

Public consultation: Methodology to Estimate and Verify Averted Disability Adjusted Life Years (ADALYs) from Cleaner Cooking and Cleaner Household Air

Background:

Almost 3 billion of the world's poorest people rely on solid fuels like wood, animal dung, charcoal, crop wastes and coal for cooking and heating. The fuel is normally burned using inefficient and highly polluting stoves that cause a devastating impact on people's health. Each year around 4.3 million people die prematurely due to indoor air pollution from cooking. According to the World Health Organisation (WHO), Household Air Pollution (HAP) is the single largest global environmental risk to health. Alternative improved cooking solutions help address this tremendous health risk and also reduce Greenhouse Gas (GHG) emissions for the global community. Given the significant impact that improved cooking technologies have on health, there is a need for a methodology to measure and a mechanism to certify the health benefits from improved cookstoves, improved kitchen ventilation and projects that use cleaner fuels, helping them to gain access to the large health impact investment market.

Payments for health benefit outcomes in the form of an Averted Disability Adjusted Life Year¹ (alternately called as DALYs averted) - under a results-based financing, pay for performance structure presents tremendous potential to incentivize the implementation of improved cookstove, improved kitchen ventilation and cleaner fuel projects.

To enable additional finance to flow to these activities at scale, impact investors, donors and corporates, need to have the comfort of an accessible, independent, and simple-to-use monitoring, reporting and verification (MRV) framework that demonstrates that these benefits have actually been achieved.

To meet this need, Gold Standard intends to develop a methodology to calculate the health benefits using ADALYs as the impact metric to provide the basis for a results-based finance payment mechanism. The methodology development will take into account the methodology "[Quantification of a saleable health product \(aDALYs\) from household cooking interventions](#)" recently prepared for World Bank by Household Energy, Climate, and Health Research Group (University of California) and Berkeley Air Monitoring Group, Berkeley.

¹ Disability-Adjusted Life-Years (DALYs) is a universally accepted unit for measuring health impact. It represents the years attributed to premature death or disability due to a certain health impact. DALYs are composed of two parts: Years of Life Lost, or YLLs, and Years Lost to Disability, or YLDs. YLLs are calculated by subtracting the age at death from the "ideal" life expectancy. YLDs describe the number of years lived with impaired or reduced health due to a condition. For more information on DALYs, see: <http://www.healthdata.org/gbd/faq#What is a DALY?>

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Gold Standard is currently developing GS Version 3.0; a new standard that allows for the consolidation of existing Gold Standard scopes and for the quantification of multiple impacts based on the [Sustainable Development Goals](#). As such the development of an ADALYs methodology in the context of cookstoves is considered a key priority for road-testing GS Version 3.0. Further information regarding GS Version 3.0 can be found on the [Gold Standard website](#).

Feedback requested:

Stakeholders are invited to provide their feedback and suggestions on the proposed methodology. A few critical issues are summarised below for stakeholder's feedback:

1. What opportunities or concerns do stakeholders have in relation to Gold Standard quantifying and certifying health outcomes in the form of ADALYs? Are there any key features that stakeholders would wish to see in such a methodology or product?
2. In the current version, Gold Standard certifies an activity for its GHGs emission reductions and associated co-benefits (as a linked, single asset, which is a GS VER). GS Version 3 will allow for the quantification and issuance of multiple Sustainable Development impacts for use in results-based finance models. Since the proposed methodology aims to certify and issue the health benefits as ADALYs this implies that they could be issued alongside Verified Emission Reductions (VERs) or other products. Gold Standard Version 3.0 is designed to explore ways to allow multiple impacts to be quantified and certified. As part of the V3 development in 2016 we will explore and finalise the requirements and guidance for how this multiple quantification and certification approach will work and how more than one asset (carbon credits, certified outcomes etc) can be co-issued from the same activity. This may involve rules governing which outcomes / assets can be co-issued together, what 'additionality' rules might apply, what claims can and cannot be made for each asset and what changes to existing Terms and Conditions will be required. What views do stakeholders hold for co-issuance and the potential monetization of ADALYs along with GHG emission reduction (VERs)?
3. Our current understanding is that the investors will make payments for the ADALYs outcome and these outcomes will not be traded in secondary market. Do you agree with this approach? If yes, what safeguards should be included in the methodology?
4. What are potential sources of finance to incentivize projects achieving ADALYs outcomes? Investors that are typically interested in investing in GHG mitigations outcomes, will they also be willing to mobilize additional finance for ADALYs outcomes or would the market need to rely on other resources?
5. The quality of improved stoves plays a significant role in ensuring the long lasting health benefits. Should the methodology include "pre-specified eligibility criteria" based on cookstove design acknowledging that ventilation and handling of stoves play a significant role in accrued health benefits? If so what should this be based on?
6. What safeguards should be included in the methodology to avoid situations that the methodology is mis-used and ensure that ADALYs outcome quantified are real and conservative?
7. What aspects on applicability, baseline setting and monitoring should be included in the methodology to ensure it is practical and affordable to use.

Timeline for methodology development:

The methodology development process is likely to last for 8-10 months starting in April 2016. We plan to publish this methodology by the end of 2016. The draft methodology will be open to all stakeholders for feedback prior to final approval and publishing for use.

Deadline:

All comments should be sent in an email to vikash.talyan@goldstandard.org by 07 March 2016. Gold Standard will gather and synthesize feedback received from stakeholders and will publish all comments on the website.

About Gold Standard:

Gold Standard works to create a climate secure world where sustainable growth brings life-changing benefits to communities everywhere. Our role as a standard and certification body is to maximise the impact of climate and development activities. We design the strongest processes that amplify the impact of efforts to deliver clean energy and water, responsibly manage land and forests, and transform lives of the world's poor. We then verify those outcomes, inspiring greater confidence that drives investment to accomplish even more.

Gold Standard was established in 2003 by [WWF](#) and other international NGOs as a best practice standard to ensure projects that reduced carbon emissions under the UN's Clean Development Mechanism (CDM) also delivered on their dual mandate to foster sustainable development. Now with more than 80 NGO supporters and 1100 projects in over 70 countries, our projects have delivered billions of dollars in climate and development outcomes in local communities all around the world. Learn more about Gold Standard at www.goldstandard.org

