



THE GOLD STANDARD

**A tool for environmental quality and risk
management in the carbon market**

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The market for carbon credits is growing...

Projects should provide long-term climate change and sustainable development benefits.....but

- Use of credits from projects that would happen anyway increases global emissions, crowds out new investment and maintains dependence on unsustainable energy resources
- Projects without local support hinder future progress to fight climate change
- Unclear rules increase risk of environmental and social damages to host country communities.





Bad projects increase risks ...

- Uncertainty for investors, with many rules still unknown and a lack of basic standards.
- Heightened political risks affecting projects and reputational risks affecting investors.
- Public doubts over the credibility of emission reduction projects.
- Little confidence for host countries that projects will help them move to a sustainable energy future and cut future emissions





The Gold Standard raises the bar...

- First voluntary independent best practice benchmark for GHG reduction projects.
- Independent verification of global standards, readily applicable across countries and sectors
- Ensures the CDM and JI deliver credible projects with real environmental benefits
- Simple procedures, compatible with CDM and JI project cycles and other protocols, balancing cost and environmental rigour





Using three simple screens...

Project Types

- ➔ Renewables and end-use energy efficiency

Additionality and baselines:

- ➔ Would the project activity have occurred anyway?
- ➔ Will the project activity result in lower GHG emissions than would have occurred in its absence?

Sustainable development:

- ➔ Enhanced stakeholder consultation and EIA
- ➔ Rapid sustainable development assessment





Gold Standard Benefits

- Confidence for public and host governments that projects represent new investments and contribute to sustainable development
- Projects catalyse market for sustainable energy investments and long-term climate protection
- Lower project costs and reduced risk of delay (stakeholder opposition, local government approval, PDD approval)
- CSR and reputational benefits





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