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The return of carbon offsetting? The discursive legitimation of new market arrangements in the Paris climate regime

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ABSTRACT

The current commitments under the Paris Agreement are not enough to achieve the 1,5 °C target. Even if states comply with their national targets, temperatures will increase between 2.4 °C and 3.8 °C; in average 3 °C (CAT, 2018). Hence, governments and international organizations hope that non-state actors help to close the ambition gap. Article 6 of the Paris Agreement provides a "new home" for the carbon offsetting community at the interface of public and private climate action. As the negotiations continue, we can expect multiple storylines that offer competing interpretations of what counts as promising market governance. Private standard-setters are taking part in these debates and are considered as frontrunners in enabling ambitious offsetting practices. This paper examines the discursive legitimation of the Gold Standard in light of the emerging narratives about new market arrangements under Article 6. Rather than pre-defining legitimacy requirements, our study draws attention to the discursive sources of (de)legitimation.

Introduction

In 2018 the Paris Agreement's goal to keep global mean warming well below 2 degrees Celsius was put under rigorous scrutiny. Through the special report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global warming of 1.5 °C we learned that human-induced global warming now has reached 1°C above pre-industrial levels and will hit 1,5 degrees C between 2030 and 2052 if global greenhouse gas (GHG) emissions continue at current rates (IPCC, 2018). Such warming will increase the frequency and intensity of extreme weather events, trigger irreversible loss of polar ice sheets, transform terrestrial and marine ecosystems and hereby accelerate species extinction and human vulnerabilities (IPCC, 2018). In order to contain this daunting scenario, the IPCC concluded that global GHG emissions must decline by 45 percent from 2010 levels by 2030 and reach net zero around 2050. If political leaders accept the additional risks of 2 degrees warming, the world has another 20 years to bring global greenhouse gas emissions down to zero (IPCC, 2018). However, the national commitments under the Pairs Agreement currently would lead to a 3 degrees warmer world by 2100 (CAT, 2018).

The severity of the IPCC's message has intensified climate policy debates and the search for viable mitigation options. At the 24rd UN climate conference in Katowice in December 2018, the IPCC Special Report gave new urgency to the diplomatic efforts to deliver a 'Paris rulebook' that will give guidance on how to measure states' mitigation efforts, account for finance, and ensure transparency. Despite resistance by Saudi Arabia, the USA, Russia, and Kuwait to "welcome" the IPCC report, the Katowice conference sent strong signals that governments now have to move into "a new era of implementation and higher ambition" on mitigation, adaptation, finance, technological cooperation, capacity building, and innovation (IISD, 2018, p. 33). The sober recognition that the Nationally Determined Contributions (NDCs) submitted by states to the Paris Agreement are inadequate to limit global mean warming at 2 degrees C (see CAT, 2018) has also led the United Nations Framework Convention on Climate Change (UNFCCC) to reach out to non-state and sub-state actors such as cities, regions, corporations and investors. Through the Marrakech Partnership for Global Climate Action (GCA), launched one year after the Paris Agreement, these actors are now invited to partner with states in the search for effective decarbonization initiatives and pathways (Chan et al., 2018; van der Ven et al., 2017).

The public-private partnering facilitated by GCA has been

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widely embraced by the business community and once again placed carbon markets and offsetting schemes on the climate policy menu. While UN regulated carbon market arrangements such as the Clean Development Mechanism (CDM) lost steam in the wake of the global financial crisis and the failed 2009 UN climate conference in Copenhagen (CDM Policy Dialogue, 2012), the market rationale has lived on in the private sector through a host of voluntary carbon offsetting schemes and regional emissions trading systems. In response to the mounting sense of climate crisis, many business actors now insist that these market arrangements should be enlisted and scaled up to support the Paris Agreement (IISD, 2018). Article 6 of the Agreement constitutes the new institutional anchor for project-based carbon market activities from the period after 2030. Article 6.4 provides the base for a Sustainable Development Mechanism under international oversight, and Article 6.2 enables the transfer of international mitigation outcomes between two states or via clubs. While many states expect that these new market mechanisms will contribute to the implementation of their NDCs (Jernnäs et al., 2018), the scaling up of carbon markets remains contested across civil society and academia. Rather than commodifying, pricing and trading carbon, critics insist that net zero-emission trajectories require that we confront entrenched carbon lock-ins in the global capitalist economy and hereby embark on transformative social change (Friends of the Earth, 2009; Gilbertson, 2017; Blühdorn and Deflorian, 2019).

In this paper we tap into these debates and explore how carbon market arrangements and offsetting schemes are discursively legitimated in the Paris climate regime. Legitimacy is a concept that urges us to provide an account of whether and under what circumstances global climate governance is “to be supported, criticized and/or reformed” (Brassett and Tsingou, 2011, p. 2). Legitimacy refers to the belief that authorities, institutions and social arrangements are considered as right and appropriate (Tyler, 2006, p. 376) while legitimation is the process through which actors become legitimate. Here we draw upon Maarten Hajer's (1995) argumentative discourse analysis to examine how the legitimacy of carbon markets and their actors is constructed through ideas, norms and language. Hence, rather than starting from pre-defining legitimacy requirements, we are interested in the discursive sources of (de)legitimation that actors invoke in climate policy debates. Our analysis is based on a case study of the Gold Standard that since 2003 has provided private certification services to carbon offsetting projects in the global South (Hickmann, 2016). The Gold Standard was founded by the Worldwide Fund for Nature (WWF) and 80 other NGOs to safeguard the sustainability of carbon offset credits and is regularly portrayed as a high-quality carbon standard (Gold Standard, 2015). While this private standard-setter primarily has operated on the voluntary carbon market, it has also offered voluntary certification of CDM projects. As a result, the Gold Standard has for long been accredited as a nongovernmental observer to the UNFCCC and has thus regularly interacted with policy actors, project developers and NGOs at UN climate conferences, workshops and expert meetings.

In the transition phase from Kyoto to Paris, the continued involvement of the Gold Standard in global climate governance has been justified in view of past experiences and the institutional structures offered by Article 6 of the Paris Agreement. The rules for Article 6 are currently under development, and the future of market mechanisms and private offset standards is one of many issues under debate. Private actors such as the Gold Standard play an active role in this discursive struggle and mobilize different storylines to justify a continued use of carbon market arrangements in the evolving Paris climate regime. Our analysis of these debates builds on Gold Standard documents, secondary and grey carbon market literature, participant observation during side-events of international climate conferences between and carbon market conferences between 2017 and 2018 and five semi-structured qualitative expert interviews In the following we first offer a brief introduction to legitimacy studies and clarify how our discursive approach was used to study the material outlined above. Second, we focus on legitimation storylines mobilized by the Gold Standard in conversation with different climate policy constituencies. Finally, we discuss what our findings tell us about the continued role of carbon markets and private offsetting standards in the Paris climate regime. We find that the Gold Standard is positioning itself as critical corrective to multilateral action and the next generation of sustainable carbon standard-setters. In the context of the Paris rulebook negotiations, these legitimation narratives are now stimulating debates on how to justify new market arrangements under Article 6.

Discursive legitimation based on argumentative discourse analysis

Legitimacy concepts can either refer to (1) “social validity as rightful”, which is normatively justified (Kielmansegg, 1971); or to (2) beliefs held by those ruled upon; or (3) the reciprocity of both (Nohlen, 2010). The first concept belongs to a normative tradition and has its roots in political philosophy and the principles of modern liberal democracies. Normative legitimacy suggests that the right to rule can be evaluated against a set of democratic criteria. The second concept is of a sociological kind and suggests that legitimacy can only be enacted by participants (Cerutti, 2011, p. 121). Grounded in the work of Max Weber, sociological legitimacy thus focuses on the beliefs of those ruled upon (Weber, 1972). The dichotomy between normative vs. sociological legitimacy is widely discussed in the literature and will not be rehearsed here (Buchanan and Keohane, 2006; Dingwerth, 2007). Instead, we explore how a discursive account of legitimacy can offer a middle ground between the two. Bernstein defines legitimacy as “the acceptance of shared rule by a community” (Bernstein, 2005), or in other words, “the justification of actions to those whom they affect according to reasons they can accept” (Williams, 2009, p. 43). From this perspective, legitimation depends on the historically embedded values, goals and practices of a relevant society, as well as the differently socialized actors involved (Bernstein, 2011, 24). Bernstein bridges the concepts of sociological and normative legitimacy and assumes that both condition each other. Legitimacy is achieved if a claim is perceived as justified and appropriate by actors (Bernstein, 2011). From a perspective of organizational sociology, legitimation depends on the different expectations of external audiences having different motives (Cashore, 2002, p. 511). Bernstein's approach to sociological legitimation provides a theoretical starting point to analyze the perceived legitimacy of global climate governance. When analyzing legitimation processes in post-Paris climate policy discourse, we therefore seek to identify the communities that grant private market actors, such as the Gold Standard, legitimacy and those that do not, and find out on what bases their acceptance or rejection rests (cf. Bernstein, 2011, 28–26).

To analyze the discursive patterns of legitimation in the Paris climate regime, this paper draws upon Maarten Hajer's argumentative discourse analysis (Hajer, 1995). In Hajer's work, legitimation processes are socially constructed and can be analyzed through patterns in language and argumentative structures. Discourses enable and constrain communication simultaneously by regulating what is debatable, agreeable and disagreeable (Dryzek, 2013, pp. 9–10). When studying legitimation discourses, storylines are useful tools that allow us analyze why justifications of actors are perceived as valid, and how opponents articulate their criticism. A storyline reduces complexity of narratives and “allows actors to draw upon various discursive categories to give meaning to specific physical or social phenomena” (Hajer, 1995, 56). Storylines assign actor roles and articulate perceived problems and solutions. In our analysis, storylines are composed of underlying narratives, which link several argumentative patterns to a story. By analyzing storylines and narratives we ask how actors make use of stories to interpret the world. Through narratives actors express acceptance, solidarity and resistance (cf. De Fina and Johnstone, 2015).

Method and material

Our study was carried out in three steps. Firstly, we reviewed the scientific and grey literature on carbon markets in general, and the Gold Standard in particular, to identify the involved actors and their respective roles. We focus on legitimation storylines mobilized by the Gold Standard in conversation with three different climate policy constituencies: (i) the broader climate change community following the negotiations and debates at the international Conferences of the Parities (COPs), (ii) the community of market participants including project developers and funders, (iii) Non-governmental Organizations (NGOs) articulating civil society positions regarding the carbon markets. Secondly, we analyzed Gold Standard certification rules, reports and policy briefs and secondary literature on carbon markets. To triangulate our data, we also conducted five qualitative semi-structured expert interviews with two representatives of the Gold Standard (Interview GS 2017), Jutta Kill, an action-oriented researcher (Interview Kill 2017), the NGO Carbon Market Watch (Interview CMW 2017), and a project developer applying the Gold Standard (Interview Project Developer 2017). In addition, we conducted participant observation in three discursive arenas: (i) the Gold Standard stakeholder conference in May 2015 and April 2018; (ii) side-events at three UN climate conferences in Marrakech (November 2016) and Bonn (May and November 2017); and (iii) the Innovate4Climate in Barcelona (May 2017), a networking platform for voluntary carbon market actors. Thirdly, this material was sorted according to reoccurring ideas, concepts and categorizations. We used MAXQDA software to code different sub-categories in storylines that relate to the legitimation of carbon market arrangements in general, and the Gold Standard in particular.

Results

In the following, we present three legitimation storylines that surface in carbon market debates before and after Paris. In particular we examine how the Gold Standard draws upon these storyline to justify the continued use of carbon offsetting schemes and private certification practices in conversation with different constituencies.

Climate mitigation with multiple co-benefits

The Gold Standard has since it was founded in 2003 positioned itself as a critical corrective to the project-based carbon markets organized around the Kyoto Protocol (Interview GS 2017). When the CDM was established in the early 2000s, it was surrounded by positive energy. This novel market mechanism did not only promise to offer cost-effective emission reductions to large emitters in the global North. Investments in carbon offsetting projects were also expected to channel sustainable finance and clean technology to the developing world (Lövbrand et al., 2009). While these multiple benefits of the CDM were widely embraced by international organizations, governments, investors and NGOs, many CDM projects were also criticized for favoring private actor interests and poorly addressing the sustainability implications of carbon offsetting (Newell and Paterson, 2010). The newly established CDM market suffered from numerous scandals of carbon fraud and harmful impacts on local communities (Lohmann, 2009; Newell and Paterson, 2010). As the market matured it also became clear that most CDM investments were channeled to large-scale projects in emerging economies like India, China and Brazil and host country governments often failed to ensure the sustainability of the resulting projects (Lövbrand et al., 2009). To fill this legitimacy gap, the Gold Standard developed as an ambitious certification scheme that would address the shortcomings of the CDM. The Gold Standard's ambition to foster high-quality carbon offset projects was welcomed by market critics and provided a positive counterweight to the CDM Board, which was mainly composed of state delegates that hampered overarching rules for more ambitious CDM projects (Interview CMW 2017; Newell, 2014).

While the Gold Standard started as a critical corrective of the CDM, it also intended to be compatible with CDM in practice, so project developers could use it as “add-on” certification to their existing CDM projects. Therefore, the Gold Standard called its first certification version “CDM Gold Standard”. Considering that the Gold Standard certification processes and principles are very similar to those developed under the Kyoto Protocol, it is important to understand their differences. While some CDM principles —like additionality— were just repeated in the Gold Standard certification, the standard made real changes regarding project eligibility. The Gold Standard has actively decided to exclude large-scale and controversial project types and methodologies (e.g. large dam, forestry and industrial gas projects) from its portfolio (Gold Standard, 2017b). Together with project developers and consultants the Gold Standard has instead developed project methodologies that fit the context of least developed countries (Michaelowa et al., 2014; UNFCCC, 2013). In addition, the Gold Standard has developed safeguarding principles that aim to identify and avert social, environmental and ecological risks of carbon offset projects (GS Website, 2017b). The Gold Standard emphasizes the relevance of fair and inclusive stakeholder consultations including the use of local language and sensitivity to land rights, gender equality and the rights of marginalized groups (GS Website, 2017a).

The greatest difference between the CDM certification and the Gold Standard, however, is that the latter requires the demonstration of at least two co-benefits according to predefined criteria. The World Bank, an official partner of the Gold Standard, introduced the co-benefit terminology to global carbon markets, but was lacking credibility among civil society actors to find sufficient support for the narrative (Horton and Fry, 2011, p. 5). The Gold Standard, however, managed to develop this idea and provided project developers a matrix to assess co-benefits including indicators to measure income generation, biodiversity protection and health benefits. The term co-benefit suggests that carbon mitigation is the main purpose of a project and that social and environmental impacts are desirable secondary effects that raise the social acceptance. The importance of such add-on sustainable development benefits became the major legitimation storyline for the Gold Standard in the mid-2000s.

In the context of the Paris climate regime, the Gold Standard has continued to promote its win-win narrative but changed the order of priority. After the adoption of the Paris Agreement and the UN 2030 Agenda for Sustainable Development in 2015, the Gold Standard decided to no longer portray co-benefits as secondary but to see them “at the core of climate action” (Interview GS, 2017). The Gold Standard has thus developed methods to quantify the impacts of carbon market projects in relation to the Sustainable Development Goals (SDGs), like for example certified megawatt-hours of electricity generated from renewable energy (SDG 7) or certified

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health and gender equality impacts (SDG 3, SDG 5) (GSF 2018a). While it remains open if there will be a demand for certified SDG impacts, the SDG narrative has been broadly embraced in the post-Paris climate policy discourse and provided strong discursive legitimation for the Gold Standard and private actor engagement more broadly (IPCC, 2018; Norichika and Biermann, 2017). Referring to the Gold Standard as a best practice example, researchers and negotiators now demand that climate action under Article 6.4 should fulfill sustainable development criteria (Holm Olsen et al., 2018).

The Gold Standard's promise to deliver climate mitigation *and* sustainable development benefits has also led to a close partnership with the UNFCCC Secretariat. This public-private collaboration aims to provide voluntary tools and guidance to assess the sustainable development impacts of corporations, investors, regions and cities (UNFCCC, 2017). James Grabert, director of the UNFCCC Secretariat, considers support of non-state actors like the Gold Standard as crucial to achieve the SDGs. “Governments are central to delivering the SDGs. But the speed and scale of the transformation needed can only happen if supported by all sectors of society” (Grabert 2017; zit in UNFCCC, 2017). Since 2015, the Secretariat is actively promoting the advantages of carbon offsetting as part of its “Climate Neutral Now” campaign (UNFCCC, 2019). The brand power of the UNFCCC Secretariat in the broader climate change community is strong and the partnership indicates the ongoing entanglement between the Gold Standard and the UNFCCC institutions (Interview GS_2 2017).

Transparency and participation fosters market credibility and fairness

The CDM is a well-studied example of transnational and networked forms of climate governance (Bulkeley et al., 2014). It involves a multiplicity of public and private actors, and balances between governmental steering and business self-regulation, multilateral institutions and local project practices (Lövbrand et al., 2009). To speak to these different communities, the Gold Standard has developed multiple discursive strategies. In conversation with project developers, investors and traders, the Gold Standard typically embeds its legitimation in a market liberal discourse that emphasizes cost-efficiency and profitability. In this context, the Gold Standard claims to ensure efficient certification and to achieve higher prices (Interview Project Developer, 2017). However, the Gold Standard also draws upon an institutionalist discourse to highlight the importance of rules and transparent institutions to incentivize climate mitigation. The Gold Standard claims that its rigorous rules and NGO support create market credibility and protect project developers (and buyers) from accusations of greenwashing.

In conversations with market critics, the Gold Standard often positions itself as a NGO promoting values like fairness, transparency and local stakeholder participation. In contrast to its main competitor, the Verified Carbon Standard (VCS), which was founded by business associations (Smith and Fischlein, 2010), the Gold Standard is supported by the WWF and around 80 NGOs from the areas of research, consulting, advocacy and implementation (GS 2015). Most of these NGOs are market participants themselves. If an NGO becomes a Gold Standard supporter, it obtains the possibility to review projects and participate in consultations about new methodologies. Since 2017, the Gold Standard asks its NGO supporters to endorse its certification approach (Gold Standard Website, 2018).

However, far from all NGOs accept the legitimacy of the Gold Standard. Across the climate justice movement, grassroots organizations have for some time actively opposed carbon offsetting on ideological grounds (Bond, 2011). While Climate Justice Now and Friends of the Earth have presented carbon offsetting as a “false solution” that perpetuate entrenched patterns of capitalism, colonialism and patriarchy (Bäckstrand and Lövbrand, 2016; Friends of the Earth, 2009; Gilbertson, 2017), others have questioned certification schemes like the Gold Standard for offering “a fig leaf for the emission market” (Interview Kill 2017). A standard, no matter how good, cannot justify reducing climate governance to a cost-efficient calculation (Smith, 2008). The World Rainforest Movement has argued that the safeguarding principles of the Gold Standard cannot protect local communities from land grabs and human right violations (World Rainforest Movement, 2014). In the post-Paris climate policy discourse, these critical NGOs still portray efforts to attach a price to ecosystems and their functions as a false solution that carries the risk of speculation and fraud. Carbon offsetting creates “an illusion that something is being done about climate change” (Gilbertson, 2017), when in fact maintaining the status quo and compounding global injustices.

It is still under negotiation what will happen with the “old” CDM credits after 2020, when the Paris Agreement enters into force. Some market participants demand to continue with the CDM after 2020 and propose to use the credits for the aviation offsetting scheme (Greenair Online, 2018; UNFCCC, 2018). However, the additionally of remaining CDM credits is contested (Cames et al., 2016). The NGO Carbon Market Watch has demanded that the CDM should be brought to an end and urged negotiators to “ban the use of the billions of junk credits” (Carbon Market Watch, 2018; Global call to end the Clean Development Mechanism, 2018). The Gold Standard has publicly not taken a position on the future of the CDM credits. However, it advances the storyline of NGO participation as a response to carbon market critique (Gold Standard Website, 2018). With its third version, the Gold Standard claims to provide enhanced safeguards, transparency of outcomes, a stronger project design as well as specific rules to ensure additionally (Gold Standard, 2016, 2017a). The GS safeguards are very comprehensive and detailed. However, “under certain circumstances” project developers have the possibility to apply for an exception in order to manage possible trade-offs, e.g. a major positive contribution to sustainable development could balance out adverse effects elsewhere (Gold Standard, 2017a, 2.4).

The next generation standard to maximize climate security and sustainability

Through the adoption of the Paris Agreement the institutional landscape for carbon offsetting has changed. From 2020 onwards, the Paris policy architecture requires all countries to account for their own national targets. These changes compared to the Kyoto climate regime affect both UN regulated market mechanisms such as the CDM as well as the voluntary carbon market (Lang et al., 2019). In the negotiations over Article 6, the risk of double accounting has become a major legitimacy concern. Double accounting means that an emission reduction is counted more than once by different parties, e.g. by sellers and buyers of carbon credits. A related concern is that states which are transferring credits decide to lower their NDC ambitions on purpose, which would undermine the Paris Agreement's ambition to keep global mean warming well below 2 degree C (Schneider et al., 2017).

At the UN climate conference in Katowice in December 2018, states could not agree on rules for Article 6 as no consensus for the avoidance of double counting could be achieved (Zwick, 2019). In the Paris climate regime, developing countries need to account for emission reductions generated within their territories to fulfill their NDCs, which narrows the scope for voluntary climate action. As indicated by one interviewee, projects of the voluntary market may collide or compete with state actions under NDCs. In debates over Article 6, the Gold Standard and project developers have articulated new ideas on how to address the risk of double accounting. In these debates double accounting is portrayed as a problem that can be managed through the adoption of robust rules and so called "corresponding adjustments" (Asian Development Bank, 2018; Katowice Declaration on Sound Carbon Accounting, 2018). Following the transparency spirit of the Paris Agreement, such adjustments include the idea to set up an international registry to monitor all transferred emission reductions under Article 6 and in the voluntary market (Hermwille and Kreibich, 2016). Whether states should be allowed to buy emissions reductions to achieve their national targets (offsetting logic) or only to raise the ambition of their targets (on-top logic) is another issue of contestation (Kreibich, 2018). Countries like Switzerland and Sweden have indicated that they are willing to buy international credits to meet a percentage of their NDCs (Garside, 2018; Swedish Ministry of the Environment and Energy, 2017). While critics suggest that such offsetting will undermine the Paris Agreement's goal to keep global warming well below 2 °C, carbon market professionals continue to support the idea of trading emission reductions globally (UNFCCC, 2018).

The Gold Standard has responded to the environmental integrity challenges posed by continued carbon offsetting by proposing "the next generation standard to quantify, certify and maximize impact toward climate security and sustainable development" (Gold Standard, 2019). In an effort to define its future role in the voluntary market, the Gold Standard is now offering the possibility to certify emission reductions as a contribution to states' NDCs. These contributions, labeled "certified statements of emission reductions for climate finance", would not be tradable (Verles, 2017). The insecurity about the future of legitimate carbon projects has contributed to a re-orientation of the Gold Standard and a diversification of its narrative, e.g. in the direction of adaptation finance, SDG certification and supply chain initiatives like the Science Based Targets (own observation, 2018). In debates over Article 6, the Gold Standard now applies the language of climate justice (specified in terms of human rights and equity) in combination with the institutionalist discourse about the need of clear and ambitious rules.

To inform the rulebook negotiations about Article 6, the Gold Standard facilitated a policy dialogue in 2018 supported by Belgium, Germany, Liechtenstein, Norway, Sweden and Switzerland (Gold Standard, 2018). In the resulting policy briefs, the Gold Standard refers to the ongoing legitimation pressure on the carbon markets due to the "distrust by public opinion and major civil society organizations" (Verles et al., 2018a). The authors argue that if the rules of Article 6 will not be explicit and far reaching enough, the future of carbon markets is threatened. Only "strong safeguards and real sustainable development benefits" will increase public acceptance and the market value of projects (Verles et al., 2018a). Further, to gain legitimacy for its "next generation" market standard, the Gold Standard now favors more specific rules on human rights, stakeholder consultation and grievance mechanisms for Article 6. These requests overlap with the demands of NGOs, which insist that carbon trading must rest on a robust, inclusive oversight body, a grievance mechanism and ways to prevent human rights violations (Carbon Market Watch, 2017, 2–4). To avoid legitimacy problems for the new market mechanisms negotiated under Article 6, the Gold Standard demands that "politicised dicussions" with multiple stakeholders should be carried out already during the rulebook negotiations (Verles et al., 2018b). The Gold Standard thus perceives the legitimacy of private climate action as something manageable and assigns itself the role as a responsible market partner ready to build synergies between climate security and sustainability in the Paris climate regime.

Concluding discussion

The 2015 Paris Agreement was negotiated in a climate policy context that scholars have depicted as complex, fragmented, dispersed and polycentric (Cole, 2015; Jordan et al., 2015; Victor and Keohane, 2010; Zelli and van Asselt, 2013). In this context, non-state actors have taken on many of the functions that previously were in the hands of governments and public and private authority is increasingly intertwined (Bäckstrand et al., 2017). Carbon markets belong to the hybrid and networked governance landscape that characterize the Paris era. Since the early 2000s project-based market initiatives such as the CDM have involved a diverse group of non-state actors (e.g. investors, brokers, scientific experts, and NGOs) in the development, certification, pricing and trading of carbon credits. While the policy experimentation stimulated by this public-private collaboration has attracted widespread scholarly attention (Bulkeley et al., 2014; Hoffmann, 2011), project-based carbon markets have for some time suffered from a crisis of confidence. The global financial crisis and the regulatory uncertainty following the 2009 UN climate conference in Copenhagen resulted in a dramatic fall in carbon prices and a loss in trust among many profit-oriented actors. Accusations of carbon fraud and harmful effects on local communities have also undermined the legitimacy of carbon offset projects among many civil society organizations.

In the current negotiations over Article 6 in the Paris Agreement, disagreement prevails over the future role of carbon market schemes. While many business actors maintain that carbon markets can stimulate low-cost climate mitigation and help to raise states' ambition, a mounting chorus of criticism is voiced from the NGO community. With the publication of the IPCC's Special Report in October 2018, the stakes in this debate are rising and multiple arguments are mobilized for and against markets in the Paris climate regime. In this paper we have traced some of these arguments through a case study of the private standard-setter the Gold Standard. We used the concept of discursive legitimation to shed light on the legitimacy claims advanced by the Gold Standard to justify the role of project-based carbon markets and private standard-setters in the evolving Paris climate regime. We traced multiple discursive interactions among climate policy-makers, market actors and NGOs, which illustrate the complexity of actor constellations, authority arrangements and legitimacy claims in the Paris climate regime.

Table 1 offers an overview of the legitimacy discourse of the Gold Standard and the emerging narratives regarding Article 6 that resonate with these.

While the Gold Standard is only one of many actors operating on the carbon market scene, it holds private authority and therefore needs to justify its actions to relevant audiences (Bernstein, 2011; Green, 2014). It thus offers an interesting discursive space for scholars interested in the politics of carbon markets. During the Kyoto era, the Gold Standard positioned itself as a responsible standard-setter that could raise the ambition of CDM projects and hereby deliver multiple co-benefits. After Paris, the Gold Standard has maintained this legitimation discourse but updated the language in view of the Paris rulebook. In debates over Article 6, the Gold Standard stresses the need to adjust new carbon market arrangement to the institutional environment of the Paris Agreement, and hereby avoid the risk of double accounting. Through the adoption of robust rules and good governance, the Gold Standard suggests that Article 6 can respond to environmental integrity concerns and ensure that the same emission reductions are not claimed by multiple actors. In the Paris context the Gold Standard has also adjusted its discursive repertoire to a diversified project portfolio. Rather than focusing on carbon offsetting alone, it now

Table 1
The discursive legitimation of the Gold Standard and implications for Article 6.

Legitimation storyline	Associated legitimation narratives	Legitimation narratives for market arrangements under Article 6
(1) Climate mitigation with multiple co-benefits	• GS-certified projects deliver emission reductions and contribute to Sustainable Development (Goals) • GS responds to market flaws more effectively than the UN system	• Climate action under 6.4 should follow sustainable development criteria
(2) Transparency and participation fosters market credibility and fairness	• Robust rules are needed for market credibility • NGOs should be involved in standard-setting • GS is supported by NGOs and protects companies from greenwashing • Counter-Narrative: GS is a fig leaf for the carbon offset market	• Robust rules are needed for market credibility • Is offsetting logic still credible? • Concerns of civil society should be taken seriously • Counter-narrative: Offsetting is a false solution
(3) The next generation standard to maximize climate security and sustainability	• Double accounting can be managed through robust rules • Good governance for Article 6 • Climate finance instead of offsetting: emission reductions remain in the country • New ways of climate finance and supply chain initiatives beyond offsetting	• The avoidance of double counting requires transparency about who owns and accounts for the emission reductions • Countries can raise ambitions with international credits

positions itself as responsible standard-setter of a variety of climate services, including SDG impacts, NDC contributions, adaptation projects as well voluntary supply chain initiatives.

The case of the Gold Standard illustrates that public rules and the surrounding discourses remain the anchor for private climate action (cf. Green, 2013). While filling perceived legitimacy gaps of existing public governance mechanisms, private standard setters can interpret and react to the institutional environment established by state actors. Moreover, non-state actors have the power to construct and innovate their own legitimation stories within an existing social structure (Dingwerth and Weise, 2012). By studying the ideas and narratives mobilized by the Gold Standard to justify its continued role in the Paris climate regime, we can therefore learn something about how new market arrangements are legitimated in contemporary climate policy discourse. Although the negotiations of Article 6 are still unfolding, our findings suggest that carbon offsetting has returned to the political imagination and that new market arrangements are gaining momentum. At the UN level, discursive efforts are made to rebuild trust in market arrangements through clear and transparent methodologies and the motivation among the involved carbon market professionals to "make it work" is strong. However, we also find that a crucial discursive dimension has changed after Paris. The depiction of carbon offsetting as a credible and sufficiently ambitious response to the unfolding climate crisis has lost acceptance. Taking this into account, we foresee three possible legitimation scenarios for Article 6:

(1) the Kyoto Protocol's zero-sum offsetting logic is abandoned both in Article 6.4 and 6.2, but countries are allowed to use international credits to raise ambition (on-top logic);
(2) the offsetting logic prevails in bilateral action through Article 6.2, and the win-win narrative continues to be promoted in the civil aviation offsetting scheme and the voluntary carbon market;
(3) project developers may use non-market approaches under Art 6.8 or shift to other sources of climate finance that do not require an offsetting logic, e.g. by using schemes under the Adaptation Fund or the Green Climate Fund.

The discursive battle over the next generation of carbon markets is far from over. In the unfolding policy debates over Article 6 we expect that many of the claims and arguments found in the Gold Standard's discursive repertoire will resurface and be mobilized for and against new market arrangements in the Paris climate regime. In the years to come more research and civil society attention are needed to critically interrogate if these arguments hold what they promise and hereby offer a legitimate response to the unfolding climate crisis. Considering that the Global North carries the responsibility to mitigate its own emissions, we reject the idea of reinventing the carbon markets as such old wine in new bottles under Article 6 will do more harm than good. Taking the ambitious spirit of the Paris regime into account, we argue that the offsetting logic of buying your way out of own historic responsibilities is not acceptable under the Paris Agreement anymore.

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