Comments Provided on the Gold Standard's Consultation for Integrity for Scale: Aligning Gold Standard-Certified Projects with the Paris Agreement

Submitted by Terra Global Capital
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Background

Founded in 2006, Terra Global is a woman-run, women-owned for-profit social enterprise, and small business. Terra Global's mission is to facilitate financially, socially, and environmentally sustainable forestry and agricultural land management practices. Terra Global is a global leader in sustainable forest and agriculture program development, land-use greenhouse gas quantification and finance, and providing technical expertise and investment capital to their global client base in a collaborative and innovative manner. Having worked in 31 countries, Terra Global has designed and supported the implementation of REDD+ and other sustainable landscape programs from the project to national scale.

General Comments

Thank you for the opportunity to comment on the document "Integrity for Scale: Aligning Gold Standard-Certified Projects with The Paris Agreement." We recognize the effort that the Gold Standard has invested into this draft document and appreciate the hard work. Accounting for corresponding adjustments is one of the most important mechanisms to ensure the integrity of the climate results under the Paris Agreement. And when accounting between two countries (and under CORSIA) having the mechanisms in the standard to confirm, track and create a distinguishable tradable unit that reflects that a corresponding adjustment has been made it critical.

But the GS's claim that a corresponding adjustment is needed when a buyer meeting their voluntary carbon neutral goals purchase an offsetting from a project or program in another country is misguided and will further block the necessary climate finance that developing countries need to finance their NDCs. In addition, this transaction is between a company (who climate results are not reported within its countries NDC) and a host country, there is nothing to "correspond" as CAs are between two countries.

Terra Global is pleased that the Gold Standard wants to engage stakeholders and interested parties in a public review process. We have examined the document and identified a few issues that need to be addressed.

Terra Global is not in agreement with the Gold Standard's view of double claiming of a mitigation outcome and believes that their view is ill-informed and will leave developing countries without the financial resources to finance their NDCs.

In the document "Integrity for Scale: Aligning Gold Standard-Certified Projects with The Paris Agreement." The Gold Standard claims that **"Double claiming occurs when the same emission reduction / removal / mitigation outcome is claimed by two different actors"**[1] – this is not at all the case and not what is the intention of the Paris Agreement. As it is two different actors who are countries or entities compiling under the Paris Agreement, not all actors, as it does not include non-state actors voluntarily meeting carbon neutral goals whose emissions are not be counted within national NDCs.

Double selling or double claiming of a mitigation outcome is a serious matter and should not be taken lightly. Most actors in the sector interpret the Paris Agreement to mean "**Double claiming occurs when the same emission reduction / removal / mitigation outcome is claimed by two different countries."** This is clear within the text of the Paris Agreement as it is an agreement with 197 nations to an ambitious goal of holding global temperature rise to well below 2 degrees Celsius above pre-industrial levels.[2] This landmark agreement lists many ways to reach these goals and describes engaging the public and private sector as well as OMGEs and holistic approaches to reducing emissions.[3]

Many developing counties have aspirational goals of reducing emissions, especially from nature-based solutions (NBS) such as conserving existing forests, reforestation, regenerative agriculture, and improved land-use at a landscape-level. These nature-based goals are aligned with the UN Sustainable Development Goals of 2030 and should always be developed in ways to engage and empower local communities, underrepresented groups, and women. As many developing counties only have possible emission reductions to gain through NBS – this is what they can bring to the table in climate results but without financing they cannot achieve these goals.

There is essentially no funding for developing countries and rural communities, and climate finance can provide a revolutionary rural development tool while maintaining global climate integrity.

The Kyoto Protocol had the intention to have a carbon finance flow from the Global North to the Global South bringing low-carbon sustainable development. This goal was not achieved on a scale that was needed to reduce global emissions; massive land-use changed continued often driven by global commodities bought by developed nations (commonly found in Annex B).

[1]https://www.goldstandard.org/sites/default/files/documents/integrity_for_scale_aligning_gs_certified_projects_with_the_paris_agreement.pdf

[2] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[3] https://unfccc.int/sites/default/files/english_paris_agreement.pdf

The Kyoto Protocol failed to deliver what the Paris Agreement has promised: true sustainable development though livelihood improvement and though a socially just and equitable manner and specially includes the Power of Nature and Communities who manage 22% of our global forests in developing countries.[4] The Paris Agreement strives to bring climate finance to developing countries, and specifically casts a broad net on "how to get there."

The private sector such as entities operating in developed nations need to bring climate finance to the developing world so that the goals of the Paris Agreement can be met. These voluntary payments for mitigation outcomes can be paid to developing nations, for their hard work in offset creation. These mitigation outcomes can then be claimed by the country of origin in meeting their Nationally Determined Contribution as they are additional, and they are not counted in any other countries results under Paris. The entities paying for the voluntary offset can claim carbon neutrality as they financed the activities to take place, although their specific mitigation option cannot not be claimed in the Nationally Determined Contribution of the emitting company's country of origin. Standard bodies and contractual transaction terms can be used to ensure that once sold to voluntary buyers they are properly tagged, and the offset could not be used to another country's NDC.

Terra believes that corresponding adjustments shall not need to be applied in cases where carbon credits will be used for offsetting claims in the voluntary market, and they can be reported in the host country results

In cases where county-to-county regulatory emission reductions are claimed by either party a corresponding adjustment is absolutely necessary. OMGEs will not be difficult to track as both regulatory systems and appropriate voluntary standards issue unique serial numbers for carbon credits and are created in a spatially explicit location (a specific country). We support the Parties to the Paris Agreement in their ongoing negotiations to how OMGEs will be operationalized and wish that they consider developing countries' role in creating offsets and their need to not be left behind in striving for climate excellence and reaching climate finance.

Specifically, if LDC's, HIPC's and other non-industrialized counties are not allowed to claim these emission reductions/removals that have been financed through voluntary buyers in the countries NDCs then they will never have the finance and other technical support the comes along with these transactions to their NDCs. Voluntary offsetting through the Private Sector is the vehicle and the long-awaited partnership to bring climate finance to some of the poorest people on earth. Restricting possible funds to developing countries will harm the poorest of the poor, continually make climate-vulnerable communities more insecure. The intention of these partnerships through well-structured climate finance is to empower nature/environment rich, but cash poor communities to become powerful and gain access to a new carbon market that does not require roads or infrastructure to export.

[4] https://www.researchgate.net/publication/255657467_Who_Conserves_the_World's_Forests

The private sector should be seen as a partner to help LDC's, HIPC's and other non-industrialized counties to achieve their climate and development goals.

The UN SDGs strive for partnerships for the goals (#17) and helping poor counties achieve their NDC should be a global goal, where private sector entities' goals should be to assist poor counties and poor communities. We have seen that many private sector companies want to voluntary offset emissions but require high-quality credits that produce significant co-benefits currently met by voluntary standards such as CCB.

We see the Gold Standard's stance which will cut off access to large pools of voluntary climate finance as a top-down imperialistic approach, harming developing countries, and insisting that 'they know what is best' for the poorest of the poor, without properly engaging developing counties. LDCs will sacrifice a lot for a climate-friendly future for us all and should compensated to do so. These counites should be properly engaged on where they will be situated in the Voluntary Market especially in relation to NBS and AFOLU.

We believe the Gold Standard does not have the understanding our knowhow to properly address the complexity of NBS as the Gold Standard according to their website does "not issue carbon credits for REDD+ projects due to concerns about environmental integrity, including the ability to control leakage (when deforestation activities simply move to another area) and risks for overestimation of credits due to baseline uncertainty."[5] At the same time marking "reduced deforestation and degradation" benefits on their website.[6] Their view is in conflict with the UN-REDD Programme and other programs in the NBS sector. This mind set is perpetuating the patriarchy of emission-causing entities taking advantage of poor forest-reliant communities and nature.

[5] https://www.goldstandard.org/our-story/sector-land-use-activities-nature-based-solutions

[6]https://marketplace.goldstandard.org/collections/projects/products/nicaforest-high-impact-reforestation-program