



Gold Standard[®]

**ERCST “Article 6 Community Center: Voluntary
Carbon Markets and Article 6 of the Paris Agreement”
Presentation | 22nd September 2021**



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

We work to ensure that every dollar creates the greatest impact in climate security and the Global Goals.

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

▮ **350+**

Project developers

▮ **2000+**

Projects in over
80 countries

▮ **173M**

Tonnes of
CO₂e reduced

▮ **\$26**

Billion

Dollars of shared
value created

WHY ALIGN WITH THE PARIS AGREEMENT?



Integrity

Ensure GS credits represent additional mitigation and can be used appropriately.



Quality

Ensure GS credits remain best in class on all aspects of quality.



Applicability

Ensure GS credits eligible across different use cases as Paris rules embedded

ALIGNING WITH THE PARIS FRAMEWORK

➤ **Additionality**

- Need to ensure activities are additional to host country policy as well as needing carbon revenue to proceed.
- 'What is additional' is likely to evolve over time, as is already happening.

➤ **Baseline-setting**

- Need to regularly (/dynamically) update baselines, taking into account host country policy

➤ **Unique rights & double-claiming**

- Need to avoid double claiming between host country NDC achievement and voluntary offsetting
- Requires greater host country engagement; implies differentiation between credits that have been deducted from NDC achievement and those that have not

➤ **Sustainable development**

- Need to promote sustainable development through mitigation activity, achieving more holistic and lasting impacts

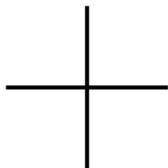


ALIGNING GOLD STANDARD PROJECTS WITH THE PARIS AGREEMENT

**SUMMARY OF CONSULTATION
FEEDBACK AND NEXT STEPS**

JUNE 2021

WE SEE TWO PATHS WHERE CARBON CREDITS ARE BOUGHT AND USED IN THE VOLUNTARY CARBON MARKET



Beyond NDC

Carbon credits are authorized and adjusted for by the host country under Article 6, meaning the end-buyer has a unique claim.

And can make an:

Offset claim



Toward NDC

Carbon credits are not authorized and adjusted for under Article 6, meaning the end-buyer is supporting NDC achievement.

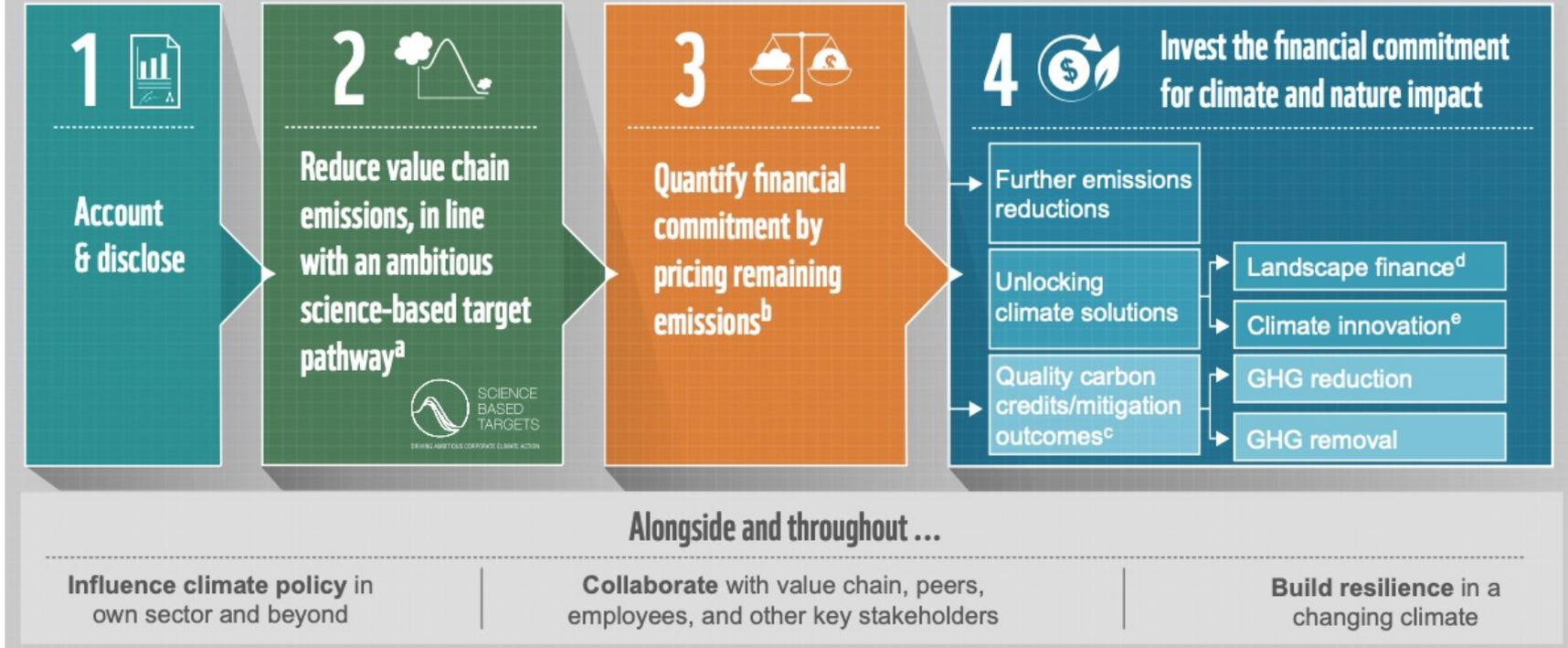
And can make an:

Impact claim

Both are good! But the unique claim is a necessary condition to offset with integrity.

WWF Corporate Blueprint for Climate and Nature

Corporate Climate Mitigation Blueprint



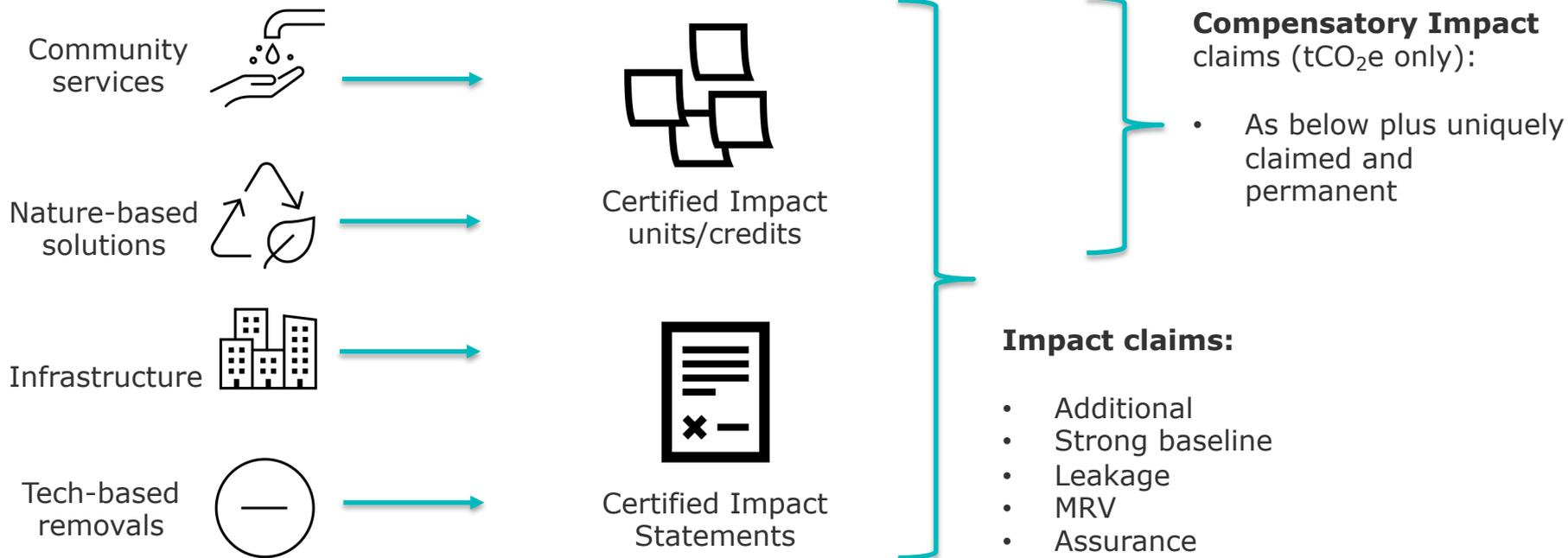
TSVCM – CORE & ADDITIONAL ATTRIBUTES

Phase I CCPs	Operational considerations
Real	No ex ante crediting
Additional	Financial additionality Jurisdictional additionality
Monitored, reported and verified	Accuracy of measurement Conservative measurements Accredited VVBs Oversight of VVBs MRV frequency and reporting content
Permanent	Long term permanence Buffer requirement and reversal compensation Risk assessment and mitigation measures Notification of loss event Safeguards after crediting period
Leakage accounted for an minimized	Leakage assessment and mitigation measures Leakage deduction Leakage monitoring
Do no net harm	Prior and ongoing impact assessment Ongoing stakeholder consultation Safeguards Grievance mechanisms
Based on realistic & credible baselines	Baseline-setting approach Revision frequency and adjustments

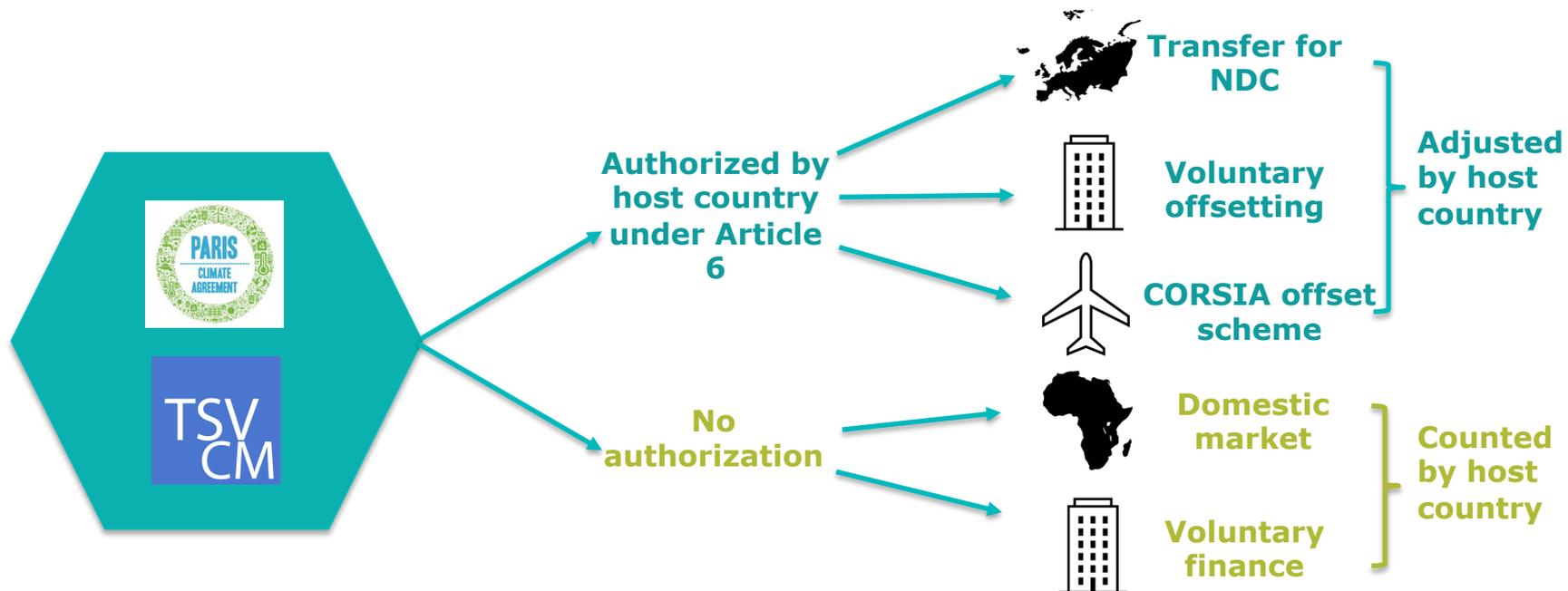
Attribute type	Attribute options
 Type	<ul style="list-style-type: none"> • Removal • Avoidance /reduction or mixed
 Removal/reduction method	<ul style="list-style-type: none"> • Nature-based • Tech-based
 Storage method	<ul style="list-style-type: none"> • Biological • Geological • Products (e.g. building materials) • No storage
 Co-benefits	<ul style="list-style-type: none"> • Co-benefits associated (e.g. one or more of: tech catalyst benefits, SDGs, CBB or other accredited label etc.) • None
 Corresponding Adjustments	<ul style="list-style-type: none"> • Letter of Authorization • CAs associated • None

Source: Taskforce on Scaling the Voluntary Carbon Market (2021)

GOLD STANDARD ACTIVITIES, PRODUCTS, CLAIMS



THIS IS HOW WE ENVISAGE THIS WORKING WITHIN GOLD STANDARD



All Gold Standard carbon credits aligned with Paris Agreement and TSVCM Core Carbon Principles

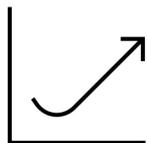


Some will be authorized for use as ITMOs under Article 6 and some will not



Both will have a market, but the authorization status will affect appropriate use of the credits.

SOME KEY FACTORS FOR THE FUTURE



Scale

Will the market remain OTC and bespoke or will it scale through new models, actors and approaches?



Quality

Will the market be perceived as providing high-quality products that buyers are willing to invest in?



Compliance

Will voluntary action be (1) subject to government guidance (e.g. on claims) and/or (2) replaced by growing compliance requirements



Norms

Will use of the voluntary carbon market be built into norms of responsible climate action, e.g. through SBTI and similar initiatives.



Article 6

Will Article 6 guidance be agreed and what will this mean for the growth of voluntary use of carbon markets?

SO WHAT IS NEEDED TO GET US TO THIS PARIS-ALIGNED MODEL?



Governments

- Agree an Article 6 Rulebook!
- Establish transparent, formal institutional arrangements to authorize ITMOs and apply corresponding adjustments
- Work with carbon standards



Carbon market community

- Develop new model for use of the carbon market focused on impact, not compensation
- Work together towards shared interest of scaled up, high-integrity market



Standards

- Establish rules, procedures and registry capability to manage units authorized under Article 6
- Work with governments and project developers
- Provide appropriate guidance to stakeholders, including buyers



Transition

- This won't happen overnight – government processes are not established and new claim models only emerging
- But that doesn't mean the issue isn't there! NDCs are already being implemented.

1 SUSTAINABLE DEVELOPMENT UNDER ARTICLE 6



- Seeking and enabling strong sustainable development provisions and actions under Article 6.
- Partnership since 2017 between Gold Standard and UNEP DTU, supported in 2021-22 by Germany, Sweden, Norway and other Parties.

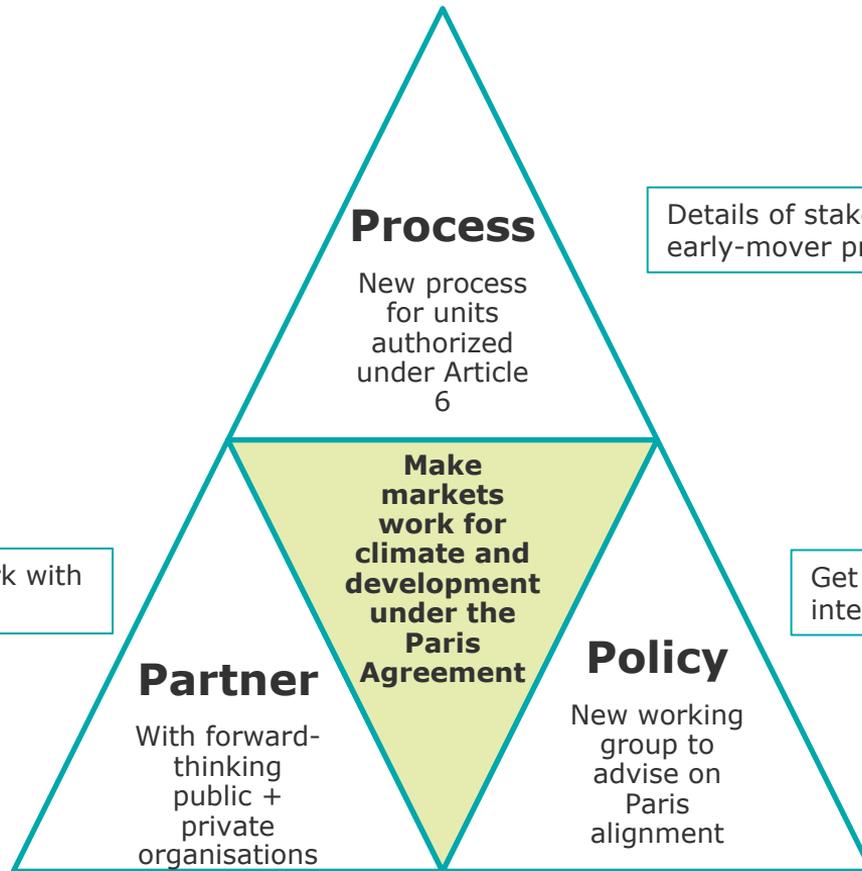
Text recommendations to promote sustainable development in the Article 6 'rulebook' at COP26:

- Request SBSTA to develop voluntary tools and approaches to help assess and report information about the contribution of Article 6 activities to sustainable development
- Building on lessons learned from the CDM voluntary SD tool and new reporting requirements in the Paris Agreement enhanced transparency framework, SD tools and approaches can assist developers to assess and report information as the basis for Host Party approval, consistent with national prerogatives.
- [SDI submission June 2021](#) and position paper for COP26 available [here](#)

Beyond COP26:

- Capacity building needed to embed sustainable development into bilateral agreements, Article 6.4 mechanism design, project design and impact monitoring.
- Role for a 'community of practice' to drive higher ambition, collaborate and share knowledge.
- SDI knowledge products available [here](#)

WHAT ARE WE DOING AND WHAT CAN YOU DO?



Details of stakeholder consultation and early-mover programme will follow shortly

Get in touch if you want to work with through this transition.

Get in touch to find out more and express interest in joining



THANK YOU FOR YOUR TIME!

Follow-up:

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