COLCX Standard for mitigation initiatives certification

Version 2.0

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Content

Acronyms and abbreviations

AFOLU	Agriculture, Forestry and Other Land Use
UNFCCC	United Nations Framework Convention on Climate Change
PDD	Project Design Document
GHG	Greenhouse Gases
IAF	International Accreditation Forum
ISO	International Standardization Organization
CDM	Clean Development Mechanism
SDG	Sustainable Development Goals
VVB	Validation and Verification Bodies
REDD	Reducing emissions from deforestation and forest degradation
PMR	Project Monitoring Report

1. INTRODUCTION

El The COLCX Mitigation Initiatives Certification Program is a voluntary initiative developed by Canal Clima, which seeks to contribute to the revitalization of environmental markets and low-carbon development, contributing in turn to the achievement of the Sustainable Development Goals (SDG) proposed by the United Nations from the 2030 Agenda. To achieve this, the *COLCX Standard for Mitigation Initiatives Certification* (hereinafter COLCX Standard) has been defined, which establishes the requirements to be considered by the different actors that carry out activities for the reduction and/or removal of GHG emissions at national and international level, who wish to opt for the recognition of their initiatives and results by the COLCX program.

The COLCX Standard has been developed considering the best practices to ensure effective reporting, tracking and traceability of information, as well as the most appropriate processes for the certification of mitigation initiatives and the GHG emission reductions and/or removals achieved by them.

The specifications of the COLCX Standard are mainly based on the adoption of the requirements and guidelines established by the ISO 14064-2:2019 and ISO 14064-3:2019 Standards, contemplating the versions authorized by the IAF, as well as in the national and international regulation of carbon markets, from which specific requirements are defined for the design, implementation and monitoring of mitigation initiatives.

2. GENERAL CONSIDERATIONS OF THE STANDARD

2.1. Scope

The COLCX Standard describes the requirements applicable to mitigation initiatives that aim to certify the reduction and/or removal of GHG emissions through the issuance of carbon credits under the COLCX Program. The established guidelines are applicable to the design, implementation, monitoring and reporting of the initiatives, and ensure high quality and integrity.

2.2. Principles

To ensure the integrity of mitigation initiatives seeking to be certified under the COLCX Standard, compliance with the principles established in ISO 14064-2:2019 must be guaranteed, additionally different principles that guide the design, implementation and monitoring of activities that reduce and remove GHGs from the atmosphere must be considered. The principles that must be complied with by the initiative are:

- ***Additionality:*** The activities proposed and implemented by the mitigation initiatives generate net gains in GHG emission reductions or removals, and provide co-benefits at the social, environmental, cultural, political, and other levels, with respect to pre-existing scenarios prior to the implementation of the initiatives.

- ***Independence:*** Mitigation initiatives and GHG emission reductions or removals measured and reported must be evaluated by an external third party, ensuring a reasonable level of measurable, traceable and verifiable guarantees. The program guarantees the absence of conflicts of interest that may influence its decisions, thus preserving the integrity and transparency of the process. The certification and registration activities carried out by the COLCX certification program are performed in an objective and independent manner. Additionally, the actors involved in the development and evaluation must demonstrate the absence of conflicts of interest.

- ***Quantification****:* All GHG emission reductions and/or removals resulting from the implementation of the initiative's activities must be quantified based on the application of quantification and measurement tools and models recognized by the COLCX Standard.

- ***Compliance:*** The proponent must demonstrate compliance with all legal requirements applicable to the proposed mitigation initiative in the national and international context.

- ***Conservator:*** The calculation of GHG emission reductions and/or removals and the definition of assumptions should be made in accordance with the usual standards, practices and customs, in a moderate manner and without exaggerating the values.

- ***Double accounting:*** GHG emission reductions and/or removals achieved by the mitigation initiative that are certified by applying the COLCX Standard, cannot be quantified, emitted and/or used more than once.

- ***Permanence:*** To minimize or avoid the risk of reversion, the projects must ensure maintenance of carbon reservoirs and perform the evaluation of the associated risks defined by the COLCX Standard. In the event of reversals in GHG reductions and/or removals, these must be compensated or replaced by others of the same characteristics and in the same amount.

- ***Transparency:*** Documentation related to the implementation and development of the initiatives, as well as documents resulting from the

certification of the mitigation initiative and its results will be accessible, clear and truthful, allowing users to make informed decisions with reasonable confidence. This information is openly and permanently available to interested parties. The program adheres to high ethical and professional values, ensuring evidence in its procedures. Evaluation criteria are public, and results are based solely on compliance with these criteria.

2.3. Scale of mitigation initiatives

For the development of a mitigation initiative under the COLCX Standard, it must be framed under different types of activities focused on the removal and/or reduction of emissions by sources or sinks, including forestry projects, fruit crops, agroforestry, agricultural practices, renewable energies, among others.

For the COLCX Program, mitigation initiatives are classified according to the GHG reduction and/or removal to be achieved, as follows:

- **Micro-scale:** initiatives with GHG reductions and/or removals less than or equal to 5,000 tCO2 equivalent per year.
- **Small scale:** initiatives with GHG reductions and/or removals of between 5,000 to 60,000 tCO2 equivalent per year.
- **Large scale:** initiatives with GHG reductions and/or removals greater than 60,000 tCO2 equivalent per year.

Consideration of the scale of the initiatives makes it possible to identify the impact of the initiatives on the fight against climate change and the definition of the level of materiality to be assessed within the VVB evaluation of the projects.

2.4. Eligibility of mitigation initiatives

All mitigation initiatives seeking certification under the COLCX Program shall use the guidelines, quantification methodologies, methodological tools, guidelines or other normative documents accepted by the COLCX Standard, which shall be published on the COLCX Program registration system website. Mitigation initiatives shall ensure compliance with the eligibility criteria applicable to the GHG reduction and/or removal activity to be developed.

2.5 Methodological aspects for the quantification of COLCERS

The methodologies developed and approved by the COLCX program establish specific criteria to ensure rigorous quantification of GHG emission reductions and/or removals, project impact assessment, additionality, among other aspects necessary for the

development of mitigation initiatives. Considering the above, the quantification methodologies consider at least the following elements:

Project Scenario

- ***Definition of eligible activities:*** The activities that can be implemented under each methodology are specified (e.g. reforestation, sustainable forest management, among others).

- ***GHG quantification guidelines:*** Formulas and procedures for estimating GHG removals or reductions are detailed, as well as the appropriate use of emission factors.

- ***Monitoring and follow-up requirements:*** Criteria are established for project monitoring, defining key variables for follow-up and evaluation.

Baseline Scenario

- **Baseline determination guidelines**: Criteria and guidelines are established for the identification of the baseline scenario, as well as the tools that can be used for this purpose.

- **Calculation Guidance**: Formulas and procedures for estimating GHG removals and/or emissions in the baseline scenario are detailed, as well as the appropriate use of emission factors and/or the use of default values.

Carbon leakage

- ***Identification of leakage risks***: Guidelines are defined for the evaluation of leakage under different categories (for example, leakage due to displacement of activities, market leakage, among others).

- ***Calculation of potential leakage:*** Formulas and procedures for the estimation of leakage in the project scenario and/or the use of default values are detailed.

3. GENERAL REQUIREMENTS

3.1. Early consideration of carbon benefits

For the development of a mitigation initiative under the COLCX Standard, and in the decision-making process for the development and implementation, the proponent

must demonstrate how the mitigation initiative is planned to move forward, considering the benefits derived from the possible generation of income from participation in the carbon market. Compliance with this condition may be demonstrated through minutes, communications, reports, reports, among others, at the time of validation of the mitigation initiative.

3.2. Documents of the mitigation initiative

The proponent shall describe in detail how the proposed mitigation initiative achieves the reduction and/or removal of GHG emissions, including its main characteristics and contributions, using the most recent version of the Project Design Document (PDD) form defined by the COLCX Program, which will be the basis for validation and registration with the COLCX Program.

Likewise, for the verification of the information related to the monitoring of the activities developed by the mitigation initiative, and its GHG emissions reductions and/or removals, the proponent shall prepare a monitoring and follow-up report, using the most recent version of the project Monitoring Report (MR) form, defined by the COLCX Program, which will be the basis for the verification before the COLCX Program for the issuance of certified carbon credits (COLCERs).

As a result of the contractual agreement between the parties and considering the principle of transparency, the mitigation initiatives are obliged to allow the publication on the COLCX registration platform of the following list of documents whose disclosure is mandatory:

- Project Design Document (PDD)
- Project Monitoring Report (MR)
- Validation and/or Verification Report issued by the VVB
- Validation and/or Verification Statement issued by the VVB
- Statement of No Net Harm and application of safeguards
- Geospatial files related to the project location
- Project photographs

Disclosure of any additional information not included in this list will require the express authorization of the parties involved.

4. REQUIREMENTS APPLICABLE TO THE DESIGN OF THE MITIGATION INITIATIVE

For the development of a mitigation initiative under the COLCX standard, the proponent shall follow the specific requirements presented below, in addition to those defined in the PDD form, and the selected baseline and monitoring methodology.

4.1. Description of the initiative

The proponent shall use the most recent version of the COLCX Program PDD form, which is available on the program's registration system website, to present the main characteristics and details of the proposed activity, specifying how it reduces and/or removes GHG emissions. The description may include diagrams, schematics, specifications and other elements deemed necessary.

4.2. Geographical location

The proponent must provide detailed information on the geographic location of the proposed activity that allows reducing and/or removing GHG emissions, through its geodetic identification by coordinates, and including at least the host country, the administrative boundaries (state, municipality, county, among others) according to the host country, and a physical address (when applicable or otherwise refer to the physical address of the proponent).

For Land Use projects, in addition to the above, mitigation initiatives must clearly describe the project area, discriminating lots, properties, among other variables required for the stratification of the project according to the selected methodology.

4.3. Participants

The proponent must identify each of the natural and/or legal people participating in the mitigation initiative, indicating their contact information and clearly describing their roles and responsibilities. In any case, the condition of participation in the initiative must be supported by documents that establish such action.

4.4. Ownership of the initiative

The proponent must prove the ownership of the mitigation initiative or the authority to represent it to the program, providing documentary evidence to unequivocally conclude that it has the right of use or exploitation arising under a contractual right or ownership of the equipment, plant, process, land or measure that reduces and/or

removes GHG emissions; the ownership condition may be accredited by the owner or a third party that evidences compliance with the above.

4.5. History and main milestones

Initiatives must present a timeline showing the date of each of the relevant milestones for the development of the mitigation initiative. This timeline must include key technical aspects, such as the purchase of materials, equipment or land, the start of construction or implementation, and the start of operation, among others; administrative aspects, such as the executive decision to continue with the implementation of the project, the obtaining of permits, financial closure, among others; and other determining aspects for the certification of the COLCERS resulting from the project; and the other determining aspects for the certification of the COLCERS resulting from the project, such as early consideration of benefits from the sale of COLCERS, national approval (if any) and previous validation processes (if any), among others.

4.6. Start date

The start date of the mitigation initiative that seeks to be certified by the COLCX Program corresponds to the moment from which the activity that reduces or removes GHG emissions begins to operate and therefore begins to generate effective reduction and/or removal of GHG emissions. In any case, for the program, the start date of the mitigation initiative shall be after December 31, 2012[1], except for those projects transferred from other carbon standards or programs, for which the earliest date on which the project activity began to generate GHG reductions and/or removals shall be accepted as the start date.

However, registration and certification will only be allowed for projects with a maximum retroactivity of 5 years between the project start date and the contractual validation start date[2]

4.7. Credited period

In the case of mitigation initiatives in sectors other than AFOLU, the crediting period for a mitigation initiative will be 10 years, counted from the start date of the initiative; the crediting period may be renewed for equal periods, up to 3 times as long as it is demonstrated that the useful technical life[3] of the project is aligned with this

[1] This date is considered as the reference date for the first compliance period of the Kyoto Protocol.
[2] The validation start date is considered at the time of contracting the service of a VVB, as this is the milestone that establishes the contractual relationship to move forward with the evaluation process.
[3] The project proponent determines the lifespan based on a technical opinion provided by an expert.

temporality and allows a conservative estimate of the activities that reduce and/or remove GHG emissions that have been implemented.

In the case of mitigation initiatives in the AFOLU sector, which includes forestation, reforestation and revegetation activities, agricultural land management, conservation and restoration of strategic ecosystems, the credited period will be 20 years, counted from the start date, which may be renewed for equal periods, up to 2 times as long as it is demonstrated that this period is aligned with the useful technical life of the initiative.

For REDD+ mitigation initiatives corresponding to the AFOLU sector, the crediting period will be 10 years. The crediting period may be renewed as many times as long as in each crediting period extension process, it is demonstrated that the crediting period is aligned with the technical life of the project and allows for conservative estimation of the activities implemented.

4.8. Permanence of Carbon Reserves

Projects that are certified following the COLCX program guidelines must conserve carbon reserves for at least 40 years. This is applicable for projects in the AFOLU sector, which may have significant changes in carbon reservoirs throughout their useful life. This period ensures that GHG reductions and/or removals are not reversed in the long term. To ensure this, projects must implement continuous monitoring and verification mechanisms and define in the respective contracts and agreements the specific obligations between the different participants. This approach not only aligns projects with the different international guidelines but also strengthens the confidence of market actors.

4.9. Methodology selection

For the formulation of the mitigation initiative, the proponent should evaluate the guidance provided by the baseline and monitoring methodologies, to select the one that is appropriate to the activities proposed by the initiative.

The proponent may use methodologies developed by the COLCX Program, methodologies approved under the Clean Development Mechanism (CDM) available on the COLCX website[4], as well as other publicly available methodologies, as long as they comply with the COLCX Certification Program guidelines.

[4] https://colcx.com/Documentation/Methodologies

In all cases, the selected methodology must be clearly identified in the Project Design Document (PDD) and accompanied by a technical justification explaining its choice and demonstrating how the initiative meets the established applicability conditions

The use of public methodologies from other carbon programs will be allowed as long as they have been evaluated by the COLCX Technical Committee and have been formally approved for use within the framework of the program.

4.10. Limits and greenhouse gases covered

The proponent shall indicate the physical boundaries that define the field of action of the proposed mitigation initiative, as well as the existing GHGs within these boundaries including their sources, reservoirs and sinks, for both the baseline and project scenarios. The defined boundaries must be consistent with the baseline and monitoring system established in the methodologies to be applied.

4.11. Demonstration of additionality

For the COLCX program, the concept of additionality and the process for its evaluation is based on the procedures defined by the Clean Development Mechanism (CDM).

The proponent of the mitigation initiative shall demonstrate the additionality of the project activity by applying the *COLCX Guide to demonstrate additionality* as defined by the COLCX Program in its most updated version, available on the program's registration system website, so that if the mitigation initiative meets the evaluation criteria defined in this guide it may be considered additional.

For mitigation initiatives coming from other standards or carbon certification programs, the demonstration of additionality developed shall be accepted, as long as it has been evaluated during the validation and registration in such standard or program and it is valid according to the time periods considered by the COLCX standard. This condition must be demonstrated at the time of transfer to the COLCX Program.

4.12. Baseline scenario

- The baseline scenario should represent business-as-usual among a range of likely scenarios appropriate to the context of the initiative, which would manifest themselves in the absence of the initiative.
- Consider identifying alternative scenarios when required by methodology and project activity.

- The sources, sinks and reservoirs of GHG emissions in the baseline scenario should be represented with conservative data throughout its credit period. When these parameters change, the proponent should consider updating them.
- The baseline period and crediting period should be the same, recognizing the performance of GHG sources, sinks and reservoirs over time.
- The proponent should consider the characteristics of its project to evaluate conservative data and parameters for its GHG sources, sinks and reservoirs in the baseline and project scenario.
- COLCX takes into consideration the determination of dynamic and static baselines, which is delimited within the selected methodologies.

4.13. Leakages

- Changes in emissions or carbon stocks must be quantified for each source, sink, and reservoir in both the project and baseline scenarios, including leakages.
- Projects must assess leakages in accordance with the methodological guidance provided and deduct them from the emission reductions or removals achieved during the period.
- Positive leakages are not included in the quantification, for example, increased removals or reduced emissions outside the project area.
- Emissions due to leakages may be subject to a significance analysis using appropriate context information. If they account for less than 5% of total project emissions, they may be excluded.
- When applicable, leakage management areas must be established outside the project area and should consider suitability characteristics that minimize leakages.
- All calculations related to leakages must be documented in the project description and monitoring reports under the quantification section.
- Both the leakage area and the leakage management area must be monitored, and their performance must be reported for each verification period.

4.14. Estimated GHG reductions or removals

The proponent of the mitigation initiative must provide calculations of the baseline, project and leakage scenarios attributable to the initiative, considering an annualized calculation within the crediting period; these calculations must be consistent with the methods defined by the selected quantification methodology.

It should be noted that if the baseline and monitoring methodology selected allows a choice between different scenarios, options and/or default values for the variables

used in the calculation of emissions, reductions and/or removals, the mitigation initiative should describe in detail the criteria used for such a selection. It is also essential that the selection of values for each variable complies with the conservative principle, and is supported by reliable sources, aligned with the baseline scenario identified in accordance with section 4.12 of this document, thus avoiding underestimation or overestimation of emissions and/or removals in the absence of the project.

4.15. Data and parameters

The proponent of the mitigation initiative shall ensure that all data and parameters used both in the formulation of the PDD and in the quantification of GHG reductions and/or removals comply with the principle of conservatism and are the result of using parameters from reliable sources, appropriate to the technology and area of the project, and are supported by official and/or academic documentation. All data and parameters shall be traceable from their origin to their use in quantifying the removals and/or reductions of the initiative.

If there are no defined values for a variable, data validated by an independent third party or the result of consultation with experts with knowledge of issues related to the initiative may be considered.

Likewise, in the case of data and parameters whose origin is not recognized, their choice will only be valid if there is no other similar information available from reliable sources, and the reason for their use must be previously developed with technical rigor and clearly justified, as well as the treatment given to them in order to avoid overestimates in GHG reductions and/or removals.

4.16. Monitoring system

The proponent of the mitigation initiative must describe in detail the plans, measures and technologies to be implemented to monitor the operation of the activities to be developed, as well as the results achieved following the guidelines in section 5. The initiative must also justify how the plans, measures and technologies considered are consistent with the guidelines established by the baseline and monitoring methodology applied.

The proponent of the initiative must ensure that all documents and records resulting from the monitoring of project activities are maintained for at least two years after the end of the project's credited period.

4.17. Environmental impacts

The proponent of the mitigation initiative must describe in detail the environmental impacts that may occur in the area of influence because of its implementation and operation, clearly describing the method used for their identification and assessment.

It should also describe the plans, measures and technologies considered for the management and treatment of the positive and negative environmental impacts identified, including aspects related to their control, mitigation and follow-up.

Finally, it must be justified how the identification and management of environmental impacts is done considering the guidelines of current environmental regulations and social and environmental safeguards, as well as the different plans, licenses and permits that have been granted to the mitigation initiative. The delimitation of impacts and mitigation measures should be developed in accordance with the guidelines of the *COLCX No Net Harm and Socio-environmental Safeguards Guide* in its most updated version.

4.18. Contribution to sustainable development

The proponent of the mitigation initiative shall indicate in detail how the proposed and implemented activities contribute to sustainable development in the area of influence of the project, taking as a reference the indicators associated with the SDG of the United Nations, taking them to a local scale.

Likewise, in case there are sustainable development goals or indicators specific to the proponent's host country or specific to the mitigation initiative, the contribution to these will also be validated. The procedures for the identification, monitoring and reporting of the contribution to the SDGs must be developed in accordance with the guidelines of the *ColCX Guidelines for Reporting Contributions to the Sustainable Development Goals - SDG* in its most updated version.

4.19. Social and Environmental Safeguards

The proponent of the mitigation initiative must indicate in detail how the proposed activity and the mitigation measures identified for the management of the project's impacts consider social and environmental safeguards. The initiatives must consider within the evaluation of the safeguards the different instruments, agreements, processes and tools existing both at a national and international level, justifying how they are considered and applied. This procedure must be developed in accordance with the guidelines of the *COLCX No Net Harm and Socio-environmental Safeguards Guide* in its most updated version.

4.20. Stakeholder consultation and communication

The proponent of the mitigation initiative must conduct and document at least one consultation process with stakeholders in the area of influence, following the guidelines of the methodological tool *Guide for Stakeholder Consultation COLCX* in its most updated version.

During the stakeholder consultation, in addition to presenting in detail the activities that reduce and/or remove GHG emissions, participants should be given the opportunity to provide feedback on the proposal and give their comments and observations. In addition, the response and treatment given to each of the comments received should be documented.

Likewise, during the formulation, implementation and operation of the initiative, the proponent must establish continuous communication mechanisms with the interested parties, to guarantee communication channels that provide the possibility of presenting requests, complaints or claims that may arise in the event of foreseen and unforeseen adverse situations.

5. REQUIREMENTS APPLICABLE TO THE IMPLEMENTATION AND MONITORING OF THE MITIGATION INITIATIVE

5.1. General aspects

The proponent of the mitigation initiative must implement and monitor all proposed activities, according to the description that has been established in the PDD registered in the COLCX Program, contemplating physical aspects of the established infrastructure, technical characteristics of the equipment and systems considered, among others. The monitoring of the mitigation initiative must be performed according to the guidelines provided in the monitoring system registered in the PDD.

Additionally, the status of the project activities and the different indicators that allow to identify how the reductions and/or removals are achieved during the different monitoring periods must be described in detail in the PMR format defined by the COLCX Program.

The report on the implementation and follow-up of the mitigation initiative during the different monitoring periods must include, at a minimum, all the items described in the forms provided by the COLCX Program for the development of the PDD and the MR.

5.2. Description of the activity implemented

The proponent of the mitigation initiative must submit in the MR form defined by the COLCX program, a detailed description of the implementation of the activities proposed by the project, considering at least the following information:

- Description of activities performed
- Description of technologies, processes and equipment used or installed
- Information on the implementation and operation of the initiative
- Details of relevant events, such as construction of infrastructure, commissioning, start of operation, among others.

The proponent must indicate if during the monitoring period there were changes in the monitoring activities and/or systems with respect to what was proposed and validated in the PDD registered in the COLCX Program. These changes shall be reported to the COLCX Program and treated in accordance with the guidelines set forth in the post-registration changes section of this document.

Any change of this nature must be documented using the forms defined by the COLCX Program.

5.3. Description of the monitoring system implemented

The proponent of the mitigation initiative must provide a detailed description of the monitoring system using graphical schemes or diagrams showing the flow of information from data generation to recording, including all important phases of monitoring.

The monitoring system described should also contain the existing organizational structure, as well as the roles and responsibilities of the staff required to carry out the monitoring of project activities; it should also include the procedures applicable to unforeseen events that affect monitoring, including the treatment of missing or outliers.

To ensure the operation of the monitoring system, the procedures used to collect and process the data needed to calculate GHG reductions and/or removals, as well as any other information that needs to be monitored, must be indicated.

5.4. Monitoring plan

The proponent of a mitigation initiative shall describe the applied monitoring plan, which shall list all parameters of the project activities to be monitored according to

the applied methodologies and all other COLCX Program guidelines. For each parameter to be monitored, the proponent must consider within the information management aspects the following:

- Identify the parameter to be monitored
- Describe the procedures for measuring and/or calculating the parameter, including the frequency of collection and documentation
- Indicate the source of the parameter, pointing out any adverse situation that could affect the value to be recorded
- Establish the parameters that will remain constant during the credited period and those that will vary according to the operation of the project activity, which will be measured and recorded at duly justified intervals
- Indicate the method of calculation of the parameter, when applicable
- Describe the equipment used for monitoring the parameter, including technical details of identification (type and serial) and operation (class and accuracy)
- Establish for each monitoring equipment to be used, the calibration requirements including frequency, dates, validity, and uncertainty levels, among others. In any case, ensure that the equipment is calibrated (when applicable) according to national and international standards, or according to the manufacturer's specifications
- In the absence of a specific calibration requirement, technically demonstrate how the equipment delivers monitoring results within appropriate levels of uncertainty, by comparison with national or commercial data to ensure consistency
- Perform the calibration of the monitoring equipment using a duly accredited laboratory when the service is offered at national level; such conditions must be supported with the corresponding certificate
- Consider aspects for the control and quality assurance of measurements and the management of their results
- Provide the measured values of the monitored parameter, presenting them with appropriate time intervals within the monitored period, according to the specifications given by the applied methodology
- Define methods for quality assurance and control in the collection and recording of parameters.

5.5. Calculation of greenhouse gas reductions and removals

The proponent of a mitigation initiative must clearly present the formulas and models used to calculate gross and net GHG emissions and removals/reductions in both the baseline and project scenarios, as well as GHG emissions from leakage.

To establish the performance of the mitigation initiative, a comparison should be made of the GHG reductions and/or removals achieved over the monitoring period versus the estimates presented in the registered PDD.

In the event of an increase in GHG reductions and/or removals achieved during the monitored period, compared to the estimated GHG reductions and/or removals, the reason for this must be justified considering that only a maximum variation more than 25% over the estimated GHG reductions or removals in the registered PDD can be certified before the COLCX Program. It is important to mention that if there is a greater difference between the projected scenario and the actual scenario achieved, the project must update the ex-ante calculations of the project to reflect current project conditions.

Changes to the mitigation initiative resulting from such review and update shall be reflected under a new version of the registered PDD.

6. REQUIREMENTS APPLICABLE TO VALIDATION AND VERIFICATION

To validate whether a mitigation initiative meets the criteria and requirements of the COLCX Program, an independent assessment of the project documentation will be conducted by a VVB. Once the mitigation initiative certified and registered by the program has been implemented and is operating, the evaluation of the initiative's documentation by a VVB shall be carried out in a period not exceeding 5 years, to verify if the activities implemented by the initiative, as well as the GHG reductions and/or removals achieved during the monitored period comply with the requirements established by the COLCX Standard.

When the request for certification of a mitigation initiative is made after its entry into operation, it is allowed to advance the validation simultaneously with the verification of the activities and GHG reductions/removals achieved by the initiative, as long as all the requirements established by the COLCX Program are met.

To perform the evaluation, either to validate or verify a mitigation initiative, the proponent shall select a VVB authorized by the COLCX Program, which is accredited under ISO 14065:2020 and ISO/IEC 17029:2019[5], and complies with the other accreditation requirements established in the regulations of the host country where the project is developed. The relationship between the mitigation initiative to be

[5] The VVB shall consider the International Accreditation Forum (IAF) guidance related to the recognition and inclusion of ISO/IEC 17029:2019 as an IAF normative document, and the guidelines for the transition under which all accreditation under the new version of ISO 14065 will also require accreditation under ISO/IEC 17029. Refer to the explanatory documents issued by your accreditation body.

assessed and the VVB shall be established through a contractual document covering validation or verification as appropriate.

Within the COLCX Program, under no circumstances may the proponent or owner of a mitigation initiative have a relationship with the VVB, other than that covered by the service contract signed between the parties, which may represent a conflict of interest and affect the impartial and objective performance of its functions as a compliance assessor. The existence of a relationship between a proponent or owner of a mitigation initiative with VVB under such conditions is considered a breach of the program criteria, resulting in the suspension or withdrawal of the mitigation initiative and the cancellation of the contract that authorizes VVB as an evaluator within the program.

7. REQUIREMENTS APPLICABLE TO REGISTRATION

7.1. Post-registration changes

The proponent of a mitigation initiative must identify whether there have been any changes, whether planned or unplanned, during the implementation, operation or monitoring of the registered project activities. To do so, it must be determined whether the changes are temporary deviations or permanent changes; in either case, they must be reported to the COLCX Program for assessment and, if applicable, approval.

In the event of a change in the activity that reduces and/or removes GHG emissions during its implementation with respect to the one proposed in the registered PDD, this shall be evaluated by the VVB during the verification, in order to establish whether it affects the eligibility of the initiative with respect to the requirements of the COLCX program, the applicability of the methodologies used or compliance with additionality requirements; if it is found that the change does result in non-compliance of the initiative, the following shall be considered:

- If the initiative's eligibility is affected, the COLCX Technical Committee will evaluate whether the impact of the non-compliance affects the integrity of the COLCX Program and whether it should continue to hold certification and registration status in the program.
- If the applicability of the methodologies is affected, the proponent must submit a request for deviation to the applicability requirements, which will be evaluated by the COLCX Technical Committee who will decide whether to proceed. In case the deviation is not approved, the proponent shall apply another methodology or otherwise propose a new one or a modification to the one initially proposed, using the forms defined by the COLCX Program; this to be revalidated with an VVB and

thus be able to certify the GHG reductions and/or removals achieved by the initiative.

- If the additionality of the initiative is affected, the proponent must substantiate the nature of the change and how the initiative mitigates such situation; in this case, the COLCX Technical Committee will evaluate whether the justification is sufficient and whether the initiative should continue to hold the registration status.

In case of changes in the monitoring system implemented with respect to the one registered in the COLCX Program, the proponent must submit a request for a deviation to the application of the monitoring methodology, indicating whether the required change is permanent, i.e. it will be maintained throughout the credited period, or temporary, i.e. it will only generate a variation during a certain period of time. In both cases, the proponent must justify the nature of the change, and the measures adopted to mitigate or eliminate any negative impact that such change may have on the monitoring of the initiative.

In the event of permanent changes, the proponent shall adjust the registered PDD (both change control and clean version) to show the proposed or actual changes, using the most recent form of the PDD. The adjustment shall include a description of the changes, including the reasons, the impact on the activity and any other relevant information.

If a situation arises in which the project activity cannot be temporarily monitored as established in the monitoring plan described in the registered PDD, the proponent shall indicate the reason, scope and duration of the situation in the MR for the corresponding period and propose alternatives for monitoring during the contemplated monitoring period. The proposed alternative monitoring should apply conservative assumptions and factors to ensure that there are no overestimates of GHG emission reductions and/or removals.

Likewise, the VVB shall evaluate the impact of the change, either of the initiative implemented or of the monitoring system, as well as the impact on the monitoring of the activities and GHG reductions and/or removals that were achieved by the initiative in the monitoring period contemplated. If any of these changes result in an increase in the value of GHG reductions and/or removals achieved in the monitoring period compared to those estimated at the time of registration, the guidelines of section 5.5 of this document shall be considered.

7.2. Renewal of the credited period

During the year prior to the end of the current credited period of a registered initiative, the proponent may renew the credited period.

To do so, the application for renewal of the period must be made with an updated version of the PDD in the COLCX Program form, in which the sections related to the determination of the baseline, the potential for reduction and/or removal of GHG emissions, the proposed monitoring plan and the credited period are updated, following the guidelines of the methodology selected by the initiative.

For the renewal of the crediting period, the additionality of the proposed mitigation initiative must not be re-evaluated, nor must a new consultation with interested parties be carried out, except in cases where there is a change in the applicable rules or regulations, which requires changes to the mitigation initiative that result in the need for a new consultation with the parties or in new additionality conditions to be evaluated.

7.3. Approval of initiative participants

The proponent of a mitigation initiative that holds ownership or authority over the project activities may add or withdraw participants, indicating their contact information and clearly describing their roles and responsibilities; such participation in the initiative, whether it is the addition or withdrawal of a natural or legal person, must be supported before the COLCX Program through documents that support such action. As well as contemplating the different reversals that are generated in accordance with the procedures of the COLCX Program and the approved methodologies.

7.4. COLCX Program Reservations

The COLCX Program shall maintain as a reserve for AFOLU sector projects a percentage of the total GHG emission reductions and/or removals quantified during the different certification periods, which may be claimed only at the end of life of the registered mitigation initiative or otherwise cancelled as an effect of the action of any risk that casts doubt on the partial or total permanence of the project. The percentage of non-tradable carbon credits, “buffer”, will be determined through the application of the *ColCX Guide for the management of reversal risks, non-permanence risks and uncertainty* in its most updated version.

If there are risks to the permanence of the initiative during the different monitoring periods, the proponent/owner of the initiative must explain in the MR of the corresponding monitoring period, what are the causes and impacts that generate these risks and what are the mitigation measures that allow compensation for the occurrence of these risks.

The quantification of the project's non-permanence risks applies equally to projects that are transferred from other carbon standards or programs.

History of the document

Version	*Date*	*Description*
1.0	13/07/2023	Initial version
2.0	23/05/ 2025	Document update