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# Carbon Standard: Carbon Registry-India

**(DRAFT) VERSION 0.1**

**NETWORK FOR CERTIFICATION AND CONSERVATION OF FORESTS**



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## ABBREVIATIONS

To be provided in the final version of the standard document.

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## 1. Introduction

The Network for Certification and Conservation of Forests (NCCF) is a ‘not for profit’ organization registered in India under Societies Registration Act, 1860. It is involved in developing globally aligned certification programmes and standards-based mechanisms in India. It is working towards developing national environment and sustainability-based standards in diverse areas of climate change, natural resource management and ecotourism. In addition, NCCF is also engaged in policy advocacy and varied conservation activities across the country. Through development and application of its certification programmes and standards-based mechanisms, NCCF aims to promote adoption of healthier and sustainable: economically beneficial, environmentally responsible and socially appropriate, operational and management practices, in accordance with national policies, institutional frameworks and sustainability usage norms.

The development and functioning of the ‘Carbon Registry-India’ mechanism (the mechanism) would help in achieving NCCF’s aspirational goal of combating climate change and its impacts through utilization of the ambition of the internal, and strength of global environmental markets. This initiative assumes more importance after India’s adoption of ambitious Nationally Determined Contributions (NDCs) following COP 21 in 2015, and the inclusion of Article 6 in the Paris Agreement. The modalities and procedures of the mechanism have been formulated to provide a congenial ecosystem for development, assessment and adoption of scientifically accepted environmentally and socially beneficial technologies, activities, measures and practices throughout the globe.

The CR-I Carbon Standard (standard) establishes rules and requirements for design, development and inclusion of projects, new methodologies and tools, along with rules and requirements for operation and monitoring of registered projects, and other related activities permitted within the purview of the mechanism. The foundational framework of this standard is based on the rules and requirements established in ISO 14064-2:2006, ISO 14064-3:2006 and ISO 14065:2013. Through formulation and enforcement of this standard, the mechanism seeks to prescribe high quality benchmarks that each project, new methodology and tool shall need to fully adhere to for acceptance and inclusion within the mechanism. Moreover, the rules and requirements established henceforth are formulated in a manner to allow flexibility in approach employed by its intended users, without comprising on the integrity and robustness of the mechanism.

The standard document shall be updated on a regular basis and the intended users are advised to refer to the most current version of the document.

## 2. Normative References

The following documents have been referred to during design and formulation and are indispensable for the application of this standard document. For dated references, only the edition cited applies, while for undated references, the latest edition of the referenced document (including any amendments) applies.

- ISO 14064-2:2006, Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements
- ISO 14064-3:2006, Specification with guidance for the validation and verification of Greenhouse Gas Assertions
- ISO 14065:2013, Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition
- CDM Project Standard for Project Activities (CDM-EB93-A04-STAN)

## 3. Terms and Definitions

The definitions of terms applicable under the mechanism have been made available in the Glossary of Terms document, being developed separately. Apart from that, the following definitions apply to this standard document:

- “Shall”: indicates requirements strictly to be followed in order to conform to the standard document.
- “Should”: indicates that among several possibilities, one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required. A certification body can meet these requirements in an equivalent way provided this can be demonstrated and justified.
- “May”: indicates a course of action permissible within the limits of the standard document.

## 4. Scope and Applicability

### 4.1 General Scope

- 4.1.1 The standard establishes the rules and requirements for design, development and inclusion of projects, new methodologies and tools, along with rules and

requirements for operation and monitoring of registered projects, and other related activities permitted within the purview of the mechanism.

## **4.2 Geographical Scope**

4.2.1 Projects located within the Indian Territory, or anywhere across the globe, are eligible for registration and issuance under the mechanism.

4.2.2 New methodologies and tools submitted by legal entities operating within the Indian Territory, or anywhere across the globe are eligible for approval under the mechanism.

## **4.3 Greenhouse Gases**

4.3.1 The mechanism encompasses six types of Greenhouse Gases (GHGs), namely, Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF<sub>6</sub>).

## **4.4 Exclusions**

4.4.1 The scope of the mechanism excludes the following types of projects:

- (i) Hydropower projects, except micro-scale projects involving installation and operation of a run-of-the-river system.
- (ii) Those required to be undertaken in order to satisfy existing legal mandate(s).
- (iii) Renewable Energy projects that have previously claimed and/or are currently claiming benefits from a national /regional/global level Renewable Energy Certification (REC) or similar scheme.
- (iv) All industrial facilities, units, establishments (termed collectively as Designated Consumers), operating within the geographical boundary of India, that have adopted measures for ensuring energy efficiency under the Perform, Achieve and Trade (PAT) scheme regulated by the Bureau of Energy Efficiency (BEE).
- (v) Projects for whom it is evident that they have increased their GHG emissions without corresponding enhancement in the final output of products, services and with the sole objective of reducing the same to the original level or lower, through implementation of a project under CR-I.

## **4.5 Applicability**

4.5.1 This standard is applicable for usage at the stages of:

- (i) Design and development of a proposed project and its activities by an IPP, for validation and subsequent registration and implementation and

monitoring of a registered project of the IPP(s), and for verification, certification and subsequent issuance of GHG emission reduction and/or removal units.

- (ii) Design and development of a project-based methodology by an IMD for submission, approval and subsequent listing under the mechanism.
- (iii) Independent evaluation by an accredited VVB, during validation, for determining the appropriateness of the project design and related elements or independent evaluation by an accredited VVB, during verification, for determining the appropriateness of the implementation and monitoring of a project and resulting units of GHG emission reductions and/or removals.

#### **4.6 Sectoral Scopes**

4.6.1 The mechanism shall adhere to the sectoral scopes defined by UNFCCC's Clean Development Mechanism (CDM).

4.6.2 All proposed projects, new methodologies and tools shall fall within one or more sectoral scope(s) identified above.

### **5. Entry into Force**

The standard document shall enter into force on the date of publication of the final document and shall be subject to revision on a regular basis, as deemed appropriate by the NCCF. No earlier version(s) of this standard document exist(s).

### **6. Language**

English shall be the language of operation of the mechanism. All regulatory documents under the mechanism, as applicable, shall be in English. If required, the documents may be translated into other languages too.

However, interpretation of the English version shall hold precedence over other all language versions.



## 7. GHG Accounting Principles

The mechanism shall adhere to the GHG accounting principles established in the standard ISO 14064-2:2006 Greenhouse Gases - Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reduction or removal enhancement. The principles are:

- (i) **Relevance:** Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies appropriate to the needs of the intended user.
- (ii) **Completeness:** Include all relevant GHG emissions and removals. Include all relevant information to support criteria and procedures.
- (iii) **Consistency:** Enable meaningful comparisons in GHG-related information.
- (iv) **Accuracy:** Reduce bias and uncertainties as far as is practical.
- (v) **Transparency:** Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence.
- (vi) **Conservativeness:** Use conservative assumptions, values and procedures to ensure that GHG emission reduction or removal enhancement are not over-estimated.

## 8. Risk of Non-Permanence and Mitigation Measures

Particularly relevant to AFOLU projects, Permanence refers to the longevity of the net GHG removals owing to carbon reservoirs and the long-term stability of the aggregate carbon stock. The net GHG removals corresponding to AFOLU projects might not be permanent and may result in release of GHGs back into the atmosphere (GHG reversal) upon materialization of potential risk(s) (like extreme weather events, fires, insect infestation, political instability, policy changes, etc.). Thus, it becomes essential for IPP(s) to determine the risk of non-permanence and adopt an appropriate approach to preempt GHG reversals. This shall be performed by employing the CR-I Tool for Determination of GHG Reversal Risks and Buffer Pool Contribution (document being prepared separately) and adhering to rules, requirements and procedures prescribed therein.

IPPs intending to register AFOLU projects shall carry out an evaluation of the aggregate risk (based on accumulation of all types of identified risks, relevant to the proposed project) of non-permanence of the proposed AFOLU projects by using the

CR-I Tool for Determination of GHG Reversal Risks and Buffer Pool Contribution. Using the tool, the IPP(s) shall quantify the overall risk-rating percentage for the proposed project, termed as the Minimum Buffer Percentage, which shall be the amount of carbon units that must be deposited in the CR-I Buffer Pool Account to mitigate the risk of GHG reversals. NCCF shall be responsible for managing and executing operational control over the CR-I Buffer Pool.

## **PART A: PROJECTS**

### **9. Design and Development of Proposed Projects**

This section prescribes rules and requirements for proposed projects needing design and development and further seeking registration.

The rules and requirements have been set out to ensure that all proposed projects conform to a standardized method during design, development, implementation and monitoring, as applicable. In addition, through cultivation of best science-based practices on environmental and social measures, the projects and the resulting GHG emission reductions and/or removals would be acknowledged as satisfying the highest standard with due compliance with established principles of the mechanism.

#### **9.1 Overarching Rules and Requirements**

- 9.1.1 All proposed projects shall completely adhere to rules and requirements, as applicable, prescribed in Section 9.
- 9.1.2 The IPP(s) shall provide all necessary data, information and documentation to demonstrate compliance of the proposed projects with prescribed rules and requirements, as applicable.
- 9.1.3 All proposed projects shall only apply methodology(ies) approved under the mechanism. The list of approved methodologies is provided on the registry website.
- 9.1.4 All proposed projects shall completely adhere to all rules and requirements, as applicable, prescribed in respect of the applied methodology(ies) and referenced tools/modules.
- 9.1.5 For the purpose of registration of proposed projects, the IPP(s) shall prepare a Detailed Project Report (DPR) using a valid version of the DPR template,

available on the registry website, and submit it for validation by an accredited VVB.

- 9.1.6 While preparing the DPR, the IPP(s) shall completely adhere to the document preparation instructions provided in the template and shall further comply with the rules and requirements, as applicable, prescribed in Section 9.
- 9.1.7 For the purposes of demonstration of additionality and/or quantification of the GHG emissions reductions and/or net removals, the IPP(s) shall use the Global Warming Potential values prescribed in the IPCC's Fourth Assessment Report.

## **9.2 Introductory details**

- 9.2.1 The IPP(s) shall provide the following information on the covering page of the DPR:
  - (i) The complete title of the proposed project;
  - (ii) The complete title and version number of the applied methodology(ies) and the relevant sectoral scopes;
  - (iii) The physical/geographical location of the proposed project;
  - (iv) Scale of the project;
  - (v) Names of all the IPP(s) associated with the project;
  - (vi) Project crediting period details including the type, start and end dates and the duration;
  - (vii) Project start date;
  - (viii) Estimated amount of GHG emission reductions and/or net removals achieved during the monitoring period;

## **9.3 Project Ownership**

- 9.3.1 The DPR shall specify the IPPs that have been assigned Project Ownership. The definition of the term 'Project Ownership' has been provided in the Glossary of Terms.
- 9.3.2 The IPP(s) shall provide appropriate supporting documentation as evidence establishing Project Ownership.

## **9.4 Description of the Project**

- 9.4.1 The IPP(s) shall provide a reasonably-detailed description of the proposed project to facilitate comprehension of its overall scope, nature and implementation of the GHG emission reductions and/or removal activities.

9.4.2 For the purpose of describing a proposed project, the IPPs(s) shall provide information on the following elements:

- (i) The complete title of the proposed project;
- (ii) The complete title and version number of the applied methodology(ies) and the relevant sectoral scopes;
- (iii) The physical/geographical location of the proposed project;
- (iv) Measures, technologies, equipment used by the proposed project and their comparison with measures, technologies, equipment being used in the scenario antecedent to the proposed project;
- (v) The appropriate means through which the proposed project aims to achieve GHG emissions reductions and/or net removals;
- (vi) A summary of the relevant baseline scenario, as established using appropriate means prescribed in section 9.11 of this standard.
- (vii) Estimated annual average GHG emissions reductions and/or net removals resulting from the proposed project.

9.4.3 The IPP(s) shall ensure that the proposed project is neither seeking registration, registered and/or implementing and operating under other GHG programmes.

### **AFOLU Projects:**

9.4.4 In addition to the above, the description of a proposed AFOLU project shall include information on the following elements:

- (i) Confirmation of ownership of the land where the proposed project is planned to be implemented, through legal title(s), current land tenure and rights;
- (ii) Prevailing environmental conditions of the area of the project, encompassing climate, hydrology, soil types and ecosystems;
- (iii) Existence of rare and endangered species potentially affected by the proposed project, along with their habitats;
- (iv) Species and varieties of flora chosen for the proposed project;
- (v) The Minimum Buffer Percentage based on the rules, requirements and procedures of the CR-I Tool for Determination of GHG Reversal Risks and Buffer Pool Contribution.

## **9.5 Project Scale**

9.5.1 All proposed projects have been classified into three sub-categories based on the estimated GHG emission reductions and/or net removals capacity:

- (i) **Micro-Scale:** projects with estimated GHG emission reductions and/or net removals less than or equal to 25,000 tCO<sub>2</sub>eq per year.

- (ii) **Small-Scale:** projects with estimated net GHG emission reductions and/or net removals greater than 25,000 tCO<sub>2</sub>eq per year but less than or equal to 75,000 tCO<sub>2</sub>eq per year.
- (iii) **Large-Scale:** projects with estimated GHG emission reductions and/or net removals greater than 75,000 tCO<sub>2</sub>eq per year.

## 9.6 Project Boundary

- 9.6.1 The IPP(s) shall provide a description of the project boundary comprising the physical delineation and/or geographical area of the project and the specification of GHGs and sources under the control of the IPPs that are significant and reasonably attributable to the project. The IPP(s) shall also provide evidence of adherence to the applied methodology(ies) and relevant tools.
- 9.6.2 The IPP(s) shall provide a complete description of the physical/geographical boundary of the proposed project by specifying the broad geographical coordinates of facilities, units, establishments, location(s) of measures, technologies, equipment and prospective end users, as applicable.
- 9.6.3 The IPP(s) shall identify and describe all source(s), sink(s), reservoir(s) and types of GHGs in accordance with the applied methodologies and relevant tools.
- 9.6.4 The IPP(s) shall quantify GHG emissions and/or removals separately for each relevant source, sink, reservoir and types of GHGs, as specified in the applied methodology(ies), and in conformance with the established project and baseline scenario.
- 9.6.5 The IPP(s) shall reasonably justify exclusion, if any, from applicability and regular monitoring, of any source(s), sink(s), reservoir(s) and types of GHGs, as established in the applied methodology(ies).

### **AFOLU projects:**

- 9.6.6 For proposed AFOLU projects, the project boundary shall encompass a description of the following elements:
  - (i) Physical/geographical boundary, of the entire project area along with unique identification of each distinct segment of land comprising the proposed project, as applicable.
  - (ii) Confirmation of ownership of the land on which the proposed project is to be implemented.

9.6.7 The IPP(s) shall reasonably demonstrate control over the entire project area, as determined in section 9.6.6 above. In order to do so, the IPP(s) shall justify, through provision of appropriate evidence(s), their legal right to implement the project in the designated area.

## 9.7 Local Stakeholder Consultation

9.7.1 The IPP(s) shall identify and engage relevant stakeholders that are directly or indirectly being affected by the installation, operation and monitoring of the proposed project.

9.7.2 If required, the IPP(s) shall refer to the definition of Stakeholder provided in the Glossary of Terms document.

9.7.3 The IPP(s) shall prepare a Stakeholder Consultation Report (SCR) using a valid version of the SCR template available on the registry website and submit it, along with the DPR, for validation by an accredited VVB.

9.7.4 While preparing the SCR, the IPP(s) shall completely adhere to the document preparation instructions provided in the template and shall further comply with the rules and requirements, as applicable, prescribed in Section 9.

9.7.5 The IPP(s) shall undertake the following activities that constitute the Local Stakeholder Consultation process:

- (i) **Stakeholder Mapping:** Using a scientifically recognized approach, the IPP(s) shall identify and categorize all stakeholders relevant to the proposed project. At the very least, the IPP(s) shall map, for participation in the consultation meeting, stakeholders from the following categories:
  - (a) Local People inhabiting the areas affected by the project, and/or their representatives.
  - (b) Local people inhabiting the areas affected by the project and belonging to economically and socially disadvantaged communities, and/or their representatives.
  - (c) Representatives of local/regional/national authorities and policy makers.
  - (d) Local Non-Governmental Organizations (NGOs) working on topics relevant to the project.
  - (e) Large businesses/businesses operating in the areas affected by the proposed project.

- (ii) **Stakeholder Invitation:** The IPP(s) shall, through appropriate means, contact and invite all relevant stakeholders identified and categorized during the mapping exercise. IPP(s) shall also inform the invited stakeholders about their role in project implementation.
- (iii) **Stakeholder Consultation Meeting:** The IPP(s) shall organize a minimum of one physical stakeholder consultation meeting comprising all relevant stakeholders. At the very least, in the meeting, the IPP(s) shall perform the following activities:
  - (a) Providing a brief description of the proposed project, including, but not limited to, information on its key implementers, details of exact location and scope, project design and working, measures for GHG emissions reductions and/or removals and sustainable development benefits, as applicable.
  - (b) Sensitizing the stakeholders regarding all the possible positive and negative outcomes due to the installation, operation and monitoring of the proposed project.
  - (c) Inviting the participants to submit their suggestions/comments/feedback, through appropriate means, and further providing responses to them on each submission.
- (iv) **Documentation:** During the consultation meeting, the IPP(s) shall write down the Minutes of Meeting, record all suggestions/comments/feedback and their responses thereto, and further record stakeholders' submissions and IPP(s) responses in the SCR, where required.
- (v) **Incorporation of comments and suggestions:** IPP(s) shall assess and, if appropriate, incorporate all relevant suggestions/comments/feedback received during the consultation meeting. The same shall be provided, in a recognised format, to the VVB during validation.

9.7.6 If the project design undergoes significant changes since the last stakeholder consultation meeting, the IPP(s) shall organize a new consultation meeting following the rules and requirements prescribed in sub-Section 9.7.5.

## 9.8 Project Start Date

9.8.1 The IPP(s) shall provide the start date of the project and for clarity may also refer to the definition of Project Start Date provided in the Glossary of Terms document.

9.8.2 For non-AFOLU projects, the process of validation shall be completed within two years of the project start date.



9.8.3 For AFOLU projects, the process of validation shall be completed within five years of the project start date.

## 9.9 Project Crediting Period

9.9.1 The IPP(s) shall unequivocally specify both, the type and duration of the crediting period, for the proposed project in accordance with the following requirements:

- (i) **Fixed-type crediting period** having a single duration of up to 7 years;
- (ii) **Renewable-type crediting period** having a total length of up to 15 years and comprising of three distinct crediting periods of no more than 5 years each, thereby allowing renewal twice.

9.9.2 If required, the IPP(s) may refer to the definition of Project Crediting Period provided in the Glossary of Terms document.

9.9.3 The duration of the crediting period shall include determination of singular start and end dates, in DD/MM/YYYY format, with the start date falling on or after the date of registration of the proposed project.

9.9.4 Any project, registered under this or any other GHG programme, shall not be eligible for re-registration/renewable of crediting period/issuance after expiration of its total crediting period duration.

9.9.5 The IPP(s) may apply for the renewal of crediting period of a registered project by adhering to the rules and requirements prescribed in Section 12.

### AFOLU projects:

9.9.6 For proposed AFOLU projects, the IPP(s) shall unequivocally specify both, the type and duration of the crediting period, for the proposed project in accordance with the following requirements:

- (i) **Fixed-type crediting period** having a single duration of up to 20 years;
- (ii) **Renewable-type crediting period** having a total length of up to 45 years and comprising of three distinct crediting periods of no more than 15 years each, thereby allowing renewal twice.



## **9.10 Application of Approved Methodology(ies)**

- 9.10.1 The IPP(s) shall identify and apply mechanism-approved project methodology(ies) and further ensure that the proposed project completely adheres to all rules and requirements, as applicable, prescribed therein.
- 9.10.2 IPP(s) shall indicate the reference number, complete title and version number of the methodology and supporting tools used by the proposed project.
- 9.10.3 The IPP(s) shall, through appropriate means, adequately demonstrate applicability of the selected methodology(ies) and supporting tools to the proposed project by fulfilling all the applicability conditions, as applicable, described therein.

### **Deviations from Applied Methodology(ies):**

- 9.10.4 The mechanism allows project-specific deviations from the rules, requirements and procedures prescribed in the applied methodology(ies) limited to the following elements:
- (i) Data and parameters fixed ex-ante
  - (ii) Data and parameters monitored
  - (iii) Monitoring Strategy
- 9.10.5 Proposed deviation(s) from rules, requirements and procedures pertaining to methodological elements other than the ones identified in section 9.10.4 above are not permitted under the mechanism.
- 9.10.6 The IPP(s) shall demonstrate, through appropriate evidence(s), that the proposed deviations do not adversely impact the conservativeness of the quantification of GHG emissions reductions and/or net removals ensured by the replaced rules, requirements and procedures, as applicable.
- 9.10.7 For the purpose of seeking approval of proposed deviation(s) from the applied methodology(ies), the IPP(s) shall prepare a Methodology Deviation Form (MDF) using a valid version of the MDF template, available on the registry website, and submit it to VVB for evaluation.
- 9.10.8 The mechanism accepts submission of proposed deviation(s) for their approval and adoption, if applicable, both during the validation or verification process.
- 9.10.9 Approval of proposed deviation(s), provided on project-specific basis, shall be a one-time occurrence and shall not be considered as a precedent to IPP(s) submitting deviation(s) subsequently.

9.10.10 Deviation(s) from the applied methodology(ies) shall not be considered and/or submitted as revisions in the applied methodology(ies) by the IPP(s).

### **9.11 Determination of Baseline Scenario**

9.11.1 The IPP(s) shall determine and define the appropriate baseline scenario, corresponding to the proposed project, based on the rules, requirements and procedures prescribed in the applied methodology(ies) and/or supporting tools.

9.11.2 The IPP(s) may refer to the definition of Baseline Scenario provided in the Glossary of Terms document.

9.11.3 In determining and defining the baseline scenario, the IPP(s) shall describe all applied and used measure(s), technology(ies), equipment, and nature and level of services offered by both the proposed project and the established baseline scenario, including a clear comparison between the two. The IPP(s) shall further take into consideration all appropriate regional, national, sectoral policies, regulations and conditions to determine the baseline scenario.

9.11.4 The IPP(s) shall ensure that all values, assumptions and methods applied for determining and defining the baseline scenario are conservative and thus do not result in overestimation of the baseline emissions, or underestimation of the baseline removals resulting in overestimation of ensuing GHG emission reductions and/or removals due to implementation of the project.

#### **AFOLU projects:**

9.11.5 For proposed AFOLU projects, the IPP(s) shall determine and define the appropriate baseline scenario, corresponding to the proposed project, based on the rules, requirements and procedures prescribed in the applied methodology(ies) and/or supporting tools or based on globally recognized GHG inventory protocols, such as the IPCC 2006 Guidelines for National GHG Inventories.

9.11.6 In determining and defining the baseline scenario, the IPP(s) shall consider pre-existing and current environmental and land management procedures and practices and shall further ensure that the established baseline scenario uses procedures and practices commensurate with existing standards within the region.

## 9.12 Demonstration of Additionality

- 9.12.1 The IPP(s) shall demonstrate that the proposed project is additional by utilizing the rules, requirements and procedures prescribed in the applied methodology(ies) and supporting tools.
- 9.12.2 The IPP(s) shall, for demonstration of additionality of a proposed project, adopt and adhere to the rules, requirements and procedures prescribed in the relevant Methodological tools and guidelines, as applicable, and established in the CDM of the UNFCCC.
- 9.12.3 The IPP(s) may refer to the definition of Additional/Additionality provided in the Glossary of Terms document.

In addition to all proposed micro-scale project, all proposed small-scale project located within the physical/geographical boundary of the following seven Indian States shall be deemed auto-additional<sup>1</sup>:

- (i) Arunachal Pradesh
- (ii) Meghalaya
- (iii) Bihar
- (iv) Assam
- (v) Tripura
- (vi) Jharkhand
- (vii) Jammu and Kashmir

## 9.13 Estimation of GHG emission reductions and/or net removals

- 9.13.1 For proposed non-AFOLU projects, the IPP(s) shall provide reasonable estimates of the average annual and aggregate GHG emissions reductions to be generated by the proposed project within the specified crediting period, by adhering to the rules, requirements and procedures prescribed for the applied methodologies and supporting tools.
- 9.13.2 The IPP(s) shall explain each methodological step in the procedure used for the estimation of baseline, of project and leakage emissions, and of the GHG emissions reductions to be generated by the proposed project.

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<sup>1</sup> The precedent for such geographical relaxations to demonstration of additionality was established by the CDM with the corresponding rules and requirements prescribed in the “Methodological Tool: Demonstration of additionality of small-scale project /activities”. The seven states listed have been identified based on application of two selecting criteria: a) small penetration of existing GHG projects and b) Human Development Index (HDI) lower than the national average value.

- 9.13.3 The IPP(s) shall ensure that GHG emissions shall be estimated considering each GHG source, sink, reservoir applicable to the baseline scenario, project scenario, and leakage.
- 9.13.4 The IPP(s) shall, through appropriate means, substantiate the adoption of a specific scenario, case, option, default value when applied methodology(ies) contains such alternatives.
- 9.13.5 The IPP(s) shall indicate all relevant parameters, coefficients, variables, required and subsequently used for the calculation of baseline emissions, project emissions and leakage, whose values are known prior to the registration, and remain fixed throughout the crediting period are not monitored.
- 9.13.6 When the IPP(s) decide(s) to employ a sampling approach for ex-ante determination of value of a specific parameter, coefficient, variable, the sampling strategy devised and used shall be in adherence to the rules and requirements prescribed in the current version of the “Standard: Sampling and surveys for CDM project activities and programmes of activities” and the applied methodology(ies).

**AFOLU projects:**

- 9.13.7 For proposed AFOLU projects, the IPP(s) shall adhere to the following two paragraphs (paragraphs 9.13.8 and 9.13.9) in lieu of paragraphs 9.13.1 and 9.13.3 above.
- 9.13.8 The IPP(s) shall provide reasonable estimates of the average annual and aggregate net GHG emissions removals resulting from the proposed project within the specified crediting period, by adhering to the rules, requirements and procedures prescribed in the applied methodologies and supporting tools.
- 9.13.9 The IPP(s) shall ensure that GHG removals shall be estimated considering each GHG source, sink, reservoir applicable to the baseline scenario, project scenario and the leakage.
- 9.13.10 The IPP(s) shall adhere to rules, requirements and procedures prescribed for internationally recognized sources for determination of GHG emissions and/or net removals in respect of the five main carbon pools or reservoirs in forests: above-ground biomass, below-ground biomass, dead wood, litter and soil organic carbon.
- 9.13.11 The IPP(s) shall, by adhering to the rules, requirements and procedures of the CR-I Tool for Risk Analysis and Buffer Determination, describe the evaluation of the aggregate risk (based on accumulation of all types of identified risks,

relevant to the proposed project) and further explain each step for quantification of the Minimum Buffer Percentage.

#### **9.14 Monitoring Approach**

9.14.1 The IPP(s) shall design and describe an approach for monitoring of the proposed project by adhering to the relevant rules, requirements and procedures prescribed in the applied methodology(ies).

9.14.2 The Monitoring Approach shall be composed of the following two elements:

- (i) Data and parameters to be monitored
- (ii) Monitoring Strategy

9.14.3 For all data and parameters to be monitored, the IPP(s), in adherence to the rules, requirements and procedures prescribed in the applied methodology(ies), shall:

- (i) Indicate all relevant parameters, coefficients, variables, required for the calculation of baseline emissions, project emissions and leakage, whose values are to be monitored as per the rules, requirements and procedures prescribed for the applied methodology(ies).
- (ii) Describe the procedures to be applied for:
  - (a) Ensuring Quality Assurance/Quality Control (QA/QC);
  - (b) Determining the levels of uncertainty and the corresponding levels of accuracy in the methods, measures, equipment instruments used during monitoring activities.
  - (c) Indicating the calibration requirements of instruments, equipment, instruments used during monitoring activities.

9.14.4 For establishing the Monitoring Strategy, the IPP(s) shall design and describe a dedicated GHG management system for collection, collation, storage and analysis of all relevant data and parameters required for calculation of baseline emissions, project emissions and leakage. The GHG management system shall also:

- (i) Provide an organizational and management framework including the roles and responsibilities of all entities/personnel involved in executing the Monitoring Strategy.
- (ii) Ensure that all monitored data is preserved for a period of at least five years after expiration of the final crediting period or the most recent issuance of MCUs, whichever occurs later;

## **9.15 Environmental and Social Impacts**

- 9.15.1 The IPP(s) shall, using a scientifically recognized approach, conduct a Preliminary Study of the potentially negative environmental and social impacts during installation, operation and monitoring of the proposed project. The IPP(s) shall further include a summary of the study in the appropriate section of the DPR.
- 9.15.2 In the event, when based on the Preliminary Study, it is determined that the negative environmental and social impacts associated with the proposed project are considerable, the IPP(s) shall further conduct a detailed Environmental and Social Impact Assessment (ESIA) by adhering to the relevant national/regional rules, requirements and procedures. In case of non-availability of national/regional rules, requirements and procedures for conducting ESIA, the IPP(s) shall adopt and strictly adhere to internationally recognized and accepted guidelines.
- 9.15.3 The IPP(s) shall, through citation of relevant reference documents, provide a summary of the ESIA conducted in the appropriate section of the DPR. All reference documents shall be made available to the VVB at the time of validation.
- 9.15.4 Proposed micro-scale projects are not required to conduct a Preliminary Study of their potentially negative environmental and social impacts.

## **9.16 Contribution towards Sustainable Development**

- 9.16.1 The IPP(s) shall clearly determine a proposed project's contribution to Sustainable Development (SD) by adhering to the rules, requirements and procedures prescribed in the Tool for Determination of Contribution towards Sustainable Development, being developed separately. The IPP(s) shall further include a description of the SD contribution in the appropriate section of the DPR.

## **9.17 Validation of the proposed project**

- 9.17.1 For conducting validation of the proposed project, the IPP(s) shall appoint a listed VVB, recognized by CR-I for performing validation in the relevant sectoral scope(s) and the applied methodology(ies). The IPP(s) shall enter into a legal contract with VVB for the purpose.
- 9.17.2 The IPP(s) shall submit to the appointed VVB the completed DPR, along with the SCR and all supporting documents, required for Global Stakeholder Consultation and conducting validation of the proposed project, which entail

independent assessment and evaluation of the project design against the rules, requirements and procedures of this standard, the Validation and Verification Standard (document being prepared separately) and other relevant rules, requirements and procedures, not part of the Carbon Standard.

- 9.17.3 Any information, data, values provided in the DPR, and other supporting documents, deemed to be confidential, proprietary and/or commercially sensitive by the IPP(s) shall be treated as such by all entities under the mechanism. However, information, data, values relating to the critical elements of the proposed project such as demonstration of applicability of the applied methodology(ies), determination of baseline scenario, demonstration of additionality and estimation of GHG emission reductions and/or removals shall not be deemed confidential, proprietary and/or +commercially sensitive.

## **10. Permanent Design Changes**

The following rules and requirements are applicable if the IPP(s), having reasonable grounds to do so, decide(s) to make permanent design changes after registration of a project or at the time of its verification.

### **10.1 Overarching Rules and Requirements**

- 10.1.1 The IPP(s) shall ascertain and further record all permanent proposed and/or actual changes to the design of the registered project by adhering to the rules and requirements of Section 10.
- 10.1.2 To aid transparency, the IPP(s) shall record all proposed and/or actual changes in the revised DPR, using a valid version of the DPR template, available on the registry website, and submit both track-change and clean versions of the revised DPR to the VVB for validation.
- 10.1.3 In addition, the IPP(s) shall include in the revised DPR, a summary of all proposed and/or actual changes, further provide valid grounds for these changes and any other supporting information to aid better understanding of the nature, scope and applicability of the changes.
- 10.1.4 Currently, the mechanism only allows permanent changes to the design of a registered project and the IPP(s) shall provide an appraisal of the potential impacts of the all permanent proposed and/or actual changes to the design of the registered project on the following key aspects:



- (i) **Applicability of methodology(ies):** The IPPs shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the suitability of the applied methodology(ies). The IPP(s) shall demonstrate fulfillment of all relevant applicability conditions of the applied methodology(ies) provided in the registered DPR. For instances where applicability of applied methodology(ies) cannot be satisfactorily demonstrated, after incorporation of proposed and/or actual design changes, the IPP(s) shall make appropriate revisions in the modified DPR and the project would be liable for re-examination.
- (ii) **Appropriateness of the established baseline scenario:** The IPP(s) shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the appropriateness of the established baseline scenario. The IPP(s) shall refer to the procedure for determination, and definition of the appropriate baseline scenario provided in the registered DPR. For instances where the appropriateness of the established baseline scenario cannot be satisfactorily demonstrated, after incorporation of proposed and/or actual design changes, the IPP(s) shall make appropriate revisions in the modified DPR and the project would be liable for re-examination.
- (iii) **Project scale:** The IPPs shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the scale of the project. The IPP(s) shall refer to the categorization of project scale provided in Sub-section 9.5. For instance, where a previously registered project breaches its threshold, after incorporation of proposed and/or actual design changes, the related rules and requirements may no longer be applicable and the IPP(s) shall make appropriate revisions in the modified DPR.
- (iv) **Demonstration of additionality:** IPPs shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the credibility of the existing additionality status. For instance, where the explanation of additionality is no longer valid, after incorporation of proposed and/or actual design changes, the IPP(s) shall revise the approach used for demonstration of additionality by adhering to the rules, requirements and procedures prescribed in Sub-section 9.12.
- (v) **Contribution towards sustainable development:** IPP(s) shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the determination of the registered project's contribution towards sustainable development. For instances where the determination of contribution towards sustainable



development is no longer valid, after incorporation of proposed and/or actual design changes, the IPP(s) shall revise the approach by adhering to the rules, requirements and procedures prescribed in Sub-section 9.16.

- (vi) **Regulatory requirements:** IPP(s) shall, through provision of appropriate justification, demonstrate the effect of all proposed and/or actual design changes on the registered project's compliance with applicable legal, environmental and/or other regulatory requirements. For instance, where compliance with the aforementioned regulatory requirements cannot be maintained any longer, after incorporation of proposed and/or actual design changes, the IPP(s) shall revise the approach used for demonstration of compliance with regulatory requirements and amend the DPR accordingly.

## **10.2 Evaluation of Permanent Design Changes**

- 10.2.1 For conducting validation of the proposed and/or actual design changes on the registered project, the IPP(s) shall appoint a listed VVB, recognized by CR-I for performing validation in relevant sectoral scope(s) associated with the applied methodology(ies), and enter into a legal contract with the VVB for the purpose.
- 10.2.2 The IPP(s) shall submit to the appointed VVB the revised DPR, both in track-change and clean modes, along with all supporting documents, to enable the VVB to conduct evaluation of the proposed and/or actual design changes on the registered project.

## **11. Implementation, Operation and Monitoring**

This section prescribes rules and requirements for registered projects under implementation and monitoring and seeking issuance of GHG emissions reductions and/or removals, under the mechanism.

### **11.1 Overarching Rules and Requirements**

- 11.1.1 The IPP(s) shall carry out the registered project, including the implementation and operation of all its physical elements, by adhering to the description of the project design, and other relevant details, recorded in the registered DPR.
- 11.1.2 The IPP(s) shall perform the monitoring of the registered project, including monitoring of its GHG emission reductions and/or net removals and its

contribution to SD, by adhering to the rules, requirements and procedures of the established Monitoring Approach recorded in the registered DPR, and of the applied methodology(ies). For description of Monitoring Approach, the IPP(s) may refer to Section 11.4.

- 11.1.3 The IPP(s) shall provide a detailed description of the implementation, operation and monitoring actions carried out, by preparing a Monitoring Report (MR) for a specific monitoring period, using a valid version of the MR template available on the registry website.
- 11.1.4 While preparing the MR, the IPP(s) shall strictly adhere to the document preparation instructions provided in the template and comply with the rules and requirements, as applicable, prescribed in Section 11.
- 11.1.5 For the purposes of quantification of the GHG emissions reductions and/or net removals, the IPP(s) shall use the Global Warming Potential values prescribed in the IPCC's Fourth Assessment Report.

## **11.2 Introductory Details**

- 11.2.1 The IPP(s) shall provide the following information, by ensuring consistency with the information recorded in the registered DPR, on the cover page of the MR:
  - (i) Complete title of the registered project;
  - (ii) Complete title and version number of the applied methodology(ies) and relevant sectoral scope(s);
  - (iii) Physical/geographical location of the registered project;
  - (iv) Names of all the IPP(s) involved in the project;
  - (v) Project crediting period details including the type, start and end dates and the duration;
  - (vi) Date of registration of the project (in DD/MM/YYYY);
  - (vii) Monitoring period number and duration;
  - (viii) Actual amount of GHG emission reductions and/or net removals achieved during the monitoring period.
  - (ix) Estimated amount of GHG emission reductions and/or net removals, as per the calculations in the DPR, achieved during the same duration as the monitoring period.

## **11.3 Description of the Registered Project**

- 11.3.1 The IPP(s) shall provide a summarized description of the design and the status of implementation and operation of the registered project by including information on the following elements:

- (i) Measures, technologies, equipment employed in the registered project during implementation and operation.
- (ii) The appropriate means through which the registered project, based on its design, implementation and operation, achieved GHG emissions reductions and/or net removals;
- (iii) Status of implementation and operation of all measures, technologies, equipment employed in respect of the registered project for every single constituting site, facility and area of land.
- (iv) The important dates concerning implementation and operation of the registered project (for instance, start dates of construction, commissioning, operation and continued operation periods).
- (v) Actual amount of GHG emission reductions and/or net removals achieved during the monitoring period.

11.3.2 In cases where a registered project involves phase-wise implementation and operation, the IPP(s) shall provide information on the progress of implementation of each phase.

#### **11.4 Description of the Actual Monitoring Approach**

11.4.1 IPP(s) shall describe the complete approach employed for carrying out monitoring of the registered project by providing information on the following two elements:

- (i) Data and parameters monitored
- (ii) Monitoring Strategy

11.4.2 The IPP(s) shall indicate and further provide relevant description of all data, parameters and other variables monitored for determination of baseline emissions, project emissions and leakage, as per the rules, requirements and procedures of the registered Monitoring Approach and the applied methodology(ies).

11.4.3 The IPP(s) shall provide the following information for all data, parameters and other variables monitored:

- (i) Monitored value, and appropriate units applied, as applicable;
- (ii) Procedure(s) employed for measurement/calculation/estimation and its frequency, as applicable;
- (iii) Equipment/instrument used for monitoring, its accuracy class and calibration details, as applicable;
- (iv) External reference source(s);
- (v) Relevant QA/QC procedures applied;

(vi) Any additional information, as applicable.

11.4.4 Where the IPP(s) chooses to employ a sampling approach for determination of value of any data, parameter, variable, the IPP(s) shall provide a description of the sampling plan and further demonstrate its adherence to the rules, requirements and procedures prescribed in the registered Monitoring Approach, applied methodology(ies) and the current version of the Standard: Sampling and surveys for CDM project activities and programmes of activities.

11.4.5 While describing the Monitoring Strategy, the IPP(s) shall provide information on the following elements:

- (i) Procedures for collection, collation, storage and analysis of all relevant data and parameters required for calculation of baseline emissions, project emissions and leakage effects.
- (ii) An organizational and management framework including the roles and responsibilities of all entities and personnel involved in executing the Monitoring Strategy.
- (iii) A graphical representation of the GHG data collection and management displaying all locations of monitoring, as applicable.

## **11.5 Determination of Actual GHG Emission Reduction and/or Net Removals**

11.5.1 The IPP(s) shall, by adhering to the rules, requirements and procedures specified in the registered DPR and the applied methodology(ies) and the supporting tool(s), describe the methodological steps for determination of the following quantities:

- (i) Baseline GHG emissions and/or net removals
- (ii) Project GHG emissions and/or net removals
- (iii) Leakage GHG emissions and/or net removals
- (iv) Actual GHG emissions and/or net removals

generated during the applicable Monitoring Period.

11.5.2 The IPP(s) shall provide a comparison between the actual GHG emission reductions and/or net removals achieved by the project during the monitoring period and the corresponding estimated GHG emission reductions and/or net removals (for the same period) indicated in the registered DPR.

11.5.3 If the actual GHG emission reductions and/or net removals achieved by the project during the monitoring period are greater than the estimated GHG emission reductions and/or net removals, the IPP(s) shall, using suitable means, provide an appropriate justification for the apparent escalation.

- 11.5.4 Where, for either a registered small-scale or micro-scale project, the actual GHG emission reductions and/or net removals achieved exceed the allowed threshold limits (as prescribed in Sub-Section 9.5), the actual GHG emission reductions and/or net removals achieved shall be capped at the applicable thresholds, and MCUs shall be issued accordingly.

## **11.6 Monitoring of actual contribution towards sustainable development**

- 11.6.1 The IPP(s) shall monitor and document the registered project's actual contribution towards Sustainable Development (SD) by adhering to the registered SD Monitoring Plan.

## **11.7 Verification of the Implemented Project**

- 11.7.1 For conducting verification of the registered project, the IPP(s) shall appoint a listed VVB, recognized by CR-I for performing verification in the relevant sectoral scope(s) associated with the applied methodology(ies), and enter into a legal contract with the VVB for the purpose.
- 11.7.2 The IPP(s) shall submit to the appointed VVB the completed MR, along with all supporting documents, for conducting verification of the proposed project. The verification by the VVB entails an independent assessment and evaluation of the implementation, operation and monitoring of the registered project against the rules and requirements set out in this standard, the Validation and Verification Standard (document being prepared separately) and other relevant rules, requirements and procedures.
- 11.7.3 The IPP(s) shall maintain all relevant records, documentation and results related to the Monitoring Approach employed by the IPP(s) by adhering to the rules, requirements and procedures pertaining to records and document control prescribed in the registered DPR. Moreover, the IPP(s), as required, shall submit all records, documentation and results related to the Monitoring Approach to the VVB during the verification process.

## **12. Renewal of crediting period**

The following rules and requirements are applicable if the IPP(s) intend(s) to renew the crediting period of their registered project.

## **12.1 Overarching Rules and Requirements**

- 12.1.1 IPP(s) intending to renew the crediting period of their registered project shall adhere to the relevant procedure described in the Registration and Issuance Procedure (RIP) document (document under preparation separately).
- 12.1.2 The IPP(s) shall revise the project design by making appropriate changes pertaining to the new crediting period, applicability of the applied methodology(ies), established baseline scenario, estimated GHG emission reductions and/or removals and the Monitoring Approach. The IPP(s) shall document these changes to produce a revised DPR by utilizing the latest version of the DPR form available on the website.
- 12.1.3 While making the appropriate design changes, the following aspects need to be considered, as applicable:
- (i) The IPP(s) shall indicate the revised crediting period by adhering to relevant rules and requirements.
  - (ii) The IPP(s) shall identify and further demonstrate conformity, through justification of fulfilment of each relevant applicability criteria, of the registered project with the latest or currently valid version(s) of the applied methodology(ies).
  - (iii) The IPP(s) shall re-evaluate the applicability of the established baseline and resulting GHG emissions by referring to the newly applied methodology(ies) and ascertaining the effect of the existing national/regional scenarios, circumstances and policies.
  - (iv) The IPP(s) shall re-estimate the GHG emission reductions and/or removals based on revisions in the methodological steps/procedure, values of applicable data, parameter(s), variable(s) among others, provided in the newly applied methodology(ies).
  - (v) The IPP(s) shall revise the Monitoring Approach in adherence to the revised rules, requirements and procedures prescribed in the newly applied methodology(ies).
- 12.1.4 The IPP(s) are not required to re-evaluate the baseline scenario and the demonstration of additionality of the registered project, nor update the concerning sections of the revised DPR.

## **12.2 Validation of the Renewal of Crediting Period**

- 12.2.1 The IPP(s) shall submit to the appointed VVB the updated DPR, along with all supporting documents, for conducting validation of the renewal of registered project for the renewed crediting period. The validation entails an independent assessment and evaluation of the revisions in the project design, as applicable, against the rules and requirements set out in this standard, the

Validation and Verification Standard (document being prepared separately) and other relevant rules, requirements and procedures.

### 13. Voluntary Deregistration of a Project

- 13.1 The IPP(s) intending to de-register a registered project shall, at any time after registration of the project, submit a request for de-registration to the Governing Council by adhering to relevant procedure prescribed for the purpose in the Registration and Issuance Procedure (Document being prepared separately)
- 13.2 A project that has been deregistered by the Governing Council, based on the rules, requirements and procedures referred to in Sub-section 13.1.1, shall not be re-registered as a CR-I project.

### 14. Clustering of Individual Proposed Projects

- 14.1 IPP(s) may combine several proposed small-scale or micro-scale projects into a Project Cluster (PC) by adhering to the rules and requirements prescribed in the Guidelines for Clustering of Small-scale and Micro-scale Projects (document being prepared separately).
- 14.2 The rules and requirements for clustering of individual proposed projects, prescribed in the above-mentioned guidelines document, are additional to the rules and requirements set out in this standard document, as applicable.

### 15. Registration of External Projects

- 15.1 The mechanism allows registration of projects that were seeking registration with other voluntary or compliance-based GHG programmes (termed as External Projects) limited by the following classification:
  - (i) **Rejected Projects:** External Projects (EPs) that were rejected due to their failure to comply with the rule(s), requirement(s), procedure(s), as applicable, of associated voluntary or compliance-based GHG programmes.



- (ii) **Withdrawn Projects:** EPs that were voluntarily withdrawn/rescinded during the registration process from associated voluntary or compliance-based GHG programmes.
- 15.2 All EPs seeking registration with the mechanism shall demonstrate applicability with any one of the above-mentioned EP classifications.
- 15.3 All EPs seeking registration with the mechanism shall be treated as proposed new project submissions and shall further strictly adhere to rules and requirements, as applicable, prescribed in Section 9 of this standard document.
- 15.4 For the purpose of seeking approval for initiation of registration process for a specific EP, the IPP(s) shall prepare a Request for Approval for Initiation of Registration form using a valid version of the template (document being prepared separately), available on the registry website, and submit it to NCCF GC for evaluation.
- 15.5 Only EPs approved by NCCF GC shall be eligible for initiation of registration process under the mechanism.
- 15.6 For EPs classified as Rejected Projects, the IPP(s) shall provide the following, when seeking approval for initiation of registration process:
- (i) If applicable, a list of all other voluntary or compliance-based GHG programmes under which the IPP has currently applied for registration;
  - (ii) Detailed reason(s) for their rejection from the voluntary or compliance-based GHG programme(s) and
  - (iii) All project-specific documents that were submitted under voluntary or compliance-based GHG programme(s) before receiving rejection.
- 15.7 For EPs classified as Withdrawn Projects, the IPP(s) shall provide the following, when seeking approval for initiation of registration process:
- (i) If applicable, a list of all other voluntary or compliance-based GHG programmes under which the IPP has currently applied for registration;
  - (ii) Reason(s) justifying their withdrawal from the voluntary or compliance-based GHG programme(s).



## PART B: PROJECT METHODOLOGIES

### 16. Design and Development of Project-based Methodologies

This Section provides the design requirements of proposed new methodologies seeking approval under the mechanism. Each constituting element of a proposed new methodology shall completely adhere to all requirements and specifications described henceforth.

The design requirements have been introduced to ensure that all methodologies utilize a standardized format for their design and development thereby providing uniformity in the overall structure and quality of the proposed new methodologies.

#### 16.1 Overarching Rules and Requirements

- 16.1.1 The design and development of methodologies shall be governed by the guiding principles of the mechanism introduced in Section 5 of the Programme Guide.
- 16.1.2 The written text shall be explicit, concise and logically structured so that it is understandable and may further be conveniently used by prospective IPPs for being applied to proposed projects.
- 16.1.3 All methodologies/tools seeking approval under the mechanism, shall utilize the Methodology Document template and Tool Document template (respectively) {Documents being prepared separately}, strictly adhere to the document preparation instructions provided therein, and comply with the design requirements described in this Section.
- 16.1.4 The methodology shall be applicable to a broad range of project types and shall not be dependent on or refer to a specific project and/or its various elements like design(s), location(s), technology(ies), parameters(s) among others.
- 16.1.5 The methodology shall clearly mention the sources of uncertainty, including possible approach(es) for their estimation and subsequent treatments within the context of estimation of conservative emission reductions and/or net removals.
- 16.1.6 The mechanism also allows for approval of single methodologies a segmented approach with their entire framework apportioned over multiple documents, *vis a vis*, a principle methodology document and individual supporting tools.

For such instances, the principle methodology document shall be formulated using the Methodology Document template and the supporting tool(s) using the Tool Document template. The principle methodology document shall clearly refer to and further explain how the supporting tool(s) are to be applied within the methodological framework.

- 16.1.7 In cases, where the methodology provides default factors for determination of an appropriate baseline scenario, demonstration of additionality and quantification of emission reductions and/or net removals, it shall be ensured that the methods for data gathering, handling, storage and disclosure are appropriate and justified.

## **16.2 Specific Rules and Requirements**

This Sub-section provides requirements and specifications for design of each individual element of a proposed new methodology.

### **16.2.1 Title of the Methodology**

- (i) The IMD shall provide unique and unequivocal title, date of completion and applicable version number of the proposed new methodology.

### **16.2.2 Introduction**

All methodologies should include an Introduction section that provides a brief description of its two key characteristics:

- (i) The typical project(s) category(ies) (for instance- construction and operation of a new power plant, unit and/or facility that uses renewable energy and supplies electricity to the grid or switching from coal or petroleum fuel to natural gas in the generation of heat for industrial processes, etc.); and
- (ii) The type of GHG mitigation action(s) (for instance- displacement of electricity generated from fossil fuels by electricity generated from renewable energy or fuel switch: reduction of GHG emissions by switching from carbon-intensive to less-carbon-intensive fuel in generation of heat, etc.).

### **16.2.3 Scope, Applicability Conditions and Entry into Force**

#### **Scope**

- (i) The methodology should briefly describe the category of project(s) to which the methodology is applicable.

#### **Applicability Conditions**

- (i) The methodology shall establish applicability conditions which are the specific criteria (for instance, types of technologies and fuels and their specifications, operating conditions, geographical constraints, compliance with legal requirements, etc.) that a proposed project is required to fulfil, as appropriate, to adequately demonstrate factual applicability of the methodology.
- (ii) The applicability conditions shall be appropriate to the type of project and their related sector(s).
- (iii) The applicability conditions should be written in a manner which is unequivocal, concise and logically structured to allow a project proponent, VVB and NCCF to ascertain the appropriateness of the adoption and application of the methodology by a proposed project.
- (iv) The applicability conditions shall not be an alternative for describing other elements of the methodology such as the procedures for determination of baseline, quantification of emission reductions or removals, monitoring methodology, etc.
- (v) In the event, when it is evident that compliance with an applicability condition cannot be conveniently and adequately demonstrated by an IPP, and in turn cannot be suitably validated by an appointed VVB, the methodology shall clearly explain how the applicability condition may be justifiably fulfilled, and how the fulfilment can be reported by an IPP.
- (vi) Applicability conditions established in supporting tools used by the methodology shall also be part of the total applicability conditions and require the same treatment.

#### **Entry into Force**

- (i) The IMD shall clearly state the expected future date (in DD/MM/YYYY format) on which the methodology would become effective for usage.

- (ii) If the date is prior to the date of final approval of the proposed methodology<sup>2</sup>, it shall be updated by NCCF as the effective date on which the methodology enters into force.

#### **16.2.4 Normative References**

- (i) The IMD shall list the documents that were in whole or in part, referred to during the design and development of the methodology and are indispensable for its application.

#### **16.2.5 Definitions**

- (i) The IMD shall provide the definitions of terms used in the Methodology Document that are not already provided in the Glossary of Terms (document being prepared separately).

#### **16.2.6 Project Boundary**

- (i) The project boundary is the physical delineation and/or geographical area of the project and the specification of GHG sources and sinks under the control of the IPPs that are significant and reasonably attributable to the project.
- (ii) The methodology shall prescribe appropriate measures for determination of the project boundary by establishing the criteria and procedures for:
  - (a) Describing the physical delineation and/or geographical area of the project and
  - (b) Specifying the source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions under the control of the IPPs that are significant and reasonably attributable to the project.
- (iii) In describing the physical delineation and/or geographical area of the project, the methodology shall include, as applicable, the spatial extent of the project, the physical locations of project site(s), process(es), facility(ies), equipment, end user(s) and regions that are significantly impacted by the project.
- (iv) The methodology shall ascertain and provide the source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions, as applicable, for both baseline and project scenarios, based on following specifications:

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<sup>2</sup> In cases when the methodology evaluation process takes longer than expected the estimated future date of entry into force might pass and would need to be updated accordingly.

- (a) The methodology shall specify the criteria and procedures for determining all the source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions applicable to the established baseline scenario.
- (b) The methodology shall specify the criteria and procedures for determining all the source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions that are controlled by the IPP, and attributable to the project either within the project boundary or outside the project boundary (leakage).
- (v) The methodology shall also appropriately justify the inclusion/exclusion of a source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions for both baseline and project scenarios.
- (vi) To ensure consistency, the information provided should allow a meaningful comparison between the source(s), sinks(s), reservoir(s) and types of anthropogenic GHG emissions for the baseline and the project scenario.

#### **16.2.7 Baseline Scenario**

- (i) The baseline scenario are circumstances that reasonably represent the anthropogenic emissions by sources and removals by sinks of GHGs that would occur in the absence of the proposed project.
- (ii) Each project seeking registration under the mechanism shall unequivocally and justifiably establish a baseline scenario derived using an approved methodology.
- (iii) The methodology shall contain provisions for determination of the baseline scenario on project-specific basis.
- (iv) For establishing a baseline scenario, the methodology shall adopt an approach or combination thereof as provided in §48 of CDM Modalities and Procedures, and mentioned below:
  - (a) Existing actual or historical emissions, as applicable, or
  - (b) Emissions from a technology that represents an economically attractive course of action, considering barriers to investment, or
  - (c) The average emissions of similar projects undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among top 20 per cent of their category.
- (v) The approach or a combination of approaches for establishing a baseline scenario shall be unequivocal, justified and compatible with the underlying

design framework and sources and sinks data/ information used in the proposed methodology.

#### **16.2.8 Additionality**

- (i) Additionality refers to the condition where anthropogenic GHG emissions by sources are reduced below, or removals by sinks are increase above those that would have occurred in the absence of the registered project.
- (ii) The methodology shall prescribe appropriate measures for IPPs to evaluate and demonstrate additionality of a project. This shall be done through any one of the following measures:
  - (a) Using an appropriate additionality tool/module, etc. created under an approved GHG programme by including an adequate reference in the Methodology Document.
  - (b) Formulating and introducing a new and elaborate procedure for evaluating and demonstrating additionality in the proposed Methodology Document.
  - (c) Formulating and introducing a new and elaborate procedure for evaluating and demonstrating additionality contained in a separate tool, approved under the methodology approval procedure and adequately referenced within the proposed Methodology Document.
- (iii) The methodology shall ensure consistency between the criteria and procedures for demonstration of additionality of a project and the determination of its baseline scenario.
- (iv) The procedure for determination of additionality should be clear and methodical to allow a project proponent to sufficiently demonstrate additionality of his/her project.

#### **16.2.9 Determination of Emission Reductions and/or net Removals**

- (i) The methodology shall establish appropriate criteria and procedures for determination of estimated and real GHG emission reductions and/or net removals due to the project.
- (ii) In determination of estimated and real GHG emission reductions and/or net removals due to the project, the methodology shall provide algorithms and formulae for calculation of GHG emission reductions and/or net removals corresponding to source(s), sinks(s), reservoir(s) and related GHGs, separately for the baseline and project scenarios, as well as leakage.

- (iii) The methodology shall describe all the parameters, coefficients, variables used in the calculation of baseline emissions and/or net removals, project emissions and/or net removals and leakage effects.
- (iv) The methodology may require, and refer to an appropriate tool, created under an approved GHG programme or approved under the CR-I mechanism, for calculation of input parameters, coefficients, variables required for the calculation of baseline emissions and/or net removals, project emissions and/or net removals and leakage.
- (v) The methodology shall ensure consistency between the established baseline scenario and the established criteria and procedures used for the determination of baseline emissions and/or net removals.
- (vi) The methodology shall further ensure that:
  - (a) The algorithms and formulae established for the calculation of baseline emissions are conservative and thus do not lead to overestimation of GHG emission reductions and/or net removals.
  - (b) The parameters, coefficients, variables are used consistently, where applicable, and employ an appropriate SI unit.
  - (c) The criteria and procedures used for the determination of estimated and real GHG emission reductions and/or net removals due to the project are clear, reasonably detailed and logically structured.

#### **16.2.10 Data and Parameters Fixed ex-ante**

- (i) The methodology shall identify and describe all parameters, coefficients, variables required for the calculation of baseline emissions, project emissions and leakages that are not monitored and remain fixed throughout the crediting period.
- (ii) The methodology shall provide particulars of each parameter, coefficient, variable fixed ex-ante by using the appropriate table provided in the Methodology Document template.
- (iii) This Sub-section shall only include parameter(s), coefficient(s), variable(s) whose values are determined through measurements, sampling methods or by referring to external sources (like government data and reports, IPCC reports, proprietary data, commercial and scientific literature among others).

#### **16.2.11 Monitoring Approach**

- (i) This Sub-section is further divided into two elements:



- (a) Data and parameters monitored
  - (b) Monitoring Strategy
- (ii) In the element (i)(a) of the Sub-section, the methodology shall:
- (a) Identify and describe all parameter(s), coefficient(s), variable(s) required for the calculation of baseline emissions and/or net removals, project emissions and/or net removals and leakage whose values are to be determined through appropriate monitoring procedures, measurements, sampling methods or by referring to external sources.
  - (b) Provide particulars of each parameter, coefficient, variable to be monitored by using the appropriate table (explain) provided in the Methodology Document template.
  - (c) Exclude parameter(s), coefficient(s), variable(s) whose value(s) are determined using algorithms and formulae described within the methodology.
- (iii) In the element (i)(b) of this Sub-section, the methodology shall:
- (a) Prescribe criteria and procedures for establishing a suitable Monitoring Strategy to facilitate gathering and storing of all relevant data required for calculation of baseline emissions and/or net removals, project emissions and/or net removals and leakage.
  - (b) Prescribe criteria and procedures for managing data quality and monitoring frequency.
  - (c) Ensure that the criteria and procedures for establishing the Monitoring Strategy should represent good monitoring practices and be suitable for the type of projects applicable.
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## DOCUMENT HISTORY

Version	Date	Description
0.0	23.02.2019	The CR-I Carbon Standard establishes rules and requirements for design, development and inclusion of projects, new methodologies and tools, along with rules and requirements for implementation, operation and monitoring of registered projects and other related activities permitted within the purview of the mechanism.
0.1	29.03.2019	Changes were made based on comprehensive internal review and feedback received from Dr. Jagdish Kishwan, Chief Advisor - NCCF.

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