

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **16.07.2020**
Version **3.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 11/01/2021

1.2 | Decision - Approved

The deviation request is approved on account of the appropriateness of justifications provided by the CME in this deviation form. Consequently, the CME is allowed to:

- a) initiate a combined design certification and performance/issuance review for VPAs 21-36, pertaining to monitoring period 01/08/2014 to 31/07/2016, by submitting all relevant documents to SustainCert through the Impact Registry interface.
- b) claim emissions reduction occurring from 01/08/2016 to 28/02/2018 by following all relevant requirements of the GS version currently under use (i.e., GSv2.2).

The deviation approval is subject to the following conditions being met -

- i. For carrying out activities listed in points (a) and (b) above, the PD shall demonstrate compliance with all standard/methodological requirements documented in the registered PoA/VPA-DD(s), and where gap(s) exist, justify that conservative approach(es) have been applied in line with the GS principles.
The verifying VVB shall assess PD's compliance with this condition and provide their opinion in the Verification Report. SustainCert shall subsequently review both the PD's compliance and VVB's assessment and opinion.
- ii. For claiming emissions reduction occurring from 01/03/2018 onwards, the CME shall first transition the PoA from GSv2.2 to the current version of GS4GG by following the Transition Requirements (v1.1 dated March 2018) available on the GS website and subsequently undergo verification

and performance review by following the established performance certification/issuance procedure.

- B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation** (Please submit complete deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	DEV_163	
Date of decision	11/01/2021	
Date of submission	27/11/2020	
Project/PoA/VPA	☐ Project	ID – GSXXXX
	☒ PoA	ID – GS3112
	☒ VPA	ID – GS4386 – GS4401 (16 VPAs)
Project/PoA/VPA title	PoA Title: GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh VPA Title: GS 4386 VPA 21 - GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh to GS 4401 VPA 36 - GHG Emission Reduction through use of Bondhu Chula (Improved Cook Stoves) in Bangladesh	
Location of project/PoA/VPA	Host country(ies): Bangladesh	
Scale of the project/PoA/VPA	☒ Microscale ☐ Small scale ☐ Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	PoA Link: https://registry.goldstandard.org/projects/details/537	
Status of the project/PoA/VPA	PoA: ☐ New ☐ Listed ☒ Certified design ☒ Certified project	
	VPAs: ☐ New ☒ Listed ☐ Certified design ☐ Certified project	
Title/subject of deviation	Retroactive Issuance	
Specify applicable rule/requirements/methodology and version number	1) 12.1.29 (h) Retroactive Performance Certification of GS4GG PoA Version 1.2 Published October 2019/ 2.15 of Rule update: ELIGIBLE CREDITING PERIOD FOR PROJECTS TRANSITIONING TO GS4GG OR SEEKING LABELLING UNDER GS4GG (RU 2020 PR – GHG V1.2	
Specify the monitoring period for which the request is valid (if applicable)	Start date 01/08/2014 End date 31/07/2016	

Submitted by	Contact person name: Rohit Lohia Email ID: rohit.lohia@climate-secure.com
	Organization: Climate Secure India Private Limited
	Project participant: Yes ☐ NO ☒
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	Yes ☒ NO ☐ If yes; VVB name: Earthood Services private Limited Auditor name: Dr. Kaviraj Singh

3| Deviation detail

3.1 | Description of the deviation:

Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for guidelines for requesting deviations, given in the Deviation Approval Procedure.

The PoA under concern in a micro-scale PoA in Bangladesh, that has been instrumental in bringing a significant change in the rural and semi-urban ecosystem in Bangladesh. The ICS are manufactured by micro entrepreneurs (a network on >5000 small sanitary shop owners created by BBF). These micro entrepreneurs manufacture the project ICS and sell at a subsidized price to the beneficiary. The subsidized price helps in easy adoption of project ICS by beneficiaries. The revenue from sale of ICS is the income of corresponding micro entrepreneur. Thus, in this PoA, the CME is not receiving any monetary proceeds from sale of ICS. Further, the subsidy bill of the micro entrepreneur is settled by BBF using proceeds from carbon credits. This ensures that the micro-entrepreneurs see the manufacturing and sale of project ICS as a viable and sustainable business and are not affected by price reduction being offered to ICS beneficiaries. Thus, this PoA is one of the most exemplary PoAs as it keeps itself sustainable primarily from sale of carbon credits.

The concerned PoA has 36 VPAs listed at present out of which VPA01-20 have been design certified and have been issued already. This deviation request pertains to VPA 21-36 in particular.

The VPAs 07-36 were validated and verified by an independent third-party auditor in 2016. The auditor issued a positive validation opinion and verification opinion, both of which are being attached with this deviation request.

Thus, VPAs 07-36 were submitted to GS for inclusion (CPA-DDs, FVR) and verification review (MR, FVR) in 2016. However, the fee payment (@3k USD per VPA), became a barrier for the CME and these VPAs despite having been submitted to GS, could not complete GS inclusion/verification review due to lack of funds with CME. Based on the fee, that CME was able to pay that time, GS only registered VPA 07-20 and issued VERs from VPAs 07-18 only. Very recently, GS issued VERs from VPA 19-20 once CME was able to pay some additional fee.

As it can be seen from attached documents, VPAs 21-36 have a verified ER volume of ~216k VERs (verified independently in 2016). These VPAs are identical to VPA 07-20 which have been included, verified and issued by GS already. VPA 21-36 use the

same monitoring results as used in VPA 07-20 (given CME did a combined monitoring for VPA 07-36). Thus, the monitoring results of the VPA 21-36 are deemed to be already been reviewed and approved by GS already (for VPA 07-20 issuance).

The following has been proposed in light of aforesaid:

1. GS is requested to initiate a combined registration and issuance review to allow issuance of aforesaid ~216k VERs from VPA 21-36 pertaining to monitoring period Aug 2014 - Jul 2016. This is being requested as these VPA were validated and verified by external DoE in 2016 itself and associated documents were also submitted to GS in 2016. Thus, there is no perverse incentive involved in requesting issuance review now. The CME now has an entity ready to pay the GS review fees against these carbon credits. Besides, these carbon credits will be used to settle the subsidy bill of entrepreneurs long due and further provide for subsidy for another 100k ICS in Bangladesh.
2. Given last DoE visit took place in 2016 (which is more than 3 years from now), please allow the CME to claim credits for 01 August 2016 onwards. However, if this is not allowable, the CME must be allowed to claim credits from 01 Dec 2017 onwards (three years backwards from now). This renders CME to sacrifice the VERs from Aug 2016 – Nov 2017 period, which is big loss for the PoA. However, the CME is willing to absolve VERs for Aug 2016 – Nov 2017 as a last option, being in dire need of settling the much awaited dues of micro entrepreneurs, most of which are from very small / marginalised communities and are struggling to sustain their businesses due to COVID-19. This deviation shall keep the PoA alive given entrepreneurs are agreeing to manufacture and install another 100k ICS if their previous dues are cleared.

VVB opinion (if applicable):

Refer the CPA inclusion report and verification report issued by VVB.

3.2 | Assessment of the deviation:

Use the space below to describe how the deviation complies with the requirements, and accuracy, completeness, conservativeness, as applicable is ensured. Please include all relevant information in support of the request.

The VPAs 21-36 were validated, verified and were submitted to GS 4 reviews in 2016 itself. The VERs being claimed for issuance hence does not deviate from requirements or from the principles of accuracy, completeness and conservativeness.

VVB opinion and recommendation (if applicable):

.....

3.3 | Impact of the deviation:

Use the space below to describe the impact of the deviation on project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk or any other relevant aspect of the project. Please substantiate the impact assessment with relevant and verifiable data/information.

- 1) If granted a successful deviation, the deviation would effectively help restore the loss of emission reductions arising from the inability of the CME to pay the GS review fees (which in-turn strongly substantiates that the PoA needed carbon funds to remain sustainable).

- 2) The deviation will help sustain the micro-entrepreneur ecosystem in rural/semi-urban Bangladesh besides helping additional 100k beneficiary households.
- 3) The PoA shall contribute to the SDGs of Good health and well- being (SDG 3), Affordable and Clean Energy (SDG 7), Climate Action (SDG 13) and Decent work and economic growth (SDG 8). With the deviation, the time-sensitiveness of the impacts will be reduced making them more robust.

VVB opinion (if applicable):

3.4 | Documents:

1. VPA 21 final validated VPA-DD (VPA 22-36 are identical to VPA 21)
2. VPA 21 final SD appraisal report (VPA 22-36 are identical to VPA 21)
3. VPA 07 – 36 Final validation report
4. VPA 21 – 36 Verified monitoring report
5. VPA 21 – 36 Final verified ER sheet
6. VPA 01 – 36 Final verification report for period 01 Aug 2014 – 31 Jul 2016
7. Email exchanges with GS / Sustain Cert Team on the proposed deviation.