

Gold Standard[®]

ALIGNING VCM WITH PARIS – A NEW ERA

ECRTS - February 2021

Owen Hewlett – Chief Technical Officer





Gold Standard believes that climate + development go hand in hand.

We work to ensure that every dollar creates the greatest impact in climate security + sustainable development.

- Founded by WWF and other NGOs in 2003
- Swiss non-profit headquartered in Geneva
- Endorsed by broad NGO Supporter Network

Issuing or labelling credits for 1800 carbon market projects to date

Strong advocacy for environmental integrity

Focus on 'high development', ambitious activities

Famous for pioneering strong sustainable development provisions

Gold Standard positions on Paris-alignment for VCM



1. VCM generally needs to align with Paris to maximise opportunity through credibility, consistency and flexibility.
2. This will require updates to key provisions, such as baseline and additionality.
3. Offsetting, as an application of VCM, will need corresponding adjustments to overcome issues caused by double claiming.
4. Other non-offsetting market applications are emerging and are expected to grow
5. Sustainable Development and supporting development projects remains GS key priority

Key changes facing VCM

What hasn't changed...

1. Markets allow efficient, mass-participation at scale
2. Offsetting and VCM are not synonymous
3. Offsetting represents a 'social promise' that the atmosphere is no worse off despite your emission
4. Core provisions of baseline, additionality, unique claims, MRV
5. The mitigation hierarchy for corporates –

Avoid > Reduce > Compensate

Post-2020 VCM

And what has changed...

1. Market demand and diversification on the increased
2. Increased scrutiny and critique to match
3. We have moved to a Science-based:
 1. Policy era
 2. Corporate mitigation hierarchy
4. All countries and many companies now have trackable targets

Why align VCM with Paris?

Attributes that make up a carbon unit

Variable Provisions:

- Unique claiming
- Unit type
- Geography
- Project type
- Vintage

Provisions that determine unit eligibility for different market applications or buyers preference

Core Provisions:

- Credible baseline
- Additionality
- SD
- Robust MRV

Provisions that mean you can issue a unit

Aligning core and variable provisions with Paris:

1. Brings **consistency** to core provisions and allows us to issue one type of unit that has **flexibility** to be used widest range of markets
2. **Minimises risk** of voluntary claims being undermined, for example through double claiming or inappropriate baseline
3. **Avoids disruption** of Paris efforts

Key updates

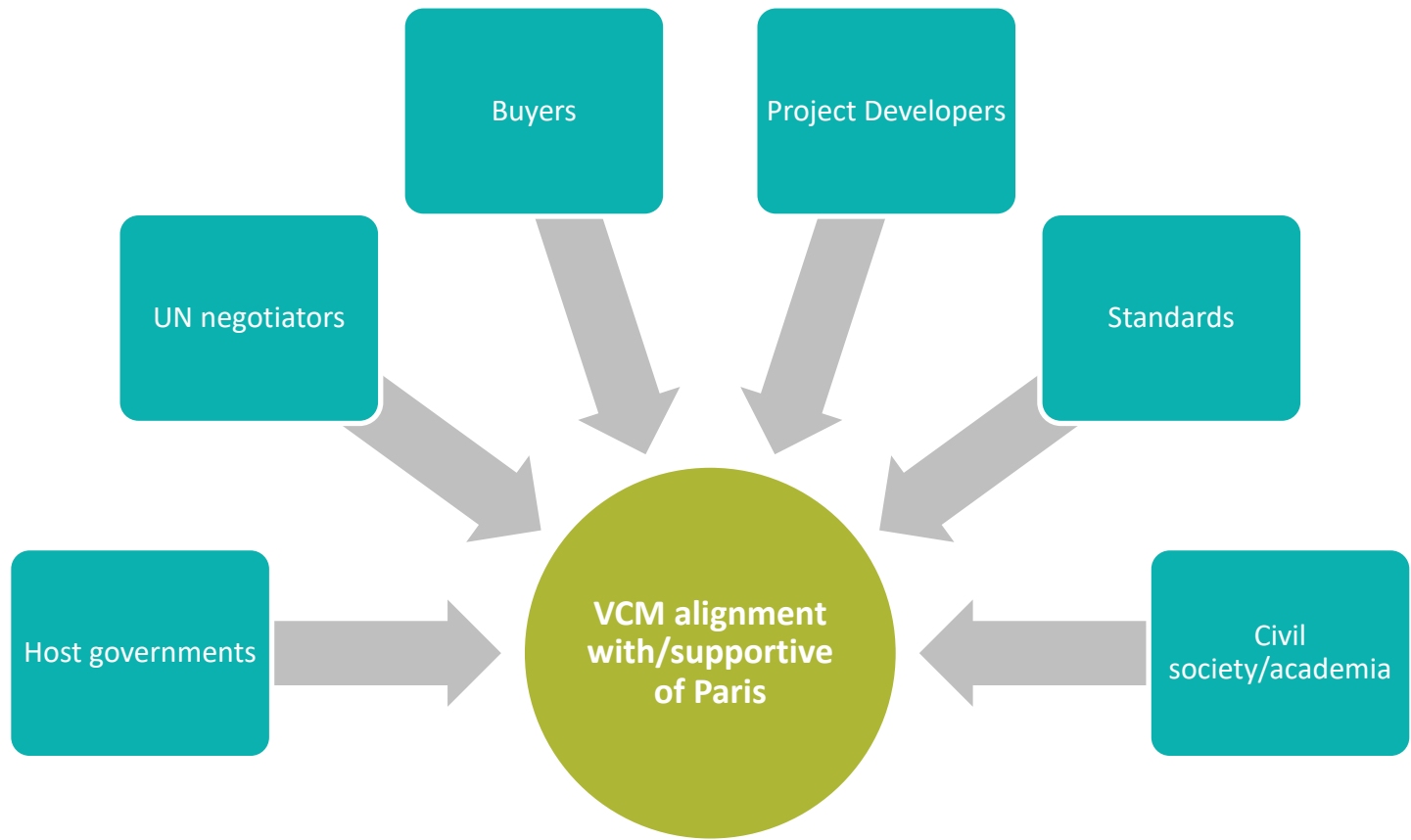
Offsetting represents a 'social promise' that the atmosphere is **no worse off**, despite your emission, because you have compensated using a carbon credit

OR

Markets are a tool to facilitate **claims to have financed or contributed** to host country NDC achievements

- **Baseline** definition to include planned policy (not currently in the CDM definition)
- **Additionality** will evolve towards sectoral/activity performance benchmarks, regularly updating
- **SD** will move to next generation tools for SDG reporting
- **Eligible activities** will need to evolve to be more ambitious/transformational
- **Double claiming** will need to be resolved and/or an **alternative claim** to offsetting will emerge

The full picture



THANK YOU / ANY QUESTIONS?

owen.hewlett@goldstandard.org

Consultation:

https://www.goldstandard.org/sites/default/files/documents/integrity_for_scale_aligning_gold_standard-certified_projects_with_the_paris_agreement-feb21.pdf

The Sustainable Development Initiative (SDI) for Art. 6 aims at promoting strong provisions on sustainable development for the rulebook of Art. 6. The initiative is a collaboration of UNEP DTU Partnership and the Gold Standard Foundation supported by Belgium, Finland, Germany, Norway and Sweden. Views stated are those of the authors of this document and do not represent any consensus among the Parties involved.

Contacts:

Karen Holm Olsen, UNEP DTU Partnership, kaol@dtu.dk
Owen Hewlett, Gold Standard Foundation, owen.hewlett@goldstandard.org
Sven Braden, Independent consultant, sven.braden@climateledger.org

For more information, visit the website [here](#)

