



**Gold Standard<sup>®</sup>**

*Climate Security & Sustainable Development*

# **FUND REQUIREMENTS FAQS**

February 2022

## 1. FREQUENTLY ASKED QUESTIONS

### 1. Are these Requirements part of Gold Standard for the Global Goals (GS4GG)? How do they integrate with other GS4GG requirements?

Yes, the Fund Requirements for Certification will be integrated into Gold Standard for the Global Goals (GS4GG) 500 Series (Product Specifications) after the piloting phase. These Requirements refer to the Gold Standard eligibility rules for investments, safeguarding requirements for assessment of social/environmental/economic risks and stakeholder consultation requirements to engage with affected/interested stakeholders.

### 2. In what context will these fund requirements be used?

These Requirements are expected to be used by Fund Managers (i.e., impact investors, philanthropic foundations, corporates, development agencies, governments, or pension funds etc.) who are financing and claiming a contribution towards the achievement of the Sustainable Development Goals (SDGs).

### 3. How are these requirements different to other similar work like Operating Principles for Impact Management, UNDP-SDG Impact Standard etc.?

Rather than re-inventing the wheel we have built upon the approaches developed by OECD for Impact Fund Compliance, IFC Principles, UNDP-SDG Impact, and others, integrating the Requirements into the existing GS4GG core standard, which has assured credible impacts for nearly 20 years. These requirements go further than existing approaches by requiring third-party verification of measurable positive SDG impacts.

### 4. What is the subject of the certification? Is it the fund or individual investments?

The impacts created by a fund will be certified by Gold Standard. Since impacts are not realised until the fund is in operation for some time, we have followed the GS4GG approach for determining if the design and interim implementation of the design criteria meet the Requirements we have set. The Requirements focus on the design and process attributes that we believe will support the successful

realisation of the intended impacts. There will be several points of assessment to verify that the design components are complete, and that the implementation follows the certified design. The focus is therefore on the processes for investment applied by a fund manager in terms of strategy, project screening, project implementation and exit that will inform certification.

**5. Are there any restrictions on investors of the fund?**

There are no restrictions in the Requirements on the type of investors who can invest in the fund. The fund manager is able to stipulate restrictions as per their investment strategy.

**6. Are there any restrictions on the types of investments that can be part of the fund?**

Yes, those that are noted as ineligible in Gold Standard for the Global Goals. Fund managers can also establish their own criteria for additional exclusions of specific investment types.

**7. If carbon credit issuance is sought, is it necessary to issue through Gold Standard certification?**

No, it is not necessary to issue carbon credits through Gold Standard certification.

**8. Is it necessary to use impact metrics with reference to baselines OR could other metrics that report change year-on-year (e.g., GHG emission inventory reporting) be used under these Requirements?**

It is necessary to use impact metrics approved by Gold Standard to report impacts at the fund level. It is mandatory to establish the baseline against which impacts are calculated.

**9. Will currently approved VVBs be allowed to audit funds using these Requirements?**

Gold Standard will work in close collaboration with select VVBs during the pilot phase to test the assurance process and to finalise the VVB requirements to approve VVBs for auditing against fund requirements.

#### 10. How should impacts be assessed across all SDGs?

The Impact Management Project's (IMP) ABC Classification (Avoid Harm, Benefit Stakeholders, Contribute to Solutions) should be used to assess all anticipated and actual impacts. The three targeted SDG Impact Goals shall be described in the C classification - Contribute to Solutions. Other impacts shall be classified as A or B - Avoid Harm or Benefit Stakeholders. Negative impacts shall be assessed using [GS4GG Safeguarding requirements](#).

#### 11. For what length of time will certified Impact Statements be valid?

Certified Impact Statements may be made as long as the certification is in effect. These Impact Statements will be focused on the full impact of the fund and presented in context. This means that both positive and any negative impacts will be presented, and Impact Statements will provide appropriate context.

#### 12. How is impermanence of SDG 13 impacts addressed?

Temporary outcomes, such as temporary carbon storage in soil or woody biomass, shall be reported as temporary and the outcome period, for example duration of storage, shall be recorded on the Certified Impact Statement.

Impermanent impacts should be reported in accordance with the Greenhouse Gas Protocol standards and requirements.