

# The Gold Standard Principles

---



## Note on this version

This restated and enhanced version of The Gold Standard Principles and Criteria follows The Gold Standard's scope expansion into Land Use & Forests and a subsequent review of the overall principles that all Gold Standard certified carbon market projects and programmes shall adhere to. This version was originally published in May 2013.

## PREAMBLE

### Introduction

This document contains The Gold Standard Principles that are mandatory for all Gold Standard carbon market projects and programmes. It is a key document for Gold Standard certification. This document consists of the Preamble, seven Principles and their associated Criteria.

This document contains the following sections:

- About The Gold Standard and The Gold Standard Foundation
- Gold Standard Scope Areas
- Interpretations and Disputes
- The Gold Standard Principles and Criteria

### About The Gold Standard and The Gold Standard Foundation

The Gold Standard was established in 2003 by WWF and other NGOs to provide assurance of integrity, effective regulation and strong governance in carbon markets and, more broadly, to define, demonstrate and drive best practice in international compliance carbon markets. It is the only 'compliance grade' standard also operating in the voluntary market and is structured to operate as a genuine regulator on behalf of civil society in these markets.

The Gold Standard currently provides two main certification schemes for carbon projects: the first operates in parallel with the UNFCCC's Clean Development Mechanism and Joint Implementation, whilst the second is a stand-alone scheme for verified emission reductions in the international voluntary carbon market. These schemes ensure that all Gold Standard labels (CDM/JI) and credits (VERs) issued represent the highest levels of environmental integrity, as well as ensuring appropriate safeguards, and drive sustainable development in the communities where projects take place.

The Gold Standard Foundation is a non-profit organisation based in Geneva, Switzerland, which was established to manage The Gold Standard certification schemes. As well as managing the existing schemes, The Foundation engages with governments, multilateral agencies, civil society and the private sector to support ongoing innovation and capacity building in carbon markets. It also advises on best practice using proven approaches. More broadly the Foundation, on behalf of its NGO partners, is applying its internationally respected expertise in governance and MRV (monitoring, reporting and verification) of emission reductions and sustainable development to new climate finance frameworks and markets for natural and social capital. Its unique approach enables real and trusted payments for outcomes and facilitates the growth of results-based finance worldwide.

The Gold Standard's process is unique. Using United Nations Development Programme safeguarding principles, projects must start by ensuring that they do no direct or indirect harm to communities and relevant stakeholders or the environment. Then, working with local communities and NGOs, they must design-in and deliver assured sustainable development outcomes. In addition to real and permanent greenhouse gas emission reductions and carbon sequestration, all other environmental and social impacts – positive and negative - must be regularly checked and verified throughout the life of a

project in order for credits to be issued. NGO supporters can review every project before every issuance of credits and provide comments if desired. If Local stakeholders have concerns about a project they can communicate directly with The Gold Standard through The Gold Standard Grievance Mechanism at any point in the life of a project.

The Gold Standard's processes contain checks and balances that guarantee genuine project and credit quality control. These include in-house reviews of audit reports, local stakeholder input and the ability of all Gold Standard NGO partners to provide feedback on each and every Gold Standard project. This unique process is the only way to ensure that carbon reductions are real, measurable, additional and permanent and that sustainable development benefits are assured. This means that only those projects that meet the highest standards and truly balance the needs of both global investors, local communities and other stakeholders, are certified. Gold Standard credits are uniquely numbered and transparently listed in one central registry that allows direct access to project and audit documentation.

The Gold Standard Foundation consists of, and is supported by, a Secretariat, a Foundation Board, an independent Technical Advisory Committee (TAC) and more than 80 international NGO partners. Each of these governance committees or supporters has a different role to play to ensure The Gold Standard fosters integrity, transparency, environmental rigor and sustainable development in carbon markets.

- The Secretariat manages the day-to-day running of the standard, including strategic and technical development, operational performance, project certification support and governance, registry management, capacity building, marketing and fundraising.
- The Foundation Board provides financial oversight and strategic governance of The Gold Standard Foundation.
- The Gold Standard Technical Advisory Committee (TAC) is an independent body comprised of market specialists that provide expert advice and strategic input to The Gold Standard in order to ensure credibility, environmental integrity and a positive impact on sustainable development by project activities, by delivering guidance and decisions on credit issuance, methodology approval, rule changes and appeals.
- NGO Supporters can take an active part in the project development process, offering their expertise in the areas most suitable for the project type and project location. Each and every Gold Standard project is open to feedback and input from The Gold Standard NGO community during design, implementation and each issuance of credits, lending further credibility to sustainable development initiatives. Every NGO that supports The Gold Standard strengthens the robustness of the standard.

Over the last decade, The Gold Standard has matured, and been enhanced, through the incorporation of knowledge and experience gained through comprehensive public stakeholder consultations as well as input from its extensive network of NGO partners, governments and project developers.

## Scope areas

Gold Standard certification is currently available for projects in the following scopes:

1. Energy – emission reduction projects in the fields of renewable energy, end-use energy efficiency, waste-handling and disposal
2. Land Use and Forests – afforestation/reforestation (others to follow)

## Interpretations and Disputes

The Gold Standard rules are interpreted in accordance with the Standard's core principles of fairness, reliability, conservativeness and pragmatism.

Where a rule has unintended consequences, the relevant Gold Standard bodies will work with the project to ensure that The Gold Standard's values are upheld and enforced.

Furthermore, where a project developer disagrees with a final decision made by The Gold Standard, the project developer may appeal that decision through The Gold Standard Appeals Body. The Gold Standard was the first standard to provide project developers with due process rights. This appellate mechanism, which was jointly developed and is hosted by The Permanent Court of Arbitration, was the first of its kind in the global carbon markets.

## The Gold Standard Principles and Criteria

**Principle 1:** The project shall do no harm, complying with the UNDP Millennium Development Goals (MDG) Carbon Safeguard Principles.

- 1.1 The project shall assess the risk of potential harmful impacts against a series of safeguarding principles on human rights, labour standards, environmental protection and anti-corruption. These safeguarding principles are derived from the UNDP MDG Carbon Facility<sup>1</sup>, UN Millennium Development Goals<sup>2</sup> and international conventions. Projects shall identify potential negative impacts based on these safeguarding principles and avoid, mitigate, or repair them.

**Principle 2:** The project shall enhance sustainable development.

- 2.1 The project shall demonstrate a net positive contribution to sustainable development through completion of a detailed impact assessment using Gold Standard tools.
- 2.2 The project shall be assessed within a sustainable development matrix against a series of sustainable development indicators that are pre-defined for different project types.

**Principle 3:** The project shall involve all relevant stakeholders.

- 3.1 An extensive stakeholder consultation process is required during which the community defines the most important indicators of social, economic and environmental success. This shall enable stakeholders to influence the project design.
- 3.2 All Gold Standard NGO Supporters can support the local stakeholder consultation process and are invited to provide input for every project at defined points in the certification process.
- 3.3 A grievance mechanism enables stakeholders to provide continuous feedback on the project.

---

<sup>1</sup> <http://www.mdgcarbonfacility.org/>

<sup>2</sup> <http://www.un.org/millenniumgoals/>

**Principle 4: Greenhouse gas emission reductions and carbon sequestration shall be real.**

- 4.1 The emission reductions and carbon sequestration delivered by a project shall be thoroughly and accurately measured as well as reviewed by an approved independent third party AND The Gold Standard Secretariat.
- 4.2 The project shall demonstrate that emission reductions and carbon sequestration are above business as usual.

**Principle 5: The project shall be compliant with all relevant laws and Gold Standard Principles.**

- 5.1 The project shall follow the certification steps as outlined in the specific requirements for each scope and project type to ensure compliance with Gold Standard Principles.
- 5.2 The project developer shall sign a Gold Standard declaration confirming that the project is compliant with local laws and relevant international laws.
- 5.3 The project shall demonstrate that property ownership and rights have been determined and clearly documented.

**Principle 6: The project shall be transparent.**

- 6.1 The project's information shall be well documented to enable reproducibility and tracing of certified information. Project documents shall be made public on The Gold Standard Registry.

**Principle 7: The project's compliance and progress shall be monitored, reported and independently verified throughout the entire crediting period.**

- 7.1 The project shall have a Monitoring Plan, based on the outcome of the do-no-harm assessment and detailed sustainable development impact assessment, to ensure that the project indeed contributes to sustainable development and does no harm. The parameters in the Monitoring Plan shall be regularly monitored, clearly reported on and independently verified.
- 7.2 Independent, accredited certification bodies shall verify that the project meets all rules and that all claims and calculations are accurate.
- 7.3 The Gold Standard Secretariat shall review all documentation and may require corrections or enhancements where needed to ensure that a project meets Gold Standard requirements. These corrections or enhancements may take place after the third party audit if that is deemed to be incomplete or incorrect.