



Annual Report 2019

PARTNERSHIP FOR THE GOALS

*Leveraging strengths
for common vision*

Gold Standard®

PARTNERSHIP FOR THE GOALS

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Sustainable Development Goal 17 sets the objective to 'strengthen the means of implementation and revitalise global partnership for sustainable development.'

While collaboration has long been a core value for Gold Standard, 2019 marked a special year of partnerships. At the core of our stakeholder ecosystem is the partnership between Gold Standard and SustainCERT, our official certification provider. At the end of 2018, SustainCERT was created to make the certification process clearer and more efficient, leveraging user-friendly technology solutions where needed.

Each organisation focuses on its respective expertise to accelerate progress to a shared vision -- Climate security and sustainable development for all – and making our output greater than the sum of our individual efforts.

Gold Standard and SustainCERT partner to make ambitious climate + development action achievable.

This specialisation of competencies prompted a change of leadership of Gold Standard as I joined as CEO and Marion Verles shifted to lead the SustainCERT team. I am grateful for the foundation built by Gold Standard and its partners over the past 17 years. From this strong core and with insights graciously shared as I engaged stakeholders to help shape the Gold Standard 2025 strategy that you can read more about in this report.

What emerged clearly is that Gold Standard's central promise first applied to carbon markets – rigorous safeguards, stakeholder inclusivity, and verified contributions to sustainable development – has tremendous potential to scale to broader climate action. Sustainable companies and investors are increasingly being asked to demonstrate evidence for their sustainability claims. Governments need credible impact quantification to measure their progress toward their nationally determined contributions (NDCs) for Paris Agreement reporting and their national development plans.

Deepening existing partnerships and forging new collaborations are a key ingredient to success. We look forward to working with you to bring this Gold Standard approach to more projects and new programmes to benefit more communities and the ecosystems we all share.



Margaret Kim

Gold Standard CEO



INTRODUCTION

Strategy: vision, mission, theory of change.

Gold Standard sets the benchmark for climate and sustainable development interventions to maximise their impact, creating value for people around the world and the planet we share.




OUR VISION.



*Climate security and
sustainable development
for all*



OUR MISSION.



*To catalyse more ambitious
climate action to achieve the
Global Goals through robust
standards and verified impacts.*

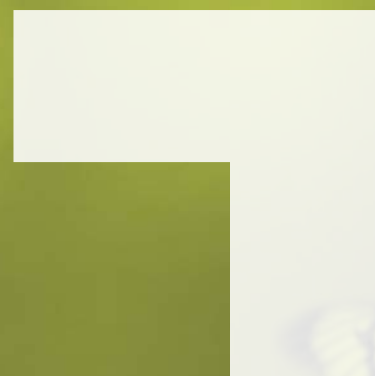
STRATEGY

We seek to accelerate progress toward the Paris Agreement and Sustainable Development Goals by reducing barriers to market entry, increasing capacity, and incentivising more action across three strategic pillars: environmental markets, corporate sustainability and climate + development finance.



THEORY OF CHANGE

By creating robust standards for climate and development interventions that enable the credible measurement of impact, Gold Standard aims to create \$100 billion in shared value by 2030.



PARTNERSHIP FOR THE GOALS

Organisational Updates



ORGANISATIONAL UPDATES

Our impact



18.2M

Carbon credits
issued in 2019



13.9M

VERs issued
in 2019



Total retired
VERs in 2019

12.4M



117 M

Total issued
Carbon Credits



97.3M

Total issued VERs



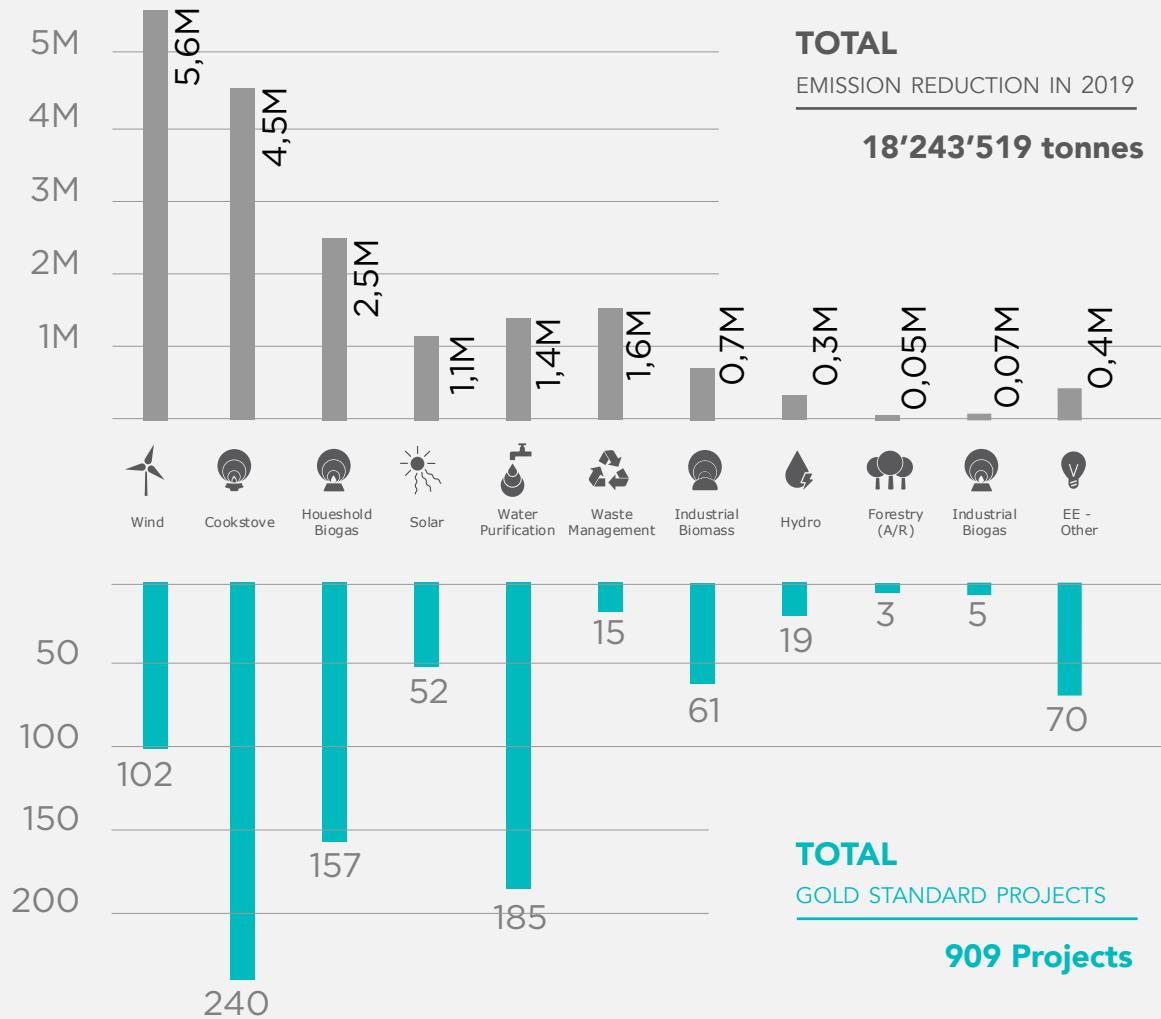
Total
retired VERs

60M

CERTIFIED CLIMATE PROTECTION PROJECTS IN 2019

- › Another year of high issuances, with **18.2 million** emission reductions issued from **49** different countries. This included, **13.9 million** voluntary Verified Emission Reductions (VERs) and **4.3 million** Gold Standard labelled Certified Emissions Reductions (CERs) for the compliance market
- › Growth primarily from wind, cookstove and household biogas
- › Record high voluntary retirements in 2019 with **12.4 million** emission reductions retired — **31% increase** over 2018

GOLD STANDARD CERTIFIED PROJECTS IN 2019



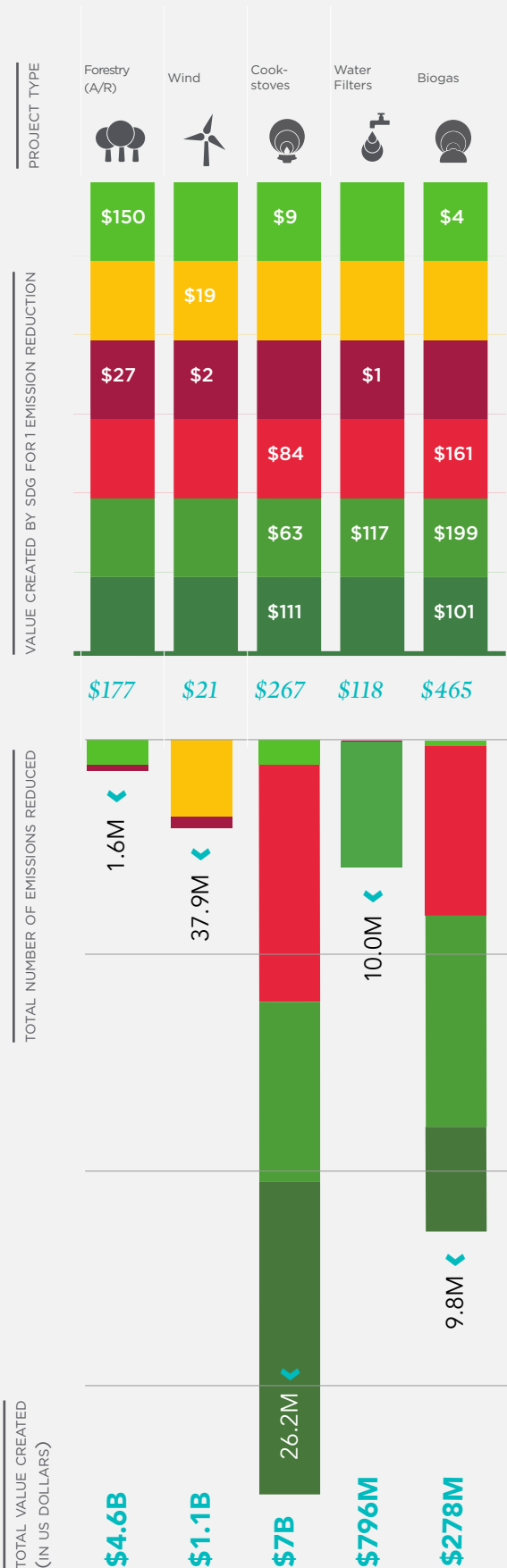
– Gold Standard certified projects in 2019

Gold standard projects have saved 117 million tonnes of greenhouse gas from being released into the atmosphere – more than double the annual emissions released by Switzerland.

SHARED VALUE DELIVERED

Using the findings from the Vivid Economic report [Valuating the benefits of improved cooking solutions](#) and the Net Balance report [The Real Value of Robust Climate Action](#), at the end of December 2019 our issued projects have created nearly 13.8 billion US dollars of value in benefits beyond carbon.

In 2019, projects generated \$2.7 BILLION dollars of shared value for climate action and sustainable development - taking the overall total up to \$13.8 BILLION dollars



– Shared value created by project type and co-benefit for Gold Standard Certified (i.e. issued) Projects through 2019



ORGANISATIONAL UPDATES

Governance

MARGARET N. KIM JOINS GOLD STANDARD AS NEW CEO

In June 2019, Margaret Kim officially joined Gold Standard as Chief Executive Officer from her most recent post as the Head of Green Climate Fund Liaison in the Office of Director-General for the Global Green Growth Institute (GGGI). She takes over from Marion Verles, who has moved to become CEO of Gold Standard's sister organisation SustainCERT, the official certification body for Gold Standard for the Global Goals (GS4GG).

Gold Standard and SustainCERT share a common vision of 'climate security and sustainable development for all' and are working in close partnership to mainstream credible impact quantification in support of this vision. Gold Standard focuses on innovations and policy work and SustainCERT works to bring GS4GG and its impact quantification solutions to market.

GOLD STANDARD BECOMES NEWEST ASSOCIATE MEMBER OF ISEAL

In October 2019 Gold Standard became the newest associate member of ISEAL and the first climate-centric standard to reach this status, meeting the entry-level criteria of each of the three ISEAL Codes of Good Practice – Standard-Setting, Assurance and Impacts – to achieve associate membership.

ISEAL membership is a strong indicator of credibility, building confidence in stakeholders. This also marks an important achievement in support of our decision to create SustainCERT, to respond to their code of good practice for assurance.



ORGANISATIONAL UPDATES

Partners + supporters

We would like to thank all those that have provided funding, insights and expertise to Gold Standard and our initiatives.

Gold Standard's programmes were supported in 2019 by:

SPONSORS



PARTNERS





SUPPORTERS

We would also like to thank all our [NGO Supporters](#) and the many other organisations that shared their knowledge, expertise and support for Gold Standard in 2019.



PARTNERSHIP FOR THE GOALS

Innovations

INNOVATIONS + INITIATIVES

Environmental markets

ENVISIONING THE VOLUNTARY CARBON MARKET POST-2020: PHASE 1 FINAL STATEMENT

With support from the German government, Gold Standard convened a working group, including WWF, CDP, WRI, The Nature Conservancy, Carbon Market Watch, ICROA and other standards bodies, to reflect on how the voluntary carbon market can best contribute to the goals of the Paris Agreement.

The output of phase 1 is a statement on the role and design of the voluntary carbon market post-2020, specifically, defining the nature of voluntary carbon credits, foundational claims associated with those units, and implications on accounting.

Phase 2 will provide guidance that further defines preconditions for legitimacy like internal reduction target setting, best practices for financing emission reductions beyond organisational boundaries, and credible claims for those buying carbon credits, as well as alignment with new Article 6 developments.

› [VIEW PHASE 1 FINAL STATEMENT](#)

The role of voluntary carbon credits shifts to an instrument to accelerate the global transition towards net zero emissions by helping close the emissions gap, the finance gap and the time gap.

SDG IMPACT TOOLS – ENSURING CREDIBILITY + COMPARABILITY IN SDG CLAIMS

Quantification and claims of sustainable development outcomes must be rigorous, credible and yet simple to achieve. In 2019 Gold Standard launched the SDG Impact Tools Programme to develop tools that ensure credible and accurate SDG impact claims, help standardise impact indicators and enable multiple SDG impacts while minimising the extra burden of Monitoring, Reporting and Verification (MRV).

NEW GUIDANCE PUBLISHED As part of this programme, Gold Standard published [new guidance](#) to inform the development of user-friendly tools that will help project developers capture the full range of their projects' contributions toward the SDGs, while also guarding against overclaiming, or "SDG washing."

WORKING GROUPS FOR ACTIVITY-SPECIFIC TOOLS

Working Groups for Community Services, Land Use, and Renewable Energy activities were launched to identify SDG impacts and monitoring indicators and develop a suite of monitoring approaches for these impacts.

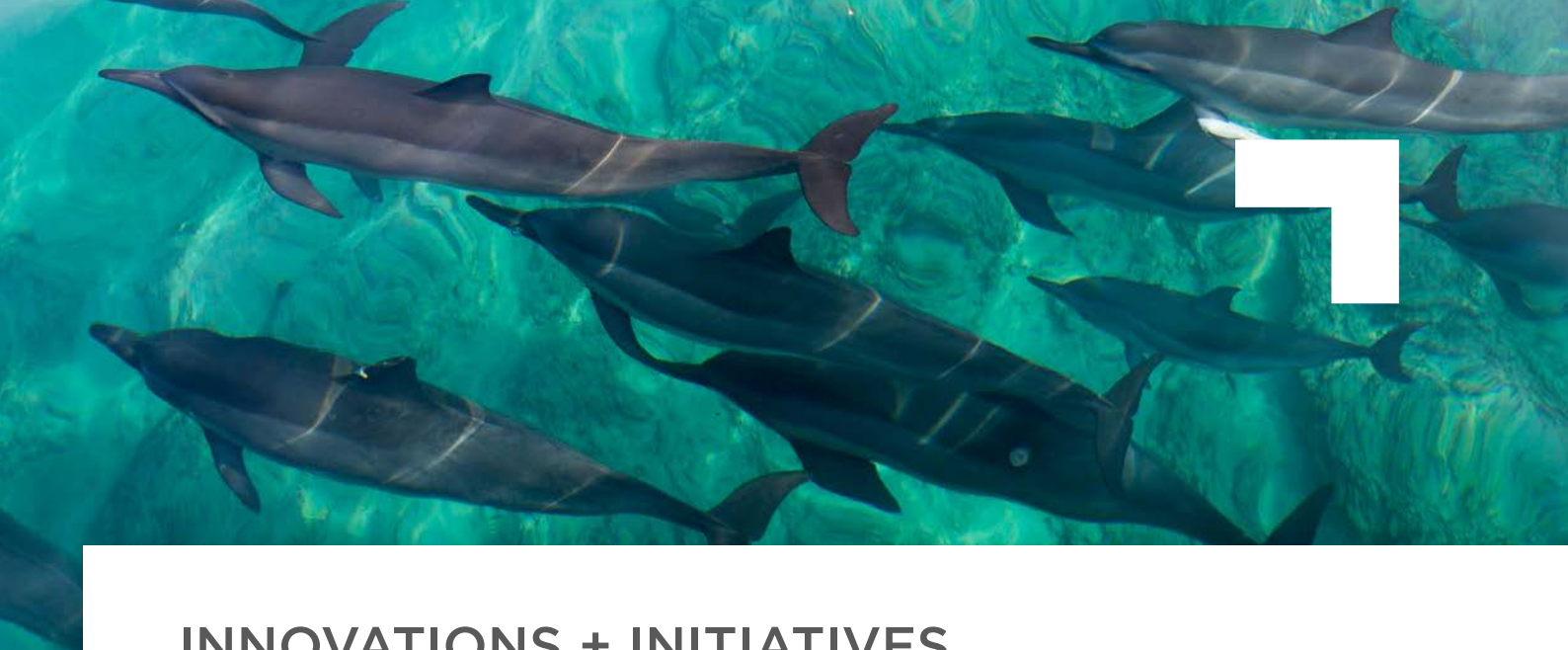
Piloting of these tools with project developers will happen in 2020, followed by digitization to enable simple online use.

Acknowledgements *This work emerges from the collaboration between Gold Standard and the UNFCCC Secretariat to help non-governmental stakeholders transparently and independently assess and report the impact of their climate initiatives and their contributions towards the SDGs. The consortium includes the Sustainable Development Solutions Network (SDSN), myclimate, ClimateSeed and Swedish Energy Agency.*

NEXT GENERATION MRV

Working with SustainCERT as part of our participation in the Climate Ledger Initiative, we are piloting new technologies such as Internet of Things (IoT), Distributed Ledger Technology (DLT) and Artificial Intelligence (AI) to improve data quality from the Monitoring, Reporting and Verification (MRV) process – improving efficiencies, driving down costs and overcoming barriers to scale.

› [READ THE LATEST OPPORTUNITIES AND CHALLENGES IN DIGITIZING MRV](#)



INNOVATIONS + INITIATIVES

Corporate Sustainability

VALUE CHANGE PROGRAMME ADDRESSING VALUE CHAIN EMISSIONS



In 2018, Gold Standard along with the Science Based Targets initiative and corporate partners and with support from EIT Climate-KIC, launched the [ValueChange Programme](#), featuring several practical tools for addressing value chain emissions.

A key tool released was the [Value Change Guidance](#) that enables credible accounting for emission reductions from interventions towards inclusion in GHG corporate inventory performance goals - including Science Based Targets. To provide greater clarity and further options, Gold Standard has developed two update addendums to this guidance, covering 'Supply Shed' and 'Accounting'.

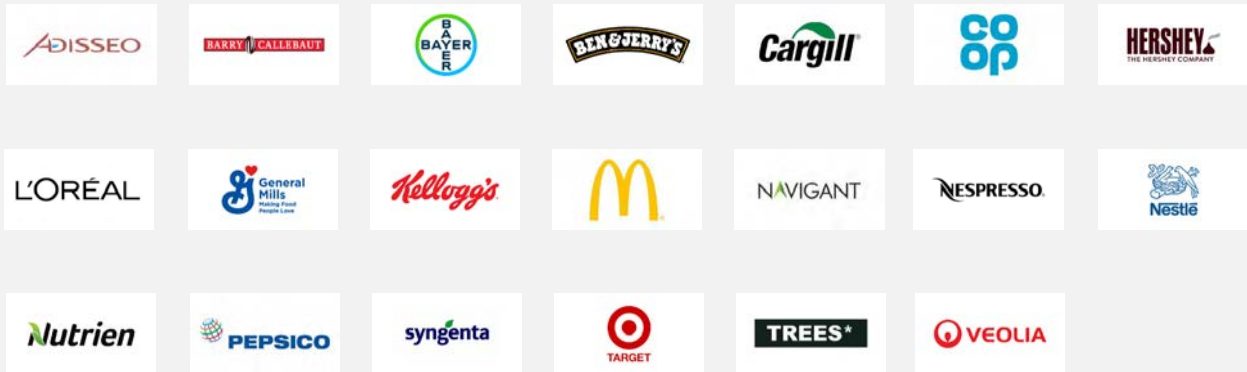
These concepts will remain under review until fully accepted and approved by the Greenhouse Gas Protocol.

- › [VALUECHANGE - REDEFINING SUPPLY SHED](#)
- › [OPTIONS FOR ACCOUNTING OF INTERVENTION EMISSIONS FACTORS](#)

STRATEGIC PARTNERS



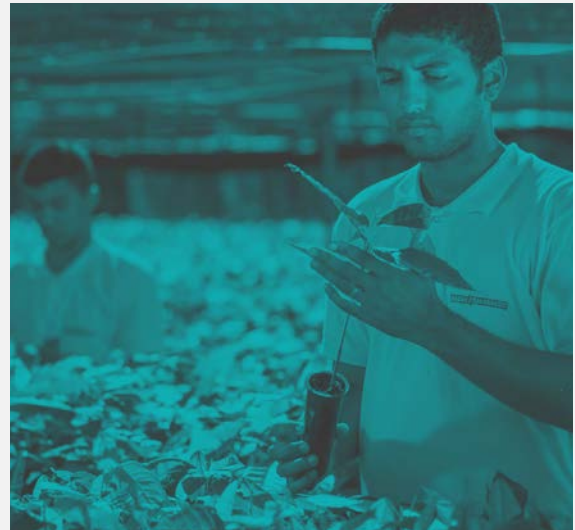
IMPLEMENTING PARTNERS



Gold Standard also published two new ValueChange case studies to continue building on the lessons learned:

CARBON POSITIVE BY 2025 MAKES BUSINESS SENSE

Barry Callebaut's 'Forever Chocolate' programme plans to make sustainable chocolate the norm by 2025. [Read this case study](#) to see how the world's leading chocolate supplier is helping to ensure future supplies of cocoa, providing measurable climate benefits and improving productivity and farmer livelihoods.



MARS' SOIL-SMART WHEAT CHAIN

Mars, Gold Standard and Sustainable Food Lab are helping Australian farmers measure and reduce net greenhouse gas emissions from wheat. [Read this case study](#) to find out how this initiative has improved soil health, created greater resilience to weather shocks, produced higher yields and reduced net GHG emissions.



INNOVATIONS + INITIATIVES

Climate + development finance

SUSTAINABLE DEVELOPMENT INITIATIVE PARIS AGREEMENT, ARTICLE 6

Gold Standard in collaboration with UNEP-DTU Partnership launched the Sustainable Development Initiative (SDI) in 2017 to advocate for sustainable development provisions in Article 6 of the Paris Agreement. In 2019, the SDI provided climate policy commentary on the current state of sustainable development provisions in the Article 6 'rulebook' negotiations and examined existing sustainable development impact assessment tools and approaches for use in Article 6. The results are published in the report "Assessment of Sustainable Development Approaches for use in Article 6".

SDI is currently focused on testing recommended sustainable development approaches in Article 6 pilots.

› [CLIMATE POSITION
PAPER FOR COP25](#)

› [REPORT: ASSESSMENT
OF SUSTAINABLE
DEVELOPMENT
APPROACHES FOR USE
IN ARTICLE 6](#)

› [CLIMATE POLICY
COMMENTARY FOR
SBSTA NEGOTIATIONS](#)

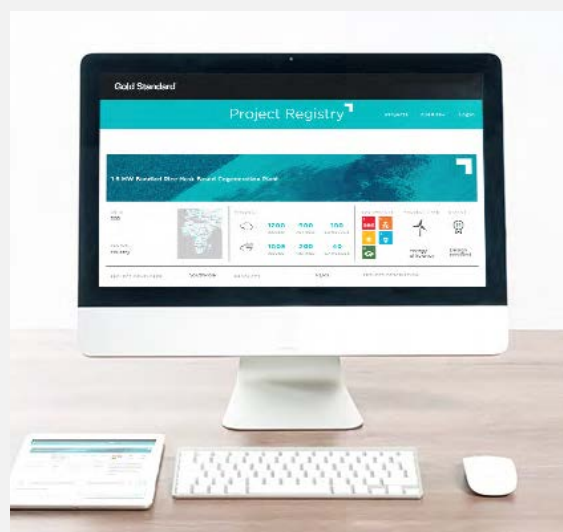
INNOVATIONS + INITIATIVES

Enhancements to IT support systems

Gold Standard and SustainCERT share a goal to reduce complexity in the project certification process and provide more clear, compelling and transparent impact reporting. Our IT systems are evolving to better meet those goals.

LAUNCH OF THE NEW GOLD STANDARD IMPACT REGISTRY

In March 2019 Gold Standard launched its [new public registry](#). The platform now tracks Gold Standard environmental assets and the climate and development impacts of certified interventions in a more intuitive and user-friendly way.



SUSTAINCERT APPLICATION

To provide project developers, auditors and experts with simpler, more efficient processes when certifying climate and SDG impacts to Gold Standard projects, SustainCERT continued to improve its [SustainCERT application](#), providing unlimited document upload, the ability to view historical project documentation and better access to information from previous reviews.



INNOVATIONS + INITIATIVES

Gender responsive standards

GOLD STANDARD JOINS UNECE AND OVER 50 STANDARDS IN SIGNING DECLARATION ON GENDER RESPONSIVE STANDARDS

At the Palais Nations in Geneva, Gold Standard was proud to join a diverse group of standards bodies in officially committing to promote greater inclusion of a gendered lens in standardisation. To play our part, Gold Standard has embodied these principles in the [Gender Responsive Framework](#) that is central to our standard, Gold Standard for the Global Goals. We also published a new thought leadership paper Women, Energy, Climate that demonstrates how addressing SDG 5 can catalyse the achievement of many other Sustainable Development Goals (SDGs).



FIRST EVER: GOLD STANDARD CERTIFIED "GENDER RESPONSIVE" PROJECT

The Lango Safe Water Project, developed by CO2balance, is the first ever project to apply our full gender responsive requirements, proactively closing gender gaps and accelerating progress towards many of the Sustainable Development Goals (SDGs).

Recognising the transformative nature of empowering women as well as the need for gender-specific data to track progress toward meeting SDG 5, the Gold Standard launched its Gender Equality Framework in January 2018.

While all projects certified to Gold Standard for the Global Goals must meet the Gender Sensitive requirements for project design, CO2balance was the first developer to apply the full Gender Responsive requirements. The project rehabilitates boreholes to provide clean water access to more than 40,000 people in northern Uganda.



› [FIND OUT MORE ABOUT THIS PROJECT](#)

Acknowledgements The Gold Standard Gender Equality Framework was developed with support from the Grand Duchy of Luxembourg and created in collaboration with experts from the Global Alliance for Clean Cookstoves, the International Center for Research on Women, Hivos International, Fair Climate Network, World Bank Group, International Finance Corporation, UN REDD and EcoAct.



INNOVATIONS + INITIATIVES

Technical updates

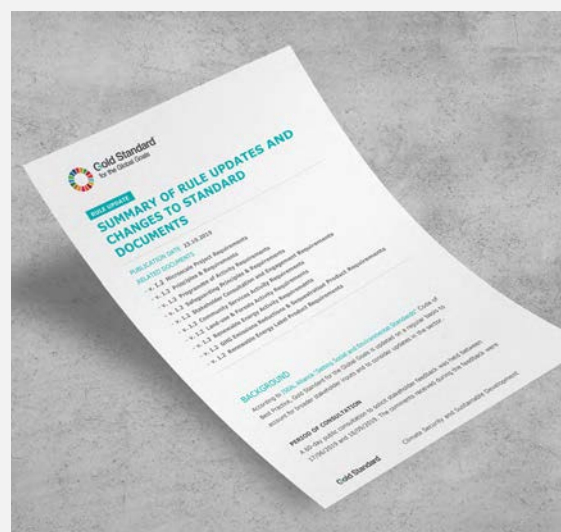
To ensure Gold Standard for the Global Goals remains relevant to any new changes in the market and continues to streamline the certification process to make it easier for project implementation but without losing robustness, the technical team [review and update the standard](#) throughout the year.

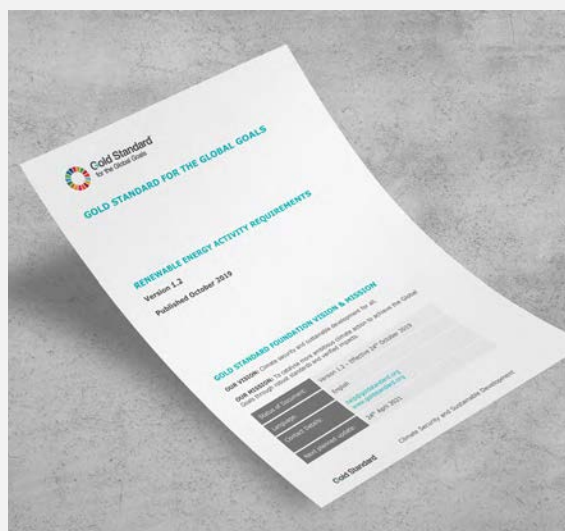
In 2019, updates included:

SIMPLIFYING + STREAMLINING: STANDARD UPDATES FOR GOLD STANDARD FOR THE GLOBAL GOALS

Following the ISEAL Alliance “Setting Social and Environmental Standards” Code of Best Practice, Gold Standard for the Global Goals is updated on a regular basis to account for broader stakeholder inputs and developments in the sector as well as to clarify, simplify and make the Standard more efficient for users.

› [SUMMARY OF RULE UPDATES AND CHANGES TO STANDARD DOCUMENTS IN 2019.](#)





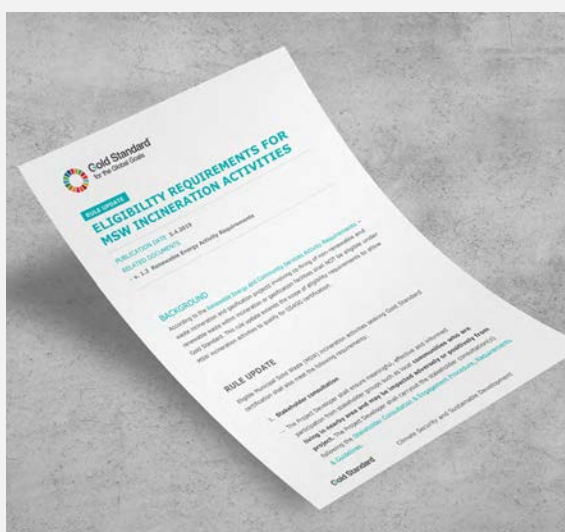
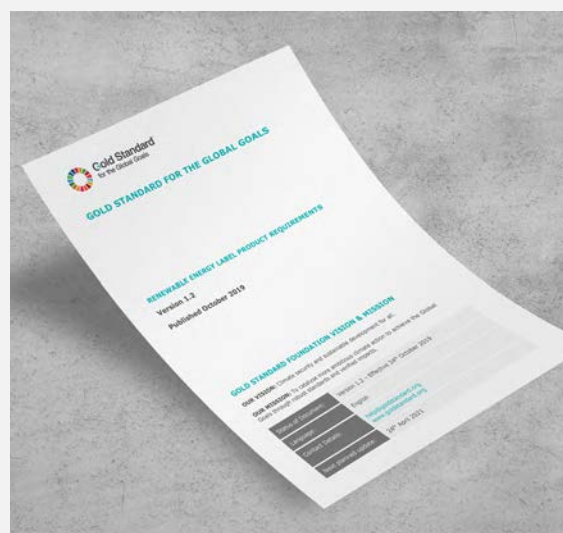
DIRECTING FINANCE TO THOSE WHO NEED IT THE MOST: UPDATES TO THE RENEWABLE ENERGY ELIGIBILITY REQUIREMENTS

To ensure funding goes to interventions most in need, Gold Standard introduced new eligibility requirements for Renewable Energy (RE) projects that focus on new project development for grid-connected renewable energy in least developed countries, small island developing states, conflict zones, and those countries facing unusual challenges to modernize their energy supply.

The full list of eligibility criteria is provided in the [Renewable Energy Activity Requirements](#).

ENCOURAGING MORE RENEWABLE ENERGY: EXPANDING THE RENEWABLE ENERGY LABEL PRODUCT REQUIREMENTS

To encourage more renewable energy projects, Gold Standard has expanded its Renewable Energy Label Requirements to provide more flexibility for retroactive projects applying to issue just [Renewable Energy Labels](#). The new rule update also aligns our Requirements with eligible renewable energy labelling schemes, such as IRECs.



SCOPE EXPANSION: MUNICIPAL SOLID WASTE (MSW) ADDED TO RENEWABLE ENERGY ACTIVITY REQUIREMENTS

Gold Standard expands the scope of its Renewable Energy Activity Requirements to include [Municipal Solid Waste \(MSW\)](#) incineration project activities. The objective of these new requirements is to ensure that best practices have been followed for project design, development and operation, avoiding any potential negative impact.



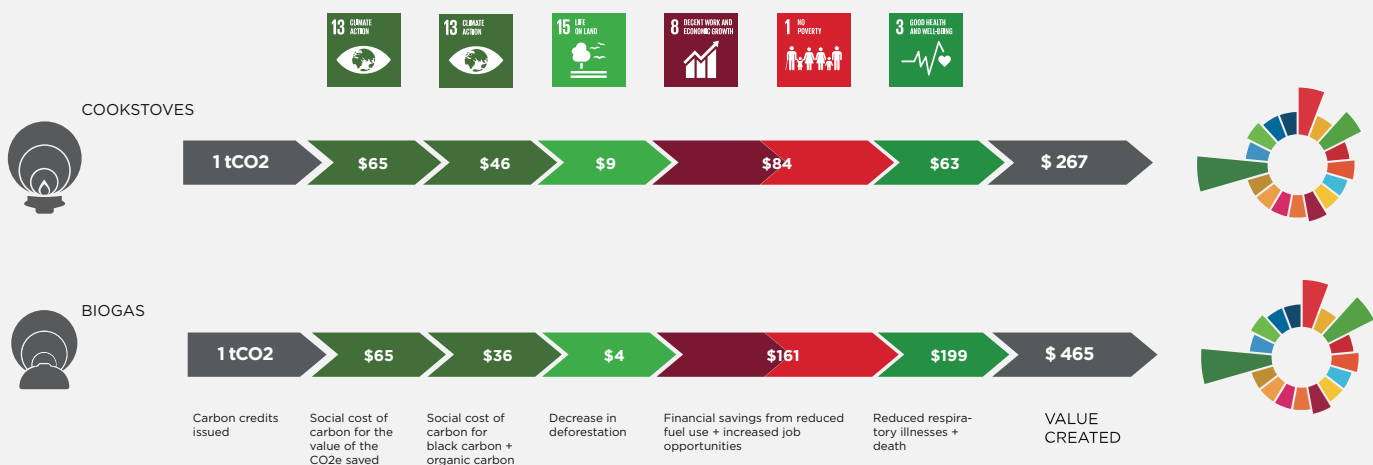
INNOVATIONS + INITIATIVES

Thought leadership publications

VALUATING THE BENEFITS OF IMPROVED COOKING SOLUTIONS: IMPACT DATA IN HIGH RESOLUTION

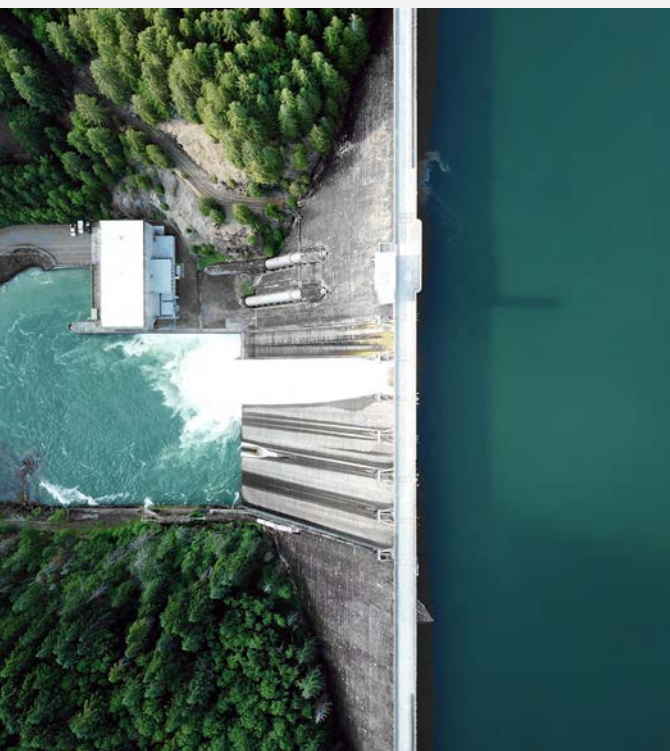
Building on an earlier report commissioned by Gold Standard, Vivid Economics has published a new [research study](#) that estimates the economic value of benefits from clean cooking solutions in Gold Standard’s project portfolio.

The study, supported by Climate-KIC, finds that for every carbon credit issued from a clean cookstove project, \$267 in economic value is created. For domestic biogas projects, the average value created is \$465 per credit.



ASSESSMENT OF SUSTAINABLE DEVELOPMENT APPROACHES FOR USE IN ARTICLE 6

This report is for Article 6 negotiators and experts involved in carbon markets. It provides insights to assist in selecting suitable sustainable development impact assessment tools and approaches, and advocates for a work programme to develop new tools to measure and monitor the contributions of Article 6 activities to sustainable development.



› [DOWNLOAD THE REPORT](#)

The report was produced by the Sustainable Development Initiative (SDI) with the support from the governments of Belgium, Germany, Finland, Norway and Sweden.



NAVIGATING BLOCKCHAIN AND CLIMATE ACTION: 2019 STATE AND TRENDS

This report navigates the opportunities and challenges of using blockchain technology for climate action and the implementation of the Paris Agreement. In this second edition, CLI takes stock of the current state and trends, including emerging success stories, bottlenecks and crunch issues regarding digitizing MRV.

› [DOWNLOAD THE REPORT](#)

Gold Standard is a founding member of the Climate Ledger Initiative (CLI) and is grateful to the Swiss Agency for Development and Cooperation (SDC) and EIT Climate-KIC for funding this report and to the diverse range of authors and interview partners who have contributed their real-world learnings.

GOLD STANDARD MARKET REPORT 2018

This annually produced report captures the issuances and retirement data related to Gold Standard-certified projects and the collective impact these have delivered.

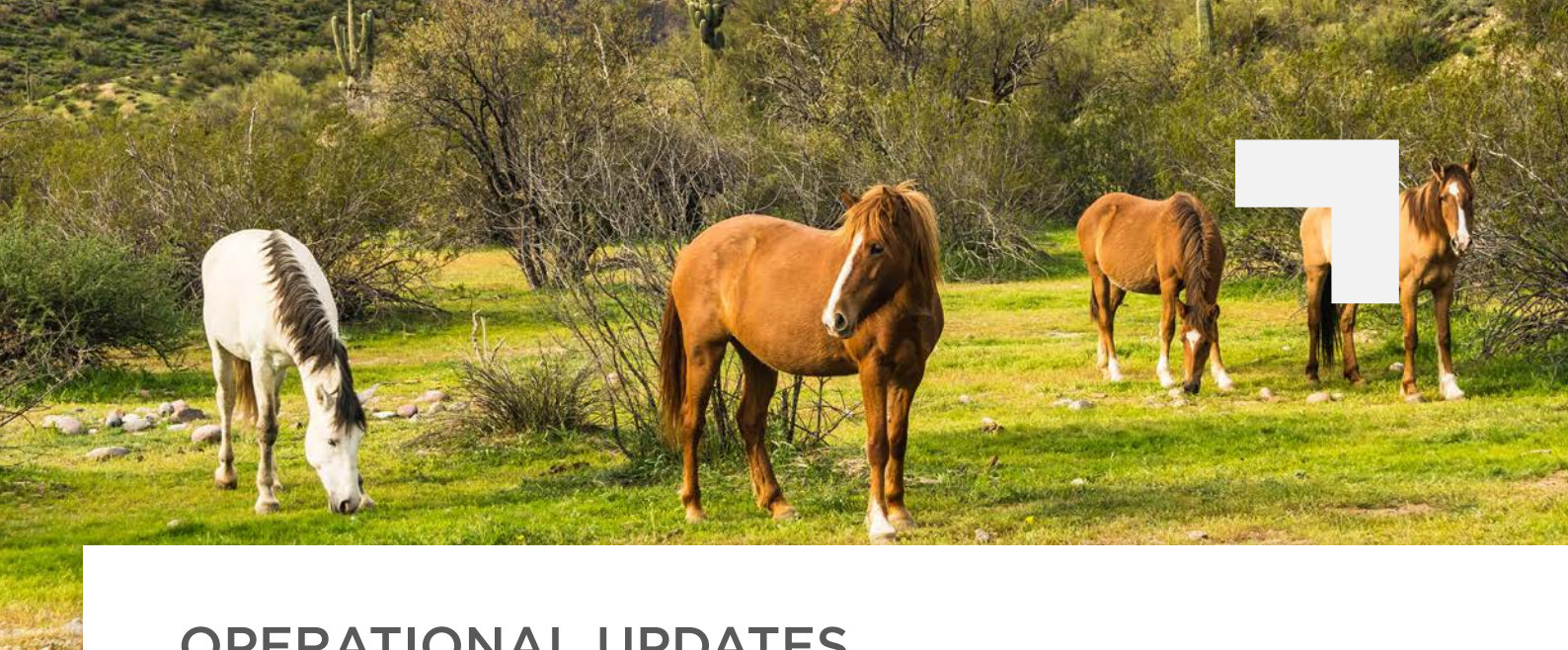
› [DOWNLOAD REPORT](#)





PARTNERSHIP FOR THE GOALS

Operational Updates



OPERATIONAL UPDATES

Our Footprint

Many of our staff members work at home, thereby eliminating the climate impacts related to commuting. Those who do commute generally do so on public transport or bicycle. Our offices use sustainably sourced stationery, we recycle waste material and the electricity for our head office is renewable. We use video conferencing extensively, and our travel policy mandates the use of public transport wherever possible. However, as an international organisation committed to global challenges, our team does travel to events that are a priority for our work. For this climate impact and where we haven't yet been able to eliminate emissions, we fully offset our residual carbon emissions.

BUSINESS TRAVEL	MODE OF TRANSPORT	KM	tCO2
	Flight	393'883	109
	Train	16'756	3
	Car	5'720	3
ENERGY IN HQ OFFICE	TYPE OF ENERGY	KM/H	tCO2
	Electric power (from renewable)	7'566	0
	Thermal energy	5'706	4
	Water m2	51	1
TOTAL tCO2			120
50% BUFFER			60
TOTAL RETIRED			180

Source – [CoolClimate Network](#)

The table above shows the results from our 2019 carbon footprint calculation. To ensure that we have covered scope 1 and 2 activities, including local public transport, hotels and energy usage for staff who work from home, we have included a buffer of 50%, retiring 60 additional carbon credits on top of that calculated for our footprint. Staff also use Climate Credit Cards issued by Cornèrcard for work related purchases, which link activities or purchases with the retirement of carbon credits from Gold Standard projects.

We have offset our emissions by retiring 180 emissions reductions from the following projects:



Improved Cookstoves for Social and Environmental Impact in Uganda

This inspiring cookstove projects has distributed 450,000+ stoves to date improving the lives of over 2 million Ugandans and saving families over \$75 million in fuel costs, money which can be spent on school fees, uniforms and medical care. The project has also increased the income for 600+ retailers across Uganda selling stoves in local markets and provided employment to 70 local Ugandan artisans making the stoves. Carbon revenues fund 100% of the Program and are used to support Impact Carbon's manufacturer partners to grow their businesses.



Biogas Program: Creating Clean Energy from Manure Management in Vietnam

The Biogas Program is addressing health, energy, and environmental challenges while creating and supporting a sustainable commercial sector in Vietnam. It has installed 172,000 digesters in 55 provinces, supporting more than 790,000 people and saving households \$22,136 on fuel purchase and collection. The project provides training and employment to over 2700 local people and women benefit from 1-1.5 hours in time savings each day. More than 15,900 hectares of forest have been preserved (that's 25,000 football pitches) and the generation of biogas also creates a valuable fertilizer by-product that increases farmers' agricultural yields.



Proyecto Mirador Enhanced Distribution of Improved Cookstoves in Latin America

Proyecto Mirador is the largest cookstove project in Central America, with 200,000 stoves built, benefiting nearly half a million people. The project has created 24 microenterprises and has 172 people working on the ground in Honduras. The Mirador stove, the Dos por Tres, is durable and built to survive typical daily cook times of up to 8 hours a day. It also reduces Carbon Monoxide and Particulate Matter by 79%, improving health and living conditions for families. As a non-profit, all of Mirador's proceeds from carbon sales are used to build stoves in Honduras.



OPERATIONAL UPDATES

Fiscal year 2019

2019 was a transition year for Gold Standard with leaner operations and lower absolute revenue following the SustainCERT spin-off. We have successfully managed to maintain and even further improve the financial health of the foundation, with an increase in operating margin and a record high net income of \$1'178k. Strong results were also due to continuous positive trends in the carbon markets.

(IN USD '000)	2017	2018	2019
Project Certification*	2'926	3'398	2'520
Grant Funding	815	591	570
Other Income	29	255	562
Revenue	3'770	4'244	3'651
Selling, General & Admin**	2'462	2'955	2'076
Registry & Systems	248	263	174
Governance	45	41	40
Marketing & Events	57	98	61
Other	289	133	199
Operating Expenses	3'100	3'491	2'550
Net financial income	(89)	(58)	(87)
Extraordinary income/expenses	(37)	(3)	163
Surplus (-deficit) for the year	545	693	1'178

Table 1 – Income Statement 2017-2019

* includes 'SoP sale' of credits (Share of Proceeds)

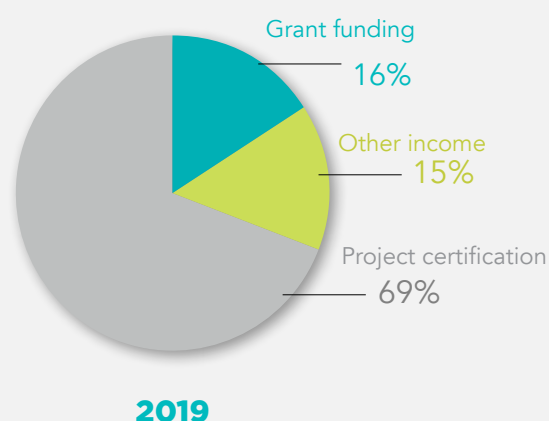
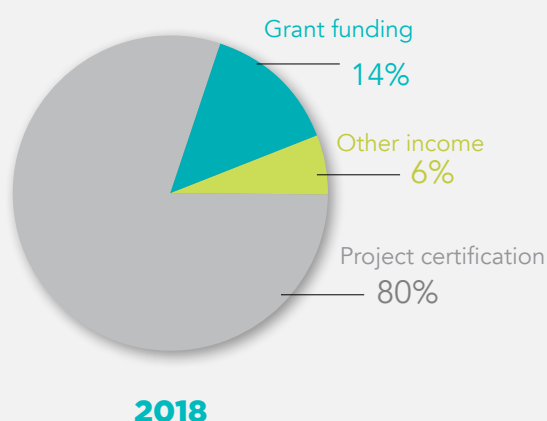
** Staff cost, Contractors, Consultants, Admin, Travel, Offices

REVENUE

Gold Standard's revenue declined by 14% compared to the previous year yet became more diversified. Grant funds and other income represented 31% of total income (+11ppt year-over-year) while the share of income from project certification decreased to 69% due to a partial ownership transition of certification fees to SustainCERT.

(IN USD '000)	2017	2018	2019
Registration Design fees	348	318	132
Issuance fees	1'130	1'805	1'490
Fees - other	859	960	364
TOTAL	2'338	3'083	1'985

Table 2 – Revenue from certification fees 2017 – 2019



EXPENSES

In 2019, Gold Standard focused on supporting SustainCERT's start of operations and restructuring of our own internal processes and cost allocations. Decrease in operating expenses is a direct impact of a leaner organisation and transition of certification services to the newly established entity. The main area of investment was the launch and further development of Gold Standard's Impact Registry that is considered an important asset in our quest to offer optimal IT tools for our users.



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