An Introduction to The Gold Standard

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Audio Call-In Information
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The question will be listed here

Select one answer and then click “submit”
1. Provide basics on The Gold Standard (GS)
2. Describe GS rules and regulations and how to determine if projects are eligible for carbon finance
3. Learn how to access carbon finance
4. Gain insights and tips on how to navigate the GS project cycle
5. Describe the GS NGO Supporter Network and how it can support Partner efforts
6. Detail upcoming GS programs
Agenda

• Audience Snapshot
• The GS Foundation Background
• GS Project Eligibility
• Elements of a GS Project
• Rules and Documentation
• The GS Certification Process
• Case Study: Proyecto Mirador
• Questions & Answers
• Next Steps
What is your experience with carbon financing?

- 34%: My org. has not pursued carbon financing
- 45%: My org. is pursuing carbon financing for our stove work
- 10%: My organization has received carbon financing
- 7%: My organization is not interested in carbon financing
- 4%: My organization provides carbon financing
My involvement with GS to date has been as:

- 59%: A GS project owner
- 26%: A GS project developer
- 9%: A GS NGO supporter
- 4%: I have not yet been involved with GS
- 2%: Other GS stakeholder
What are you most interested in learning about during this webinar?

- 36%: Determining whether my project is eligible for carbon financing
- 26%: Determining whether my org. should join the GS Supporter Network
- 20%: Gaining insights on how to navigate The GS project cycle
- 13%: Learning about upcoming Gold Standard programs
- 5%: Learning how to access carbon finance
Audience Polling Question

How familiar are you with the Gold Standard?

1. I am not familiar with the GS
2. I have heard of the GS
3. I am generally familiar with GS projects
4. I have worked in the past with the GS
5. I am currently working with the GS
Have you had a cook stove project registered with the GS?

1. Yes
2. No
3. Not yet, but I am working on it
The Gold Standard Foundation
What is The Gold Standard?

• Non-profit foundation based in Geneva, Switzerland
• The global benchmark certification scheme for high quality carbon reduction projects in both compliance and voluntary carbon markets
• Independently verified to deliver real, measurable, permanent greenhouse gas reductions and sustainable development
• The only standard to incorporate Monitoring, Reporting and Verification for sustainable development and environmental co-benefits for all projects
• Actively supported by 70 NGOs worldwide, including WWF, Greenpeace and Mercy Corps
• Buyers include Swiss Post, Deutsche Post, DHL, Nokia, Virgin Atlantic, H&M, TUI Travel, FIFA and multiple governments
• Trusted by the United Nations as the standard for its carbon projects
Governance

Foundation Board
Financial oversight and strategic governance
6 members, min 33% NGO

NGO Supporters
Advocacy and hands-on support
70 NGOs

Gold Standard Secretariat
Daily management of activities
Project & meth reviews
Capacity building
Registry management
Marketing & fundraising
25+ permanent staff

Technical Advisory Committee
Methodology approval
Rule changes, appeals
9 independent market experts

Roster of External Experts
Project and meth reviews
Specialist input

Buyers and Service Providers
Voluntary commitment to use majority GS Credits

Auditors
External, independent validation – UN approved

APX / Markit
Registry platforms
Best in class technology
The NGO Supporter Network

A community of NGOs who work with The Gold Standard to ensure that Gold Standard projects (1) provide a real contribution towards sustainable development and (2) deliver real, measurable and long-term emissions reductions.

NGO Supporters Worldwide

- Over 70+ NGOs worldwide
- GS “eyes and ears” on the ground
- Provide technical & project support
- No financial commitment by NGO
- GS raising money for NGO supporter fund
Join The NGO Supporter Network

• **Promotional benefits:** Including website, newsletter, social media and the possibility of collaborative marketing opportunities such as case studies, offering the NGO a global audience for increasing its visibility and networking potential
• **Project feedback:** Review the documents of projects applying for Gold Standard registration or credit issuance and provide feedback
• **Local input:** Receive personalized invitations to participate in local stakeholder consultations. Local NGOs can bring value to discussions by advocating on behalf of social and environment issues that affect the local communities
• **Paid consulting opportunities:** In some regions, experienced NGO representatives with expertise in specific project types are asked to provide remunerated reviews for Gold Standard projects
• **Attendance sponsorship:** Depending on level of expertise or activeness, NGO Supporters can be sponsored to attend regional Gold Standard workshops, training academies or networking events
• **Co-hosting opportunities:** NGO Supporters will be increasingly invited to co-host Gold Standard workshops

Application available at [http://www.cdmgoldstandard.org/Opportunities-for-Engagement.71.0.html](http://www.cdmgoldstandard.org/Opportunities-for-Engagement.71.0.html)
The Gold Standard Market

**Kyoto Compliance Market**
- Label CERs/ERUs
- Promote participatory approaches through stakeholder involvement and acceptance
- Sustainable Development

**Voluntary Market**
- Issue VERs
- Benchmark standard
- Premium VER price
- Promotes innovation

**PRACTICE TIP:** CDM project developers can apply for a Gold Standard label, which translates into a higher price for the CER.
Robust Carbon Mitigation Worldwide

- Focus on Renewable Energy and Energy Efficiency projects
- 100+ project types (methodologies)
- 160+ project developers
- 600+ projects in over 50 countries
- 40m+ GS tonnes CO2e issued and pending
- Approx 40:60 ratio of compliance to voluntary market projects

Geographic location of GS projects:
- Central Eastern Europe: 27%
- China: 23%
- SE-Asia: 15%
- S-Asia: 11%
- Australasia: 1%
- USA: 1%
- Sub-Saharan Africa: 13%
- South America: 4%
- Caribbean/ Central America: 5%
- Central America: 4%
- S-Asia: 11%
- SE-Asia: 15%
- China: 23%
- USA: 1%
- Sub-Saharan Africa: 13%
- South America: 4%
- Caribbean/ Central America: 5%
Gold Standard Cook Stove Projects

- NEW version of The Gold Standard cook stove methodology
  - “Technologies and practices to displace decentralized thermal energy consumption”
  - Includes certification for water purification technologies
  - Upcoming PCIA webinar explores methodology in-depth
- 60+ projects (CER & VER combined)
- Avg. price of a GS project is $9-10 per ton; cook stove projects sell at a premium and are in demand
- Innovations on the Gold Standard radar:
  - Best practices for reallocating carbon revenues to the local community
  - Whether to certify reductions in black carbon
Would you like to see GS certify black carbon in cook stove projects?

1. Yes
2. No
3. Not sure
UN projects – an inspiring use of carbon markets

UNHCR (High Commissioner for Refugees): Kakuma Refugee Camp, Kenya
- Community focused solar energy project supporting Sudanese refugees
- Solar cookers, public solar light and personal solar lanterns for students
- Full documentation can be found on the GS registry – project GS924
- [http://www.youtube.com/watch?v=Md-WxgHqdtQ](http://www.youtube.com/watch?v=Md-WxgHqdtQ)

UN World Food Programme ‘SAFE’ Project in Darfur
- WFP and the IASC are implementing SAFE (Safe Access to Firewood and alternative Energy in Humanitarian Settings) in Darfur
- WFP plans to provide and assist c.100,000 women with fuel-efficient stoves and innovative fuel technologies in combination with alternative income opportunities, and to provide fuel-efficient stoves and equipment to 170 schools to alleviate the household burden of school meals
Project Eligibility

Four simple components

1. Renewable Energy & Energy Efficiency
2. Additionality
3. Sustainable Development (self assessment & stakeholders)
4. Third-Party Audits and Scrutiny
Elements of a Gold Standard Project

- High Quality
- Real
- Permanent
- Verifiable
- Enforceable
- Independent
- Community Involvement

High Quality
Tools and Resources

GS v2.1 Rule Books

• “Requirements”
  – Presents the fundamental principles and ‘hard’ rules

• “Toolkit” and its Annexes
  – Describes the project cycle, provides examples and detailed instructions on the use of the GS
  – Annexes include: Templates, GS Terms and Conditions, Cover Letter, GS Registry Operation, Fee Schedule, etc.

Valuable tools are available at:
GS v2.1 Project Documentation

• UNFCCC PDD templates
  – All GS projects must use latest UNFCCC Project Design Document (PDD) templates, located at http://cdm.unfccc.int/Reference/PDDs_Forms/PDDs/index.html

• GS Passport (Annex R)
  – Provides all required GS-specific information not already covered in the PDD (fixed template)
  – Sustainability Assessments:
    • Local Stakeholder Consultation Report
    • Sustainable Development Matrix
    • Sustainable Development Monitoring Plan
    • Do No Harm Assessment
Gold Standard Registry

• Available at: http://goldstandard.apx.com

• Every project developer and auditor must open a registry account

• One account per entity

• Primary functions:
  – Track credits from cradle to grave
  – Communications vehicle between project developer and GS
  – Information database

**PRACTICE TIP**: The GS Registry is a valuable information center to learn more about GS cook stove projects – see Public Reports tab.
The Gold Standard Certification Process

1) Identify suitable renewable energy/energy efficiency project

2) Open registry account

3) Local Stakeholder Consultation (LSC)

4) Project final design documentation

5) Stakeholder feedback and project implementation

6) Independent auditor (DOE) reviews and validates project

7) GS reviews audit before project registration

8) GS external (DOE) verification

9) GS reviews verification before issuance of credits
Step 1: Evaluate your project

Eligibility
- Renewable energy or energy efficiency?
- Is there a GS VER or CDM methodology?
- Project location – does the country have a cap?
- Size?
- Project gases eligible for credits: CO$_2$, CH$_4$ and N$_2$O

Additionality
- UNFCCC-approved tools
- Investment analysis
- Barrier analysis
- Common practice analysis

Sustainability
- What is the local impact of your project?
Step 2: Open a Registry Account

- Go to http://goldstandard.apx.com
- Create username and password
- Sign the Terms & Conditions and Terms of Use
- Submit identification information
- Upload your documents
Step 3: Conduct the Local Stakeholder Consultation

Discuss the impacts of the project with the host community

Overview
• GS requires 2 rounds of consultation
• At least one in-person meeting is required

Before the Meeting
• Invite your Regional Manager, GS NGO supporters, local NGOs, local residents and officials

At the Meeting
• Sufficient diversity should be ensured (skills, gender, ethnic, etc.)
• Explain the project in non-technical, layman’s terms
• Stakeholders must complete the Sustainable Development Matrix
Step 4: Finalize Your Project Documents

• **Purpose:** To get ready for validation
• Project Design Document (PDD)
• GS Passport
  -- Deviations from methodology
  – Sustainability Assessments
    • LSC Report
    • SD Matrix
    • SD Monitoring Plan
    • Do No Harm Assessment
Step 5: Conduct the SFR

• The Stakeholder Feedback Round (SFR)

• **Purpose:** To follow-up from the Local Stakeholder Consultation and address how the project developer took the stakeholders’ comments into account and changed the project design

• This is the 2nd of two stakeholder consultations

• This can be completed in conjunction with validation
Step 6: Validation

• **Purpose:** To review the project and project documentation at the outset to ensure eligibility, additionality, sustainability and correct application of the methodology and our Rules

• The first third-party audit

• You must hire a UNFCCC-accredited DOE who must visit the site

• Additional information about validation is located in Chapter 3 of the Toolkit
Step 7: Registration

- **Purpose:** A registration request tells the Gold Standard that you have successfully completed validation.
- You must send the Gold Standard a formal request for registration. This takes the form of a Cover Letter (Annex S), which is a legal document.
- Upload all of your final documents to the Registry.
- GS will review for completeness and initiate an 8-week review period during which the GS Secretariat, the GS Technical Advisory Committee, and GS supporter NGOs will review the documents and ask questions or make comments.
- GS will consolidate all feedback and send to you.
- The review period ends when all comments have been addressed and all questions have been answered.
Step 8: Verification

- **Purpose:** To ensure that the project is operating in accordance with the PDD and that sustainability has been properly accounted for
- The second third-party audit
- You must hire a different UNFCCC-accredited DOE
- A pre-requisite to issuance
- Required at least once in the first two years; thereafter, once every three years
Step 9: Certification/Issuance

- Upon successful completion of verification, all documents are uploaded and GS will check for completeness
- A 3-week review period follows, during which the GS Secretariat, the GS Technical Advisory Committee, and GS supporter NGOs may have comments or questions
- GS sends you the feedback at end of 3-week period
- Review period will end whenever all comments and questions have been addressed and answered
The Retroactive Project Cycle

Pre-Feasibility Assessment is required for:

• Retroactive projects (all projects that have already started construction or implementation at time of first submission to GS)
• Large hydro (> 20 MW), palm oil-related projects
• Rejected CDM projects
• See Toolkit Chapter 2.5 and Annex C for projects requiring Prefeasibility Assessments
Practice Tips: A review

• If you are developing a CDM cook stove project, consider applying for a GS label to get a higher price for your credits
• Use the “Public Reports” tab of the registry
• Communicate with your Regional Manager throughout the project cycle to minimize mistakes
• Use members of the NGO Supporter Network as a local resource
• Join the NGO Supporter Network or work with The Gold Standard in another capacity to maximize exposure for your project – in other words, get to know us!
Why Gold Standard?

Before

After
Strong Market Recognition

“The Gold Standard continues to be recognized as the flagship for demonstrating real carbon reductions plus additional sustainability benefits.” - ENDS Report 2010

• NGO category winner in Climate Change Business Journal’s Business Achievement Awards 2010
• Non-profit category runner-up in the Association for Climate Change Officers’ Climate Leadership Awards 2010 (winner is GS project developer)
• Ranked “most desirable standard for corporate buyers when purchasing carbon credits”, Carbon Management and Offsetting Trends Survey 2009
• Stockholm Environmental Institute commended Gold Standard as ‘the most fully-developed and rigorous standard in the voluntary market’ March 2008
• Gold Standard project recognition, includes two GS projects (GS685 and GS832) winning awards at the PCIA Special Achievement Awards 2011
This project reduces indoor air pollution by disseminating improved wood stoves called “La Justa” to the local areas around the Santa Barbara Province of Honduras. The La Justa was engineered to burn hotter and use less wood compared to a traditional fogon stove.

A field study showed that the replacement of one traditional fogon stove with one La Justa (Model 2x3) stove reduces greenhouse gas (GHG) emissions by 1.9 mtCO2e/year. This project is estimated to reduce emission over 38,000 emissions annually. That is the equivalent of taking more than 12,000 tonnes of rubbish out of landfill.
Case study cont: Contribution to sustainable development

- Improves air quality
- Reduces living costs for families
- Decreases child and adult mortality
- Creates local employment opportunities
- Facilitates transfer of technical knowledge
- Helps reduce the burden on limited natural resources
- Contributes to local/regional economy
- Helps prevent respiratory illnesses caused by toxic gases
- Reduces time devoted to wood collection and/or money spent on wood
- Serves as a model for other stove projects by monetising certified carbon saving
- Carbon Finance enables a move from charitable donations to a model that is self-sustaining and market driven
The Gold Standard Foundation

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Do you think carbon finance would be beneficial for your stove project?

1. Yes
2. No
3. Maybe, I need to learn more
Audience Polling Question

Do you have a better understanding of the GS after this webinar?

1. Yes
2. No
3. Not sure, I need to think about it
Questions and Answers

• Please type your questions into the Question/Chat Pane.

• We will answer as many as we can, time permitting.

• All questions submitted will be answered and posted to the Proceedings page on www.PCIAonline.org in a few weeks.
Next Steps

• The presentation and answers to your questions from today will be posted to http://www.pciaonline.org.
• Share your carbon financing experiences and lessons learned with PCIA; email moderator@pciaonline.org
• Participate in upcoming PCIA carbon finance webinars.
• Respond to the SurveyMonkey email you receive later today: help us help you!
Upcoming Webinars

• Carbon Finance Webinar Series:
  – Tuesday, **September 27**, 2011 – Innovations in Version 3 of the Gold Standard Methodology
  – Tuesday, **October 18**, 2011 – Case Studies: The Gold Standard in Practice
  – Wednesday, **November 9**, 2011 – Perspectives: Allocating Carbon Revenue
Thank You For Participating!

We Look Forward to Your Feedback