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ICAO Colloquium on Aviation and Climate Change

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.



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The Different Standards



VER+
Robust. Reliable. Verified.



CCB Standards
The Climate, Community & Biodiversity Alliance





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

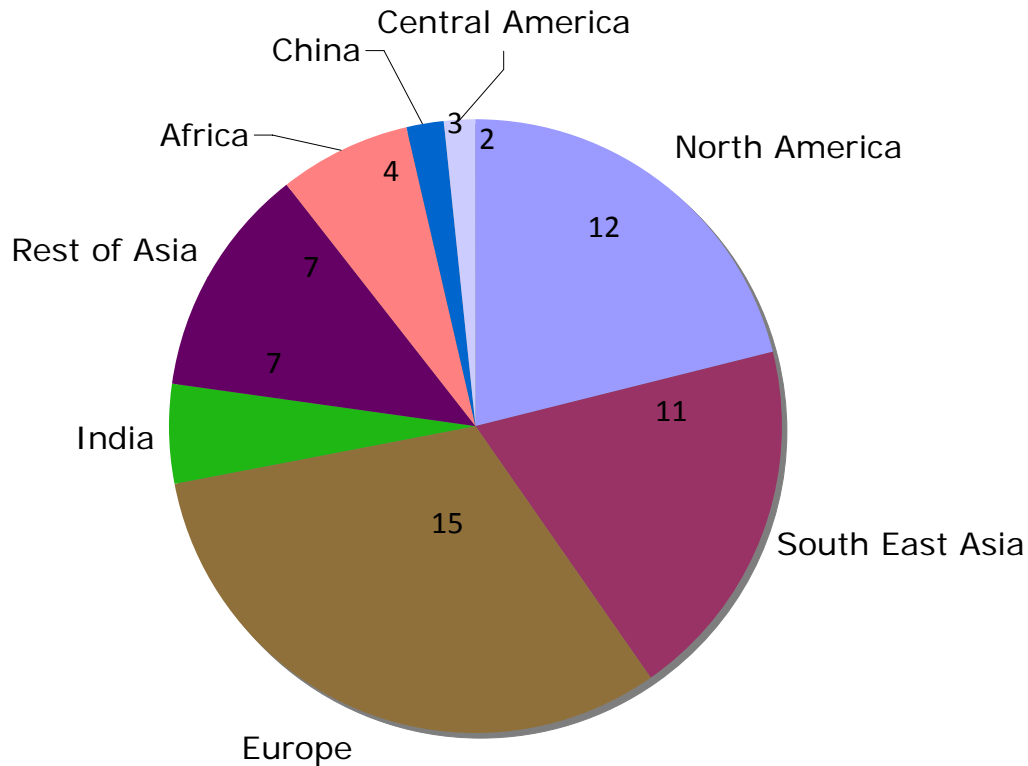
Why the Gold Standard?

- 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





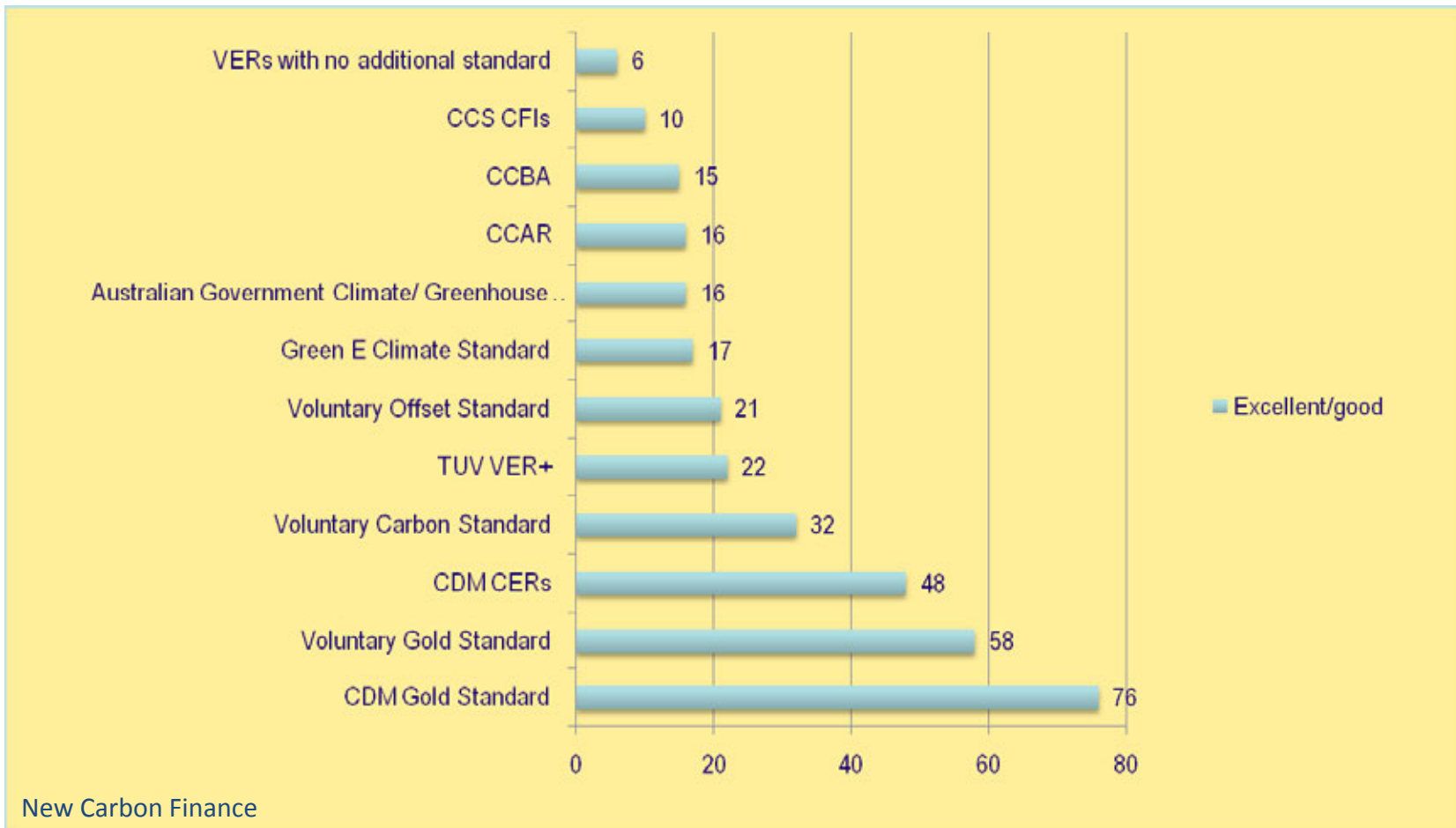
More than 60 Supporter NGOs Worldwide



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



Perception of Offset Credits





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_{2eq} 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, SIDs, 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



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Thank You

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