

OPTIONAL REQUIREMENT

MICROSCALE PROJECT REQUIREMENTS

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SUMMARY

Gold Standard introduced a Microscale Scheme to provide simplified certification requirements that ensure that projects with limited size, and especially those that support vulnerable communities, have access to the voluntary carbon market. The requirements for microscale projects have historically been contained in this document. Specific requirements for microscale are now contained in relevant impact quantification methodologies and activity requirements.

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1| SCOPE AND APPLICABILITY

1.1 | Mainstreaming the Microscale Scheme into Gold Standard for the Global Goals

1.1.1 | Requirements for Microscale projects have now been integrated in other relevant standard documents under Gold Standard for the Global Goals. Therefore, as of the date of entry into force of the latest version of these requirements (unless otherwise stipulated), the requirements within this document will no longer be applicable under the conditions described in this section.

1.1.2 | Scope and applicability

- a. The requirements in sections 2-12 of this document shall only be applied by projects that are already listed and are undergoing an internal validation/verification process that started before or on XX/XX/2023, except where otherwise specified in section 1.1 of this document.

1.1.3 | General Eligibility Criteria

- a. Projects, Programme of Activities (PoAs), and Voluntary Project Activities (VPAs) complying with relevant microscale definitions in the respective activity requirements or methodology can be considered as microscale projects.
- b. Microscale projects, PoAs and VPAs can benefit from the simplified requirements offered by standard documents for both microscale and small-scale projects

1.1.4 | Validation/verification

- a. All microscale projects shall undergo validation and verification by a GS-approved Validation/Verification Body, as per [Principles and Requirements](#) section 2.1.1.
- b. Internal validations/verifications that have commenced before XX XXXX 2023 may be completed according to sections 2-12 of this document.
- c. As of XX XXXX 2023, no projects, PoAs or VPAs may commence (submit documents, request, or book) internal validation/verification as per clauses 9.1.1 b and 9.1.2, 10.1.1.b and 10.1.2, independently of where they are in the certification cycle, or when they were submitted.

1.1.5 | The table below represents the comparison between the requirements applicable to microscale projects as per section 1 of this version, and the previously valid requirements, sections 2-12.

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Topic	Section	Summary of old requirements	New requirements	Applicability
General eligibility criteria	2.1.1. a,b,d	Same as for all projects	Same as for all projects	-
	2.1.1.c	Emission reduction limit of 10,000tCO ₂ eq. Other applicable limits as per corresponding Activity Requirements	Microscale limits are defined under the respective Activity Requirements and Methodologies	As of 20/09/2023.
Project certification period	3	Same as for all projects	Same as for all projects	-
Stakeholder Consultation	4	Same as for all projects	Same as for all projects	-
Additionality	5	Any simplifications defined in the corresponding Activity Requirements	Any simplifications defined in the corresponding Activity Requirements	-
Baseline, Project Scenario & Monitoring	6	New simplified methodologies may be submitted together with the PDD during validation	New simplified methodologies may be submitted together with the PDD during validation	-
De-bundling rules	7	No de-bundling rules apply	No de-bundling rules apply	-
Bundling and PoA	8	Same as in the current requirements	Same as in the current requirements	As of 20/09/2023

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Validation	9	Internal validation option available	All microscale projects/PoAs/VPAs shall undergo validation by a GS-approved Validation/Verification Body	As of 20/09/2023, ongoing internal validations may be completed.
Verification	10	Internal verification option available	All microscale projects/PoAs/VPAs shall undergo verification by a GS-approved Validation/Verification Body	As of 20/09/2023, ongoing internal verifications may be completed.
Sustainable Development Assessment Process	11	Site visit at least once at validation or within 2 years of the start of the crediting period	Same as for all projects	As of 20/09/2023
Design Change Rules	12	Same as for all projects	Same as for all projects	-

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- 1.1.6 | Unless stated otherwise in this document, rules provided in the [Principles & Requirements](#) apply to this scheme. In case of any discrepancy, the rules in this document shall prevail.
- 1.1.7 | The Requirements included in this document are not applicable to Gold Standard Land Use & Forest Projects. Eligible Land Use and Forest Projects shall apply Annex B – Requirements for A/R Smallholder & Microscale Projects contained in [Land Use & Forest Activity Requirements](#).

2| GENERAL ELIGIBILITY CRITERIA

- 2.1.1 | The following General Eligibility Criteria applies to all microscale projects seeking Gold Standard Certification
- a. **Type of Project:** Eligible project types are as defined by the Gold Standard for the Global Goals Principles & Requirements and in the relevant Activity Requirements.
 - b. **Location of Project:** Projects may be located in any part of the world.
 - c. **Project Scale:** Projects are eligible under the microscale scheme;
 - i. If the annual emission reductions achieved are limited to a maximum of 10,000 tonnes of CO₂eq in each and every year of the crediting period. Whenever actual emission reductions, as per the verification report, exceed the upper threshold, the project can still request for issuance, but the claimable emission reductions are capped at 10,000 tonnes of CO₂eq per year. OR
 - ii. project seeking Certified Impact other than emission reductions meets the criteria defined within respective Activity Requirements for the project scale.

3| PROJECT CERTIFICATION PERIOD

- 3.1.1 | Projects shall follow the certification & crediting period rules as defined in [Principles & Requirements](#), [GHG Emissions Reductions & Sequestration Product Requirements](#) or Activity Requirements.

4| STAKEHOLDER CONSULTATION

- 4.1.1 | The stakeholder consultation shall be conducted as per the [Stakeholder Consultation & Engagement Requirements](#).

- 4.1.2 | Project developers shall implement the continuous input & grievance mechanism to solicit feedback from stakeholders on unforeseen issues throughout the certification period of the project following [Stakeholder Consultation & Engagement Requirements](#).

5| ADDITIONALITY

- 5.1.1 | The additionality criteria for microscale projects as defined in the applicable Activity Requirements shall apply. In the absence of specific Activity Requirements, the requirements outlined in [Principles & Requirements](#) shall apply

6| BASELINE, PROJECT SCENARIO & MONITORING

- 6.1.1 | Baseline, project scenario and monitoring shall be defined as per the Gold Standard Approved Impact Quantification Methodology (including [eligible CDM Methodologies](#)). The latest version of the methodology available at the time of first submission¹ to Gold Standard shall be used. Alternatively, a new methodology may be described and submitted as part of the project documentation for approval as per the [Principles & Requirements](#).
- 6.1.2 | New simplified, conservative approaches (e.g. based on default factors) as well as the consideration of suppressed demand elements are encouraged in order to further streamline the evaluation of [Sustainable Development Goals](#) (SDGs), as long as convincing arguments are provided as to why the approach proposed is conservative enough.
- 6.1.3 | New simplified methodology is submitted as part of the [Project Design Document](#) submitted for validation. In the context of the proposed project activity, new methodologies should include details on the applicability conditions, description of the baseline and project scenario, ex-ante/default parameters (where applicable), impact quantification approach for the targeted SDGs, monitoring parameters including monitoring frequency, and the list of reference/literature used in proposing the simplified methodology.
- 6.1.4 | Once approved as part of a given project, new methodologies can be used by all project developers for future standalone microscale projects.
- 6.1.5 | When Gold Standard is not in a position to evaluate with sufficient confidence if the newly submitted methodology is appropriate and conservative enough, the proposed methodology will be submitted for external review as per the Fast Track approval process outlined in the [Impact Quantification methodology approval procedure](#). In such cases, the cost of external review shall be covered by the applicant, unless the applicant decides to withdraw the methodology.

7| DE-BUNDLING RULES

7.1.1 | No de-bundling rules apply to this scheme. The Gold Standard [Technical Advisory Committee \(TAC\)](#) can decide to discontinue the scheme at any time in the case it's shown as being abused. In such cases, projects already submitted or registered remain eligible for their entire crediting period.

8| BUNDLING AND POA

8.1.1 | Projects can be submitted within a bundle², however the upper threshold of 10,000 tonnes of CO₂eq per year for one microscale project, outlined under *Section – General Eligibility Criteria* above, applies to the bundle as a whole. Project Developers shall refer to the rules in the [Programme of Activity Requirements](#) for the submission of microscale projects under a programme.

9| VALIDATION

9.1.1 | Validation shall be conducted in one of the following ways:

- d. Contracting an accredited Gold Standard Validation/Verification Body (GS-VVB - hereafter VVB). The project shall make use of an existing methodology or submit a new methodology as part of project documentation, with opinion of VVB, to Gold Standard for approval at time of requesting design certification.
- e. Applying for the Gold Standard Internal Validation by paying required fee to the Gold Standard Validation Fund. If the project proposes a new methodology as part of the project documents, the proposed methodology shall be reviewed as per Section - Baseline, Project Scenario & Monitoring, above.

9.1.2 | The following procedure applies for the Gold Standard Internal Validation option:

- a. The Gold Standard shall be notified of the selection of the Internal Validation option.
- b. The completed PDD along with supporting evidence and documents shall be provided to Gold Standard to initiate the validation process.
- c. Gold Standard will decide and notify the Project Developer on whether the project is selected for external validation by a VVB, or will be validated internally by Gold Standard. In both cases, the Validation Fund covers the validation costs.
- d. In the case when a project is selected for external validation by a VVB, the Project Developer shall provide competitive quotes from three VVBs. Based on the quotes, Gold Standard will contract and pay the VVB from the Validation fund and the project will follow the steps of a regular validation.
- e. For internal validation, the Project Developer will be notified on whether the project is selected for an appraisal of sustainable development aspects,

including SDG 13, by an Objective Observer, or if these aspects will be validated internally by Gold Standard alone. The Validation Fund will cover these costs.

- f. At all times, any assistance from the Gold Standard Validation Fund is subject to the availability of funds. The decision is made through a 'target-random' selection among microscale projects opting to make use of the Validation Fund.

10| VERIFICATION

10.1.1 | Verification shall be conducted in either of the following ways:

- a. Contracting of an accredited [GS-VVB](#)
- b. Applying for the Gold Standard Internal Verification by paying required fee to the Gold Standard Verification Fund.

10.1.2 | The following procedure applies for the Gold Standard Internal Verification option:

- a. The Gold Standard shall be notified of the selection of the Internal Verification option.
- b. The [Monitoring Report](#) along with supporting evidence and documents shall be provided to Gold Standard to initiate the verification process.
- c. Gold Standard will decide and notify the Project Developer on whether the project is selected for an external verification by a VVB or will be verified internally by Gold Standard. In both cases, the Verification Fund covers the costs.
- d. In the case when a project is selected for external verification by a VVB, the Project Developer shall provide competitive quotes from three VVBs. Based on the quotes, Gold Standard will contract and pay the VVB from Verification fund and the project will follow the steps of a regular verification.
- e. For an internal verification, the Project Developer is notified on whether the project is selected for an appraisal of sustainable development aspects, including SDG 13, by an Objective Observer, or if these will be verified internally by Gold Standard alone. The Verification Fund will cover these costs.
- f. At all times, any assistance from the Gold Standard Verification Fund is subject to the availability of funds. This decision is made through a 'target-random' selection among microscale projects opting to make use of the Verification Fund.

10.1.3 | If Project developer deliberately provide information that is incorrect to obtain Gold Standard status, or to inflate the SDG outcomes and impacts, the project will be subject to an investigation by Gold Standard. If such wrongdoing is suspected and the resulting investigation shows that the project

documentation is fraudulent and credible evidence shows the negative intent of the Project Developer, the party submitting the project is permanently disqualified and this is publicly announced (see [Gold Standard Terms & Conditions](#) for more details).

11| SUSTAINABLE DEVELOPMENT ASSESSMENT PROCESS

- 11.1.1 | Under the microscale scheme a target-random approach is applied to the project appraisal, making use of an Objective Observer at the Validation and/or Verification stage.
- 11.1.2 | A microscale project must be subjected to an Objective Observer appraisal and site visit at least once within two years of date of Design certification or the start of certification/crediting period, whichever is later.
- 11.1.3 | Upon request from Gold Standard and in time for validation or verification, Project Developers shall identify and provide the names and contact details of at least three independent experts (e.g. academics from local universities, staff from local NGOs or local consultancies, etc.) who can appraise the project with respect to sustainable development aspects. The Gold Standard appoints one, or more, Objective Observer(s) among the people suggested and/or other experts chosen from the Gold Standard [NGO Supporters](#), the Gold Standard Roster of Experts, or representatives of development organisations with host country experience, such that environmental and socio-economic impacts can be credibly assessed. Experts are selected based on an assessment of the relevance of their expertise and knowledge of the local conditions

(a) Validation Stage

- 11.1.4 | At the validation stage, the Objective Observers visits the site and use the [Validation Appraisal Report](#) to provide an independent assessment of the following:
 - a. risks associated with the project with respect to (human rights abuse, environmental degradation, non-adherence to labour laws, corruption, etc.)
 - b. contributions to three SDGs with a mandatory contribution to SDG 13
 - c. completeness of stakeholder consultations
- 11.1.5 | During validation, if risks with regards to the above points are identified, the Project Developer shall prepare an appropriate mitigation plan and submit it to the Objective Observer. The Objective Observer shall evaluate the appropriateness of the mitigation measures and report these in the [Validation Appraisal Report](#). Inputs received from stakeholders during the Stakeholder Consultation (1st round) and Stakeholder Feedback Round (SFR), including the feedback on SDG Impact indicators, shall be taken into account for this assessment.
- 11.1.6 | The [Validation Appraisal Report](#) completed by the Objective Observer will be made available to Gold Standard [Technical Advisory Committee \(TAC\)](#) and

[NGO Supporters](#) at the time of review and will form part of the project design certification process. The Appraisal Report shall be made publicly available following project Design Certification.

(b) Verification Stage

11.1.7 | During verification, the Objective Observer shall visit the site and use the [Verification Appraisal Report](#) to:

- a. Confirm the status of the project operation
- b. Assess the SDG contributions of the project
- c. Assess if the mitigation plan is effectively implemented, and negative impacts and risks are being effectively mitigated
- d. Check that other negative impacts have not occurred due to the implementation and operation of the project

11.1.8 | The Objective Observer may also report any new issue observed during the verification.

11.1.9 | The [Verification Appraisal Report](#) will be made available to the Gold Standard [Technical Advisory Committee \(TAC\)](#) and [NGO Supporters](#) at the time of review and will form part of the issuance review. The Appraisal Report shall be made publicly available after the performance review.

11.1.10 | For projects not selected for an appraisal by an Objective Observer at verification stage and in view of any request for issuance, Project Developers shall provide relevant information in the [monitoring report](#) including, the status of the project operation, mitigation plans to address negative impacts and the identification of any risks, and an assessment of any new negative impacts that have occurred due to the implementation and operation of the project

12| DESIGN CHANGE RULES

12.1.1 | The project developer shall refer to [Principles & Requirements](#) for rules and requirements applicable to design changes and how design change approval shall be requested.

DOCUMENT HISTORY

Version	Date	Description
1.2	10/23/2019	Clarification of the internal validation/verification procedure
		Clarification on submission of new methodologies along with the Project Design Document

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1.1	03/01/2018	Clarification of the internal validation/verification procedure Editorial changes
1.0	07/01/2017	Initial version under GS4GG

FOR CONSULTATION