Universal Carbon Registry
Program Manual (Ver 6.2)

May 2025

By:
Universal CO2 Emission And Offset Registry Pvt Ltd (Universal Carbon Registry)
Office #37, 3rd Floor, Darshanam Trade Centre #1,
Sayajigunj, Vadodara 390020,
Gujarat, India.
www.ucarbonregistry.io

1. Universal Carbon Registry CoU Program Overview

1.1 Introduction

Universal CO2 Emission And Offset Registry Pvt Ltd (Universal Carbon Registry or UCR) is a private limited company located in India and aims to launch a low cost, simple and robust voluntary carbon standard and accompanying voluntary carbon registry platform (UCR platform or Registry) to enable a sustainable and low carbon world economy. The UCR Standard receives GHG emission-reduction projects from the entire world, although it places special emphasis on low-carbon development in India and especially early action small scale projects that have been under-represented in carbon markets. The UCR Standard and its flagship registry platform is a one-stop shop for registration of carbon reduction projects and issuance of carbon credits based on the simple principle that project activities within the system do not cause any net-harm to the environment and society and contribute to the sustainable goals as set out by India.

The UCR Program is comprised of the entire governance structure, registry platform system and the documentation framework to achieve this objective. This program has been designed to supplement the existing voluntary carbon market programs, such as Clean Development Mechanism (CDM) and other voluntary GHG programs, to adequately address inequitable regional distribution of carbon offsetting projects particularly in India under the specifications with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements outlines in ISO 14064:2:2019.

The UCR Program has been designed based on international best practices, including: assuring transparency through a pre-approved positive list of eligible project activities; providing a de-centralized structure for accepting standards (e.g., baseline and monitoring methodologies) that are already being used in the voluntary carbon market; establishing a low cost and fast project registration cycle, including transparent and simplified project registration and carbon-credit issuance procedures; establishing an international carbon registry; ensuring effective approval of project and emission-reduction verifiers; adopting provisions to ensure and evaluate the sustainable-development performance of projects; and creating a platform for allowing results-based finance of projects.

This document provides the general provisions governing the UCR Program and the development of UCR CoUs (Carbon Credits or Offsets) Project Protocols, Verification, Registration of CoU Projects, and issuance and transfers of CoUs from projects registered in the UCR Program or associated Registry. Project specific protocol guidance can be found in the individual UCR Standard. The procedures used to assess these proposals as candidates for new CoU project activity types are also described in this document.

1.2 General Qualifications

The UCR Program Manual (this document) is the overarching program document and provides links to various UCR documents containing the rules and requirements governing the UCR Program. The manual describes key elements of the program, such as the UCR Standard, UCR Platform, Registry and approval requirements for UCR Verifiers.

All project activities are awarded verified or voluntary carbon credits for the emission reductions quantified as 1 ton(ne) CO_{2eq} that they achieve under the unit called Carbon Offset Unit or (CoU). The CoU or UCR Projects can be registered at UCR directly by the Project Owner (Seller), or through a registered Aggregator who opens a UCR membership account as a Seller on behalf of the project owner or multiple project owners. Aggregators may serve as administrative agents for multiple small Project Owners in order to minimize verification costs and time. Aggregators manage project documentation, arrange for independent verification by Approved Verifiers, effect CoU transfers or retirement on behalf of Project Owners, and distribute sales proceeds back to the Project Owners in a de-centralized system. Entities wishing to register eligible CoUs with the UCR Program must first qualify as an approved Participant (Seller) or must work through an Aggregator.

The generic considerations of UCR Program are mostly based on International Standard ISO 14064-2 and verification guidance as under ISO 14064-3. The UCR Program provides a global platform for GHG emission reductions and GHG removal projects, through an integrated and de-centralized UCR Registration, Verification and Issuance process.

The UCR Program deals with GHG-emission-reduction projects covering **two greenhouse gases**, as indicated below:
(a) Carbon-dioxide (CO_2);
(b) Methane (CH_4);

The UCR Standard deals with the following sectoral scopes:

Energy industries (renewable - / non-renewable sources)	Energy distribution	Energy demand	Manufacturing industries	Chemical industries
Transport	Metal production	Waste handling and disposal	Agriculture	Construction

Project activities under the **Fugitive Emissions from Fuels (solid, oil and gas)** specific scope ***can use or adapt*** the **following applicable methodologies only** under the Program as below:

AM0023	AM0043	AM0064	AMS-III.W	AMS-III.BI

The following are normative (referenced) documents in the UCR Program:
(a) ISO 14064:2, Greenhouse gases – Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements;
(b) ISO 14064-3, Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements;
(c) ISO 14065, Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition; and
(d) References to applicable Clean Development Mechanism (CDM) tools and methodologies.

The standards mentioned above are part of the UCR requirements and shall be met either by the Project Owner or Aggregator (Sellers) (ISO 14064-2) or the Verifier (ISO 14064-3 and ISO 14065). Where there is any conflict between UCR Program documentation and the above-mentioned standards, the UCR Program documentation shall take precedence.

The UCR Program uses conservative accounting methodologies set out as per the detailed procedures **adapted from the UNFCCC CDM** and peer-reviewed emission reduction formulas for quantifying the GHG benefits of a project activity applying under its in-house methodology or protocols (e.g. UCR Biogas Protocol). The approved methodologies are publicly disclosed (**link**).

The process of CoUs from registration to the trading market is explained **here**. To avoid any conflict of interest, the **UCR is not party to any CoU trading (via decentralized or centralized exchanges or OTC), including operating any official trading accounts on such linked exchanges. The UCR does not pursue buyers, act in a brokering capacity, or actively market the CoUs generated by sellers.**

1.3 Use of CoU

The quantity of mitigation achieved by each CoUs shall be quantified on the basis of metric tons of carbon dioxide equivalent (MtCO2eq or tCo2eq). Each CoU represents one tCO2eq and is identified by annual vintage year. Unless otherwise authorized by UCR in advance, the minimum quantity that can be registered or transferred is one metric ton CO2e (1 CoUs). The UCR Program may issue CoUs on the basis of annual emission mitigation. CoUs may also be issued for certain projects more frequently with the submission of the required project verification documentation to the UCR. **A CoU is a fungible, dematerialised instrument that is tradable on the market. The dematerialized nature of CoUs shall imply that the record of holdings of CoU within the UCR Registry Account shall constitute prima facie and sufficient evidence of title over the CoU, and of any other matter which is directed or authorised to be recorded in the UCR ecosystem or Registry.**

1.4 Eligible Project Types

The generic requirements of the UCR Program explained above are based on International Standards ISO 14064-2 and ISO 14064-3, whereas the specific requirements of the UCR Program are stipulated in the UCR Standard. UCR Program, in cooperation with experts from the academic, industrial, government and non-governmental sectors, has developed and continues to establish eligibility and technical criteria for a variety of CoU Project categories. The eligibility criteria for projects to be registered as UCR Project Activities are contained in the Project Standard. The process for developing, submitting and seeking registration of a project is described in the UCR Program Processes. Specific eligibility criteria for each project type are contained in UCR Standard.

In order to have the highest credibility possible, the UCR Standard and its registry platform ensures quality by ensuring that all carbon credits are mined from green projects that meet the pre-approved **UCR Positive List of Approved UNFCCC CDM methodologies, types and scopes**. This automatic filtration process assures the integrity of the CoU of the following by having or being:

• **Other Environmental co-benefits:** UCR Standard projects can have additional inherent benefits and reduce water and soil pollution, improve indoor air quality and generate other reusable by-products, since such factors far outweigh the mere reduction in carbon emissions (e.g. rural biogas systems, solar water heaters, solar cook stoves, MSW conversion to briquettes etc).

• **Additional** (e.g. not legally required): The project is not required by a legal mandate and does not implement a legally enforced mandate (government regulation or law);

• **Early Action Projects** (Commissioned on or after January 01, 2002). Unlike other centralized programs, the decentralized UCR Standard rewards projects that have taken early action in combating climate change since the scope of additionality has been reset from proving counterfactual assumptions to Positive List Additionality with Do No Net Harm to Society and Environment Test.

• **Verifiable**: UCR Standard projects must be currently operational and have data that can be independently monitored, verified, reported and audited externally.

• **Permanence:** All UCR Standard projects quantify emission reductions that are ex-post.

• **Conservative** in its emission reduction estimate based on a pre-defined list of emission factors to be used in quantifying the emission reductions.

1The UCR Program provides a global platform for GHG emission reductions with an integrated UCR registration and issuance process to ensure that UCR Project Activities:

(a) at a minimum: result in GHG emission reductions from projects that do no net harm to the environment and society while applying the UCR Standard and applicable methodologies; and

(b) contribute to achieving the global Sustainable Development Goals and,

(c) enable the transition to a low carbon economy, while not being required to be setup by a legal mandate or implemented by a legally enforced mandate (government regulation or law).

In general, the UCR Standard requires that projects exceed regulatory requirements, are commissioned **on or after 01 January 2002**, are verifiable and **must be currently operational.** A **complete list** of approved small scale project methodologies is available below and under the relevant sections on the website.

Currently, the following mitigation activities have prescriptive eligibility, evaluation and verification requirements:

- Methodologies for large-scale project activities can be used for project activities of any size provided they are not listed or ineligible under Section 1.4.1 (Table 1 and 1.1), whereas small-scale methodologies can only be applied if the project activity is within certain limits. *Hydro power projects (R-O-R Hydel Projects) exceeding 15MW in total installed capacity must also submit their audited report on "Additional Verification Guidance for Large Hydro Projects" in addition to the standard verification/audit requirements.*

- Small-scale methodologies are grouped into three different types:

- *• Type I: Renewable energy project activities with a maximum output capacity of 15 MW (or an appropriate equivalent);*

- *• Type II: Energy efficiency improvement project activities which reduce energy consumption, on the supply and/or demand side, with a maximum output (i.e. maximum savings) of 60 GWh per year (or an appropriate equivalent);*

- *• Type III: Other project activities that result in emission reductions of less than or equal to 60 kt CO2 equivalent per year.*

The following small and large scale UNFCCC CDM methodologies are also approved:

- *Project activities using biomass derived as a byproduct from their manufacturing process* ***within the project boundary*** *(e.g bagasse from sugar mills, husk from rice mills etc), are eligible to claim CoUs* ***for the quantity of biomass based renewable power (electricity) exported to the regional/local grid****.*
- *Project activities using biomass derived as a byproduct from the manufacturing process (e.g bagasse from sugar mills, husk from rice mills etc), within the project boundary,* ***can only claim CoUs*** *for the quantity of surplus renewable electricity exported to the grid* ***and*** *for their biofuel production plant for production of (blended) biofuel that is used as fuel in existing stationary installations (e.g. diesel generators) and/or in vehicles.*
- *Utilization of waste energy at existing facilities which may be for cogeneration, generation*

of electricity, direct use as process heat, generation of heat in an element process or generation of mechanical energy.

- *Projects that convert existing single cycle gas turbine(s) or internal combustion engine (s) with or without cogeneration system to a combined cycle system with or without cogeneration.*
- *Project activities that involve switching from a fossil fuel to either: (a) A lower carbon content fossil fuel; or (b) A lower carbon intensive electric grid energy source in existing manufacturing industries.*
- *Activities that involve fossil fuel switch in a cogeneration/trigeneration plant from a carbon intensive fossil fuel (e.g. fuel oil based system) to a low carbon intensive fossil fuel (e.g. natural gas based system)*
- *Project activities that develop an alternative use for the energy content of waste gas that is currently being flared, to generate process heat in elemental process(es), replacing fossil fuel combustion.*

Positive list as provided in the CDM Tool 3223: Methodological Tool – Positive List of Technologies. https://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-32-v2.0.pdf

Table 1 Ineligible Project Types

Table 1: Ineligible Methodologies for Project Types within the UCR Program	
Methodologies for industrial gases	Afforestation and reforestation Continuous Conservation Tillage REDD+
Projects that have received Annex 1 government or official development assistance (**ODA**) funding for their implementation.	Nature Based Projects Sustainable Forest Management
Soil Carbon Sequestration, Carbon Capture and Storage	Methane from mining activities
Biomass based methodologies in which fossil fuels may be co-fired in the project plant and the amount of fossil fuels co-fired exceeds 25% of the total fuel fired on energy basis. Project activities using biomass derived as a byproduct from their manufacturing process **within the project boundary** (e.g bagasse from sugar mills, husk from rice mills etc) **for generation of captive heat and power.**	PFC (CF4 and C2F6) emission reductions

Table 1.1: Ineligible Sectoral Scopes	
Solvents use	Fugitive Emissions from production and consumption of halocarbons and sulfur hexafluoride
Carbon Capture and Storage of CO2 in Geological Formations	Afforestation and Reforestation

In addition to reducing GHG emissions, the UCR Program also provides an opportunity for Sellers to voluntarily demonstrate that their Project Activity does not cause any net harm to the environment and society based on acceptable environmental and social standards within the carbon market. The Program's ineligible project types and scopes list make it unique and different from all other Standards within the VCM since they are based on the following core carbon principles to discourage project activities that:

- do not promote defossilization (i.e. projects that don't prevent the expansion of oil, gas and coal production)
- whose carbon credits cannot be classified as being permanent and,

- whose carbon credits cannot be classified as being real.

1.5 Principles of the UCR Program in relation to the COVID pandemic and post

The UCR Program employs rules designed to provide easily understood performance criteria for potential Project Owners and aims to include projects that have not availed of carbon finance in the past.
The COVID-19 pandemic has revealed the inter-relationships between the environment and our livelihoods. Climate change is our biggest challenge, and it's time to switch to a sustainable future in 2021.

Achieving net-zero emissions requires economic, social and technological transformations. Many countries are taking action, but progress is insufficient to achieve the goals of the Paris Agreement.
The UCR criteria allow Participants, the Program Administrator and Approved Verifiers to distinguish best-in class projects and projects that may have never benefitted from the carbon finance market in the past and projects that are at a risk of closure due to inability to pay for O&M costs among other variables.

The UCR rules reduce the subjectivity of project specific methodologies and reviews. The rules weigh a variety of factors related to each potential project type such that eligibility would be based on whether or not a particular category of actions provides the following characteristics:

- **Environmental benefits** such as preventing biodiversity loss, reduces water and soil pollution, improves indoor air quality, simple, low cost and generates other reusable by-products, such factors far outweigh the mere reduction in carbon emissions (e.g. Biogas systems, solar water heaters, solar cook stoves, MSW conversion to briquettes)
- **Voluntary** (e.g. not legally required)
- **Early Action projects** (Commissioned on or after January 01, 2002)
- **Verifiable**
- **Properly addresses permanence**
- **Avoids the creation of perverse incentives** that would result in increases in GHG emissions on or off the project site
- **Conservative**

UCR Program rules ensure that all of the identified principles outlined in ISO 14064- Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements.

The following summarizes the treatment of these issues in the UCR Program:

1.5.1 Relevance

Project Protocols are designed to balance requirements for adequate documentation and verification of environmental effectiveness with the goal of minimizing transaction costs and time, while maintaining environmental integrity.

1.5.2 Completeness

Project Protocols are developed to ensure all emissions sources are appropriately included and quantified, project leakage is addressed where necessary, negative environmental and social impacts are avoided, and reporting requirements are well-defined.

1.5.3 Consistency

Project types obtain consistency through the development and use of standardized protocols and to ensure compatibility with established national and international standards.

1.5.4 Accuracy

Project Protocols are designed to generate unbiased estimates of emission reductions. Emission reduction estimates represent the best available scientific and technical information, as evidenced by peer-review published studies and high-quality research findings.

1.5.5 Transparency

Project Protocols and verification procedures are designed in a transparent fashion to evaluate and incorporate input from multiple stakeholders. Protocols are laid down based on acceptable international standards (ISO 14064) and buyer requirements in the voluntary carbon market.

1.5.6 Conservativeness

Conservative quantification methodologies are adopted to ensure that accurate estimates will, if any potential deviations occur, undercount the quantity of actual GHG mitigation through the application of discounts to parameters used to calculate CoUs.

1.6 General Terms and Conditions

By registering a Project with UCR, each Project Owner acknowledges and agrees to the UCR terms and conditions required by a particular project type, as well as the general terms and conditions provided below:

1. The enrolled CoUs meets all applicable eligibility rules of the UCR.

2. UCR will issue to the appropriate Account of the Project Owner a quantity of CoUs based on the entire recognized mitigation tonnage approved by UCR. **The CoU issuance process and serialization will begin immediately at the time of verification report/statement submission by the Owner or aggregator for all the vintage years applicable.**

3. Each sale or transfer of CoUs executed through the Registry shall represent a complete transfer of all legal rights associated with the CoUs. The transferred legal rights are those corresponding to the quantity and Vintage of the CoUs issued in accordance with the terms and conditions provided in this section and other applicable provisions.

4. Sellers and Buyers within the UCR Platform may trade, transfer, retain, burn and tokenize or retire the CoUs earned under these provisions and as specified under the UCR Terms and Conditions document.

5. The Project Owner may elect to deregister the CoUs once registered with UCR. The Project Owner, Seller or Aggregator must cancel or deregister CoUs prior to entering into an agreement to sell the associated emission reductions outside of UCR Platform and Registry.

6. UCR makes no warranty as to the marketability or market value of CoUs.

7. The Project Owner(s), and, when applicable, the Aggregator, is required to submit a signed Project Verification Report through a UCR-Approved Verifier that confirms conformance with the terms herein. Representatives of UCR may conduct onsite or virtual inspection of registered Projects and related documents. Each Project Owner or Aggregator agrees to provide access in such cases in a prompt and cooperative manner. All UCR CoU Projects, reports and verification reports are subject to inspection and review by any provider of regulatory services designated by UCR, and by other independent experts as may be engaged by UCR and also available on its public database available worldwide for download and viewing.

8. Failure to conform to the rules provided herein may result in termination of enrolment in UCR and prohibition from all further participation in UCR.

1.7 Role of Aggregators

1. For-profit entities, cooperatives, governmental bodies and non-profit organizations may act as Offset Aggregators or Aggregator. Eligible entities must apply to become a UCR Aggregator by completing and submitting the applicable UCR forms. UCR Aggregators may charge for services they provide to Project Owners. UCR Aggregators shall have the discretion to refuse to represent individual Projects.
2. Aggregators are assigned an account in the UCR Registry. Offset Aggregator shall undertake the following actions on behalf of Projects it represents:
3. Accept initial registration forms from owners of CoU Projects.
4. Assemble Project Reports from Project Owners and retain copies of Project verification records.
5. Have sole authority to access the Registry Account(s) holding the CoUs issued to Projects it represents and to authorize transfers and retirement or burn and tokenize.
6. Execute sales, conversion or transfers on behalf of Project Owners and distribute sales proceeds to Project Owners in accordance with the terms agreed between the Aggregator and Project Owners. The terms of the business and legal relationships between Aggregators and Project Owners are left to the discretion of those parties.

1.8 Prevention of Double-Counting

UCR provides a public listing of all registered CoUs. UCR allows and issues CoUs for vintages beginning 2013 onwards and also the same to be transferred, held or retired or burnt and tokenized on the UCR. UCR requires that all registered Projects attest that they have not been registered in other carbon registries or emissions trading programs for the same vintage or offset crediting period in which they seek to register at UCR. Verifiers or Project Owners or Aggregators must confirm this attestation has been made and search the other known worldwide voluntary standards or registries (i.e. CDM, VERRA, VCS, MARKIT, APX etc). UCR encourages other registries and emissions trading programs to review the UCR public listing of projects. Additional requirements to address double-counting are contained in guidance documents and within this Manual.

The following safeguards are in place under the UCR Program to prevent over issuance:
(a) Double Issuance by the UCR Program: The UCR workflow systems do not allow double issuance. Prior to issuance, checks are made that no issuance has been made for the Project Activity for the same monitoring period. Issued CoUs will be deposited into the Sellers account in the Registry only once, by the UCR platform.

(b) Double Issuance by other GHG programs: There is a risk that a UCR Project Activity will be registered with another GHG program for the same crediting period. The UCR Team checks the same on public listings of projects on other such registry systems. If such a case is identified, the UCR Team will require the Seller to inform the other GHG programs on suitable cancellation actions to be taken on their system.

Double Use and Double Sell: CoUs will either be retired or burnt and tokenized from a Buyer's/Seller's account or transferred to a Buyer’s in a de-centralized manner without any intervention from the UCR system. There are no transfer costs associated with any transfers between Buyers and Sellers. Options are in place for end actions of the CoU that include transfer, retire or burn and tokenize and reasons for the same (e.g., carbon neutrality of an event) can be highlighted by the Buyer or Seller prior to the event. Consequently, double use and double selling of CoUs is avoided. It is upto the Buyer and Seller to maintain clear and transparent records of funds and transactions against the sale or cancellation or retirement or burn and tokenize events of CoUs.

2. Governance Structure

2.1 Overview
The UCR Program is owned and operated by Universal CO2 Emission And Offset Registry Pvt Ltd (Universal Carbon Registry), located at OC-4 , 573 Third Floor , Main Road Chirag, New Delhi 110017, India. The UCR procedures are devised and refined based on expert input provided and overseen by standing board of Directors. This Board provides input to the Program Administrator on issues pertaining to all CoUs or Projects. The UCR board of directors offer insight on standard development, procedure interpretation and refinement, case-by-case review of non-standardized projects, and oversight of technical issues. Recommendations from the Board will be acted upon at the discretion of the UCR Program Administrator and staff.

2.2 Advisory Committee Member Composition
Members of the Board are comprised of representatives of company directors and/or academic experts, verification experts, and individuals representing both domestic and international perspectives. Membership of the UCR Board is based on a self-nomination process, with all members subject to the approval by the UCR directors.

2.3 UCR Standard Development
The UCR Standard may elect to develop a formal, standardized protocol for carbon offset or reduction projects that adhere to best management practices. The design of a draft framework is typically assisted by a technical subcommittee comprised of representatives from governments, non-governmental organizations, academia, or industry experts.

2.4 Public Feedback and Protocol Revisions or Inclusions
UCR Standard or Program Protocols are available on the Program website for public review. The UCR Standard may be revised in reflection of input provided by the UCR Committees incorporating input based on the insights gained through practical project-related experience, public feedback, and the emergence of new technologies, scientific information and market regulations.

Individuals wishing to provide feedback on UCR Standard or Program Protocols may do so.

2.5 Project Verification and Registration Procedures (including registration fees)
To assure quality and legitimacy of CoUs registered in the UCR, independent verification of project eligibility and effectiveness must be obtained from an Approved Verifier before the CoUs will be issued to the Participant's Registry account. Every GHG mitigation project enrolled in the program must conform to eligibility standards and undergo independent verification before it can be issued CoUs in the UCR.

Project Owners or sellers that intend to submit projects for registration and issuance of CoUs under the UCR Program are required to prepare and submit the project documentation and pay the applicable registration or other fees as mentioned in the Fee Schedule.

2.5.1 Registration Fee for Project Activities

Members who wish to register any Project Activity will be subject to the following new fee schedule as of

August 31, 2024:

- A Project Registration fee of **INR 25,000 (Indian Rupees Twenty Five Thousand only)** will be charged before any project activity registration documents are submitted (i.e. before the project is submitted for admin review). The invoicing and payment gateway has been developed and can be used or activated directly from within the "seller" account (a new "Invoice" tab has also been provided to all seller accounts for accounting and tax purposes).

- The Project Registration fee **is fixed irrespective of the project size** (large or small scale) and **is non-refundable.**

- The Project Registration fee is inclusive of local taxes, GST etc (i.e for India the breakup of the actual fee structure is INR 21,186 + INR 3814 (IGST 18%)). Tax payment invoices will be auto generated post payment and emailed to the email address associated with the account or as specified otherwise by the seller.

- The fee payment is immediate and <u>**is due before project activity registration review begins**</u> and is intended to cover the impact to the program due to the new stratified issuance fee structure.

- The Project Registration fee is not retrospective (i.e. previously registered and/or under review and/or project activities already submitted to the "admin for approval" **will not be impacted or liable for such registration fees**).

which has received prior UCR approval for registration under the UCR CoU Program/Standard (i.e. projects that have been approved for verification) will have to pay a flat fee amounting to **USD$ 5000.00 (US Dollar Five Thousand) or its Indian Rupee Equivalent in order to initiate the cancellation process by UCR**. The process can only begin post settlement of the invoice issued by UCR to the member/aggregator requesting the same.

Project details required for submitting projects for registration are provided in the UCR Standard. The details of project implementation are provided in Monitoring Reports. These documents are submitted to UCR Verifiers during emission reduction verifications. The Verifier then prepares the Verification Report and Statement to the Seller. Project documentation submitted to the UCR is available publicly on its platform.

UCR documents from Sellers or Buyers that are deemed confidential are not made available to the public. However, Project Concept Note, Project Design Documents, Monitoring and Verification Reports and emission reduction calculation sheets are not treated as confidential.

2.5.2 Requirements for conducting GHG Verifications

Verification of project documentation by approved UCR Verifiers is a pre-requisite for project registration and issuance of CoUs under the UCR Program. The fees for such verification services are paid directly by the Project Owner or Aggregator (Seller) to the verifier. The approach to and requirements for Project and Emission Reduction Verifications are provided in the Verification Guidance Manual and the Procedure for Approval of UCR Verifiers. Verifications of projects and emission reductions are carried out following the requirements in the Verification Manual, Project Standard, ISO 14064-2, ISO 14064-3, ISO 14065 and relevant baseline and monitoring methodologies. UCR Verifiers provide their conclusions in reports referred to as Verification Reports and Verification Statement Reports, applying UCR templates.

UCR Program relies on evidence verified by UCR-approved Verifiers for CoU issuances. Since Verification Reports and Verification Statements are key inputs to UCR decisions, the UCR Program requires that all Verifiers are professionally liable for any false or erroneous evidence that they provide regarding the GHG emission reductions resulting from UCR Project Activities. A clause addressing this liability is included in the UCR Verifier Guidance Agreement and UCR Verifiers shall make appropriate provisions to cover this liability. UCR-approved Project Verifiers will be required to assess and transparently declare any conflict of interest they may have in the Project Activities that they evaluate.

2.5.3 CoU Over issuance Safeguard

Actual or potential over issuance of CoUs means that the CoUs issued for a Project Activity are greater than that in the registered Project Concept Note (PCN) or Project Design Document (PDD) or the Project Monitoring Report (MR).

Over issuance of CoUs is a threat to environmental integrity and the reputation of the UCR Program and its stakeholders. In normal situations, there is very low risk of actual over issuance of CoUs, for the following reasons:
(a) The determination of baseline and project emissions, and the design of monitoring protocols, in UCR methodologies are conservatively and robustly designed.
(b) Project documentation and monitoring reports undergo several checks, including assessments carried out by an approved UCR verifier and the UCR Operations Team before approvals for the issuance of CoUs are granted.
(c) If an issuance request and monitoring report submitted to the UCR reports greater emission reductions than those delineated in the registered PCN, PDD or MR, this will be duly verified and evaluated by the UCR Verifier.
(d) The UCR Platform has all of the due diligence in place to administer issuance of the correct amount of CoUs.
(e) Provisions are in place in the UCR Verifier Agreement and the UCR Conflict of Interest Report template that address the risk of over issuance.

However, the following special situations have been identified for which there is a risk of over issuance of CoUs:

(a) Situation 1: (Actual over issuance): Erroneous project verification or emission reduction verification by a UCR Verifier, which could be due to: (i) incompetence of Verifier; or (ii) negligence, fraud or wilful misconduct by the Verifier.

(b) Situation 2: (Potential over issuance): Changes in the operating conditions of project that were not foreseen during the project registration process and are not in the control of the Project Owner.

(c) Situation 3: (Potential over issuance): Changes in the project design compared to that described in registered PCN or

PDD or MR.

If a case of actual or potential over issuance is called to the attention of the UCR by any UCR stakeholder, the UCR will duly investigate it in detail to assess the case. If a complaint of over issuance or the potential for over issuance is found to be legitimate in accordance with one or more of the three situations indicated above, the UCR shall take the following actions:

(a) Situation 1: If over issuance has occurred due to incompetence of the Verifier, the UCR will immediately suspend the Verifier, requiring a verifiable corrective action to be reinstated. If over issuance has occurred due to negligence, fraud or wilful misconduct by the Verifier, the Verifier will be immediately terminated. All approved UCR Verifiers sign a UCR Verifier Agreement, which requires the UCR Verifier to conduct services as per its terms and conditions, act with integrity, have adequate insurance and provide the conditions of dealing with improper CoU issuance, including such instances of over issuance. Further, the signed UCR Terms and Conditions Form requires Project Owners to take responsibility for any improper CoU issuance that occurs as a result of their actions, including negligence, fraud or wilful misconduct.

(b) Situation 2: If changes in operating conditions are duly justified and do not lead to issuance requests of more than 10% of the amount indicated in the registered PCN, PDD or MR, issuance is approved if all other issuance requirements are met. If the issuance request is for more than 10% than that in the registered project documents, the issuance of carbon credits is capped at a maximum of 10% over and above the amount of emission reductions indicated in the registered PCN or MR.

(c) Situation 3: Issuance requests indicating a greater amount of emission reductions than the amount mentioned in registered PCN or MR or VR or M&VR due to changes in project design will be rejected by the UCR and the Project Owner will be requested to initiate the process of formally changing their project reports to update the emission reductions.

In event of actual over issuance (situation 1), the UCR Verifier is required to use its professional liability insurance to cover the loss, as indicated in the UCR Verifier Agreement. To address the environmental integrity concerns due to actual over issuance, the UCR Program will make corresponding adjustments in the issuance of CoUs in the next monitoring period of the same Project Activity. This will be indicated in the UCR Monitoring Report available on the UCR Program website.

The following information provides a summary of the CoUs or Carbon Credits or Offsets registration process in the Program.

Step 1: Determining Eligibility: All projects must submit a Project Concept Note (PCN) and video describing the activity. Upon receipt and review of the same, the Program Administrator may seek input from the Advisory Committee regarding the feasibility and appropriateness of the requested PCN if it is not on the Approved Positive Project list or deviates from the same, and, as needed, seek guidance from appropriate technical experts. Project Owners will be notified of the decision of the Program Administrator and shall proceed accordingly.

Post initial successful submission of project activities by eligible members to the UCR Program Team (i.e. submission of the project concept and design documents (PCN)), this team undertakes review and cross checks the following (among other key) parameters:

- **validation** of the appropriate methodology, scope/type, emission factors, leakage, project emissions and baselines
- exceeding regulatory requirements criteria and eligibility
- prior or current environmental/social issues/complaints published in the media or environmental negligence cases published by the local green tribunals or courts to ensure adherence to the “Do No Net Harm To Environment or Society” UCR CoU Standard principle
- correctness of initial–ex-ante estimates and calculations, leakage and project emissions assessment.
- avoidance of double issuance/counting risk and checking prior history (if any) on other voluntary carbon standards and registries (members must disclose the prior voluntary carbon registration/issuance history of each project activity at the initial submission stage –or risk being blacklisted for repeated double issuance fraud attempts at the registration stage, the UCR Terms & Conditions document has relevant clauses for the same).

Regardless of whether a project satisfies the standardized Approved Positive List protocol or if, the

Project Owners have requested a specific deviation approval from an existing standardized protocol, or have requested approval for a new category, all Project Owners seeking to register a project must receive their **<u>Project Approval Authorization which will be displayed on the UCR alongside their unique UCR Project ID reference number</u>** prior to initiating verification. Verifiers should view the UCR "Approved Projects for Verification" displayed on the Registry prior to Verification to ensure that the project has been approved for verification.

Direct Registration

Projects are eligible for "direct registration" provided that they strictly satisfy the standardized requirements of a pre-specified project category with no deviations. Projects that adhere strictly to protocol requirements do not require review but are required to obtain a Project Approval Authorization on the UCR prior to Verification.

Projects already holding other GHG voluntary program verification reports for the 2013-2020 vintage years can apply for direct registration provided they cancel the project listing completely with the GHG registry concerned and obtain a verification statement from the UCR approved verifier or DOE stating the same.

In such cases, the Project Design Document (PDD), MR, verification report, video evidence of current operation of the activity and verification statement would need to be uploaded by the Aggregator or Project Owner prior to issuance of CoUs.

Approval of Non-Standard Projects

Alternatively, projects may be approved as eligible by the UCR Board or Program Administrator, with input from the relevant Advisory Committee, after the review of the PCN. If the project is approved, the Program Administrator will issue the Project Approval Authorization and unique ID on the UCR prior to Verification and/or also with an explicit description of the conditions under which the project was approved notification to the account holder authorized for the same via email.

Review is required for all projects that do not adhere strictly to the Approved Positive List of established project types.

Projects under other carbon offset programs

Unless specific circumstances warrant otherwise, other GHG mechanism-approved projects may be considered to be eligible to earn CoUs in the UCR Program for 2013 vintage years onwards, provided that such Carbon Credits or Offsets are not retired or traded or owned by another entity not part of the UCR program, subject to the terms and conditions provided herein:

1. Projects that are registered on any other GHG program but have generated emission reductions for the time period prior to their acceptance at that GHG Program, but which adhere to an approved GHG project standard, may be eligible to register in the UCR Program provided they also satisfy the Approved Project Positive List and are seeking to earn **CoUs beginning vintages 2013 onwards**. A crosscheck of the applicable Registry by DoE shall assure that Emission Reductions (ERs) have not been retired for the said vintage years, that the project Owner has clear title and right to the said vintages and no double counting is permitted. A verification statement to this effect must be submitted by the UCR verifier.

2. Other GHG project program approval notwithstanding, **project types under section 1.4.2 as described above are not eligible** to be registered in the UCR Program:

-

Step 2: Project Verification

Third-party independent verification is required of all projects to ensure that the requirements of the applicable protocol, this Program Standard or Manual, and Verification Guidance are correctly applied. Project Owners seeking to register CoU or Offset Projects must have the project verified by an Approved Verifier in accordance with the protocol-specific requirements and the provisions contained herein before Carbon Credits or Offsets may be issued. A list of Approved Verifiers is found on the UCR **Program website**.

Approved Verifiers must review the UCR and review the approval conditions prior to conducting verification through the following process:

- **1. UCR Search**

Complete a search of the UCR and view the Project Approval Authorization on the registry. Ensure that the PCN is uploaded on the UCR and accompanying video. For projects that use the Positive List, the Program Administrator will ensure that the Project Approval Authorization is displayed on the UCR. For projects that involve review, post approval, the Project Approval Authorization status will be displayed on the UCR.

- **2. Receiving approval that no conflicts of interest exist**

Approved Verifiers must submit the project-specific conflicts-of-interest form, signed by the Verifier and the Project Owner. This submission also serves as confirmation that the Project Owner has given the UCR Program Administrator permission to disclose project-specific information (e.g. PCN, UCR Carbon Credits or Offsets Program Project Approval, Communication Agreement etc.) to the prospective Verifier.
The UCR Program retains the right to reject any submitted verification report that does not adhere to this process. Project specific conflicts-of-interest forms will remain valid through the approval period, provided that no substantive change has occurred in the nature of the relationship between the organizations. If such a change has occurred, a new project specific conflicts of interest form must be submitted.

The cost of the verification shall be borne by the Project Owner/Aggregator/. All Project registration documents, verification reports, related documents and documentation of quantification methods shall be subject to inspection and review. Additional provisions governing verification of CoU Projects are provided in the Program Verification Manual.

Step 3: Project Registration in order to earn CoUs, the Project Owner must:
1. Be a Project Participant/Owner or Aggregator (Seller).
2. Register the project with the UCR Program.
3. Obtain ongoing independent verification of the project by an Approved Verifier.

The performance of each project must be quantified and verified in accordance with the provisions of this document and related protocol documents. Each Project Owner must submit their project for verification or has been suitable verified by an approved verifier under a different GHG offset program/protocol and has not been double counted. Carbon Credits or Offsets will be issued only if a satisfactory verification report is received by the UCR Program Administrator.

The vintage year assigned to Carbon Credits or Offsets shall correspond to the time period of mitigation realized by the CoU or Offset Project in question and **must be on or after January 01, 2013 only.**

2.6 UCR Platform (Registry)

The UCR Program operates a carbon registry that is designed, operated and maintained by UCR. The registry follows thorough operational procedures related to the management of projects and CoUs throughout the entire lifecycle of carbon credits. The UCR aims to maintain environmental integrity by using the Registry to prevent double counting and double issuance while ensuring complete transparency. The registry is an electronic database that serves as the official holder of the flow record and transfer or retirement or burn mechanisms of CoUs by Program Participants. The Registry is a serialized GHG tracking system that provides Registry Account Holders a full suite of administration and reporting tools to assist in managing and transferring their CoUs. The Registry provides a full audit trail of each registered Offset from its creation, transfer, and retirement.

The Registry takes into account that UCR Project Activities are not restricted to a fixed crediting period and no restrictions on the renewal of crediting periods. The Registry also takes into account that it is de-centralized and has no role in approving or rejecting any transfer or retirement or burn events of CoUs carried out by sellers or buyers.

The Registry facilitates CoU status changes that include transfers from one account to another, and through the CoU lifecycle including from issuance through retirement or burning for token creation. The Registry also assigns unique serial numbers to issued CoUs, which can be tracked from issuance through to transfer or end use (burning or retirement). The Registry maintains a clear chain of custody in operating the UCR Platform. The Registry operations are according to an established internal governance and code of conduct structure. Certain details related to UCR Project Activities and CoUs are publicly visible on the UCR website, including the host country, project type/sector, and CoU vintage years. The UCR Program webpage for the Registry displays all project labels awarded to and CoUs issued to UCR Project Activities. Information regarding project registrations and issuance of CoUs is disclosed to the public on a project-by-project basis on the UCR website.

The Registry also displays different stages at which Project Activities are registered and CoUs have been issued. For example, Project Activities with PCN submission and approved for verification are declared to be CoU Projects under verification on the public webpage of the UCR Platform.

The Registry performs several functions, including accounting and recording of verified or audited CoUs issued by the UCR to Project Activities. The Registry uses a de-centralized process for assigning and transferring CoUs between buyers and sellers.

The Registry tracks and reports the deposit/withdrawal of CoUs to/from the centrally managed accounts; and maintains custody and records of the legal ownership of CoUs. The Registry allows listing, issuance, transfer, retirement and burning to tokenize of CoUs. As UCR demands title evidence during listings it makes a clear disclaimer of title guarantees which allows for creating record trails that back ownership claims. Market participants bear the duty to verify ownership through standardized procedures which document their claims.

CoU Projects are registered when CoUs are issued to the Project Owner's/Aggregator's UCR Account **immediately after submission of a valid verification document/statement**. Issuance fees to the UCR are between 3.5% to 4.5% of the total CoUs issued to the Project Owner/Aggregator (seller) and deducted from the latest vintage year prior to initial issuance into the Project Owner/Aggregator (Seller) UCR account (the fee structure is the same for all subsequent verification periods as well). CoUs are recorded and transacted in unit size equal to one metric tonne carbon dioxide equivalent. CoUs in the amount of one metric tonne carbon dioxide equivalent shall constitute one Carbon Offset Unit ("CoU"). Unless otherwise authorized by UCR in advance, the minimum quantity that can be registered or transferred in the Registry is one CoU.

Members may use their UCR Account to:

1. Manage CoU holdings and associated project activities.
2. Search and effect transfers and/or retirements and burn and tokenize events.
3. Review account status.
4. Access Participants-only information
5. Connect to other applications/decentralized applications/decentralized finance platforms to convert/onboard CoUs into blockchain tokens as and when this facility is setup with UCR or manually using the "Burn & Token" function provided.

The UCR administrator does not function as a dispute resolution body because alternative dispute resolution frameworks are implemented to handle conflicts between account holders as well as third party ownership claims. The resolution of ownership disputes is the responsibility of the account holders who can choose between contractual dispute resolution provisions or domestic legal processes or international arbitration. The registry serves only to execute decisions made outside its boundaries instead of handling the initial claims between parties. Each UCR Account Holder is assigned a UCR Account to facilitate management, transfer, retirement and burning and tokenization of CoUs. The dematerialized nature of CoUs **implies** that the record of the UCR Registry shall constitute prima facie and sufficient evidence of title over the CoUs.

Each UCR Account can be viewed only by parties authorized by the Registry Account Holder. Information contained in each Registry Account will be accessible only by parties authorized by the Registry Account Holder. The Program Administrator may publicly report certain aggregate information on Transfers across Registry Accounts, but may not publicly report Registry activity of any single Registry Account Holder.

Each Registry Account Holder shall be responsible for controlling and monitoring log-in and password protocols. Further terms and conditions governing access and usage of the UCR Program are provided in the Participation Agreement.

2.7 CoU Transfer De-centralized Procedures

CoU transfers are executed by the **Registry Account holder directly (peer-to-peer)** in a decentralized manner using the UCR dashboard between representatives of both sides to a CoU transfer via an over the counter (OTC) trade or directly via any trading/transfer/conversion mechanism chosen by the counterparties. Business terms of Transfer agreements among Participants are established through private negotiations and business terms need not be disclosed to UCR to effect a CoU transfer.

- There is no transfer fees for any CoU Transfer payable to UCR.

Account holders have the obligation to verify both their trading counterparts and the legitimacy of transactions as well as all regulatory standards.

2.8 Offset Issuance Fee and De-centralized Transfers

Issuance of CoUs to Sellers in the UCR Program confers to the recipient legal ownership rights associated with Greenhouse Gas emission reductions realized through implementation and verification of eligible GHG mitigation practices.

- CoU issuance and serialization begins at the time of submission of the verification report/statement via the UCR member/owner/participant dashboard. CoU Issuance fees are between 3.75% and 4.5% of the total CoUs issued to the Project Owner/Aggregator and deducted from the latest vintage year prior to initial/or any issuance into the Project Owner/Aggregator UCR account. There is no cash or invoice requirements for the same.

Every transfer of CoUs among Registry Account Holders (Buyer and Seller) is the conveyance from seller to buyer of full legal title to all legal rights associated with Greenhouse Gas reduction and mitigation rights represented by CoUs transferred from transferor to transferee. All UCR Account holders have real time access to the "Transaction" records that contain timestamped transaction data along with identification information and activity records which serve as evidence for ownership claims through possession documentation.

Full legal title transfers from seller to buyer when the UCR member holding the CoUs (seller), effects a Registry transfer directly to the counterparty (buyer) to the trade using the UCR dashboard. The UCR neither approves nor rejects any trade between buyer and seller. If the buyer rejects the transfer, the CoUs are returned into the account of the seller.

The UCR Program makes no representation as to the marketability or market value of CoUs. Issuance fees are stratified between 3.75% and 4.5% of the total CoUs generated by Project Owner/Aggregator and deducted automatically prior to the first (and any subsequent) issuance of CoUs into the Project Owner's/Aggregator's account. Hence the issuance fee is a one-time repeated charge per each issuance request only and is payable in CoUs without money or cash being exchanged.

2.9 Linked Marketplace/Exchange/s Offset Listing Fee (As Applicable)

The UCR Program/Platform (Standard and Registry) respects the highest standards of transparency, credibility, and environmental integrity. By setting clear parameters and guidelines, the UCR Program aims to inspire confidence and trust among market participants, businesses, and consumers in the integrity and effectiveness of market-based voluntary purchases.

CoUs or carbon credits on UCR are transacted either on a linked 3rd party exchange (centralized or decentralized) or marketplaces via programme interfaces integrated directly with registry accounts or peer-to peer OTC. The UCR Program, being party to the registration and issuance process **cannot undertake the following activities** due to conflict-of-interest issues:

- Active public marketing of any CoUs held by members/project developers
- conduct sales efforts to promote the sale of CoUs held by members/project developers
- earn revenues from the transaction of CoUs held by members/project developers on the linked marketplaces/exchanges
- set the sale price of CoUs held by members/project developers on the linked marketplaces/exchanges.
- pursue buyers on behalf of held by members/project developers, or;
- act in a brokering capacity on behalf of held by members/project developers and buyers,

In order to avoid any of the above conflict of interest issues, the UCR Program can only/will routinely specify low cost fees linked to the pre-listing or pre-onboarding of any CoUs from within its ecosystem/registry that is linked to such 3rd party exchanges or marketplaces. Such fees would be payable by member/project developers and holders of CoUs on the registry and would be independent of quantities or sale price of CoUs being transacted on such linked 3rd party exchanges and marketplaces. The UCR Program retains and reserves the right/s to add/announce/introduce such listing/onboarding payment features/model/s at its discretion, and will endeavour to make the payment system decentralized and automated to streamline the listing/onboarding process for its clients/members/project developers in a timely and cost effective manner.