

TERMS OF REFERENCE

**GOLD STANDARD REQUIREMENTS FOR
CERTIFICATION OF ADAPTATION DESIGN &
OUTCOMES**

Date 03 August 2022

Description **Terms of Reference for development of Gold Standard Requirements for Certification of Adaptation Design & Outcomes for Projects**

1. Background

Gold Standard is a standards body and thought leader that promotes the best that can be achieved in climate and development projects. It 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 sustainable development benefits. Gold Standard now has a portfolio of 2000+ certified projects in over 80 countries, creating billions of dollars of shared value from climate and development action worldwide. Gold Standard has developed a broad NGO Supporter and Stakeholder network and is a Code-Compliant member of ISEAL.

As the most recent IPCC report shows, neither nations, industries, nor local communities are not on track to meet mitigation goals of less than 2 °C above industrial levels. In other words, even accelerated efforts to reduce carbon emissions are not going to prevent material climate change impacts. It is therefore essential that countries, cities, and communities start taking action to adapt to a warming world, whilst simultaneously continuing to reduce their emissions.

Pairing Gold Standard's wealth of experience in mobilizing carbon finance for GHG mitigation projects through its standards with [Resilient Cities Catalyst's](#) (RCC) experience with local and regional resilience planning and project preparation, Gold Standard is now developing standard requirements to help design and develop adaptation projects, furthering our support to achieve the goals of the Paris Agreement¹. Through the establishment and scaled application of such a standard – in future partnership with international agencies and programs, development finance and private finance providers, global and national local authority networks, and major non-profit organizations – Gold Standard aims to improve the quantity and quality of the pipeline for adaptation projects that build local resilience and to thereby also support the mobilisation of climate finance towards such projects.

¹ Article 7 of the Paris Agreement establishes a global goal on adaptation – of **enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change in the context of the temperature goal of the Agreement**. Article 9 of the Paris Agreement stipulates that developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.

2. Scope

Adaptation Requirements will be developed for users who want to make a positive contribution to sustainable development by directly contributing to SDG 13 through positive impacts that accelerate Climate Adaptation action. These Requirements will provide a roadmap for project developers to design and implement projects taking into account future climate risks and minimise losses. By carefully dovetailing best practices for adaptation planning globally within a project design standard, these requirements aim to guide both public authorities and the private sector in the development of an increasing portfolio of quality local adaptation/ resilience projects ready for investment.

3. Geographic application

The Gold Standard Adaptation requirements will be open for use by projects and investors anywhere in the world.

4. Need for Adaptation Requirements

Investors worldwide are facing growing pressure to invest sustainably, ensure that their investments do no environmental/social harm 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. 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.

Standards and third-party certifications play a key role in building stakeholder confidence in projects and the validity of sustainable development impacts these activities deliver. Credible impacts are assured by high quality standard systems. Certification of GHG reductions/removals has been able to mobilize billions of dollars in carbon finance over the last 15 years resulting in mitigation investments all over the world. Gold Standard intends to build on its trusted and credible brand to create new adaptation requirements that will sit within the overarching standard, Gold Standard for Global Goals (GS4GG). The aim is to incentivize, identify and value projects and portfolios of projects which support communities adapt to climate changes and enable investors identify these projects for investment.

5. Social, environmental and economic outcomes that the standard seeks to achieve

Gold Standard Adaptation requirements will enable users to demonstrate outcomes towards SDG 13. This is also in line with Gold Standard's impacts framework which states that Gold Standard certified projects shall mandatorily contribute to SDG 13 and help contribute and accelerate progress towards the 2030 Agenda for Sustainable Development.

6. Risks in implementing the Requirements

The following risks are identified –

- The integration of Adaptation Requirements in project design requires availability of adequate subject matter expertise in the project team. Unlike assessment of climate mitigation, there are few experts that can carry out climate risk, vulnerability and exposure assessments. Most of this expertise is concentrated in Global North making it expensive for projects in Global South to access these resources. To address this risk, Gold Standard plans to collaborate with other organizations working on Climate Adaptation to enhance capacities in developing countries.

- There is lack of technical capacities on climate adaptation within the audit community currently used by Gold Standard for certification of projects for GHG mitigation outcomes. To address this risk, Gold Standard plans to pilot these Requirements on multiple projects in different geographies and in the process will look to identify and develop capacities on auditing projects against these requirements.

7. Timelines for development of the Requirements

Schedule	Action
October 2021	Expert Working Group convened to review the requirements
December 2021	1 st Expert WG call to discuss the draft – Action Completed
January 2022	2 nd WG call to discuss the updated draft following WG comments – Action Completed
February-April 2022	Zero draft piloted on project in Pittsburgh
June 2022	3 rd WG call to discuss learnings from pilot and review updated Requirements – Action Completed
September 2022	Public consultation on Version 1.0 of Requirements
September 2022-February 2023	Piloting the Requirements on second project in a developing country

8. Decision making

These Requirements have been developed in active consultation with the Expert Working Group. The WG discussions took place on the basis of an agreed agenda and supporting materials, following suitable discussion and debate. The Working Group had an advisory role and key inputs from the group have been taken into account in drafting the requirements.

9. Opportunities for commenting

Comments can be submitted at any point during the development of the Standard by emailing – felicity.spors@goldstandard.org

The Adaptation Requirements will also be put up on Gold Standard’s website for public consultation in September 2022. Notifications for the public consultations will be sent out to all stakeholder groups.