



GOLD STANDARD FOR THE GLOBAL GOALS:

Fund-level impact reporting and certification for climate and sustainable development

THE NEED FOR TOOLS AND FRAMEWORKS TO QUANTIFY AND CREDIBLY REPORT IMPACTS

Investors face growing pressure to invest sustainably and to measure the positive environmental and social impacts of their portfolios. Non-financial data, including social and environmental aspects, has become key in assessing and managing risks, as well as an important contributor to the investment decision-making. In a 2016 investor survey conducted by the Global Impact Investing Network, 100% said they wanted to better understand the social/environmental impact performance of their investments.

These trends have triggered an increased need for sophisticated ways to accurately measure the positive impact of investments and their contributions towards the Paris Climate Agreement and the Sustainable Development Goals (SDGs).

The SDGs are a powerful framework to align impact objectives among a broad group of stakeholders. Yet there remains a risk that they could also hinder meaningful progress if the SDGs are interpreted loosely or if investors oversimplify their impact measurement practice. 'SDG-washing', like 'green washing' before it, can be mitigated through robust but practical impact measurement supported by credible standards and tools.





HOW STANDARDS CAN DE-RISK INVESTMENT AND IMPROVE OUTCOMES

To mobilise private capital and scale deal flow in climate-smart and impact investments, it is critical to lower risk profiles, particularly in emerging economies where the exposure to climate change is greatest but risks for investors are higher. Beyond financial returns, sustainability-minded and impact investors also seek to maximise the positive impacts that a well-designed intervention can deliver, and to report on those impacts in a credible way.

Gold Standard for the Global Goals sets a pathway to certification for funds investing in sustainable infrastructure and high impact programmes, helping de-risk investment and enabling credible, comparable reporting on climate and sustainable development impacts.

Examples of investments suitable for certification include:

- » Infrastructure projects, such as renewable energy, energy efficiency, sustainable transport, or waste management
- » Community-based programmes for energy access, water access, sanitation or health
- » Sustainable land use initiatives, including forestry, agriculture, and ecosystem conservation and restoration

Gold Standard for the Global Goals can be applied at a fund level, embedding the standard requirements into a fund's investment criteria and due diligence process. Requirements are robust but simple for early-stage assessment of risks and estimation of development outcomes. The standard also provides a pragmatic approach for monitoring, reporting and verification (MRV) of project performance within an investment portfolio. This delivers an integrated approach that streamlines the certification process and optimises costs at the portfolio level.

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Ensuring strong safeguards, stakeholder engagement, and credible quantification and reporting of impacts is crucial when investing in sustainable infrastructure and development projects.

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BENEFITS OF GOLD STANDARD FOR THE GLOBAL GOALS FOR FUND CERTIFICATION

De-risking – The standard’s requirements incorporate the non-financial risk assessment criteria based on UNDP safeguarding principles. Projects are assessed against these criteria and risks are identified, mitigated and monitored over time. Comprehensive stakeholder mapping and consultations feed into the project design, creating strategic buy-in from relevant stakeholders and mitigating potential future risks that could threaten an investment and overall project success.

Robust governance and management systems – Standard requirements include criteria to assess governance capabilities and structure, including investment planning, inter-institutional coordination, track-record of implementing similar projects, as well as management systems, including clearly designated roles and responsibilities and capacity building.

Verified development outcomes for assurance and greater brand value – Investors can monitor and report the SDG impacts of their project investments at a portfolio level without losing focus on the individual stories behind each project. Each investment project is required to contribute to at least three SDGs, including SDG 13 - Climate Action. Annual MRV provides assurance that desired outcomes from investments are achieved.

Project aggregation for cost efficiencies – Gold Standard for the Global Goals can serve as an aggregation tool for multiple projects, reducing development and monitoring costs and improving the risk-return profile of the portfolio.

INTERESTED?

For more information on how to quantify and certify climate and SDG impacts at the fund-level, please contact:

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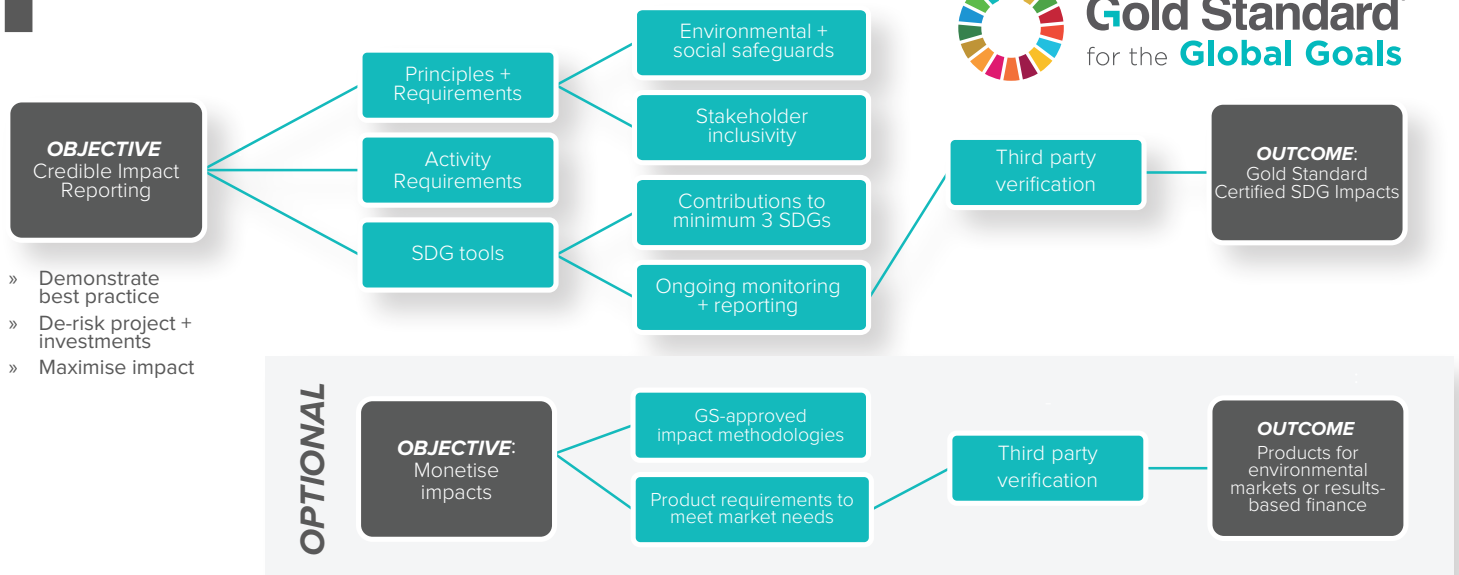
CERTIFICATION PATHWAYS: REPORTING OR MONETISATION

Impact certification can fulfill different investor needs. If an investor or project partner wishes to monetise their impacts, such as by issuing carbon credits or renewable energy certificates for trading, they must follow Gold Standard globally accepted methodologies to be eligible under relevant environmental markets.

A fund can also seek impact certification to credibly quantify and report the contributions that its project portfolio delivers toward climate security and sustainable development by using Gold standard SDG tools.

With either approach, investors and the projects they support are assured to make meaningful contributions to a more sustainable and resilient world.

CERTIFICATION PATHWAYS



ABOUT GOLD STANDARD FOR THE GLOBAL GOALS

Gold Standard for the Global Goals is a next-generation standard designed to accelerate progress toward climate security and sustainable development. This standard enables initiatives to quantify, certify and maximise their impacts toward the Paris Agreement and the Sustainable Development Goals, with enhanced safeguards, holistic project design, management of trade-offs and local stakeholder engagement to ensure the highest levels of environmental and social integrity.