



**Response to Further Action Requested by
Technical Advisory Body (TAB) for GCC Program's
inclusion in the CORSIA-eligible units**



**ICAO Secretariat Team and TAB members,
International Civil Aviation Organization
Montreal, Canada**

Subject: Response to “Further actions requested of GCC Program” in TAB recommendation

Dear ICAO Secretariat Team and TAB members,

This refers to the ICAO Council’s “Conditional Approval” of units issued by GCC Program subject to compliance of “further actions requested of GCC Program” stipulated in the document “Attachment: TAB recommendations from its first assessment” communicated by Office of the Environment, Air Transport Bureau of ICAO on 14 March 2020. The timeline given to GCC Program to implement “further actions requested” and provide evidence of implementation was 24th August 2020.

We thank TAB, ICAO secretariat and ICAO Council for considering the application of GCC Program and recommending implementation of actions to secure final CORSIA approval for the units issued by GCC Program. We are pleased to inform you that GCC Program has done a comprehensive review of its documentation framework and carried out several changes in view of the following:

1. Further actions requested as per TAB recommendation.
2. Commitments made by GCC Program to TAB over several rounds of clarifications following its application for CORSIA eligibility in 2019: and
3. Overall review of requirements for GCC Program’s compliance with CORSIA’s “Emissions Unit Criteria” and “Carbon Offset Credit Integrity Assessment Criteria”.

The Program has progressed significantly since last interaction with TAB (in March 2020) in terms of revision and approval of documentation framework, development of methodologies, upgradation of governance structure, further refinement of GCC Carbon Registry, approval of



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GCC Verifiers and submission of projects on ground. This is despite the challenges posed by COVID-19 pandemic over last six months. Four projects are submitted to GCC Program which are undergoing completeness checks, two methodologies approved (while three more under development), one GCC verifier is approved (while two more are being assessed) and GCC carbon registry is complete in all respects including CORSIA requirements. The eligible project types for GCC Program are redefined and Project Standards, Verification Standards, Program Manual and several Forms and Templates are elaborated more clearly and substantively.

GCC Program has done a self-evaluation for its compliance with Emissions Unit Criteria and Carbon Offset Credit Integrity Assessment Criteria of CORSIA and found the program to be fully compliant. We are providing with this letter a detailed response to the “further actions requested” as per TAB recommendation and how the revisions made by GCC Program helps to close all the gaps. There are some actions such as “procedure to prevent double claiming through host country attestation” are still being discussed by GCC Program. As per TAB recommendation, these actions are not required to be undertaken before inclusion of GCC Program’s name as eligible unit of CORSIA. We will report to you on the progress of work in this regard.

We stand committed to comply with any further requests by TAB, ICAO Team and ICAO Council. In case of any query, please feel free to contact Mr. Kishor Rajhansa, Director-Technical & Strategy, Global Carbon Council through email (k.rajhansa@globalcarboncouncil.com) or mobile (+974-74742288).

We request TAB to recommend to ICAO Council for providing GCC Program with the final approval for its inclusion in the eligible emission units of CORSIA.

We sincerely look forward to hearing from you.

Best regards,

Dr. Yousef Al Horr

President





Response to Further Action Requested by Technical Advisory Body (TAB) for GCC Program's inclusion in the CORSIA-eligible units

GCC Program has implemented following “Further actions requested of the GCC program” at per TAB recommendation in document “ATTACHMENT: TAB RECOMMENDATIONS FROM ITS FIRST ASSESSMENT”.

TAB Recommendation as per section 4.2.11.6 of TAB Recommendation document

TAB recommends that the Council request GCC to undertake the following actions, which the GCC is invited to submit for TAB to assess and make recommendations to Council as necessary to finalize the conditional eligibility of units issued under these programme elements: to finalize and make publicly available for use the programme revisions shared in writing (in some cases in draft format) and/or discussed with TAB, including pertaining to the EUC and guidelines Sustainable Development Criteria, Safeguards System, Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional, and Are only counted once towards a mitigation obligation.

GCC Program Response

After receiving TAB recommendation, GCC Program made several changes which were approved by its Steering Committee. The basis of changes is the TAB recommendation, CORSIA Emissions Unit Criteria (EUC) as well as commitments made by GCC Program to TAB through several rounds of clarifications. All the revised and approved documents are uploaded on website at the following link.

<https://www.globalcarboncouncil.com/resource-centre.html>.

A detailed response is provided below separately.

TAB Recommendation as per section 4.2.11.7 of TAB Recommendation document

TAB recommends that the Council request GCC to undertake the following actions, which does not need to be taken prior to describing the GCC in the ICAO document titled “CORSIA Eligible Emissions Units”: to update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1.



GCC Program Response

GCC Program (GCC Operations Team or “GCC Secretariat” and GCC Steering Committee) is currently discussing the outline of the draft of program procedures on host country attestation. GCC Program, upon receiving ICAO Council’s final approval for eligible emission units under CORSIA, would also like to know how collectively CORSIA eligible programs can address this under a common framework whose requirements can be defined by TAB. We expect that such procedure may be available in the first quarter of 2021. We believe that this procedure is not needed for the units issued for compliance against pilot phase of CORSIA (with vintage 2016-2020).

Other observations in the TAB Recommendation

4.2.11.3 TAB found that the GCC demonstrated technical consistency with some, but not all, contents of the criterion Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional. The GCC does not have procedures in place to ensure that emissions reductions credited by the programme “...exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate”. TAB acknowledged that this finding was typical for programmes that were modelled after the CDM, at least in their initial stages.

4.2.11.4 TAB found that the GCC demonstrated technical consistency with some, but not all, contents of the criterion Are only counted once towards a mitigation obligation. This common finding is further discussed in Section 4.3. It also informed the general eligibility parameters in Section 4.1. TAB noted that the GCC has made progress toward putting in place measures to ensure that emissions reductions resulting from its activities are consistent with the EUC contents and guidelines pertaining to the avoidance of double-claiming, in the context of the Paris Agreement and decisions taken under the UNFCCC, and has expressed a clear willingness to address any remaining gaps.

GCC Program Response

The detailed response below also addresses the above observations in TAB recommendation, especially in Table-2.



DETAILED RESPONSE TO FURTHER ACTIONS REQUESTED IN SECTION 4.2.11.6 OF TAB RECOMMENDATION

GCC Program has done a wholistic review of how it can address all the “Emission Unit Criteria” and “Carbon Offset Credit Integrity Assessment Criteria”. Based on this review, all the regulatory documents have been revised and GCC Steering Committee has approved them through various rounds of formal consultations.

To understand broad and high-level structure, documentation, and governance framework of the entire GCC Program refer to GCC Program Framework document at <https://www.globalcarboncouncil.com/resources/GCC-Program-Framework-v2.pdf>.

GCC Program Manual available at <https://www.globalcarboncouncil.com/resources/GCC-Program-Manual-v3.pdf> provides links to various GCC documents containing the rules and requirements governing the GCC Program. The manual describes key elements of the program, such as the GCC framework, project and methodology related processes, carbon registry system, approval requirements for GCC Verifiers, and other standards.

Table-1 below provides the summary of “Design Elements” of GCC Program to ensure the robustness and environmental integrity of carbon credits issued and full compliance of GCC Program with “Emissions Unit Criteria” (EUC).

Table-2 below provides the summary of GCC Rules that are aimed at meeting CORSIA’s “Carbon Offset Credit Integrity Assessment Criteria”.

The responses given below, apart from addressing “further actions requested”, also aim to address other above-mentioned observations mentioned in sections 4.2.11.3 and 4.2.11.4 of TAB Recommendation.



Table-1: Design elements of GCC Program to ensure compliance with Emission Unit Criteria (EUC) of CORSIA

Design Elements in line with EUC	Summary of design elements of GCC Program that ensure compliance with EUC
Status	Voluntary project-based mechanism for registration of GHG reduction projects from all the countries and issuance of carbon credits.
GHG Sectoral Scopes and Project Types accepted by GCC Program	<ul style="list-style-type: none"> ▪ Scope: (i) Mandatory GHG Scope includes all Kyoto Protocol GHGs; (ii) Environmental No-harm (E+); (iii) Social No-harm (S+); (iv) Sustainable Development Goals (SDG+). ▪ GHG Sectoral Scopes: All 16 sectoral scopes of CDM and corresponding scopes of International Accreditation Forum (IAF) as per ISO-14064-2 (Refer IAF's MD14 document at https://www.iaf.nu/upFiles/IAF_MD_Appln_17011_GHGVV_09072014_Publication_Version.pdf) ▪ For GCC Program Scopes and GHG Sectoral Scopes Refer Annex-1 of Procedure for approval of GCC Verifiers at https://globalcarboncouncil.com/resources/Procedure-for-Approval-of%20GCC-Verifiers.pdf. Also refer ▪ Projects Types¹: New futuristic project (A1), Prompt-start project with 2-year window for registration (A2), De-

¹ * **Note:** All projects submitted to GCC must start operation on or after 1 January 2016. This is primarily for two reasons: (i) GCC Program started in 2016 (formerly known as “Gulf Carbon Trust” and “Global Carbon Trust”); (ii) This is the vintage accepted by ICAO Council for their eligibility under CORSIA scheme. Following types of projects are accepted under GCC Program.

A1 type projects: The start date of the operations for such GCC projects shall be on or after the date of approval of "Project Standard (version 3)" by GCC Steering Committee and after the date of submission of a 'complete' request of registration to GCC Program. The start date of the Crediting Period of such GCC Project Activity shall be after the date of approval of "Project Standard (version 3)" but not more than one year after the start date of the operations of the GCC Project Activity.

A2 type projects: These types of projects are prompt-start and have already started their operations as on the date of approval of "Project Standard (version 3)" by GCC Steering Committee and their start date of operations shall be after 1 January 2016 but before two years after the date of approval of "Project Standard (version 3)" by GCC Steering Committee. These types of projects shall submit complete request for registration to GCC Program not later than 2 years after the date of approval of "Project Standard (version 3)". The start date of the Crediting Period of such GCC Project Activity shall be on or after 1 Jan 2016 but not more than one year after the start date of the operations of the GCC Project Activity.

B1 type projects: These types of projects include all de-registered CDM projects whose Project Owners (or Project Participants as per CDM Glossary of Terms) wish to register them with GCC, but also wish to claim additional GCC labels of E+, S+ and SDG+. The start date of the Crediting



	<p>registered CDM Projects (B1, B2).</p> <ul style="list-style-type: none"> ▪ Complete mapping of ISO 14064-2 requirements with GCC Project Standard in done in Annex-1 of Project Standard. ▪ Refer Project Standard at https://www.globalcarboncouncil.com/project-standard.html; ▪ Exclusions: Nuclear energy, HFC-23 abatement and REDD project activities. In addition, following project types are excluded from scope of GCC Program. <ul style="list-style-type: none"> ➢ Afforestation & Reforestation (A&R) and Carbon Capture & Storage (CCS) projects (Sectoral Scopes 14 & 16 as per CDM and IAF) submitted to GCC Program declaring intent to supply carbon credits to international aviation sector in line with CORSIA eligibility requirements.
<p>Carbon Offset Credit Issuance and Retirement Procedures</p>	<ul style="list-style-type: none"> ▪ Registration & Issuance process similar to CDM. ▪ Fixed crediting period (10 yrs) with start date of Crediting Period after 1 Jan 2016. ▪ Public GCC Carbon registry with provisions of carbon credit issuance, transfer, retirement. ▪ Refer section 3 of Program Processes document at https://www.globalcarboncouncil.com/resources/GCC-Program-Processes-v3.pdf ▪ Refer carbon registry public page at https://mer.markit.com/br-req/public/public-view/#/account
<p>Credit Identification and Tracking</p>	<ul style="list-style-type: none"> ▪ Dedicated GCC Carbon registry is available on 3rd party carbon registry provider (IHS Markit) website. ▪ IHS Markit follows thorough operational procedures related to the management of projects and units throughout the entire lifecycle of credits. The GCC aims to maintain environmental integrity by using the Carbon Registry to prevent double counting and double issuance while ensuring complete transparency. ▪ A rigorous protocol is followed in development of design elements and operation of registry as per CORSIA requirements. All the projects and carbon credits complying CORSIA requirements are flagged for the attention of international airlines or traders who deal with CORSIA-eligible units. ▪ Refer section 8 of GCC Program Manual at https://globalcarboncouncil.com/resources/GCC-Program-Manual-

Period of such GCC projects shall be after 1 Jan 2016 and same as that stipulated in CDM Project Design Document (as uploaded on UNFCCC website).

B2 type projects: These types of projects include all de-registered CDM projects whose Project Owners (or Project Participants as per CDM Glossary of Terms) wish to register them with GCC, but do not wish to claim additional GCC labels. The start date of the Crediting Period of such GCC projects shall be after 1 Jan 2016 and same as that stipulated in CDM Project Design Document (as uploaded on UNFCCC website).



	<p>v3.pdf</p> <ul style="list-style-type: none"> Refer carbon registry public page at https://mer.markit.com/br-reg/public/public-view/#/account
Clear Methodologies and Protocols	<ul style="list-style-type: none"> GCC Program develops the methodologies through top-down process while following complete transparency and public consultation processes. Refer section 4 of Program Processes document at https://www.globalcarboncouncil.com/resources/GCC-Program-Processes-v3.pdf GCC Program allows the use of GCC Methodologies and 248+ CDM methodologies and tools. As on date two GCC Methodologies are approved and three more under development. Refer approved GCC methodologies at https://www.globalcarboncouncil.com/baseline-and-monitoring-methodologies.html
Project Verification and Emission Reduction Verification requirements	<ul style="list-style-type: none"> ISO 14064-2, GCC rules (especially GCC Project Standard, GCC Verification Standard, GCC/CDM Methodologies). Complete mapping of ISO 14064-2 requirements with GCC Verification Standard in done in Annex-1 of Project Standard. Allows applications from accredited CDM DOEs and Verifiers accredited by National Accreditation Bodies as per ISO 17011/ 14065. Refer Procedure for approval of GCC Verifiers at https://globalcarboncouncil.com/resources/Procedure-for-Approval-of%20GCC-Verifiers.pdf All Verifiers sign an agreement with GCC Program that legally binds them towards their obligation for GHG reduction project verification and emission reduction verification. Agreement Template and Verifier application form are available at https://globalcarboncouncil.com/program-forms-and-templates.html. All verifiers must follow Verification Standard that contain the requirements of GCC Project Verification and Emission Reduction Verification. Verification Standard is available at: https://globalcarboncouncil.com/resources/Verification-Standard-v3.pdf. The verifier templates for project verification and emission reduction verification (containing CORSIA eligibility requirements) are available at https://www.globalcarboncouncil.com/program-forms-and-templates.html
Program Governance	<ul style="list-style-type: none"> Governance framework is formed following International Protocol, especially CDM. Independent, experienced and renowned international carbon market experts formulate the Steering Committee that takes decisions on regulatory documents, projects and methodologies. Refer https://www.globalcarboncouncil.com/steering-committee.html Six regionally and internationally renowned strategic experts from diverse fields are members of GCC Advisory



	<p>Board, giving strategic direction to GCC Program. Refer https://www.globalcarboncouncil.com/advisory-board.html</p> <ul style="list-style-type: none"> ▪ Independent and highly experienced GCC approved verifiers (accredited by CDM and national accreditation bodies or NABs). One verifier is approved (ESPL, India) Refer https://www.globalcarboncouncil.com/gcc-verifiers.html. ▪ Applications of two more applicant verifiers are under evaluation (EPIC Sustainability, India and Verico SCE, Germany). Several other verifying organizations are considering applying for GCC membership. ▪ GCC Operations Team (GCC Secretariat) is comprising of highly-skilled carbon market experts who have background of working at CDM Methodologies Team, CDM Project Registration & Issuance Team, CDM Accreditation Team, CDM Stakeholders Team of UNFCCC Secretariat and in various Panels of CDM (CDM Methodologies Panel, CDM Accreditation Panel, etc.).
<p>Transparency and Public Participation Provisions</p>	<ul style="list-style-type: none"> ▪ Program Manual (refer section 9) and Program Process (refer paragraph 12 and 105 and section 3,1,2) provides requirements of GCC Program on Local and Global Stakeholder Consultation on projects and methodologies. ▪ Refer section G (Local Stakeholder Consultation) of Instructions to Complete the Project Submission Form available at https://www.globalcarboncouncil.com/program-forms-and-templates.html. The section defines the process and aspects of local stakeholder consultation. ▪ 15-days Global Stakeholder Consultation (GSC) on submitted GCC projects is mandatory as per section 3.1.2 of Program Processes document. The global stakeholder inputs are taken in account by GCC verifier in the project verification and by GCC Operations Team and Steering Committee in project evaluation. Following webpage of GCC website is designed to invite global stakeholder comments on the projects: https://www.globalcarboncouncil.com/global-stakeholders-consultation.html. It should be noted that the submissions are received for four projects which are undergoing GCC Operations Team’s Completeness check. Soon, following the Completeness Check, projects will be available for receiving global stakeholders’ inputs. ▪ As per paragraph 105 of section 4.2 of GCC Program Processes document, Draft GCC methodologies shall be made available on the GCC website for public consultation for a period of 15 calendar days, after which the GCC Operations Team shall revise the methodology taking into account received public inputs. Following webpage of GCC website is designed to invite public inputs on methodologies: https://www.globalcarboncouncil.com/public-consultation.html. ▪ GCC Program Processes document is available at https://www.globalcarboncouncil.com/resources/GCC-Program-Processes-v3.pdf. ▪ Refer section D.9 of Project Verification Report Template at https://www.globalcarboncouncil.com/program-forms-and-templates.html requiring GCC Verifier to explain how global stakeholder inputs received on project



	<p>are accounted for in the project verification.</p>
<p>Environmental and Social Safeguards System</p>	<ul style="list-style-type: none"> ▪ GCC Projects intending to meet CORSIA eligibility for its GCC-issued carbon credits must comply with ‘environmental no-net-harm’ and ‘social-no-net-harm’ criteria. The projects that intends to receive E+, S+ labels and “CORSIA Eligibility Flag” of GCC Program shall follow the requirements of Environment & Social Safeguard Standard that is referred through Project Standard. ▪ Environment & Social Safeguard Standard requires ex-ante determination of how project will achieve no-net-harm in the Project Submission Form and ex-post monitoring and verification of project for demonstration of no-net harm to environment and society on continuous basis. ▪ Section 5 of Project Standard stipulates that E+/S+ labels are voluntary requirement for selection, but become mandatory requirements, if selected. The standard provides reference to Environment & Social Safeguard Standard for implementation and monitoring requirements for E+/S+ labels. ▪ Refer the Project Standard available at https://www.globalcarboncouncil.com/resources/Project-Standard-v3.pdf. ▪ Refer Environment & Social Safeguard Standard available at https://www.globalcarboncouncil.com/resources/Environment-and-Social-Safeguards-Standard-v2.pdf. ▪ Refer section E (and its instructions) of Project Submission Form available at https://www.globalcarboncouncil.com/program-forms-and-templates.html
<p>Sustainable Development Criteria</p>	<ul style="list-style-type: none"> ▪ GCC Projects intending to meet CORSIA eligibility for its GCC-issued carbon credits must contribute to achievement of more than one UN-SDGs. This is in addition to UN-SDG # 13 on Climate Action that a GHG reduction project naturally contributes to. The projects that intends to receive SDG+ label and “CORSIA Eligibility Flag” of GCC Program shall follow the requirements of Project Sustainability Standard that is referred through Project Standard. ▪ Project Sustainability Standard requires ex-ante determination of how many SDGs the project aims to address and how it will contribute to achievement of different SDGs. The Standard also requires ex-post monitoring and verification of project for demonstration of contribution of project towards achievement of SDGs on continuous basis. Depending upon the number of SDGs that project contributes to, the quality of SDG+ label is determined that varies from Bronze to Diamond. ▪ Section 5 of Project Standard stipulates that SDG+ labels are voluntary requirement for selection, but become mandatory requirements, if selected. The standard provides reference to Project Sustainability Standard for implementation and monitoring requirements for SDG+ label. ▪ Refer the Project Standard available at https://www.globalcarboncouncil.com/resources/Project-Standard-



	<p>v3.pdf.</p> <ul style="list-style-type: none"> ▪ Refer Project Sustainability Standard available at https://www.globalcarboncouncil.com/resources/Project-Sustainability-Standard-v2.pdf. ▪ Refer section F (and its instructions) of Project Submission Form available at https://www.globalcarboncouncil.com/program-forms-and-templates.html
<p>Avoidance of Double Counting, Issuance and Claiming</p>	<ul style="list-style-type: none"> ▪ Paragraph 70 of section 10.2 of GCC Program Manual (Available at https://www.globalcarboncouncil.com/resources/GCC-Program-Manual-v3.pdf) provides safeguard against over issuance due to: (i) double issuance by GCC Program; (ii) double issuance by other GHG program; (iii) Double use and double sell. The safeguards are either in the form of a special features of GCC carbon registry in preventing over issuance, or the processes followed by GCC Program in preventing double issuance or double claim. The section also contains procedures to replace the deficient or double counted offset units (ACRs). ▪ For projects intending to supply CORSIA-eligible units, GCC Program clearly requires declaration of no-double counting from national authorities, through host country attestation for CORSIA-eligible units. Refer Section A.6 (c) in instructions to fill Project Submission Form available at https://globalcarboncouncil.com/program-forms-and-templates.html.



Table-2: GCC Rules that ensure compliance with ‘Carbon Offset Credit Integrity Assessment Criteria’ of CORSIA

Eligibility Criteria that emission units:	Summary of GCC Rules that ensure compliance of GCC Program with ‘Carbon Offset Credit Integrity Assessment Criteria’
Are additional	<p>The Issued Verified Carbon Offsets from GCC Projects will be additional due to the following reasons:</p> <ul style="list-style-type: none"> ▪ GCC Program requires projects to demonstrate compliance with the requirements of demonstration of additionality (<i>refer section 6.4.8 of <u>Project Standard</u></i>), which requires the Project Owners to demonstrate that anthropogenic GHG emissions are less than those that would have occurred in the absence of the Project Activity. The Project Standard requires projects to apply various approaches including requirements of the CDM or GCC Methodologies, CDM Tools (including Additionality tool, Investment analysis, Common Practice) and/or Positive Lists, ‘Legal Requirement Test’, etc. ▪ GCC Program takes the opportunity to respond to the observation of the TAB in section 4.2.11.3 of its recommendation document “the GCC does not have procedures in place to ensure that emissions reductions credited by the programme “...exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate”. Following provisions of GCC Program can be quoted to demonstrate the GCC Program ensures that any emission reductions by GCC-approved projects must exceed the requirements by law. <ol style="list-style-type: none"> 1. As per Principles quoted in section 3 of <i><u>Project Standard</u></i>, GHG emission-reduction projects that are implemented as the result of an enforced legal mandate (government regulation, law) cannot be submitted to the GCC as emission-reduction projects. 2. Specific eligibility criteria for Type-A projects as per section 5.2 of <i><u>Project Standard</u></i> requires that the Project Owner shall demonstrate that the Project Activity is not required by a legal mandate and does not implement a legally enforced mandate (government regulation or law); 3. The ‘Legal Requirement Test’ is the first step for demonstration of additionality under GCC Program (<i>refer section 6.4.8 of <u>Project Standard</u></i>),. Therefore, such projects that are implemented as the result of an enforced legal mandate (government regulation, law) are not eligible under GCC Program as per the ‘Legal Requirement Test’ for demonstration of additionality (<i>refer to section 3 (e) of <u>Project Standard</u></i>). 4. This proves that in case there is a mandate enforced by government requiring emission reductions, projects merely meeting the mandate cannot be submitted to GCC Program, unless the Project exceeds the requirements imposed by the law.



	<ul style="list-style-type: none"> ▪ The <u>Standard for Development of Methodologies</u> (section 3.5) and the <u>Program Processes</u> (<i>refer section 4</i>) provides requirements for development of GCC Methodologies, including the requirements on additionality. The <u>List of approved GCC Methodologies</u> are available on GCC website and list of and approved <u>CDM Methodologies</u> and <u>CDM Tools</u> are publicly available on UNFCCC website. ▪ Project Standard (<i>refer to paragraph 25</i>) requires projects to use the latest versions of the Project Submission Form (PSF) <u>template</u> to provide information on demonstration of additionality (<i>refer section B.5 of PSF template and section B.5 of the instructions therein</i>). ▪ GCC Program requires <u>approved GCC Verifiers</u> to conduct third-party independent verifications (<i>refer paragraph 62 of Verification Standard</i>) of GCC Project Activities as per the requirements in the Project Standard, including the requirements for demonstration of additionality. ▪ Verification Standard (<i>refer to paragraph 17</i>) requires GCC Verifiers to use the latest versions of the Project Verification Report template (PVR) <u>template</u> to report and certify the demonstration of additionality by the proposed project activity prior to project registration stage (<i>refer section D.3.5 of PVR and section D.3.5 page 20 of the instructions therein</i>).
<p>Are based on a realistic and credible baseline.</p>	<p>The Issued Verified Carbon Offsets from GCC Projects are based on realistic and credible baselines for the following reasons:</p> <ul style="list-style-type: none"> ▪ As per Project Standard (<i>refer section 6.4.9</i>), the proposed projects have to apply approved CDM and GCC Methodologies which provide requirements for determination of baselines for the proposed GCC Projects. ▪ In developing the baseline scenario, Project Owners are required, by Project Standard (<i>refer section 6.4.9</i>), to justify assumptions, values and procedures so that the most plausible baseline scenario leads to a conservative estimation of GHG emission reductions. ▪ The risks of overestimation of emission reductions are addressed at methodology level within both CDM as well as the GCC Program. The <u>Standard for Development of Methodologies</u> and the <u>Program Process</u> (<i>refer section 4</i>) provides requirements for development of GCC Methodologies, including the requirements on baseline. The Standard for Development of Methodologies (<i>refer section 3.4</i>) follows the CDM modalities and procedures and its paragraph 48 for the baseline approaches and CDM's <u>Guideline for determining baseline for measure(s)</u> which includes consistent and conservative approaches for baseline scenario and baseline emissions and considers many aspects including:



	<ol style="list-style-type: none"> 1. baseline for greenfield (most attractive or benchmark) vs. existing retrofit projects (historic), baseline for capacity expansion (benchmark), baseline for grid connected projects (benchmark); 2. rationale for baseline scenario for all possible investment scenarios and provides methods to calculate baseline emissions (e.g. baseline campaign, baseline survey, control group, top 20% for benchmark); 3. several methodological issues such as signal-to-noise ratio, rebound effect, emission apportioning principles, uncertainties of measurements, and sample size appropriateness that require tailored solutions in methodologies. <ul style="list-style-type: none"> ▪ The List of approved GCC Methodologies and approved CDM Methodologies and CDM Tools are publicly available on UNFCCC website. These methodologies ensure that baselines are realistic and credible.
Are quantified, monitored, reported, and verified.	<ul style="list-style-type: none"> ▪ The Issued Verified Carbon Offsets from GCC Projects are quantified, monitored, reported, and verified by GCC Verifier as required by Project Standard and Verification Standard (<i>refer to section 5</i>). ▪ Project Standard and Verification Standard requires the project data is to be measured, monitored, reported by Project Owner and verified by GCC Verifier as per the applicable methodology.
Have a clear and transparent chain of custody	<ul style="list-style-type: none"> ▪ Dedicated GCC registry is available on 3rd party carbon registry provider (IHS Markit) website. ▪ IHS Markit follows thorough operational procedures related to the management of projects and units throughout the entire lifecycle of credits. The GCC aims to maintain environmental integrity by using the Carbon Registry to prevent double counting, double issuance, and clear chain of custody while ensuring complete transparency. ▪ A rigorous protocol is followed in development of design elements and operation of registry as per CORSIA requirements. All the projects and carbon credits complying CORSIA requirements are flagged for the attention of international airlines or traders who deal with CORSIA-eligible units. ▪ Refer GCC Program Manual (section 8) and carbon registry public page.
Represent permanent emissions reductions	<p>The Issued Verified Carbon Offsets from GCC Projects will represent permanent emissions reductions due to the following reasons:</p> <ul style="list-style-type: none"> ▪ For projects intending to supply CORSIA-eligible carbon credits, GCC Program covers all GHG sectoral scopes of CDM and IAF MD 14 (ISO-14064-2) except the GHG sectoral scope 14 (Afforestation and Reforestation) and 16 (Carbon Capture and Storage) which may have risks due to permanence and accounting reversals; and



	<ul style="list-style-type: none"> ▪ GCC Program will not accept projects that intends to supply CORSIA-eligible offsets which fall within GHG sectoral scope 14 (Afforestation and Reforestation) and 16 (Carbon Capture and Storage) (<i>refer section 5, footnotes 7 and 8 of GCC Program Framework</i>).
Assess and mitigate against potential increase in emissions elsewhere	The Issued Verified Carbon Offsets from GCC Projects mitigate against potential increase in emissions elsewhere, i.e. outside the project boundary, but attributable to project activity. Such emissions are named as “leakage emissions” and are duly covered in GCC methodologies and CDM methodologies that GCC projects shall apply.
Are only counted once towards a mitigation obligation	The Issued Verified Carbon Offsets from GCC Projects are only counted once towards a mitigation obligation. GCC Program has developed policies and procedures to prevent double counting and over issuance and has established procedures to replace the deficient or double counted offset units (ACRs) as required by GCC Program Manual (<i>refer to section 10.2</i>).
Do no net harm.	<p>Issued Verified Carbon Offsets from GCC Projects for the purposes of CORSIA will not cause net harm to environment and society and shall contribute to the achievement of UN Sustainable Development Goals as:</p> <ul style="list-style-type: none"> ▪ Project Standard (<i>refer to paragraph 2 and 14, c</i>) requires Projects Owners to comply with the GCC Rules so that the proposed projects: <ul style="list-style-type: none"> (a) do not cause any net harm to the environment and society, by applying the GCC Environmental and Social Safeguards Standard, and enable Project Owners to demonstrate this achievement by obtaining additional GCC certification labels: (i) the Environmental No-net-harm Label (E+); and (ii) the Social No-net-harm Label (S+); and (b) contribute to achieving the United Nations Sustainable Development Goals (SDGs), by applying the GCC Project Sustainability Standard, and enable Project Owners –depending on the number of SDGs that the project contributes to – to demonstrate this achievement by obtaining additional SDG certification labels (SDG+). ▪ Project Standard (<i>refer to paragraph 25</i>) requires projects to use the latest versions of the Project Submission Form (PSF) template to provide information on environmental and social impacts and safeguards (<i>refer section E of PSF template and section E page 51 of the instructions therein</i>) and contribution to UN SDGs (<i>refer section F of PSF template and section F page 51 of the instructions therein</i>).

Host country written attestation to the avoidance of double-claiming

Issued Verified Carbon Offsets from GCC Projects prevent double counting as:

- Project Standard (*refer to paragraph 14, c, v*) requires Projects Owners to comply with the GCC Rules related to submission of Host Country Attestation on Double Counting as and when required by CORSIA (mandatory requirement for projects that intend to use ACRs for CORSIA).
- Project Standard (*refer to paragraph 25*) requires projects to use the latest versions of the Project Submission Form (PSF) template to provide information on demonstration of double counting to ensure that the offsets are only counted once towards a mitigation obligation (*refer section A.6 of PSF template and section A.6. page 42 of the instructions therein*).
- PSF template (*refer section A.6*) requires to demonstrate compliance with the double counting requirements of CORSIA on project to project basis and requires Project Owners to: “Obtain and provide to the GCC Program and its Registry (IHS Markit), a written attestation from the host country’s national focal point or focal point’s designee, as required by CORSIA Emissions Unit Criteria (paragraph 7 (c) of Carbon Offset Credit Integrity Assessment Criteria) and ‘Programme Application Form – Appendix A – Supplementary Information Form ’ (*refer section 3.7.8. with respect to- Host country attestation to the avoidance of double-claiming*) in which shall be made publicly available prior to the use of units from the host country in the CORSIA.” Therefore, the onus lies on the Project Owner to comply with this requirement.
- The host country attestation procedure is under consideration of GCC Program. Following points are being discussed in this regard.
 1. The provisions in GCC Program documents as mentioned above require Host country written attestation for the avoidance of double-claiming, as a pre-requisite for use of the emission units for offsetting under CORSIA and shall be provided to GCC Program either by the Project Owner or the Airline operator wishing to buy the offsets, based on a private contract between them. Without such host country attestation, GCC Program will not flag the emission units generated from the projects as ‘CORSIA compliant’ in the registry. This will ensure that offsets from GCC Projects are only counted once towards a mitigation obligation.
 2. In the event that the emission reduction offsets sold by the Project Owner to an airline is double claimed by a host country, it is an issue in which the three parties including Project Owner, the Airline operator or the Host Country are involved. Since GCC Program shall not be a party to such carbon offset selling/purchasing contracts, the Program does not have liability not it requires any procedure for replacing such emission reduction offset units. However, if the offset units sold to an airline by the



individual Project Owners is double claimed by a host country, despite it provides a Host country attestation to the project, the host country is responsible for replacing the deficient or double counted offset units. In such circumstances, the GCC program does not have authority to challenge the host countries.

- Therefore, GCC Program believes that ICAO and TAB may be in best position to develop the common guidelines for eligible GHG Programs to develop global procedure, considering that many situations may be out of control and influence of GHG Programs.
- GCC Program stands committed to implement all possible options given that it has authority to do so. If “replacement of offset units” is an option as a remedy for double claimed units, GCC Program has the ability and the flexibility to allow transfer of such replaced units through its registry.



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