

The Qazaq Green Certification Program Qazaq Green Certificate

Qazaq Green Certification Program standard

Policy to Avoid Double Counting Projects Version 1.0

Introduction

This policy has been developed for use under the Qazaq Green Certification Program (hereinafter referred to as the QGCP Standard) standard and is applied in cases where there is a possibility of double counting greenhouse gas emission reductions (hereinafter referred to as double counting) through the issuance of QGCP Standard certificates. It aims to ensure that the same reduction in greenhouse gas emissions has brought benefits more than once through the repayment of obligations established by law and / or the declaration of voluntary emission reductions.

The project's non-double counting policy aims to protect the transparency, credibility and reliability of all GHG emission reduction units validated by the Qazaq Green Certification Program. It is determined in order to avoid both intentional and unintentional double counting, both in the systems of state regulation in the field of greenhouse gas emissions and removals, and in systems of voluntary reduction of greenhouse gas emissions.

The need to eliminate double counting is addressed in all QGCP activities related to voluntary greenhouse gas emission reductions and covers the issuance of all units of QGCP Certified Emission Reductions (verified and verified).

Glossary of terms

This glossary includes the following terms used under the Qazaq Green Certification Program and the legislation of the Republic of Kazakhstan:

- *double counting* - a scenario in which the benefit of one or more units of certified CQG emission reductions is used more than once for the purpose of selling to third parties with financial and reputational benefits associated with greenhouse gas emission reductions and / or accounting in carbon credits or other registries. similar systems;



- *Certified Emission Reduction Unit (CQG)* – a unit of greenhouse gas emission reduction verified by the Qazaq Green Certification Program and equal to one metric ton of carbon dioxide equivalent. This term refers to a voluntary certification system for reducing greenhouse gas emissions and does not apply to carbon units subject to state regulation in the field of emissions and removals of greenhouse gases in accordance with Article 299 of the Environmental Code of the Republic of Kazakhstan;
- *Certified GHG Emission Reduction* – GHG Emission Reduction certified based on the Qazaq Green Certification Program Standard or other similar certification system. This term does not apply to carbon offsets and offset units subject to the regulation of the rules approved by the authorized body of the Republic of Kazakhstan in the field of environmental protection;
- *offset unit* - a carbon unit used for calculating the carbon offset;
- *carbon unit* - an accounting unit of a carbon quota or carbon offset and equal to one ton of carbon dioxide equivalent;
- *carbon offset* - reduction of greenhouse gas emissions and (or) increase in greenhouse gas removals, achieved as a result of activities or activities in any sectors of the economy in the Republic of Kazakhstan, aimed at reducing greenhouse gas emissions and (or) increasing greenhouse gas removals;

Policy to Avoid Double Counting Projects

The possibility of double counting as part of the settlement of obligations, as a rule, arises where government regulation in the field of greenhouse gas emissions and removals is applied. Typical examples of such regulation are carbon quotas and the application of a carbon tax.

Example of double counting for carbon caps

The project to reduce greenhouse gas emissions (part of it) has been implemented or is being implemented as a carbon offset with the receipt of offset units both on the basis of the rules approved by the authorized body of the Republic of Kazakhstan in the field of environmental protection, and on the basis of the standard of the Qazaq Green Certification Program.

In this case, double counting is due to the fact that the same GHG reduction can be used to offset the carbon offset by the operator of a regulated facility in Kazakhstan and declare a voluntary GHG reduction in Kazakhstan or outside of it.

Example of double counting for a carbon tax



A greenhouse gas emission reduction project (part of it) is implemented or is being implemented to exempt and / or reduce the amount of carbon tax, or units of certified CQG emission reductions can be used to cover carbon tax liabilities. In this case, double counting is due to the fact that greenhouse gas emission reductions can be used both to declare voluntary greenhouse gas emission reductions in Kazakhstan or outside of it, and to receive carbon tax benefits in Kazakhstan.

An example of double counting in different voluntary certification systems

The project to reduce greenhouse gas emissions (part of it) has been implemented or is being implemented based on the standard of another program similar to the Qazaq Green Certification Program. Double counting is due to the fact that voluntary emission reduction units will be issued for the same greenhouse gas emission reduction under the Qazaq Green Certification Program and other similar program operating in Kazakhstan or outside Kazakhstan.

Double counting in relation to carbon caps and carbon taxation should be eliminated through the application of additionality assessment of projects by the project developer and the QGCP. Double counting associated with the registration of the same projects for participation in the Qazaq Green Certification Program and other similar voluntary greenhouse gas emission certification programs. It is eliminated through the provision by the project developer and consideration by the QGCP of relevant information when preparing the design documentation for the greenhouse gas project, providing access to information about registered projects on the QGCP Internet resource, which allows identifying such projects.

The risk of double counting also exists in the framework of the declaration of voluntary greenhouse gas emission reductions, when registered greenhouse gas projects, units of certified CQG emission reductions are used for the same purpose more than once.

Project Developers and QGCPs consider the applicability of the provisions of the project-specific double-counting policy to a particular project at the stages of developing and approving project GHG project documents and issuing CQG certified emission reduction units. In the first case, the

elimination of double counting is ensured by adjusting the project design document of the project for greenhouse gases or if such an adjustment is impossible when making a decision not to approve the project design document of the project for greenhouse gases. In the second case, the elimination of double counting is ensured by adjusting the CQG certified emission reduction units issued to the project developer, determining the conditions for further operations with CQG certified emission reduction units in the QGCP Registry.

In the event that a double counting issue is identified with respect to CQG Certified Emission Reduction Units already issued and those in the QGCP Registry, the Qazaq Green Certification Program representative will consult on this issue with the CQG Certified Emission Reduction Unit holder and representatives of the voluntary certification system, carbon quota or carbon taxation in for which such a problem arises. The QGCP may suspend further transactions in the relevant CQG Certified Emission Reduction Units for the duration of this consultation. In the event that there is convincing evidence of a double counting issue with respect to CQG Certified Emission Reduction Units already issued and in the QGCP Register and its irremediable nature, QGCP may cancel the issued CQG Certified Emission Reduction Units and in the QGCP Register in an amount attributable to the established double counting problem.

Issued units of certified CQG emission reductions can be used to demonstrate the carbon neutrality of their owner, as well as the services, works, products produced. The carbon neutrality of a product can be claimed by the purchaser of the relevant services, works and products. Such cases are not considered by the QGCP as a double or multiple claims, and not as a double count requiring remedial action.

In cases where the owner of CQG certified emission reduction units trades the same asset multiple times, selling it to different buyers. The QGCP treats such multiple sales as double counting and takes preventive action to eliminate them by assigning a unique serial number to each CQG Certified Emission Reduction Unit to regulate the transactions of CQG Certified Emission Reduction Units aimed at avoiding their multiple sale through the QGCP Registry. QGCP communicates identified instances of multiple sales and double counting of CQG Certified Emission Reduction Units outside the QGCP Registry through publications on its website.

Any member of the public may submit a QGCP complaint regarding a potential double counting issue with registered GHG projects, CQG certified emission reduction units produced or issued. Such applications may be submitted to the QGCP (email address?) subject to the confidentiality of the identity of the applicant.



Based on the results of reviewing situations related to the problem of double counting, including those identified through requests from members of the public, monitoring the application of agreed methodologies by the technical committee, QGCP considers the need to make appropriate adjustments to the QGCP Standard and methodologies, operating procedures and rules for using the QGCP Registry.