The Gold Standard Foundation: Rewarding Excellence in the Carbon Markets

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Gold Standard in a Nutshell

Who we are:

• A non-profit organization under Swiss law that operates a certification scheme for premium quality carbon credits
• Endorsed by over 60 NGOs

How we got started:

• The Gold Standard quality benchmark emerged and has evolved in parallel with the emergence and maturation of carbon offset markets. It was developed by a group of NGOs led by WWF, SSN and Helio International and launched in 2003.
Gold Standard in a Nutshell – cont’d

What we stand for:

• Recognizing excellence in carbon markets
• Promoting sustainable development through carbon offset markets

What we do:

• GS registers projects that reduce GHG emissions in ways that contribute to sustainable development and certifies their carbon credits for sale on both compliance and voluntary offset markets.
The Different Standards
How does the Gold Standard work?

The criteria are surprisingly simple…

1. Renewable Energy & End-Use Energy Efficiency
2. Additionality
3. Sustainable Development (self assessment & stakeholders)
4. Third-Party Audits & Scrutiny
Why the Gold Standard?

• Controlled risk
• Stakeholder acceptance
• Excellent reputation
• Premium and resilient prices
• Market visibility
• Contribution to sustainable development
• In an uncertain market, GS is the safest bet
More than 60 Supporter NGOs Worldwide

- North America: 12
- South East Asia: 15
- Europe: 11
- India: 7
- Rest of Asia: 7
- Africa: 4
- Central America: 3
- China: 2

Plus 5 International NGOs:
- WWF Int.
- Greenpeace Int.
- Mercy Corps
- REEEP
- Helio International

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Perception of Offset Credits

- VERs with no additional standard: 6
- CCS CERs: 10
- CCBA: 15
- CCAR: 16
- Australian Government Climate/Greenhouse: 16
- Green E Climate Standard: 17
- Voluntary Offset Standard: 21
- TUV VER+: 22
- Voluntary Carbon Standard: 32
- CDM CERs: 48
- Voluntary Gold Standard: 58
- CDM Gold Standard: 76

New Carbon Finance
Current Trends in the Market

- **Reputational risks are still vital** → Buyers put their reputation at risk when entering the carbon offset market, hence, there is rising demand for good all-round performance from (voluntarily) purchased offsets.

- **Quality will remain key** → Buyers are demanding high quality with preferences for renewable energy/end-user EE and small and medium-scale projects.

- **Co-benefits are to be more critical** → Buyers are demanding offsets with extra benefits; a project that hurts a local community or destroys wildlife can be a serious risk.

- **GS is setting a benchmark** → Both clients on the voluntary market and project developers/sellers need to have GS credits to be competitive.
Why Buy Gold Standard Offsets

- GS projects are seen as projects with strong all-around sustainability and social benefits

- Marketing value of GS projects in the voluntary market is extremely high

- Higher prices (GS premium) because you get what you pay for

- Interesting projects can stimulate new interest in offsetting overall (new demand)
Kuyasa Solar Housing Project, South Africa

CASE STUDY

- 2300 homes received solar water heaters, insulated ceilings and energy efficient light bulbs;
- Average household saves approx. 50% on electricity costs per month;
- Reduced use of paraffin for heating;
- Improved local respiratory health;
- Improved thermal comfort; and
- Created local jobs.
Zengamina Mini Hydro Mwinilunga District, Zambia

CASE STUDY

• 450 jobs, a large proportion of which are women. For many, this job represented their first cash income.
• Reduced emissions by up to 3,000 tonnes CO$_{2}$eq per year.
• Contributed significant cash flows into the local economy.
• Improved local respiratory health.
• Provides access to affordable electricity for local residents.
Wind Project, Bonaire by KLM Royal Dutch Airlines

CASE STUDY

- Project will provide the entire island (5000 homes and businesses) with renewable energy;
- Estimated reductions: 30,000 tons per year;
- Construction created 20 new jobs; and
- Maintenance will create 4 new jobs.

ABOUT KLM

- Committed to offset all increases in CO2 emissions caused by its growth since 2007 and to reduce emissions 3% by 2012 and 17% by 2020;
- Partnered with WWF Netherlands
- Created CO2ZERO
- 100% of every Euro committed by passengers goes towards the project
Future Outlook for Gold Standard – Recent Developments

- New micro-scale scheme to be launched after GS Academy in Istanbul (22-23 February 2010)
  - Promoting renewable energy projects in LDCs, SID, etc. via simplified, streamlined procedures and reduced transaction costs
- Revised rules on PoAs for voluntary market
- Top-down development of methodologies for voluntary market
- Establishment of informal contact group with industry via CMIA and PD Forum
- Exploring all emerging markets or related fields, e.g. USA, forest carbon, clean energy technology transfer, production of renewable energies, adaptation, etc.
- GS will adapt to recognize the best efforts in any carbon constrained economy
- GS will develop an appeals process so project proponents can challenge a TAC decision or other technical decision
Thank You

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