



## RULE UPDATE

# SMALLHOLDER, SMALL SCALE AND MICROSCALE DEFINITIONS AND REQUIREMENTS FOR LAND-USE AND FORESTRY (LUF) PROJECTS

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### Related Documents

- [Land-Use and Forestry Activity Requirements](#)
- [GHG Emissions Reduction & Sequestration Product Requirements](#)

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## BACKGROUND

This rule update introduces the change in definitions of “microscale”, “small scale” and “smallholder” projects applying [Land-Use and Forestry Activity Requirements](#). The change in definitions aligns project type/scale with the applicable methodologies and ensures consistency across the project types.

## 1 | SCOPE, APPLICABILITY AND ENTRY INTO FORCE

1.1.1 | The changes outlined in this rule update are only applicable to projects, PoAs/VPAs applying the [Land-Use and Forestry Activity Requirements](#).

- 1.1.2 | Projects listed or registered with Gold Standard for the Global Goals (GS4GG), or previous versions of the standard, are not required to retroactively update the project scale/definition and/or any other aspect of the registered projects until the end of its crediting life. Such projects may also include new areas that comply with the New Area Certification requirements in the Land Use Activity requirements as per original project scales/definitions.
- 1.1.3 | Projects & PoAs/VPAs submitted for preliminary review after this rule update comes into force -shall comply with the applicable definition and associated requirements.
- 1.1.4 | Unless otherwise stated in this rule update, Annex B of the [LUF Activity Requirements](#), which provides the requirements for LUF smallholder & microscale projects, applies to smallholder & microscale projects.
- 1.1.5 | Paragraph 2.1.2 in Annex B of the LUF Activity Requirements is no longer valid. An individual auditor is not permitted to perform any audit activity for projects of any scale/type applying the LUF Activity Requirements. However, if an audit agreement is signed prior to this rule update coming into force, the individual auditor may complete the audit activities that are covered under the signed agreement.
- 1.1.6 | This rule update comes into force on 03/11/2021.

## 2| RULE UPDATE

### 2.1 | Smallholder projects

- 2.1.1 | A project is a smallholder project if it only includes project areas where individual participant;
- own or lease no more than 3 ha of land in the host country. In case of leased land, the project must provide evidence that the leaser has been leasing the land for the past 5 years. In case project involves community owned land, the project developer must provide evidence that the average land assigned to each community member is 3ha or less; AND
  - are defined as low-income communities according to host country definition.
- 2.1.2 | A smallholder project shall;
- a. be either a small-scale or a micro-scale project, and
  - b. generate no more than 16,000 tCO<sub>2</sub>e/yr, and
  - c. meet the requirements defined in paragraph 2.1.1 (above), and
  - d. be designed in a participatory manner complying with GS4GG [Stakeholder Consultation and Engagement Requirements](#).

- 2.1.3 | If a smallholder project is defined as a microscale project, the microscale caps for emissions (i.e., 10,000 tCO<sub>2</sub>e/yr) and maximum project area (i.e., 500ha), shall be applied.
- 2.1.4 | If a smallholder project is defined as a small-scale project and generates more than 16,000 tCO<sub>2</sub>e in any monitoring year, the project issuance will be capped to 16,000 tCO<sub>2</sub>e. A monitoring year may be covered under two or more consecutive monitoring reports.
- 2.1.5 | If a smallholder project also involves measures/technology eligible under GS4GG activity requirements other than LUF, the emission cap defined in para 2.1.2 above, is only applicable to the component corresponding to the LUF Activity Requirements. In such cases, the project developer shall define component separately in a manner that clearly differentiates the emission units for each component.
- 2.1.6 | For smallholder projects submitted for preliminary review after this rule update comes into effect, the relevant sections of [Land Use and Forestry Activity Requirements](#) shall be applied as summarised in the table below.

<b>LUF activity requirement</b>	<b>Requirements as per rule update</b>		
Terms and Definitions – “Smallholder” definition	Apply the updated definition (see paragraph 2.1.1 & 2.1.2 above)		
Principle 5 – Financial Additionality & Ongoing Financial Need section		Apply the emission reduction or removal cap defined above for a smallholder project i.e., 16,000 tCO <sub>2</sub> e/yr	
3.1.16, Option 2 “Positive List” applicable to Agricultural projects - bullet “e”			
		Smallholder Small Scale	Smallholder Micro Scale
Annex B – Requirements for LUF Smallholder & Microscale projects - para 1.1.4	Maximum Area	No limit	500 ha
	Maximum Emissions reduction or removal units	16,000 tCO <sub>2</sub> /yr	10,000 tCO <sub>2</sub> /yr
Annex B – Requirements for LUF Smallholder & Microscale projects - para 2.1.1.b	Apply the updated definition (see paragraph 2.1.1 & 2.1.2 above)		
Annex B – Requirements for LUF Smallholder & Microscale projects - para 2.1.2	Individual auditors are not permitted to perform an audit for any type for smallholder or microscale activities.		

## **2.2 | Microscale projects**

- 2.2.1 | A microscale project is defined as a project with a maximum project area of 500ha.
- 2.2.2 | A microscale project shall not generate more than 10,000 tCO<sub>2</sub>e/yr.
- 2.2.3 | If a microscale project generates more than 10,000 tCO<sub>2</sub>e in any monitoring year, the project issuance will be capped to 10,000 tCO<sub>2</sub>e. A monitoring year may be covered under two or more consecutive monitoring reports.
- 2.2.4 | A microscale project applying LUF activity requirements may apply provisions of validation and verification as per [Micro-scale Project Requirements](#).

## **2.3 | Small Scale projects**

- 2.3.1 | A small-scale project is defined as per emission reduction cap defined below
  - a. Forestry: maximum up to 16,000 tCO<sub>2</sub>e/yr
  - b. Agriculture: maximum up to 60,000 tCO<sub>2</sub>e/yr
- 2.3.2 | A small-scale project may apply a small-scale or large-scale Gold Standard approved methodology.