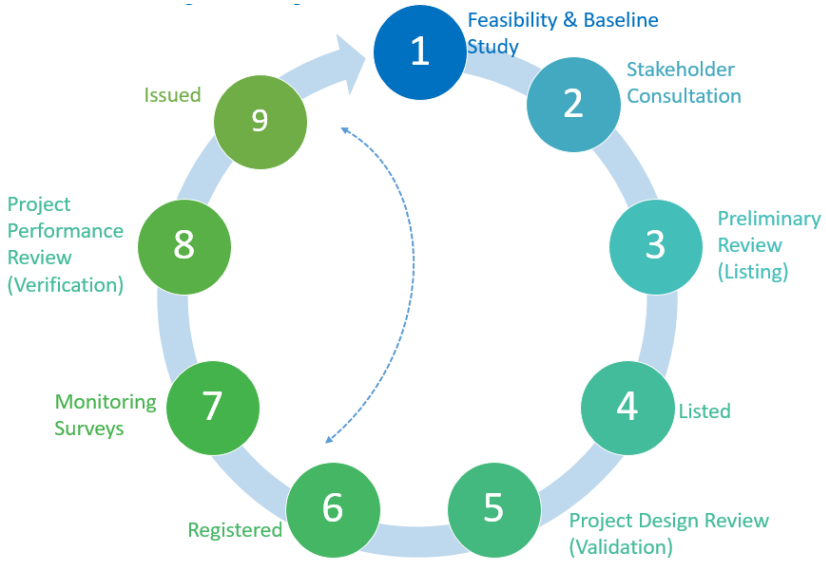
The Gold Standard – Methodology & Offset Accreditation Process.

Who is the Gold Standard?

The Gold Standard is an international voluntary carbon offset standard. The vast majority of GS projects are in developing, low and middle income countries.

- Award winning voluntary carbon offset standard founded by WWF & other international NGOs in 2003 - establishing the first credible rules for the fledgling voluntary carbon market that began to evolve in an unregulated way after the Kyoto agreement. At the time there was a lot of criticism and lack of transparency regarding carbon finance, particularly in developing countries. The GS founding vision was to regularise and bring credibility through high standards to the voluntary carbon markets, while ensuring best value back to the developing countries. The GS mission remains unchanged - to "reward excellence in carbon markets."
- Focuses on sustainable development as well as climate security – the value of an offset is in it's social as well as environmental impact. This is in contrast to the compliance market trading schemes like the CDM (Clean Development Mechanism) where social impact is not a determining factor in calculating the value of an offset. There are serious questions over the contribution of CDMs to sustainable development, despite this being a parallel goal of the CDM alongside GHG mitigations. Also, the CDM lacks clear requirements and frameworks for consultations with local communities. The Gold Standard firmly addresses both of these challenges.
- There is a strong emphasis on additionality, co-benefits and stringent monitoring guidelines
- The Gold Standard recognises the importance of community participation and gender equality throughout project design and implementation.
- In 2017 the Gold Standard launched its new Standard- Gold Standard for the Global Goals which is unique in that
    - Projects must demonstrate their contribution towards at least three SDGs
    - GS has the option to certify SDGs which adds rigour to claims made by project developers

Gold Standard Project Cycle



1) Project Feasibility and Baselines Study

The suitability and likely impact of a project is determined by a project feasibility and baselines study. The purpose of the feasibility and baseline studies is to identify an area that is suitable for a carbon project and has the potential to generate substantial emission savings.

The reduction of greenhouse gas (GHG) in Vita's GS projects is centered around the displacement of biomass fuels used in cooking or boiling water.

- Improved cook stoves directly reduce the amount of fuel needed through improved efficiency.
- Providing safe water removes the need to boil water using biomass as a means of purification.

The steps are

- Review key criteria* for the carbon project
- Identify potential project areas and community partners
- Conduct baseline study
- Review results

*The key eligibility criteria vary depending on the project type, some of the key ones for safe water and cookstove projects are listed as follows

Key criteria for water projects in general;

Communities within the area should be primarily reliant on unsafe water sources such as rivers, open wells, unprotected springs etc.

- There should not be any other alternative clean water sources easily accessible by the communities in the project area (i.e. affordable and within 500m-1km)
- The majority of people purify their water by boiling or do not purify water due to lack of access to fuel, education etc.

Key criteria specifically for community hand pump water projects;

- The area should have stable aquifers.

- Region should have a high number of broken down borehole hand pumps.
- Borehole pumps are operated exclusively by hand, not diesel or electric.
- Main cause of borehole failure within the region is due to poor community management, not systemic issues such as drying up or problems with water quality.
- The project area should not have a history of ground water contamination
- Spare parts should be locally available within the project area.

Key criteria for cook stoves projects;

- Cooking should be on open fires or inefficient stoves
- The main fuel use should be biomass (wood/charcoal)
- Carbon finance can subsidise a percentage of the cost of a stove but there must be willingness to pay in the community or another funding source
- There should not be another project subsidising cook stoves in the immediate vicinity

Identifying Project Areas

The ideal project will have the characteristics from the criteria above but it may be possible to operate in communities that only partially meet the criteria

For example, a community where 50% of households use gas stoves, the baseline emissions would be significantly lower and would require more safe water technologies to be included in the project. Once the area has been chosen, a baseline study can be carried out in order to estimate the potential emission reductions

Conducting Baseline Studies

Once a suitable area has been identified, a number of baseline studies should be carried out. These are important as they provide an initial insight into the number of emission reductions that can be generated by a given technology type such as a borehole or cookstove.

Safe water project

- Water Project Survey – to determine the fuel and water use habits
- Water Boiling Test – to determine how much wood is used to purify water
- Assess borehole user numbers (local district offices may be able to provide these)

Cook stove project

- Stove Kitchen Survey - to determine the stove and fuel use habits
- Kitchen Performance Test – to determine the fuel quantities used

2) Stakeholder Consultation & 3) Preliminary Review (Listing)

First formal stage centres on stakeholder meetings

- Invites sent out one month in advance and includes women's networks, farmers' groups, village administration committees, elders' councils, WASH committees, local administrators and specialist interest groups.
- Meeting covers the following types of impacts:
    - Environmental
    - Social
    - Economic
- Design and outcomes of the meeting are presented in the Stakeholder Consultation Report

- Gold Standard conduct preliminary review and project is 'Listed'

4) Listed

The Stakeholder Consultation Report is then distributed to all stakeholders for feedback over a two month period. The project is the listed.

5) Project Design Review (Validation)

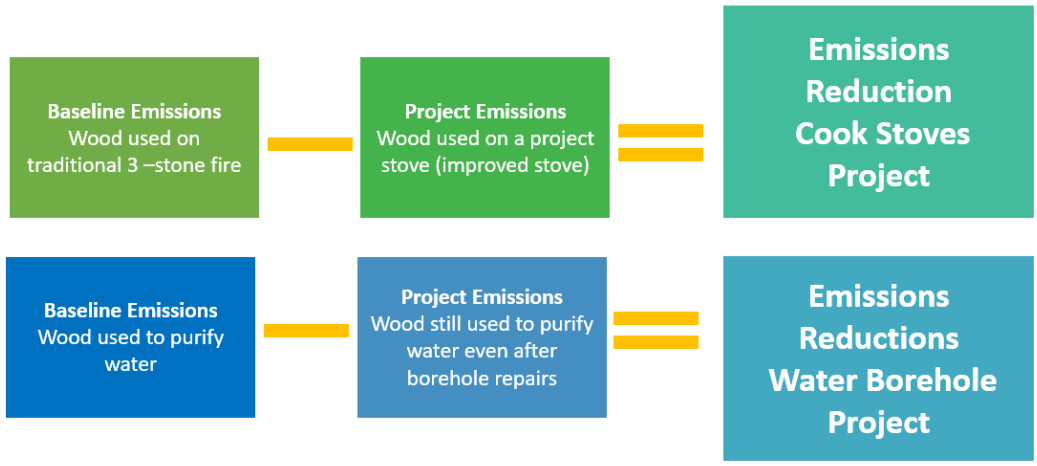
Once the Stakeholder meeting has been completed and project documentation has been submitted, project activities can begin

- Project Design Document (PDD)
    - Sets out project details: Location, technology type, calculations, ERs, monitoring
- An appointed 'Objective Observer' will visit the project and review the contribution to Sustainable Development Goals

6) Registration

PDD and supporting documents submitted to Gold Standard for review before project is **Registered**

Calculating Emissions Reductions



7) Project Monitoring – Stoves

All monitoring tasks are conducted annually unless otherwise stated

- Usage Survey
- Kitchen Performance Test (biennially)
- Monitoring Kitchen Survey (MKS)
- Sensitisation/awareness campaign (where necessary)
- Stove condition assessment

The monitoring report and emission reduction calculations is submitted to Gold Standard for review before the project is issued. This monitoring continues over five years of the project and verification is required for each issuance.

Project Monitoring – Water

All monitoring tasks are conducted annually unless otherwise stated

- Usage Survey

- Water Quality Test (point of source)
- Water Consumption Field Test (biennially)
- Water Project Survey
- Hygiene survey and WASH campaign/training

The monitoring report and emission reduction calculations is submitted to Gold Standard for review before project is issued. The period from baseline study to issuance approx. 18 months
Monitoring continues over **5 years** of the project and verification is required for each issuance
Monitoring is aligned to SDG Targets

Water Boreholes

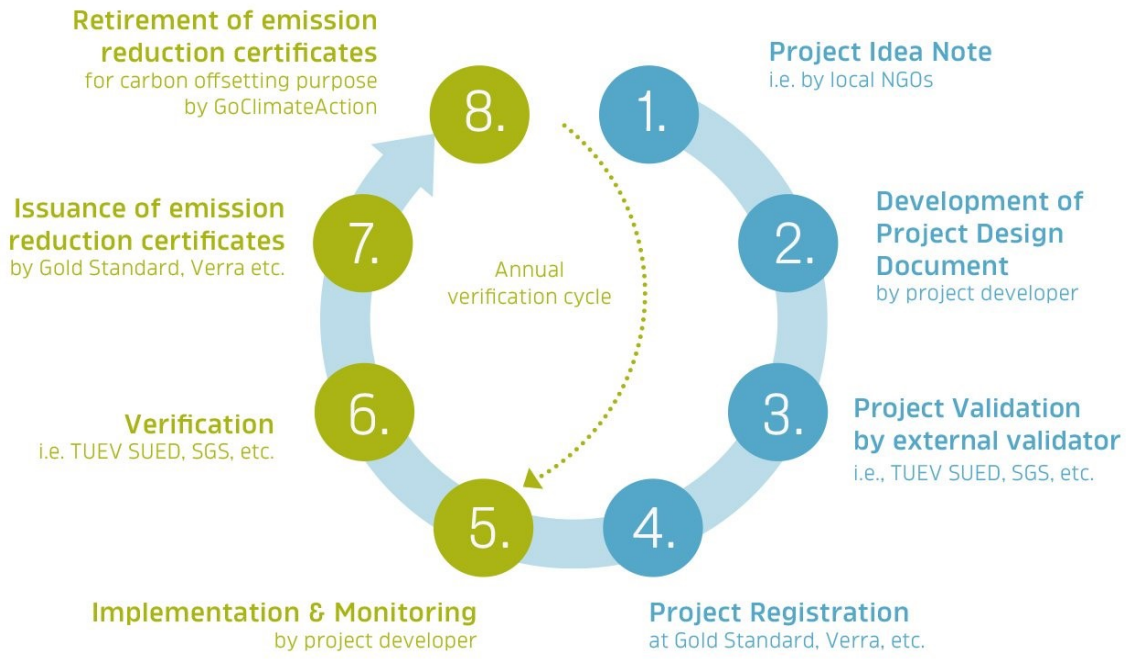
Cook Stoves

Project Cycle Summary

Step in Project Cycle	Project Type		Completion Milestones
	Stoves	Boreholes	
Feasibility	NGO Screen		
	Commission Feasibility Survey		
LSC	Invites/Organising		
	Preparing Report		
	GS Submission/CARs		**>> Listed**
	Stakeholder Feedback Round		
Baseline	Baseline Survey	Baseline Survey	
	Kitchen Performance Test (KPT)	Water Boiling Test	
	Baseline Report/Analysis	Baseline Report/Analysis	
Validation	Preparation of Project Design Document (PDD)		
	GS Submission/CARs		**>> Registered (Included for POAs)**
Monitoring	Monitoring Kitchen Survey	Project Survey	
	Usage Survey	Usage Survey	
	Project Kitchen Performance Test (KPT)	Water Consumption Field Test (WCFT)	
		Water Quality Test	
Verification	Preparation of Monitoring Report (MR)		
	GS Submission/CARs		
	Issuance		**>> Issued**

8) **Project Performance Review & Verification**

The Gold Standard Offset Accreditation Process



Auditing the offsets

The GS Auditors are UNFCCC accredited Designated Operational Entities (DOEs) who carry out validation and verification of GS projects, DoEs are not allowed to carry out the validation & verification of the same project, with the exception of micro- and small-scale projects.

	Micro	Small/Large Scale
Emissions Reductions	**Max 10,000 tco2e**	**Max 60000**
Audit	**Internally audited by Gold Standard**	**Independent Auditor called the Designed Operational Entity (DoE) and Gold Standard**
LSC	**Separate Stakeholder Consultation Review (SCR) and Project Design Document (PDD)** **SDG and Safeguarding Assessment required**	**Separate Stakeholder Consultation Review (SCR) and Project Design Document (PDD)** **SDG and Safeguarding Assessment required**

Validation	**No DoE required however GS may appoint Objective Observer**	**DoE and GS audit project (site visit required)**
Monitoring	**Varies depending on project**	**Varies depending on project**
Verification	**No DoE required however GS may appoint Objective Observer**	**DoE and GS audit project (site visit required)**

9) Issuance

Once a project has been through the GS auditing process, the emissions savings is issued as an offset (often referred to as credits although technically these are products of the CDM market). The issued offsets are placed on a public register on the Gold standard website https://registry.goldstandard.org/projects?q=&page=1

As each bundle of credits is sold they are retired from the register.

Ends