold Standard Internal Validation process. This option implies the payment of a USD 10,000 fee to the Gold Standard Validation Fund, to initiate the validation and as a contribution to the management of the scheme and the remuneration of the Objective Observers.

If the community-based micro-scale project activity proposes a new methodology for the accounting and monitoring of emission reductions, the internal validation process includes the approval or rejection of the proposed new approach for the evaluation of the emission reductions and the monitoring procedures.

The sustainable development aspects are subject to a review of the Objective Observers' Appraisal Report by the Gold Standard Foundation and shall not be validated by a DOE.

The following procedure applies for the Gold Standard Validation Fund option:

1. The Gold Standard Secretariat shall be notified of the choice of the Validation Fund option;
2. The completed PDD must be uploaded in the registry with necessary supporting documentation, if any;
3. Project proponents are notified on whether the project activity will be selected for an external validation of the emission reductions by a DOE, or if it will be validated internally by the Gold Standard. Costs are, in both cases, covered by the fund. This decision is made through a 'target random' selection among micro-scale project activities opting to make use of the Validation Fund.
4. Project proponents shall respond to questions and address requests raised by either the DOE or the Gold Standard Foundation and its NGO Supporters.

Verification

The verification of carbon accounting (simplified PDD: *baseline, project emissions, emission reductions, carbon monitoring plan*) shall be conducted in either of the two following ways:

1. The contracting of a DOE, as is the case for any other project;
2. The submission to the Gold Standard Internal Verification process. This option implies the payment of a fee to the Gold Standard Verification Fund within a month after each issuance of GS VERs. The amount of the fee is based on USD 2,500 annually, as a contribution to the management of the scheme and the remuneration of the Objective Observers.

The sustainable development aspects are subject to a review by the Objective Observers' Appraisal Report by the Gold Standard Foundation and shall not be verified by a DOE.

The following procedure applies for the Gold Standard Verification Fund option:

1. The Gold Standard Secretariat shall be notified of the choice of the Verification Fund option;

2. The Monitoring Report must be uploaded in the registry with necessary supporting documentation, if any;
3. Project proponents are notified on whether the project activity will be selected for an external verification of the emission reductions by a DOE, or if it will be verified internally by the Gold Standard. Costs are, in both cases, covered by the fund. This decision is made through a 'target random' selection among micro-project activities opting to make use of the Verification Fund.
4. Project proponents shall respond to questions and address requests raised by either the DOE or the Gold Standard Foundation and its NGO Supporters.
5. If the verification shows that the project documentation is fraudulent, the party submitting the project is permanently disqualified and this is publicly announced. Fraud occurs when project proponents have deliberately provided information that is clearly incorrect, and used to obtain Gold Standard status, or inflate the amount of emission reductions from the project. The determination of fraud would be pre-empted by several rounds of requests for clarification and/or corrective action. A ban will only be imposed if the Gold Standard has credible evidence that shows the intent of the project proponent.

Internal Validation/Verification and Regional diversification

The submitted project activities opting for the internal validation/verification will in principle be processed in the chronological order of the payment of the internal validation/verification fee to the Gold Standard Validation/Verification Fund.

However, no more than three project activities from the same host country or the same project developer can be processed consecutively⁷ in order to ensure a relatively balanced regional distribution.

After three project activities from the same host country or from the same project developer have been processed, and before the fourth project activity from the same host country or the same project developer can be processed, the next project activity in the queue and from a different host country will be given priority.

First generation micro-scale scheme versus community-focused micro-scale scheme

Migration to the community-focused micro-scale scheme

Project activities under the first generation micro-scale scheme may migrate into the community-focused micro-scale scheme. Project documentation must be revised as per the templates of the community-focused micro-scale scheme and the new fee structure applies, including retroactively.

Timeline

Any project activity already submitted to the first generation micro-scale scheme can migrate into the community-focused micro-scale scheme at any time during the pilot phase, as long as it is in compliance with all eligibility criteria of the new scheme and following approval of a formal request to the Gold Standard Secretariat.

⁷ Unless no other project activities have been submitted

Eligible countries or communities

A project activity submitted to the first generation micro-scale scheme and not listed in Annex A, B or C shall be eligible for a migration into the community-focused micro-scale scheme upon approval of a memo describing the 'poor community' targeted (e.g. based on MDG local goals) and provided as part of the formal request to the Gold Standard Secretariat.

Retroactive registration

Retroactive project activities under the first generation scheme shall NOT be eligible for migration into the community-focused micro-scale scheme but can potentially make use of baseline and monitoring methodologies approved under the community-focused micro-scale scheme.

Additionality

Project activities submitted to the first generation micro-scale scheme cannot claim deemed additionality.

Eligible types of project activities

Any project activity submitted under the first generation micro-scale scheme, whether eligible or not under the community-focused micro-scale scheme, can make use of Annex D of this scheme instead of Annex C of the GS Toolkit, as long as demonstration is provided that the project activity is in compliance with the following community-focused specific rule: *project activities that generate electricity shall either qualify as on-site generation (electricity generated at the point of use and no connection with any grid), OR shall feed into an existing or new local, low voltage isolated grid. They may also feed into the regional/national high voltage grid if convincing evidence can be provided to demonstrate that the implementation of the project activity will significantly improve electricity access for the poor local communities.*

Baseline, emission reductions, monitoring

Project activities submitted to the first generation micro-scale scheme can make use of new, simplified methodologies approved under the community-focused micro-scale scheme, and can also submit new, simplified methodologies for approval, but as per the normal process for methodology reviews.

Local stakeholder consultation & SD assessment

Project activities submitted to the first generation micro-scale scheme must migrate into the new scheme to benefit from the rules of the community-focused micro-scale scheme with regards to local stakeholder consultation and sustainable development assessment.

Annexes:

- Annex A: List of LDCs
- Annex B: List of LLDCs
- Annex C: List of SIDSs
- Annex D: Specific eligibility criteria
- Annex E: Simplified PDD template
- Annex F: Validation SD appraisal report template
- Annex G: Verification SD appraisal report template

Annex A: List of LDCs (www.unohrrls.org/en/ldc/related/62/)

Africa (33)

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|----|--|----|---|
| 1 | Angola | 18 | Madagascar |
| 2 | Benin | 19 | Malawi # |
| 3 | Burkina Faso # | 20 | Mali # |
| 4 | Burundi # | 21 | Mauritania |
| 5 | Central African Republic # | 22 | Mozambique |
| 6 | Chad # | 23 | Niger # |
| 7 | Comoros * | 24 | Rwanda # |
| 8 | Democratic Republic of the Congo | 25 | São Tomé and Príncipe * |
| 9 | Djibouti | 26 | Senegal |
| 10 | Equatorial Guinea | 27 | Sierra Leone |
| 11 | Eritrea | 28 | Somalia |
| 12 | Ethiopia # | 29 | Sudan |
| 13 | Gambia | 30 | Togo |
| 14 | Guinea | 31 | Uganda # |
| 15 | Guinea-Bissau * | 32 | United Republic of Tanzania |
| 16 | Lesotho # | 33 | Zambia # |
| 17 | Liberia | | |

Asia (15)

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|---|--|----|-----------------------------------|
| 1 | Afghanistan # | 9 | Nepal # |
| 2 | Bangladesh | 10 | Samoa * |
| 3 | Bhutan # | 11 | Solomon Islands * |
| 4 | Cambodia | 12 | Timor-Leste * |
| 5 | Kiribati * | 13 | Tuvalu * |
| 6 | Lao People's Democratic Republic # | 14 | Vanuatu * |
| 7 | Maldives * | 15 | Yemen |
| 8 | Myanmar | | |

Latin America and the Caribbean (1)

- | | |
|---|-------------------------|
| 1 | Haiti * |
|---|-------------------------|

*** Also SIDS**
#Also LLDCs

UN Office of the High Representative for the Least Developed Countries,
Landlocked Developing Countries and Small Island Developing States

Annex B: List of LLDCs (www.un.org/special-rep/ohrlls/lldc/list.htm)

List of Landlocked Developing Countries

1. Afghanistan *	16. Malawi *
2. Armenia	17. Mali *
3. Azerbaijan	18. Moldova, Republic of
4. Bhutan *	19. Mongolia
5. Bolivia	20. Nepal *
6. Botswana	21. Niger *
7. Burkina Faso *	22. Paraguay
8. Burundi *	23. Rwanda *
9. Central African Republic *	24. Swaziland
10. Chad *	25. Tajikistan
11. Ethiopia *	26. The Former Yugoslav Rep. of Macedonia
12. Kazakhstan	27. Turkmenistan
13. Kyrgyzstan	28. Uganda *
14. Lao People's Democratic Republic *	29. Uzbekistan
15. Lesotho *	30. Zambia *
	31. Zimbabwe

*** Also LDCs**

UN Office of the High Representative for the Least Developed Countries,
Landlocked Developing Countries and Small Island Developing States

Annex C: List of SIDS (www.un.org/special-rep/ohrls/sid/list.htm)

List of Small Island Developing States (UN Members)			
1	Antigua and Barbuda	20	Federated States of Micronesia
2	Bahamas	21	Mauritius
3	Bahrain	22	Nauru
4	Barbados	23	Palau
5	Belize	24	Papua New Guinea
6	Cape Verde *	25	Samoa *
7	Comoros *	26	São Tomé and Príncipe *
8	Cuba	27	Singapore
9	Dominica	28	St. Kitts and Nevis
10	Dominican Republic	29	St. Lucia
11	Fiji	30	St. Vincent and the Grenadines
12	Grenada	31	Seychelles
13	Guinea-Bissau *	32	Solomon Islands *
14	Guyana	33	Suriname
15	Haiti *	34	Timor-Lesté *
16	Jamaica	35	Tonga
17	Kiribati *	36	Trinidad and Tobago
18	Maldives *	37	Tuvalu *
19	Marshall Islands	38	Vanuatu *

UN Office of the High Representative for the Least Developed Countries,
Landlocked Developing Countries and Small Island Developing States

Annex D: Project type eligibility

Please find additional specific eligibility criteria for some of the eligible types of project activities for the ‘community-focused’ micro-scale scheme in the Table below. This table is subject to regular updates. If you have questions about the eligibility of your project activity, please contact the Gold Standard secretariat.

<p>Electricity and/or heat, and liquid biofuels from biomass resources</p>	<p>Biomass resources:</p> <ul style="list-style-type: none"> • Project activities making use of non-renewable biomass resources shall NOT be eligible for Gold Standard registration. The project applicant shall therefore provide convincing evidence that the project activities make use of renewable biomass resources⁸, and shall include this in the Sustainability Monitoring Plan. • Project activities planning to make use of biomass resources already in use (e.g. food, heating, etc.) shall NOT be eligible for Gold Standard registration unless convincing evidence is provided that the current users are in agreement with the new use envisioned. In the absence of such an agreement, the project applicants shall demonstrate that the project activities make use of surplus biomass⁹. • Project activities making use of land currently in use for growing food crops to grow dedicated energy crops shall NOT be eligible for Gold Standard registration unless convincing evidence is provided showing that the energy crop is part of a traditional rotational cropping. The project applicant shall therefore demonstrate that the project activities make use of otherwise set aside or marginal land. • Project 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. <p>Biomass conversion:</p> <ul style="list-style-type: none"> • 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. • The use of non-renewable fuel in biomass heat and/or electricity generation plants is authorised for up to a limit of 5% of the energy input, in order to avoid disruption of the operation due to temporary feedstock shortage, maintenance, etc.
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⁸ As defined in Annex 18 of the report of the 23 meeting the CDM Executive Board
http://cdm.unfccc.int/EB/Meetings/023/eb23_repan18.pdf

⁹ In accordance with the approach proposed under ‘Competing uses for the biomass’ in Attachment C to Appendix B: Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories, “General guidance on leakage in biomass project activities”.
http://cdm.unfccc.int/methodologies/SSCmethodologies/AppB_SSC_AttachmentC.pdf