



GOLD STANDARD

Market Report 2017

February 2018

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Communications Team

Gold Standard[®]

Climate Security & Sustainable Development



MARKET REPORT 2017: *Executive Summary*

This report provides Gold Standard supply and demand data for 2017. It also provides an overview of our current pipeline of projects, looks at our data year-on-year and outlines our project projections for Q1 2018. For a more detailed look at our historical data, please refer to previous editions of this [report>>](#).

- » In total, we have 1500+ projects in our pipeline with a potential to save more than 99 million tonnes of CO₂ per year – more than double the annual emissions released by Switzerland.
- » Issuances and retirements have been steadily increasing year-on-year – in 2017 we issued 92% more credits and retired 26 times the number credits than in 2008.
- » In 2017, we issued credits for 14 million emission reductions – the equivalent of taking all the cars in London off the road for more than a year.
- » Total issuances increased by 6.5% from 2016 and voluntary retirements increased nearly 10% in 2017.
- » The gap between retirements and issuances continues to close - supply was 30% higher than demand in 2016 while in 2017 it has come down by 2%. This could indicate healthier market dynamics for Gold Standard projects.



MARKET REPORT 2017: *Gold Standard Overall*

In total, we have 1500+ projects in our pipeline with a potential to save 99 million tonnes of CO₂ per year – more than double the annual emissions released by Switzerland.

Gold Standard project pipeline

When applying our standard, projects move through a project certification cycle. Table 1 and figure 1 provide an overview of our projects and where they are within this cycle. Over a third of our projects are fully certified and already issuing credits, with another quarter at registration stage - the final stage before issuance is approved.

Table 1. Annual Estimated Emission Reductions

Project Status	# of projects	Estimated Emission Reductions
New Project	183	7,502,254
Listed	329	41,453,541
Validated	124	5,507,677
Registered	405	16,653,835
Issued	536	27,793,445
Rejected	5	176,183
Grand Total	1582	99,086,935

Project Certification Cycle Definitions:

- » **New Project** – submitted an eligible project concept to Gold Standard
- » **Listed** – conducted a Local Stakeholder Consultation and Gold Standard has reviewed and approved the submitted Project Design Document (PDD) and Local Stakeholder Report.
- » **Validated** – conducted both stakeholder feedback rounds, submitted all documentation and has been reviewed by a third-party auditor.
- » **Registered** – the first validation audit and all the documents have been reviewed and approved by Gold Standard, TAC and our NGO Supporter Network.
- » **Issued** – successfully completed the project cycle, been monitored and verified, and has obtained our ‘stamp of approval’
- » **Rejected** – a project is rejected if they cannot conform to our compliance criteria.

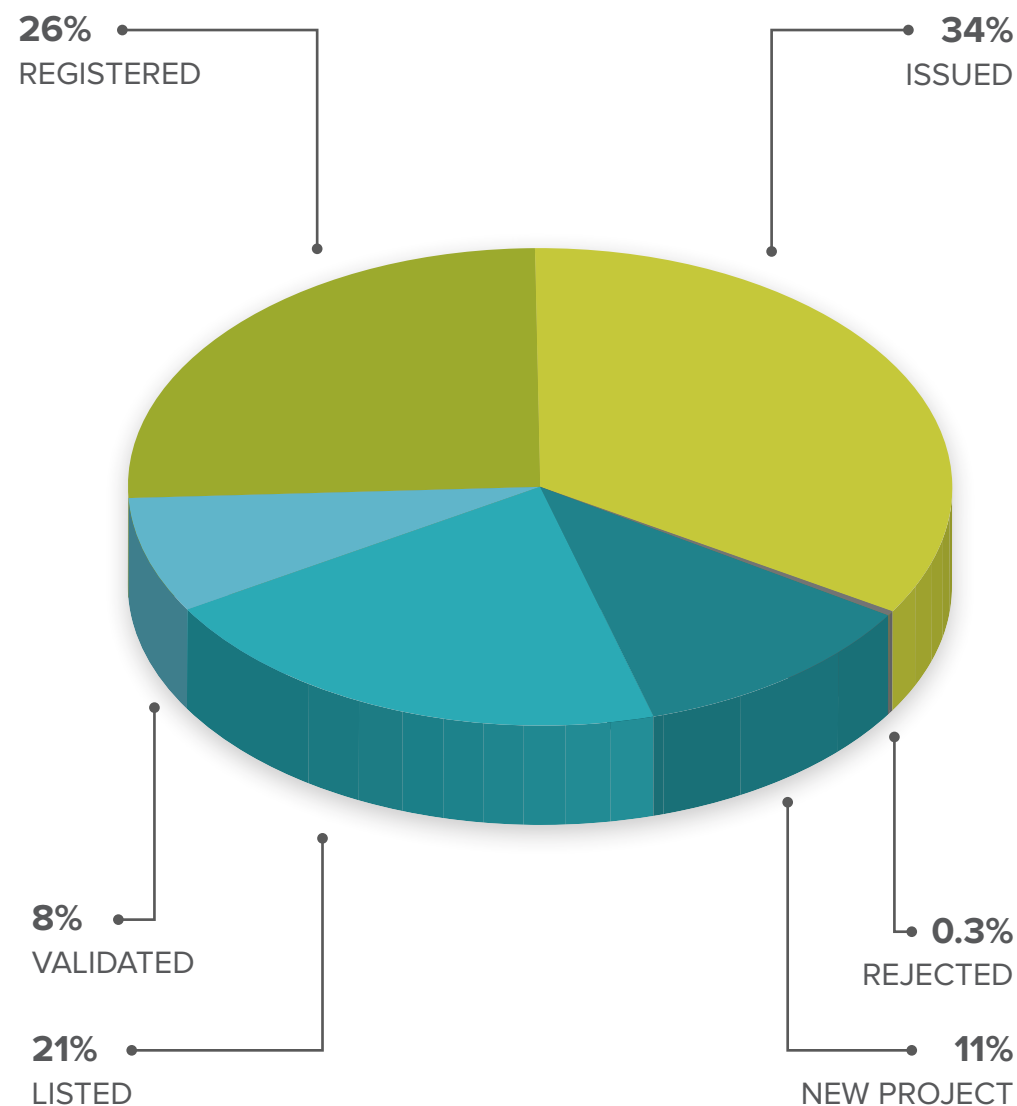


Figure 1. Overview of projects in our project certification process

Scope of projects

Figure 2 shows project mix by scope or project type. There is an even mix of renewable energy (e.g. wind, solar, biomass, etc.) versus energy efficiency projects (cookstoves, water filters, etc.), with fewer waste management and forestry projects.

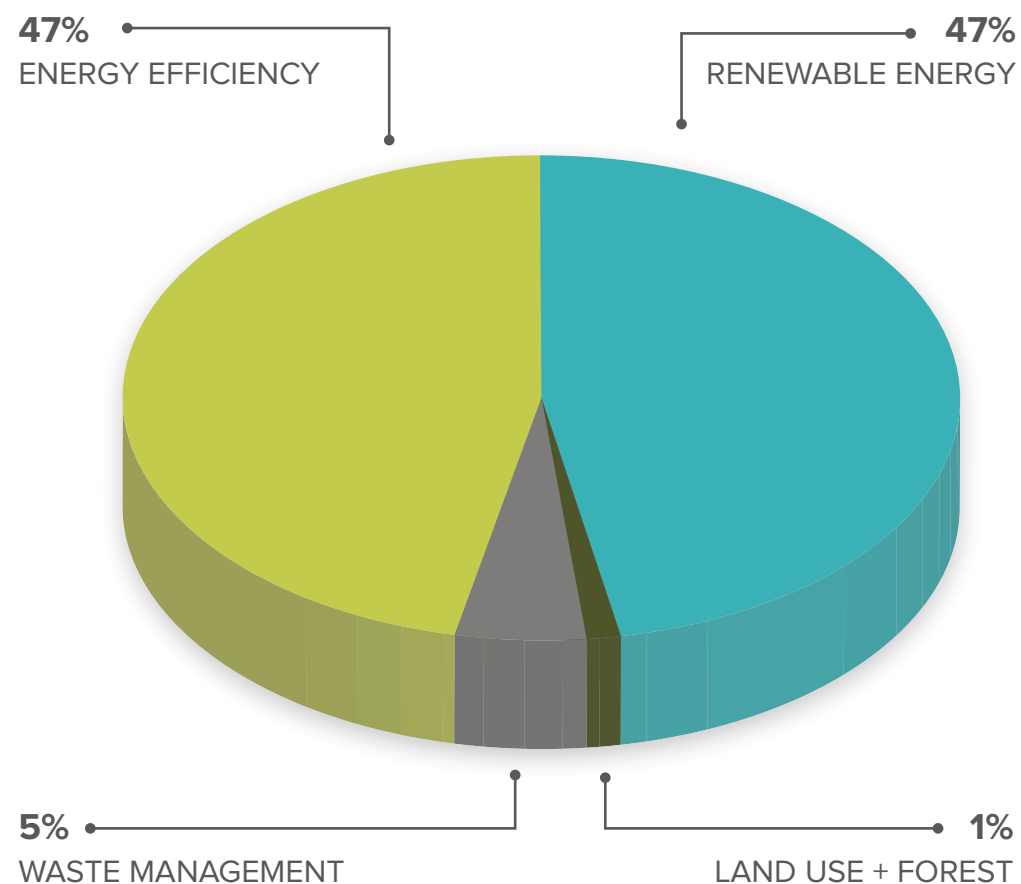


Figure 2. Gold Standard project pipeline by scope

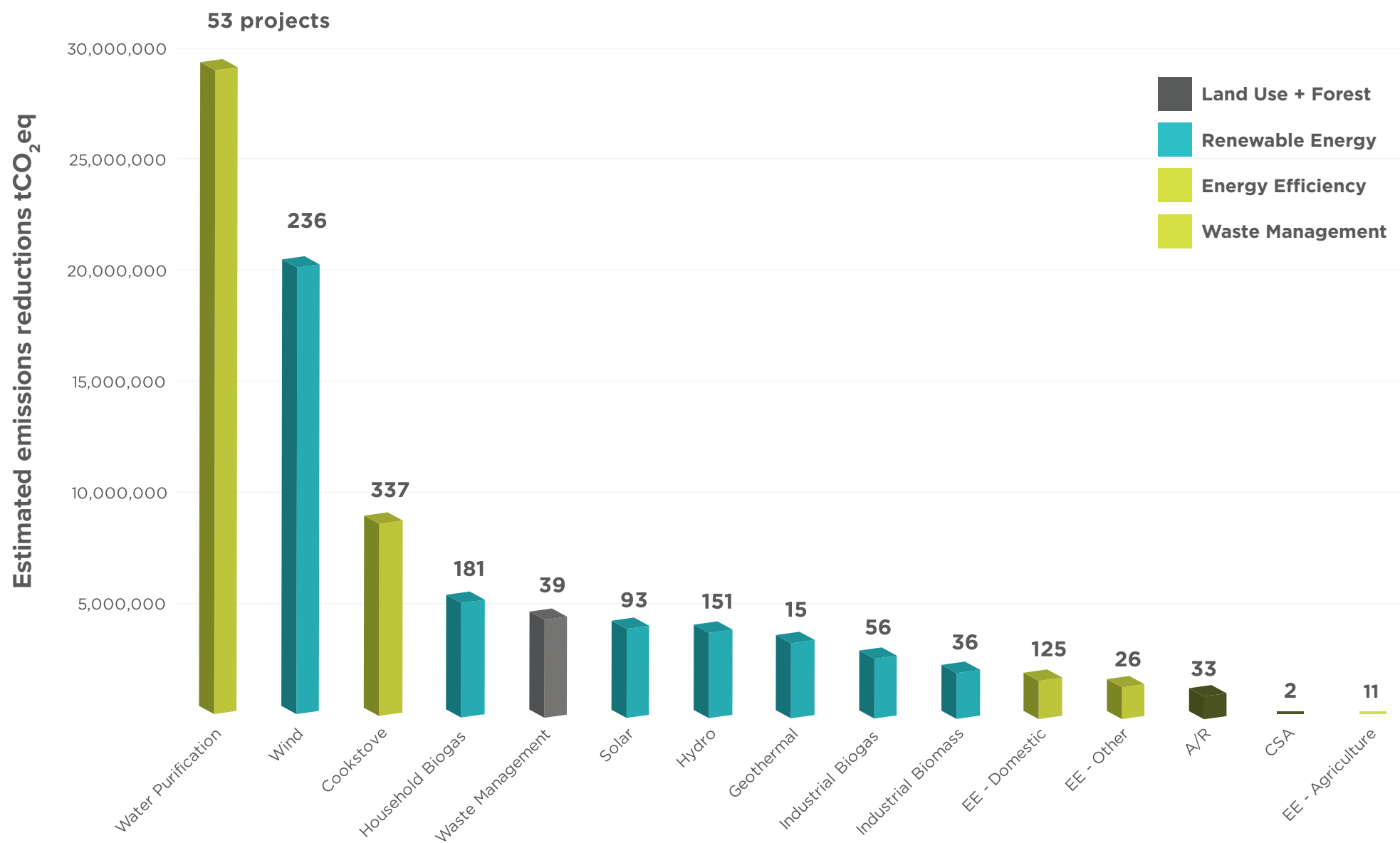


Figure 3. Gold Standard project pipeline by project type

Where our projects are located

Figure 4 shows our projects by region. Asia is the largest region as this includes projects from many different countries, including China (221 projects – estimated 8 million tCO₂eq), India (182 projects – estimated 34 million tCO₂eq) and Turkey (266 projects – estimated 19 million tCO₂eq). The data for Asia indicates that many of these projects are larger in scale, especially in comparison to the figures from Africa.

Smaller scale projects are often community based, delivering relatively high impact in terms of sustainable development. These are the type of projects that are going to enable us to meet the targets set under the Sustainable Development Goals (SDGs).

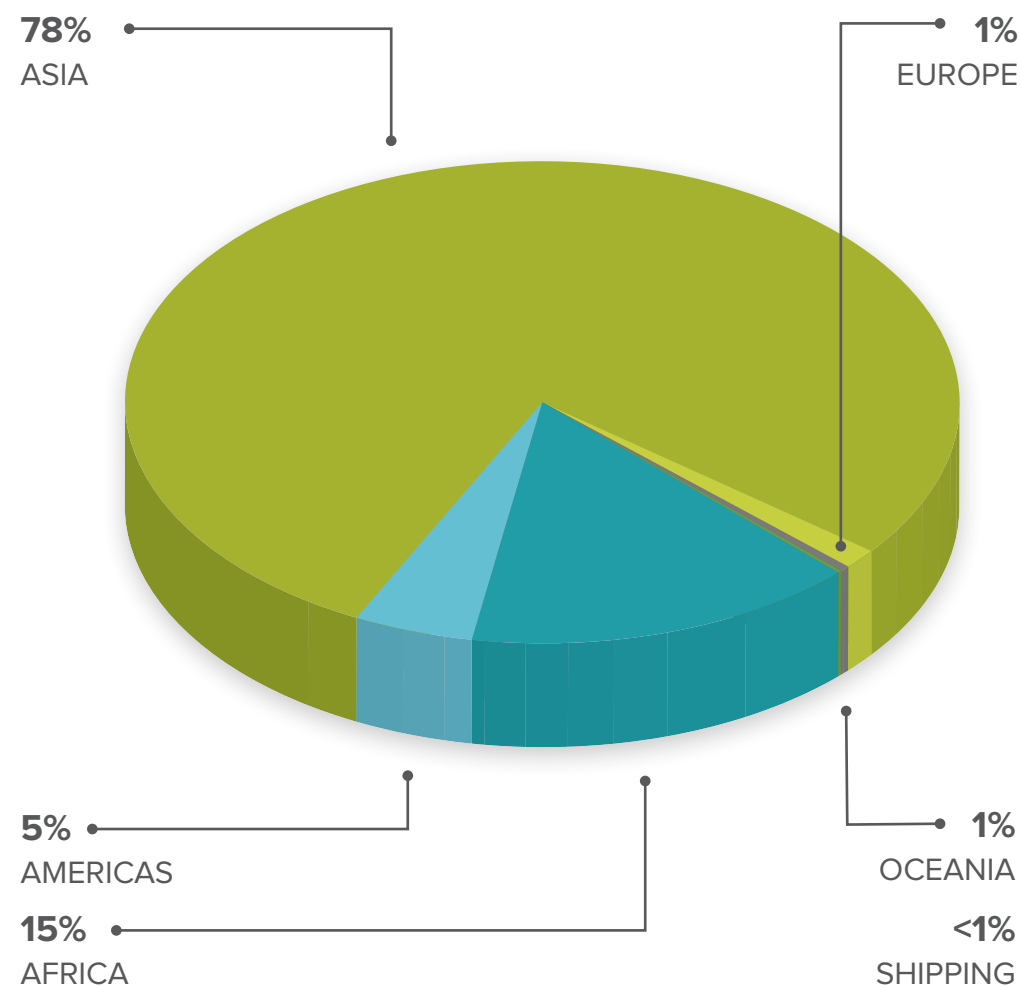


Figure 4. Location of project types by region



MARKET REPORT 2017: *Issuances + retirements*

Year-on-year comparisons: Energy issuances

Figure 5 shows the year-on-year issuance figures for our energy emissions reductions. From 2008 to 2017 there has been a continual increase of Certified Emission Reduction (CER) labels in the compliance market and Verified Emission Reduction (VER) issuances in the voluntary carbon market. However, the issuances of VERs is dramatically higher in comparison to the CER labels. This can likely be attributed to the decline in CER pricing.

The 2008 global financial crisis and the lack of progress made in the climate change negotiations caused a great deal of economic and political uncertainty. Low prices meant that project developers were less inclined to issue CERs. Voluntary markets remained more buoyant in comparison, making voluntary emission reductions more attractive.

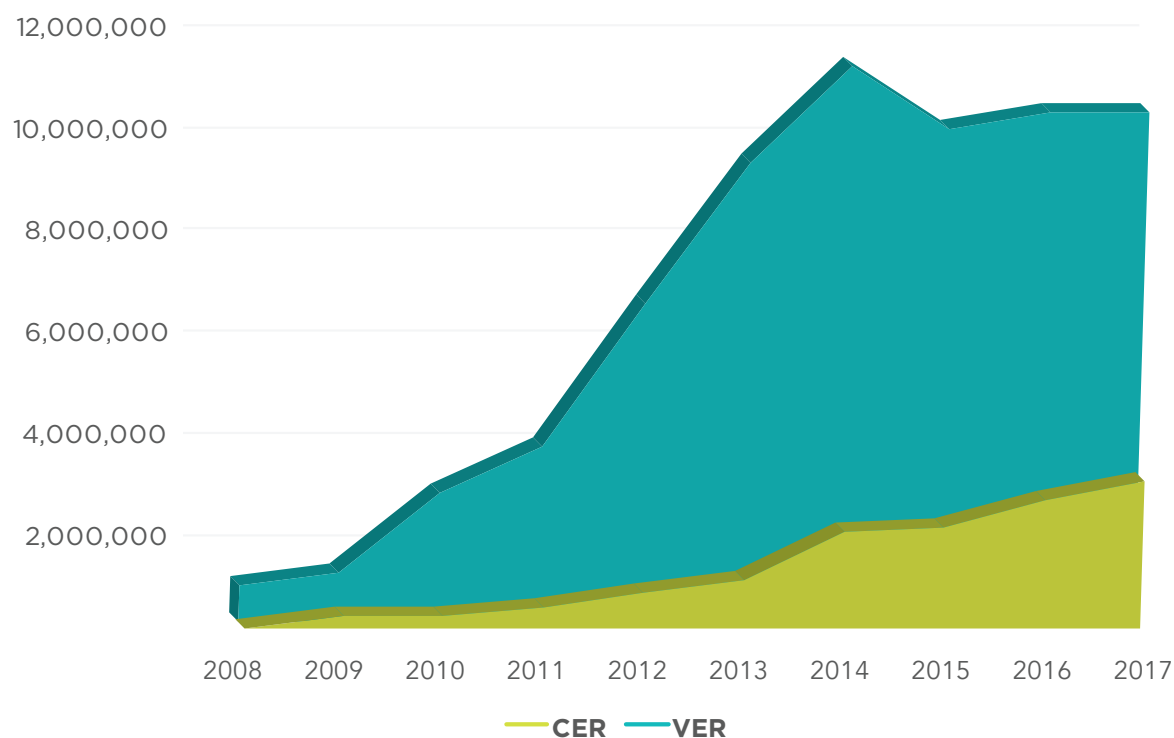


Figure 5. Energy issuance figures by year for VERs and CER labels

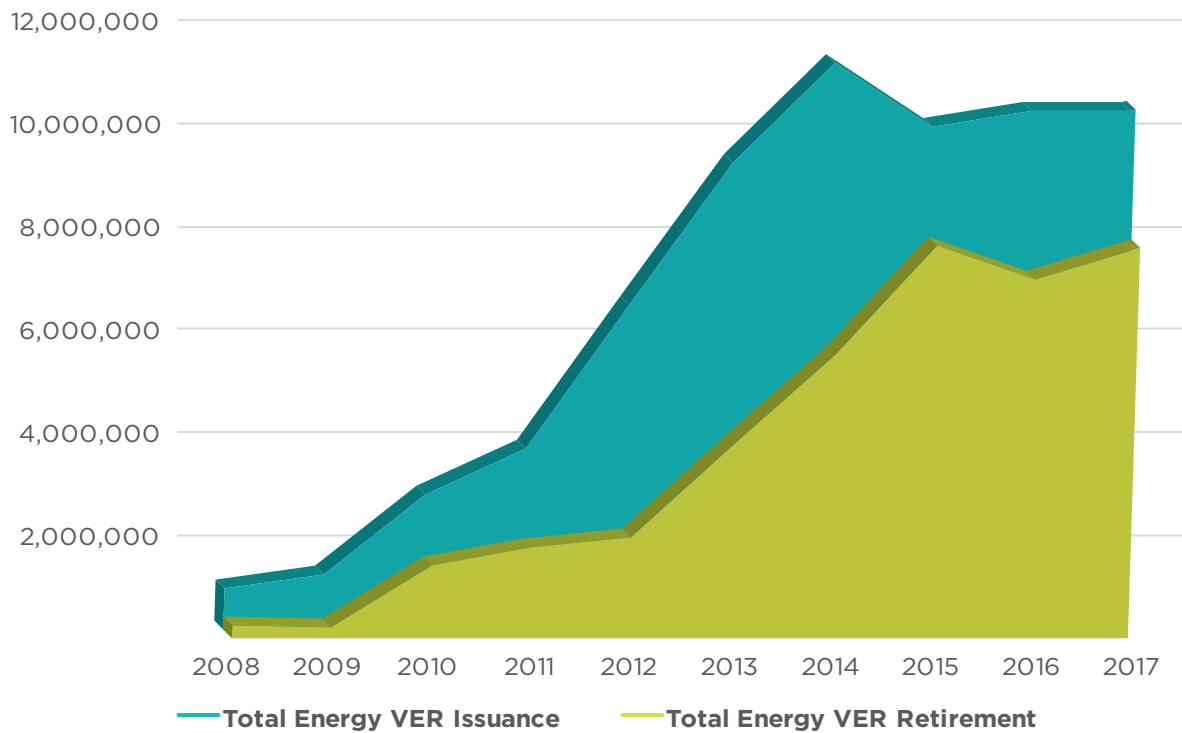


Figure 6. Gold Standard energy issuances and retirements from 2008-2017

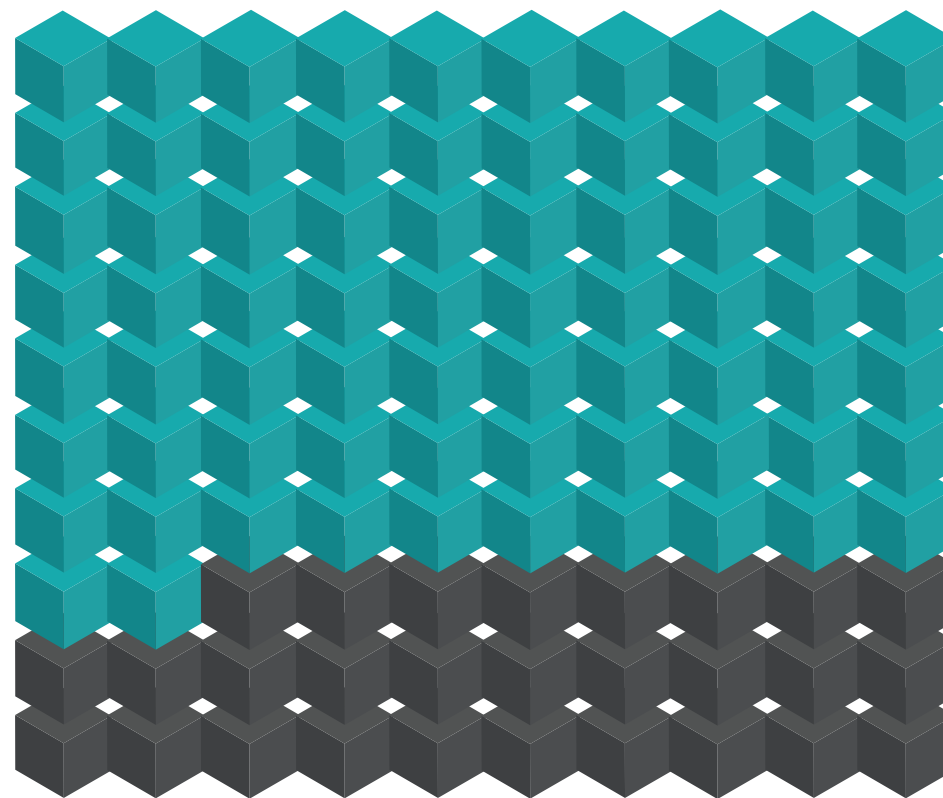


MARKET REPORT 2017: *Supply + demand for 2017*

Figure 7 shows the supply and demand for Gold Standard VERs throughout 2017. Total issuances increased by 6.5% from 2016 and voluntary retirements increased nearly 10% in 2017. This, alongside the narrowing gap between issuances and retirements year-on-year - supply was 30% higher than demand in 2016 while in 2017 it has come down by 2% - could indicate healthier market dynamics for Gold Standard projects.

We anticipate that the introduction of the [Gold Standard Renewable Energy Label](#) will trigger a shift of large scale renewable energy projects to the renewable energy market, thus decreasing future supply of those credits in the market to further support a balance of supply and demand.

8 million Gold Standard VERs retired in 2017



11 million Gold Standard VERs issued in 2017

Figure 7. Gold Standard supply + demand for 2017



Table 2 shows how many emission reductions were issued and retired by quarter and by product type for 2017. In total, over 210 projects issued over 14 million carbon credits or validated A/R certificates and 8 million VER credits were retired from over 206 projects, saving the equivalent of taking 1.8 million cars off the road for a year.

Table 2. Gold Standard issuances and retirements for 2017 by quarter

	Q1	Q2	Q3	Q4	TOTAL
Issued CERs	713,702	735,781	740,271	789,599	2,979,353
Issued VERs	2,672,477	2,134,607	2,919,859	3,308,256	11,035,199
Validated CO2 Certificates (A/R)	7,189	25,837	0	25,299	58,325
Total issuances	3,393,368	2,896,225	3,660,130	4,123,154	14,072,877
Retirements of Voluntary Credits	2,343,486	2,038,188	1,400,090	2,162,746	7,944,510

Retirements were from a broad range of institutions, from corporations such as Microsoft, to retailers like M&S, to airlines such as KLM and Qantas Airways to government bodies like the European Parliament.

2017 issuance + retirement volumes by project type

Figure 8 shows the VER issuances and retirement volumes by project type. In 2017, over 3 million cookstove carbon credits were retired, half a million more than were issued in the same year.



“ In 2017, we issued credits for 14 million emission reductions – the equivalent of taking all the cars in London off the road for more than a year. ”

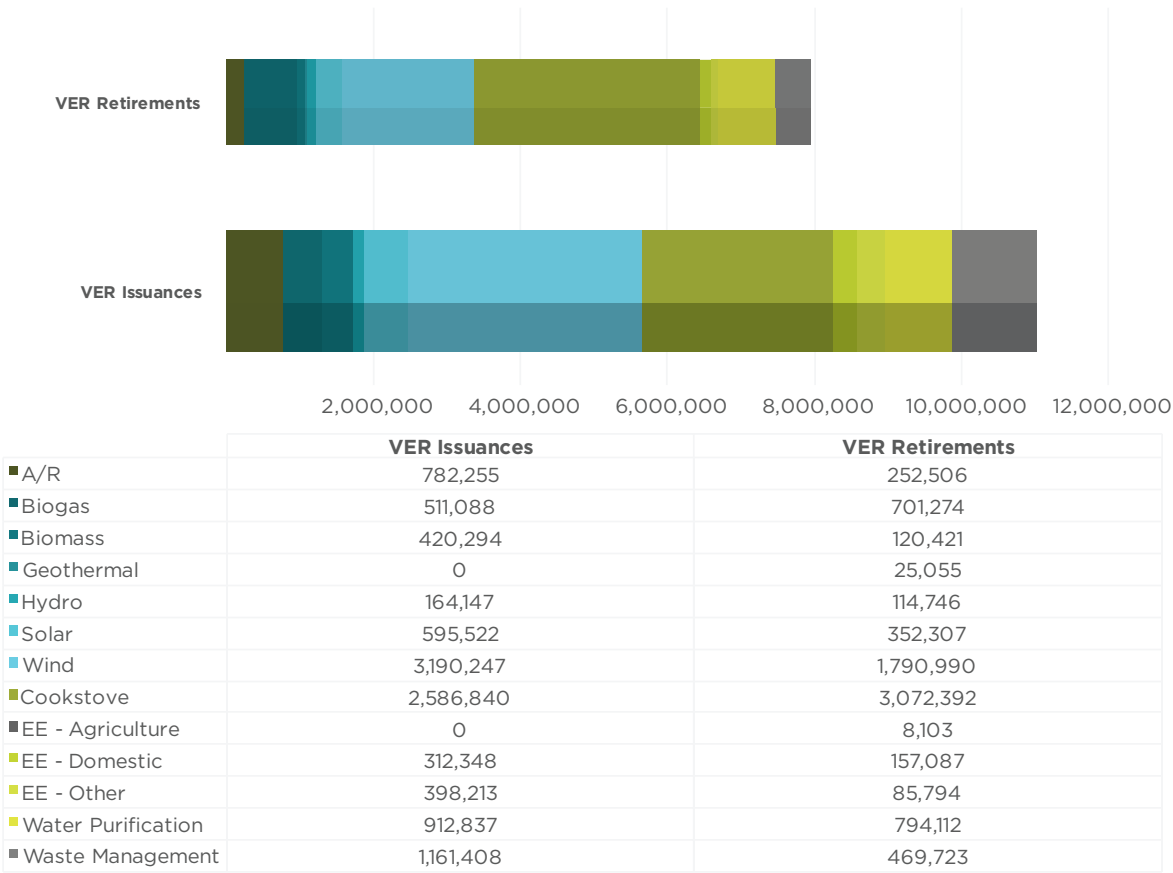


Figure 8. Issuances and retirements by project type

2017 issuance volumes by location

In 2017, we issued carbon credits from projects based in over 45 different countries around the world.

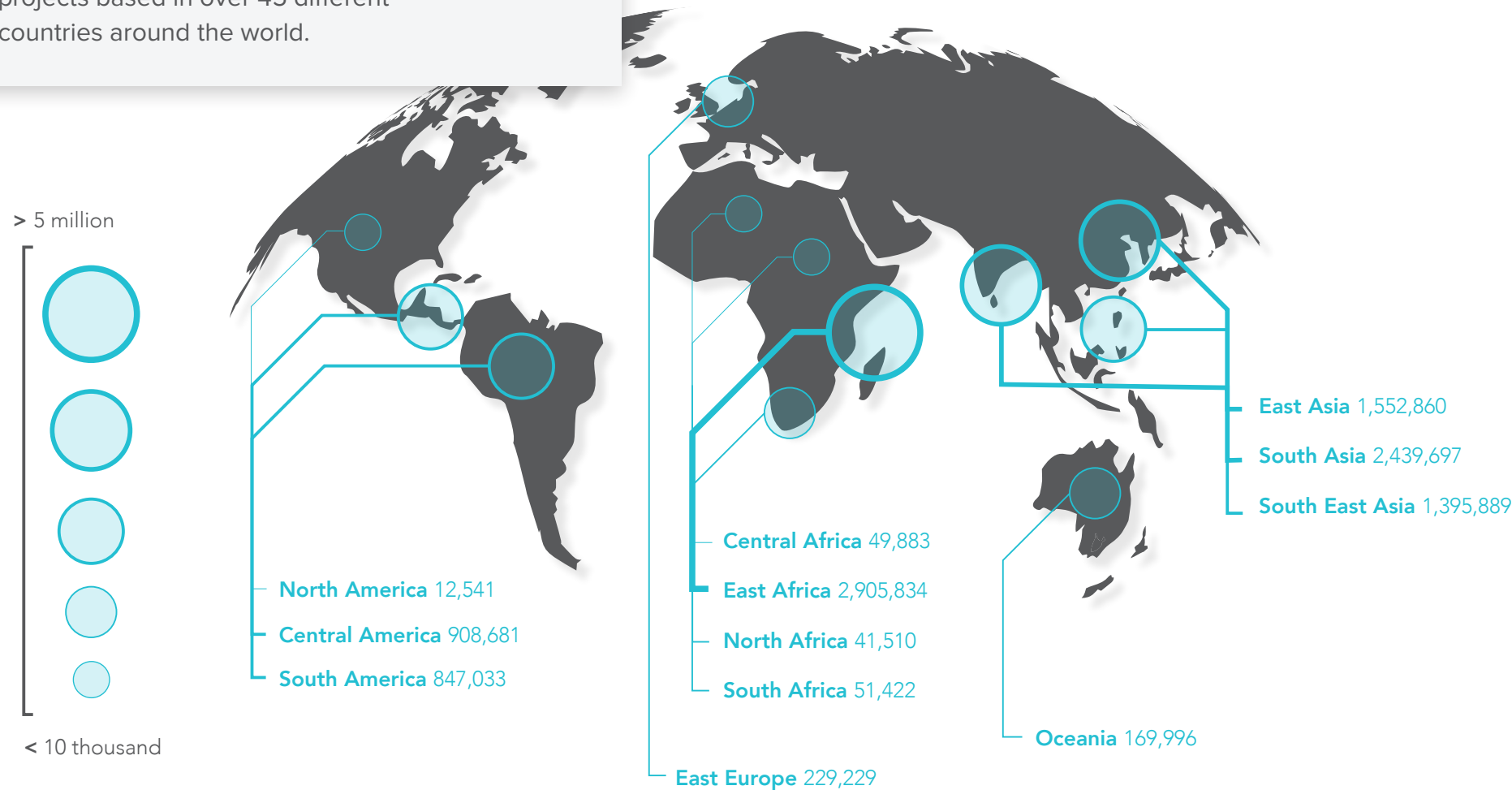


Figure 9. Issuance volumes by geographic location

2017 retirement volumes by location

Table 3 provides insight into which regions are retiring credits from which countries. For example, organisations based in Europe like to retire credits from all regions, but especially projects based in Africa or Asia. Whereas, Oceania, likes to retire credits from projects based in their same region or close by in Asia.

Table 3. Retirement volumes by region

Issued v Retired >	<u>Africa</u>	<u>America</u>	<u>Asia</u>	<u>Europe</u>	<u>Oceania</u>	<u>Grand Total</u>
Africa	111,179	207,031	7,463	2,761,022	14,537	3,101,232
America		196,690		559,391	361	756,442
Asia		180,844	158,554	3,587,944	106,925	4,034,267
Europe				2,770		2,770
International				833		833
Oceania				11,640	37,326	48,966
Grand Total	<u>111,179</u>	<u>584,565</u>	<u>166,017</u>	<u>6,923,600</u>	<u>159,149</u>	<u>7,944,510</u>

MARKET REPORT 2017: *Gold Standard Projections for Q1 2018*

Figure 10 provides a visual breakdown of issuance projections for the first quarter of 2018 by project type and location. Our projections expect issuances from African based cookstove projects and issuances from wind projects based in Asia.

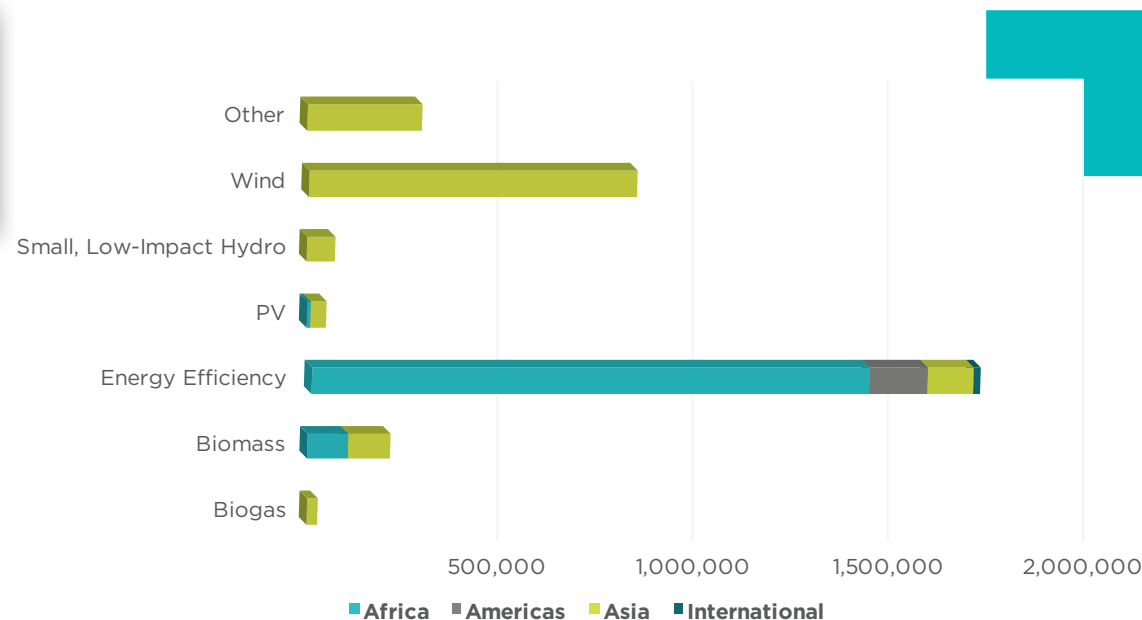


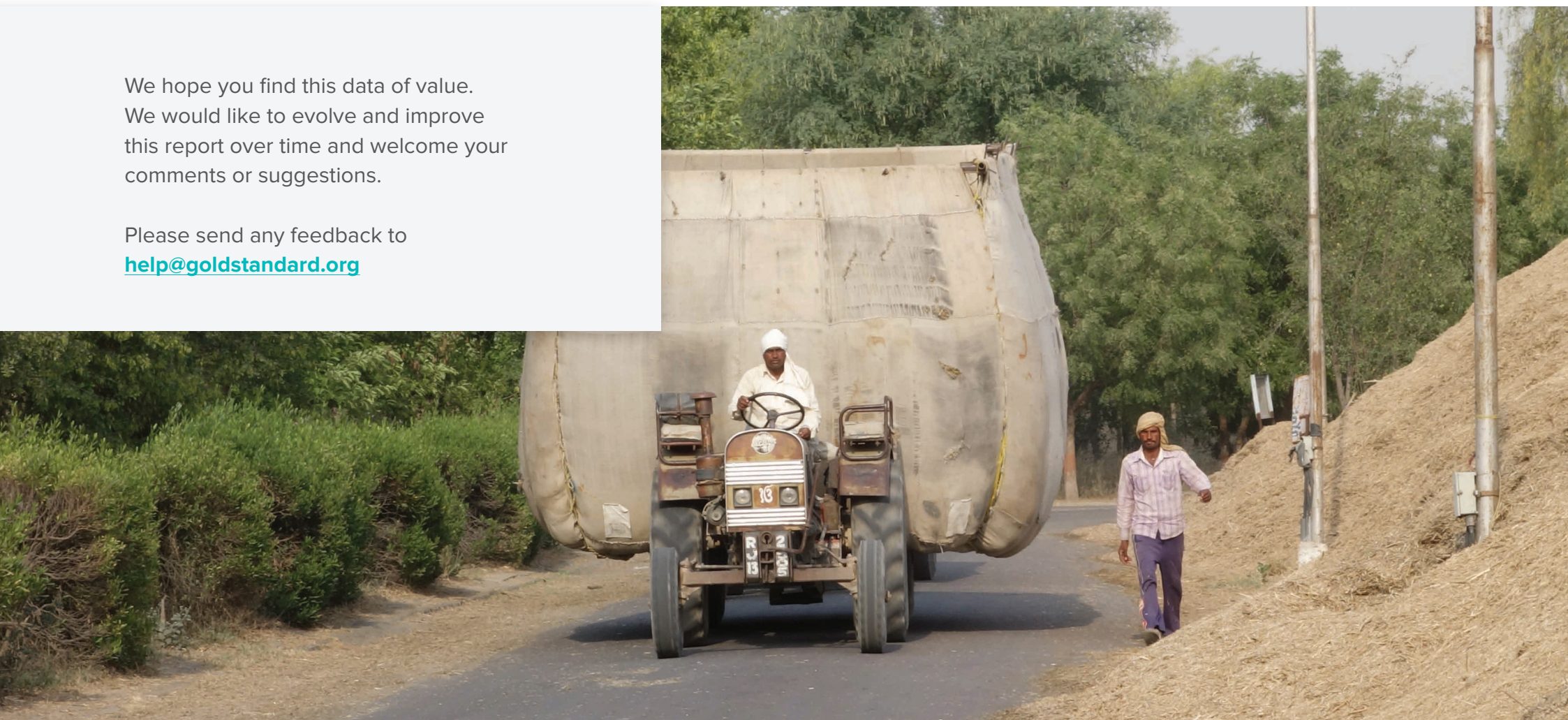
Figure 10. Project projections for Q1 2018 – by project type and by region

Table 4. Project projections for Q1 2018

Project Type v Region >	Africa	America	Asia	International	Grand Total
Biogas			30,153		30,153
Biomass	108,165	147,843	107,509		215,674
Energy Efficiency	1,451,957		120,296	17,457	1,737,553
PV	10,514		41,202		51,716
Small, Low-Impact Hydro			76,479		76,479
Wind			854,844		854,844
Other			299,657		299,657
Grand Total	1,570,636	147,843	1,530,140	17,457	3,266,076

We hope you find this data of value.
We would like to evolve and improve
this report over time and welcome your
comments or suggestions.

Please send any feedback to
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