

Addressing Erroneous Issuance of Carbon Debits Policy

Purpose

This policy establishes the procedures for identifying and rectifying the erroneous issuance of carbon debits, including remedial measures such as cancellation or compensation through replacement.

Scope

This policy applies to all carbon debits issued and managed by Global Carbon Standard.

Procedures

1. Identification of Erroneous Issuance

Monitoring:

- Implementation: Establish a continuous monitoring system using automated tools and manual checks to track the issuance of carbon debits.
- Indicators: Set up specific indicators and benchmarks to identify any discrepancies or irregularities.

Audit:

- Internal Audits: Conduct regular internal audits to review the processes and data related to carbon credit issuance.
- External Audits: Schedule external audits by third-party auditors to ensure an unbiased assessment of the issuance practices.

Reporting:

- Mechanism: Create a clear and accessible reporting mechanism for stakeholders to report any suspected erroneous issuances.
- Awareness: Raise awareness among stakeholders about the reporting process through training sessions and informational materials.

2. Verification of Erroneous Issuance

Initial Review:

- Assessment: Upon receiving a report, the Verification Team conducts an initial assessment to determine the validity of the claim.
- Criteria: Use predefined criteria to quickly identify obvious errors and decide whether a detailed investigation is required.

Detailed Investigation:

- Documentation: Collect and review all relevant documentation, including project reports, data logs, and issuance records.
- Interviews: Conduct interviews with project managers, auditors, and other relevant personnel to gather additional insights.



- Analysis: Perform a thorough analysis using statistical and analytical tools to identify the root cause of the erroneous issuance.

3. Remedial Measures

Cancellation:

- Procedure: Develop a clear procedure for the immediate cancellation of confirmed erroneous carbon debits.
- Notification: Notify all relevant stakeholders, including the project proponent, registry participants, and regulatory bodies about the cancellation.

Compensation through Replacement:

- Assessment: Assess the impact of the erroneous issuance and determine the appropriate amount of replacement debits needed.
- Issuance: Issue replacement carbon debits from verified and valid sources to compensate for the cancelled debits.
- Documentation: Document the entire replacement process, ensuring transparency and accountability.

Rectification Report:

- Preparation: Prepare a comprehensive rectification report detailing the error, findings from the investigation, and the remedial actions taken.
- Distribution: Distribute the report to all stakeholders and make it publicly available to maintain transparency

4. Entities Responsible

Verification Team:

- Role: Responsible for conducting the initial review and detailed investigation of the erroneous issuance.
- Composition: Composed of experts in carbon accounting, data analysis, and project management.

Registry Management:

- Role: Responsible for executing the cancellation and replacement of erroneous carbon debits.
- Composition: Includes registry administrators and compliance officers.

Compliance Officer:

- Role: Oversees the entire process, ensuring adherence to the policy and maintaining communication with stakeholders.
- Responsibilities: Coordinates between the Verification Team and Registry Management and ensures timely resolution of issues.



5. Communication

Notification:

- Immediate Action: Notify all affected stakeholders promptly upon confirmation of an erroneous issuance.
- Channels: Use multiple communication channels (email, official website, direct meetings) to ensure all stakeholders are informed.

Transparency:

- Documentation: Maintain a public record of all investigations, findings, and actions taken.
- Updates: Provide regular updates to stakeholders on the progress of the rectification process.

6. Continuous Improvement

Review and Update:

- Regular Review: Conduct regular reviews of the policy to identify areas for improvement.
- Feedback Incorporation: Incorporate feedback from stakeholders and auditors to enhance the policy.
- Training: Provide ongoing training to all employees and stakeholders to ensure understanding and compliance with the policy.

