

Kikonda Project Grievance – Gold Standard responses to questions from *der Spiegel* journalist Susanne Götze

1. Interviews were held with people that live around the Kikonda Project in Uganda. Some are very unhappy with the project. E.g. there was a person claiming that his house was burned in 2013 by the project. Does Gold Standard look at the social aspects of a project?

GS: [Gold Standard requirements](#) include clear and rigorous social safeguards. Gold Standard Land Use & Forests activities must undertake a rigorous '[Do No Harm](#)' [assessment](#) to be eligible for certification. This incorporates social, economic and environmental criteria that must be assessed and mitigated to meet our requirements.

Many Gold Standard Land Use & Forests activities are also FSC certified. To reduce duplication of work, Gold Standard recognises and accepts FSC certification for safeguards in lieu of our own as these are considered equally rigorous. This project is certified under the FSC requirements for safeguards (including social aspects).

In addition Gold Standard certification stipulates that mandatory local stakeholder consultations take place before a project can be registered with Gold Standard to ensure that those affected by an activity understand the project design and the associated opportunities and implications. Stakeholders also have access to a grievance mechanism to report issues with the project, which must be remediated by the project developer to the satisfaction of relevant stakeholders. As with safeguards, Gold Standard also recognises FSC stakeholder engagement as equivalent.

Beyond safeguards, Gold Standard projects also are required to deliver positive sustainable development impacts for local communities, such as local employment opportunities and improved health outcomes, and these must be monitored on an annual basis.

2. **Do we know about these grievances of the people that live around the project?**

GS: This activity originated as FSC certified and therefore the social safeguards within this project follow the FSC requirements/certification process. As these are managed by FSC, Gold Standard had not been directly informed about any grievances associated with this activity. Gold Standard has also not received any grievances from direct, local stakeholders.

However, on 5 November – a Gold Standard employee, by coincidence, saw a 2015 [report](#) that highlighted issues with the Kikonda project. He then raised this issue with Gold Standard's Chief Technical Officer and our legal counsel, who initiated our official grievance process. This process begins with an investigation, which has just recently begun.

Due to the dual certification outlined above, the grievance will also be progressed in conjunction with FSC and their oversight body ASI. Although Gold Standard hasn't received a direct grievance our procedures allow for a formal review all the same. Gold Standard is currently discussing with FSC how best to instigate and carry out the review and any subsequent investigation that may be required.

3. This project sells carbon credits, but it is also intending to cut the timber. How does that affect the CO2 sequestration, in particular because credits are issued before the trees are cut. Are the credits issued in total at the beginning of the projects when trees are just planted (this we could read in the GS guidelines)?

GS: All carbon reduction projects that aim to sell carbon credits, including this one, have to prove that they are 'additional' – meaning this sequestration would not take place without the opportunity to sell the carbon reductions. It is Gold Standard's mission to make sure these projects do not only reduce global CO2 emissions, but also provide further benefits. This includes the provision of timber, as alternative to tropical hard woods that are often used in the regions, but also, for example, new long-term employment opportunities.

The Gold Standard sequestration methodology is conservative and includes growth models that conservatively take account of the dynamic nature of forests. In addition we hold a credits buffer to deal with loss/reversal where required.

In response to when credits are issued: Afforestation/Reforestation projects like this one never plant all trees at once. Generally, it takes at least 20 years until the first harvest, so that a cycle of different tree ages occurs. Gold Standard does not issue all credits at the beginning of a project. We do allow issuance of validated credits for the areas that have been planted. These are then verified over time.

4. What happens when the forest is burned – do the owner have to give the credits back?

GS: Land-use sequestration of GHG emissions includes an inherent impermanence in that stored carbon can be lost due to a variety of risks. This is a characteristic true of all sequestration standards and there are a variety of techniques in the market to manage this. Gold Standard's approach is to manage this at the project level, the methodological level and the Gold Standard portfolio level as follows:

- At project level – all activities must carefully consider the risks of reversal and loss and incorporate careful planning and mitigation to guard against this. Risks that require assessment include both physical (burning, landslide etc) as well as socio-economic and political (change in country policy for example).
- At methodological level – The Gold Standard methodology follows the UN/IPCC (scientific body of the UN) best practice guidance. It includes conservative growth models that take account of the dynamic nature of forest growth and use.

- At portfolio level – all activities contribute 20% of their credits to a buffer, held by the Gold Standard to be released in the event of significant or irreversible loss (such as a forest being burned). This is over and above the project and methodological levels and is there to provide assurance to the whole portfolio. 20% means 0,2% per year when considering a 100 year period, which is 2,5 times higher than current global forest loss of 0,08%/year today and therefore a conservative value.

5. Moriz Vohrer works for the Gold Standard Foundation as technical expert for forestry. In how far does he have influence on the certification of a project?

GS: Moriz Vohrer is the Director of Land Use & Forests at the Gold Standard Foundation. Moriz oversees all standards-setting for Land Use & Forests activities. He also oversees the procedural aspects of Gold Standard Certification but does not influence decisions regarding certification.

Gold Standard Certification is conducted by accredited third party auditors. In the case of Land Use & Forests projects like this one, the auditors are FSC Forestry Certification Bodies. The Certification process is overseen by our independent Technical Advisory Committee and all decisions are open to our 80+ NGO supporters to comment on. The Secretariat's role in Certification is procedural/administrative.

Furthermore Gold Standard does not influence the decision-making with respect to FSC certification.

With respect to grievances raised against Gold Standard activities; these are overseen by our Chief of Operations and Legal Counsel (i.e., they are not directed by the technical team responsible). This allows grievances to be managed by a neutral team member. To provide further oversight, the Gold Standard grievance procedure allows for either the third party auditor or our independent Technical Advisory Committee to review the evidence and recommend improvements/actions as required.