



TOOL FOR DETERMINATION OF CONTRIBUTION OF PROJECTS TOWARDS SUSTAINABLE DEVELOPEMENT

Draft Version 0.1



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CARBON REGISTRY-INDIA
NETWORK FOR CERTIFICATION AND CONSERVATION OF
FORESTS

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ABBREVIATIONS

Complete list of abbreviations shall be provided with the final version of the document.
For quick reference kindly refer to the following:

- A/R: Afforestation/Reforestation
- CR-I: Carbon Registry-India
- CS: Carbon Standard
- DE: Delegate Entity
- DPR: Detailed Project Report
- EP: External Project
- GC: Governing Council of NCCF
- IMD: Independent Methodology Developer
- IPP: Independent Project Proponent
- MAP: Methodology Approval Procedure
- MCU: Marketable Carbon Unit
- MR: Monitoring Report
- PC: Project Cluster
- RIP: Registration and Issuance Procedure
- SCR: Stakeholder Consultation Report
- SDG: Sustainable Development Goal
- VVB: Validation and Verification Body
- VVS: Validation and Verification Standard

1. Introduction

Climate Change is known to have social, economic and environmental impacts with basic amenities such as food, water, energy, etc coming under severe climatic stress. Climate change certainly and adversely impacts the sustainable development. This makes it imperative to assess any mitigation project with respect to its contribution to the sustainable development. The adoption of the 2030 Agenda for Sustainable Development and the Paris Agreement by Parties provides an opportunity to integrate objectives of Sustainable Development with those of the projects and actions aimed to mitigate the climate change. Thus, the Carbon Registry-India (CR-I) focuses on contribution to Sustainable Development Goals (SDGs) as integral part of all projects seeking registration and issuance under the Registry. The aim of the Registry is not only to reduce net GHG emissions but holistically lead to achieving Sustainable Development Goals.

The CR-I tool for Determination of Contribution of projects towards Sustainable Development (hereafter referred to as ‘the tool’) provides an open, flexible, yet robust and efficient method for identification of project activities affecting the 17 SDGs using appropriate quantitative and qualitative assessment methodologies. The tool allows the Independent Project Proponents (IPPs) link the co-benefits generated by the project to the national, regional and/or local goals and commitments of the host country to its sustainable development.

The tool shall further facilitate determination of impact factor, which shall be utilised as a comparative measure to analyse the contribution of different projects towards sustainable development as per the SDGs.

The tool shall be used in its entirety for all projects regardless of the sectoral scope, scale and geographic location, seeking registration, or projects which are already registered with the registry.

2. Approach

2.1 General

- 2.1.1 CR-I shall follow a four-step approach towards determination of contribution of a proposed and/or registered project with CR-I.
- 2.1.2 It is mandatory for a project to have net positive impact on at least 4 (including Goal 13: Climate Action) of the 17 Sustainable Development Goals.
- 2.1.3 The IPP shall only take into consideration the impacts which are a result of direct activities of the project. Activities such as conducting trainings, capacity building workshops, financing health and education systems and/or activities aiming at poverty reduction, etc. may be considered as direct activities and shall

be assessed for their net contribution to the SDGs provided that the details thereof are mentioned explicitly in the Detailed Project Report (DPR). Such activity shall be either financed directly from the project funds and reported in the IRR or be financed from sale of MCUs of the project.

2.1.4 The 4-step procedure to assess net contribution of a mitigation project towards sustainable development is presented in Figure 1 below:

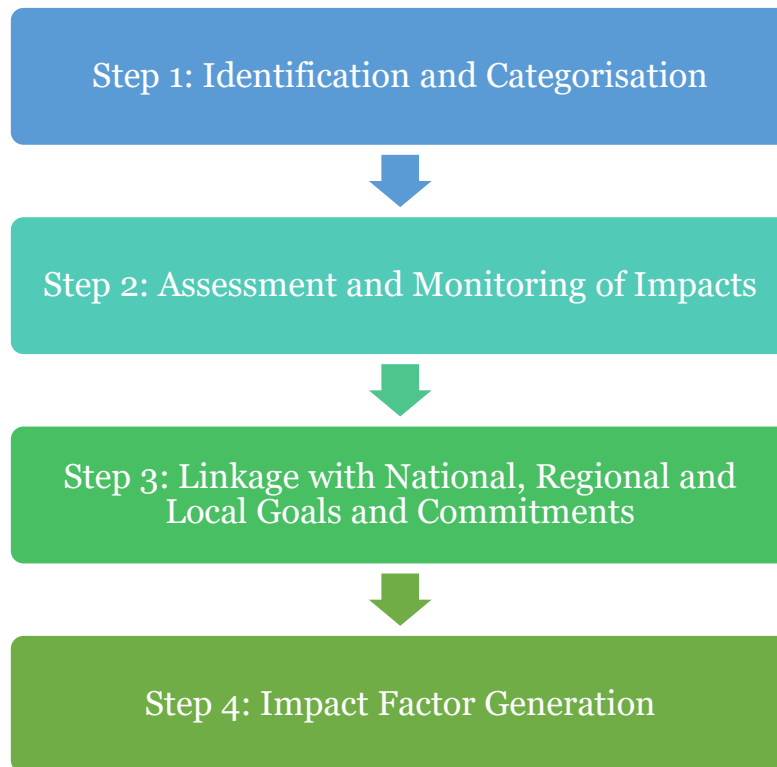


Figure 1: Determination of Contribution to Sustainable Development

2.2 STEP 1: Identification and Categorisation of Impacts on SDGs

2.2.1 First step for determination of a project for its contribution towards sustainable development, constitutes identification of activities that result from implementation of the project, and which impact SDGs. One particular activity or a number of activities of the same project may contribute positively or impact negatively towards either a single SDG or a group of SDGs.

2.2.2 The IPP shall describe the net contributions on the SDGs and the corresponding national target(s) thereof due to the identified activities of the proposed project. IPP shall adequately describe the net contributions in the Table 1. This description of impacts/contributions shall be conceptual rather than being quantitative or qualitative evaluation. However, IPP shall elaborate and provide rationale for the same. For example, reduction in amount of combustion of fuelwood due to improved cookstoves may relate to SDG 3– Good health and wellbeing, through better indoor air quality due to reduction in soot, SO_x and NO_x emissions, and also SDG 15 – Life on Land and SDG Affordable and Clean Energy among others.

2.2.3 IPP shall categorise the contribution and thus the assessment method, as qualitative or quantitative based on the feasibility (technological, financial and methodological). For example, a project which uses improved cookstoves aiming to reduce fuelwood consumption, would also, therefore, contribute towards improved indoor air quality. However, it may not be financially viable to quantify reduction of the air pollutants in the ambient air and consequent improvement in indoor air quality. In such cases, IPP shall opt for qualitative approach for assessment of categorisation. IPP shall provide reasoning for categorization of each activity along with its impact on SDG.

2.2.4 IPP shall analyse the type of impact and thus net contributions on the SDG as positive or negative for each activity under the project. In case where more than one activity is impacting or contributing to an SDG, the net impact of all activities on that SDG is required to be identified, as each activity may have either positive or negative contribution towards the particular SDG. IPP shall provide appropriate justification using reports, scholarly articles, or any other reputable source of information.

2.2.5 IPP shall use Table 1 for identification and categorisation of impact on or contribution to SDG

Table 1: Identification and Categorisation of impact on or contribution to SDG

Goal	Sustainable Development Goal	Activity impacting the SDG	Impact on SDG target	Category of Impact on SDG (Qualitative or Quantitative)	Type of Impact on SDG (Positive or Negative)	Net Impact on SDG (Positive or Negative)
1	No Poverty					
2	Zero Hunger					
3	Good Health and Well Being					
4	Quality Education					
5	Gender Equality					
6	Clean Water and Sanitation					

7	Affordable Energy and Clean Energy					
8	Decent Work and Economic Growth					
9	Industry, Innovation and Infrastructure					
10	Reduced Inequalities					
11	Sustainable Cities and Communities					
12	Responsible Consumption and Production					
13	Climate Action					
14	Life Below Water					
15	Life on Land					
16	Peace, Justice and Strong Institutions					
17	Partnership for Goal					

2.3 STEP 2: Assessment and Monitoring of Impacts

General

2.3.1 IPP shall justify the approach selected and applied for quantitative and/or qualitative assessment of net contribution of activities of project towards the SDGs.

- 2.3.2 IPP shall provide appropriate reasoning for selecting quantitative and/or qualitative approach based on technical, financial or any other relevant variable.
- 2.3.3 IPP shall justify and may use same quantification and/or qualitative approach to determine sustainable development contribution by more than one activity.
- 2.3.4 IPP shall describe roles of the organisations, stakeholders and individuals involved in implementation of activities contributing to sustainable development and tasks associated with the assessment.

Monitoring and Quantitative and Qualitative Assessment

- 2.3.5 IPP shall design, describe and establish monitoring approach for the selected quantitative or qualitative assessment of sustainable development benefits. Monitoring approach selected at the time of developing the DPR shall be consistently applied in the monitoring report for all monitoring periods.
- 2.3.6 IPP may opt to update the monitoring approach which shall be as per the rules, requirements and procedures for Permanent Design Changes established in the Carbon Standard and Validation and Verification Standard.
- 2.3.7 IPP shall develop monitoring approach based on existing literature, reports, or adopt from any other reputable source of information, or may develop a monitoring approach exclusively for the project activity. In certain cases, IPP may refer to and use monitoring approaches from already registered projects with CR-I.
- 2.3.8 IPP shall describe in detail the following components of the monitoring approach:
 - i) Data and Parameters
 - ii) Monitoring Strategy
 - iii) Quantitative and/or Qualitative Analysis Methodology
- 2.3.9 IPP shall indicate and define the indicators to measure the contribution to the SDG target(s) and all the relevant parameters, coefficients, factors, variables or any other form of data selected and/or fixed *w.r.t.* to every SDG selected for assessment of sustainable development benefits.
- 2.3.10 IPP shall define and describe the monitoring strategy which may include but not limited to, data collection, collation, storage and analysis procedures, delineating organisational and management structure along with roles and responsibilities.

- 2.3.11 IPP shall define, describe and justify the qualitative and/or quantitative analysis methodology adopted by the IPP to determine the contribution of the project to sustainable development.
- 2.3.12 IPP shall provide ex-ante estimation of the sustainable development benefits from the project during submission of DPR for validation of the project.
- 2.3.13 During submission of monitoring of contribution to sustainable development, IPP shall provide information on all data, parameters and variables selected during design and development phase of the project.
- 2.3.14 In cases where IPP uses sampling approach for determination of value of any parameter and/or variable, IPP shall describe the sampling plan and adhere to rules, requirements and procedures prescribed in the current version of Standard: Sampling and Surveys for CDM Project Activities and Programme of Activities.
- 2.3.15 IPP shall provide ex-post calculation of sustainable development benefits in an appropriate section of the monitoring report for every monitoring period.

2.4 STEP 3: Linkage with National, Sub-national, Regional, Local and Corporate Goals and Commitment

- 2.4.1 IPP shall demonstrate linkages with the national, regional and/or local SDG targets, indicators and/or parameters selected by the respective government at different levels of governance.
- 2.4.2 IPP should link the contribution to sustainable development to different policies at national, state level and/or local level, such as policies relating but not limited to poverty alleviation, energy security, water security, agriculture, increased income, health, education and capacity building.
- 2.4.3 IPP may also link the contribution to sustainable development, to corporate economic, social and environmental targets and/or policies in cases where the corporate entity is a participant in the project activity.

2.5 STEP 4: Impact Factor Generation

- 2.5.1 IPP shall calculate impact factor of the project on sustainable development based on the rules, requirements and procedures as mentioned in this Section of the tool.
- 2.5.2 To measure the net contribution of a project towards sustainable development which have impact on, or contribution to different SDGs and their targets, it is important to have a common score-based method.

- 2.5.3 IPP shall measure the contribution to sustainable development by evaluating the four most positively impacted SDGs (reference Sub-section 2.1.2) by the project. The impact score of the SDG shall be based on both the scale and intensity of the impact on social, economic and environmental components associated with the project.
- 2.5.4 IPP shall allocate scores ranging from 1-5 for the scale of impact/contribution and intensity of impact of the project on SDGs with increasing score representing higher contribution to SDG as evident in Figure 2. The maximum possible score for SDG shall be 25 (5*5). IPP shall provide appropriate justification for selecting the score by using reference data, reports, scholarly articles and any other reputable source of information.
- 2.5.5 For example, an A/R project implemented on a small patch of land may relatively have a low score on the scale of impact/contribution to SDGs. However, the project has immense impact on the lives of the community who are directly dependent on that patch of land and thus, the project commands relatively higher score on intensity of impact.
- 2.5.6 IPP shall use Figure 2 for allocating score on scale and intensity of the impact of project on sustainable development and Table 2 for determining the impact score with respect to the SDG.

↑ INTENSITY OF IMPACT	5 (HIGH)	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1 (LOW)	1	2	3	4	5
	Score	1 (LOW)	2	3	4	5 (HIGH)
SCALE OF IMPACT →						

	High Impact
	Medium Impact

	Low Impact
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Figure 2: Scoring Table for Impact on SDGs

Table 2: Template to determine the Impact Score

S No	SDG	Scale of Impact (SI)	Intensity of Impact (II)	Impact Score (SI*II)
1.	SDG	A1	B1	A1B1
2	SDG	A2	B2	A2B2
3	SDG	A3	B3	A3B3
4	SDG	A4	B4	A4B4
Cumulative Score: A1B1 + A2B2 + A3B3 + A4B4				

Impact Factor Generation

2.5.7 Impact factor of the project shall be calculated as the ratio of cumulative SDG Impact Score to the maximum possible impact score for SDGs which is expressed in the following equation:

$$\text{Impact Factor} = \frac{\text{Cumulative SDG Impact Score}}{\text{Maximum Possible Impact Score}}$$

The maximum possible impact score shall be 100, since maximum score attainable for each of the four selected SDGs shall be 25 (5*5)

2.5.8 Higher the impact factor, higher shall be the positive contribution of project towards SDGs and thus, higher the contribution towards sustainable development. The maximum impact factor possible shall be 1 only under exceptional conditions and subject to acceptance by NCCF GC.

3. Validation and Verification

General

3.1 Validation and Verification Bodies (VVB) empanelled with the CR-I shall perform Validation and Verification of Contribution project to Sustainable Development as per the rules, requirements and procedures established in this Section 3 of the tool.

- 3.2 VVB shall adhere to Standard Principles of Auditing as defined in Section 7 of Validation and Verification Standard (VVS). VVB shall also adhere to materiality thresholds for different scale of projects as established in the section 9.6 of VVS
- 3.3 VVB shall report the evaluation of contribution to sustainable development in appropriate sections of Validation Report (VaR) or Verification Report (VeR)

Validation

- 3.4 VVB shall evaluate whether the activities of the proposed project are identified against appropriate SDGs and whether the impact defined and described is suitable as per the project scenario.
- 3.5 VVB shall determine if the impacts on, and contributions to the SDGs by the activities of the project have been correctly defined and the justification, citations and references are appropriately provided.
- 3.6 VVB shall also evaluate based on the justification provided by the IPP if the impact of the activity is rightfully determined as positive or negative and subsequently determine whether the SDG is being positively or negatively affected. VVB shall report in the appropriate section of the Validation report the net impact of activities of the project on any SDG and, therefore, the eligibility of the project for registration with CR-I.
- 3.7 During validation and registration of the proposed project, if it is found that the net contribution of the project towards any single SDG is assessed to be significantly negative by the VVB and/or NCCF GC, the proposed project shall be deemed unfit for registration.
- 3.8 VVB shall evaluate if the IPP has appropriately categorised and justified the impacts as quantitative and/or qualitative and suitably assessed the categorisation.
- 3.9 VVB shall determine if IPP has provided complete information in Table 1 for identification and categorisation of impact on, and contribution to the SDG.
- 3.10 VVB shall use the standard auditing techniques at its disposal to determine the suitability of the quantitative and qualitative approach adopted by the IPP to determine the benefits of the project based on the rules, requirements and procedures established in the Section 2.3 of this tool.
- 3.11 VVB shall evaluate if the IPP has appropriately defined the roles and responsibilities of the organisations, stakeholders and individuals in

monitoring and quantitative and/or qualitative assessment of benefits of the project towards sustainable development.

3.12 Using the Standard auditing techniques, VVB shall determine the appropriateness of the data and parameters, monitoring strategy and quantitative and/or qualitative assessment methodology selected as defined and described by the IPP as per the rules, requirements and procedures established in the tool.

3.13 VVB shall determine if IPP has appropriately linked the sustainable development benefits with the national, regional and/or local goals, commitments, policies, etc of the geographical location in which the project is being implemented.

3.14 VVB shall using standard auditing techniques at its disposal, determine the appropriateness of the scores given by the IPP and subsequently the impact factor generated using the scores as per the rules, requirements and procedures in Sub-section 2.5 of the tool.

Verification

3.15 The verification of the contribution of the project to sustainable development shall coincide with the verification of the Monitoring Report and other supporting documents and, as established in the DPR.

3.16 The VVB shall determine if IPP has appropriately followed the monitoring approach for quantitative and/or qualitative analysis of sustainable development benefits as established and validated in the DPR.

3.17 The VVB shall evaluate the ex-post estimation of the sustainable development contribution as per the data and parameters, monitoring strategy and analytical methodology validated in the DPR.

3.18 VVB shall evaluate linkage of contribution of the project to revised (if any) national, regional and/or local goals, commitments and policies, and also assess if the contributions have been appropriately mapped and depicted at every verification stage.

3.19 At every stage of verification, VVB shall evaluate the need to reassess the impact factor based on the impacts for that monitoring period.

Document History

Version	Date	Description
Draft 0.0	25.10.2019	CR-I Tool for Determination of Contribution of Projects to Sustainable Development provides rules, requirements and procedures for quantitative and qualitative assessment of sustainable development benefits from the project and their subsequent validation and verification.
Draft 0.1	10.01.2020	Changes made after comprehensive internal reviews and feedback by Dr Jagdish Kishwan, Chairman and Chief Coordinator, Carbon Registry-India