

Gold Standard®

ANNUAL REPORT 2020

# TIME OF RESILIENCE

*Growth, despite all odds*

DECEMBER 2021



ANNUAL REPORT 2020

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The year 2020 started with high levels of climate action, and despite COVID-19, we are grateful to see that this action continued throughout the year.

Within environmental markets, the COVID crisis introduced new challenges, specifically on the carbon credit supply side, as the certification process required in-person consultations and often travel – both made impossible by the pandemic. Gold Standard responded by introducing flexibility measures that allowed projects to continue with alternative means to engage stakeholders, monitor progress, and verify results.

Thus, despite an unprecedented global pandemic, we saw a record year of credit issuances, thanks to our project developers and auditors who adapted and continued delivering impact to communities and ecosystems worldwide.

*Despite an unprecedented global pandemic, we saw a record year of credit issuances thanks to our project developers and auditors*

On the demand side, concerns that the economic slowdown would dampen climate commitments were proven unfounded. Gold Standard recorded another record year of retirements. We also saw work under our Value Change Initiative gather pace, with corporations coming together remotely to resolve issues on approaches for scope 3 market-based accounting through to what can be credibly claimed up and down the value chain. We applaud companies who continued to take responsibility for their climate impact, even in the face of business disruption.

Efforts to catalyse broader climate finance also charged ahead with the establishment of the Sub-national Climate Finance Initiative (SCF) that provides an innovative global blended finance scheme to scale mid-sized infrastructure, energy transition and nature-based solutions. With an initial commitment of USD 150 million from the Green Climate Fund already secured, the scheme is set to start supporting projects that historically have had limited access to traditional investors.

We thank all those that have shown true resilience over this past year, with your unwavering commitment to the climate cause, projects and programmes have been able to continue delivering impact towards climate security and sustainable development – helping us all on the path to net-zero.

*Margaret Kim*  
Gold Standard CEO



## *Introduction*

# Vision, mission, strategy, theory of change

### VISION + MISSION

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

### 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.

## 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.

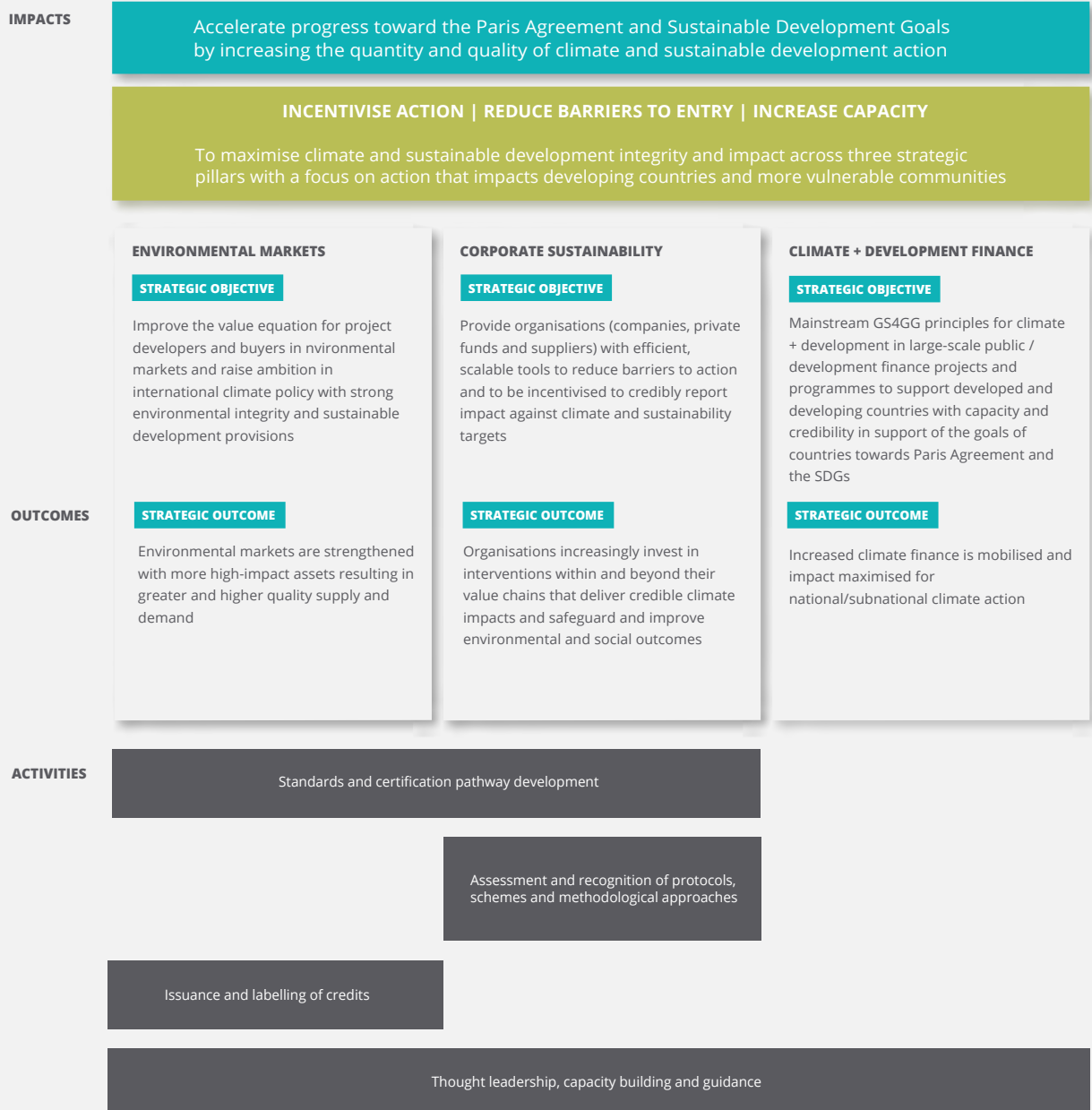


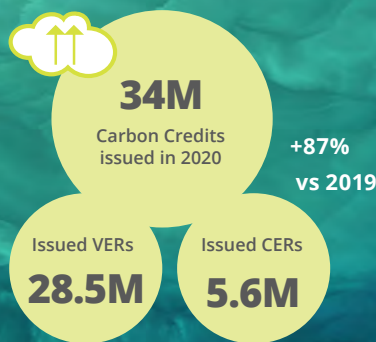
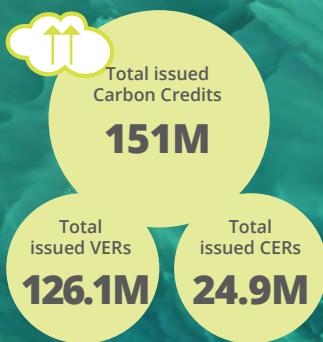
Figure 1 - Theory of Change (Gold Standard's Strategy 2020-2025)

# Our impact

## IN TOTAL

## IN 2020

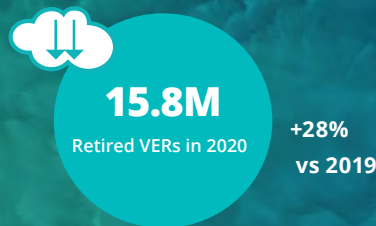
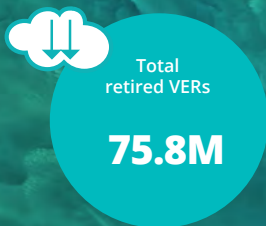
## CERTIFIED CLIMATE PROTECTION PROJECTS IN 2020



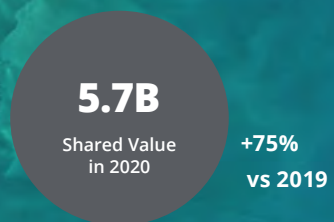
34 million emission reductions issued, nearly double the issuances of 2019, with growth among all project types

28.5 million Verified Emission Reductions (VERs)

5.6 million Gold Standard labelled Certified Emissions Reductions (CERs)



Record high voluntary retirements in 2019 with 15.8 million emission reductions retired — 28% increase over 2019



CERTIFIED CLIMATE PROTECTION PROJECTS IN 2020

*'Despite an unprecedented global pandemic, 2020 was a record year for carbon credit issuances and purchases. This is an encouraging sign and we applaud both project developers who have adapted to continue delivering positive outcomes and to companies for taking responsibility for their climate impact.'*

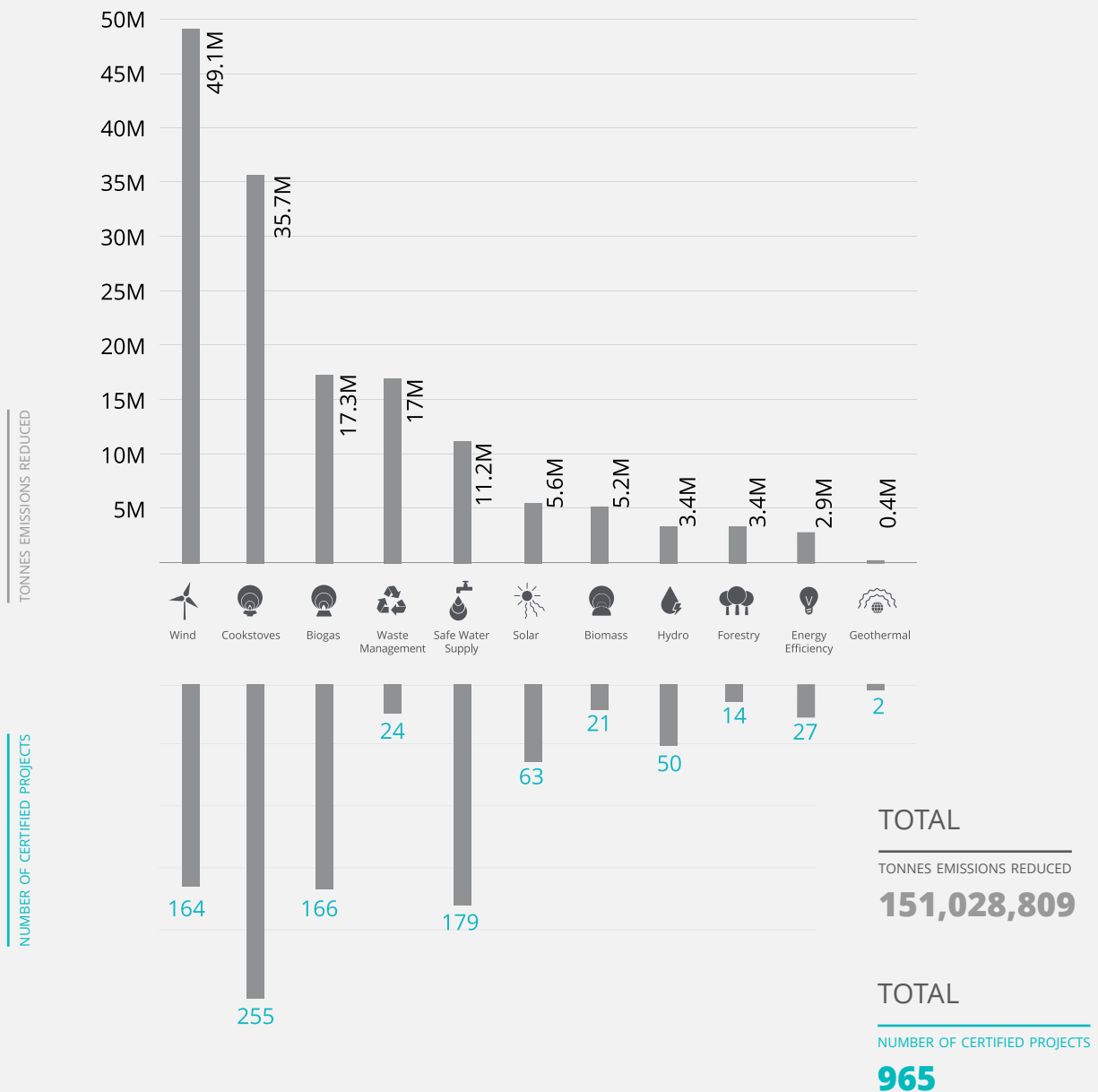


Figure 2 - Gold Standard certified projects in 2020

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 2020 Gold Standard issued projects have created nearly **23.5 billion US dollars** of value in benefits beyond carbon.

*Gold Standard projects have saved 151 million tonnes of greenhouse gases from being released into the atmosphere – nearly four times the annual emissions released by Switzerland.*



Figure 3 - Total value created from benefits delivered by Gold Standard certified projects



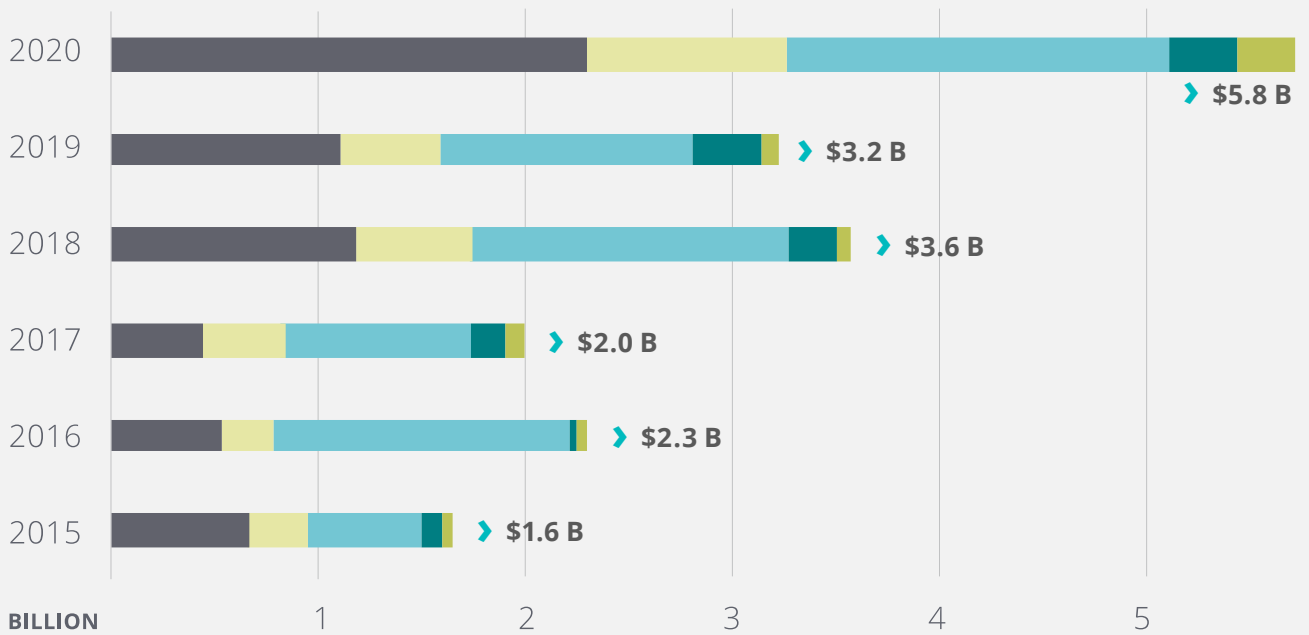


Figure 4 - Shared value generated by Gold Standard certified projects year-on-year

-  Biogas
-  Wind
-  Cookstoves
-  Safe Water Supply
-  Forestry

*'In 2020, projects generated \$5.8 BILLION dollars of shared value for climate action and sustainable development – doubling 2019 and taking the overall total up to \$23.5 BILLION dollars.'*

**ORGANISATIONAL UPDATES**

# **Governance**

**PREETY M. BHANDARI JOINS GOLD STANDARD BOARD OF DIRECTORS**

**Ms. Bhandari joined the Gold Standard Board of Directors in March 2020, bringing 30+ years of experience in environment, climate change and sustainable development and will be instrumental in supporting Gold Standard's efforts to scale its approach to environmental integrity and strong sustainable development at the national and subnational level.**

**Ms. Bhandari is Director for Climate Change and Disaster Risk Management Division of the Sustainable Development and Climate Change Department (SDCC) at ADB. She is responsible for providing policy and strategic direction to initiatives on climate change and disaster risk management, including mobilising concessional financing from multilateral funds such as the Climate Investment Funds (CIFs) and the Green Climate Fund (GCF).**



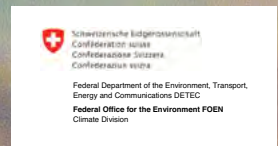
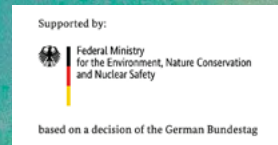
ORGANISATIONAL UPDATES

# 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 2020 by:

SPONSORS



Gold Standard also collaborated with:

PARTNERS



INNOVATIONS + INITIATIVES

# Environmental Markets

## ENVIRONMENTAL MARKETS

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### STRATEGIC OBJECTIVES

Improve the value equation for project developers and buyers in environmental markets and raise ambition in international climate policy with strong environmental integrity and sustainable development provisions

### STRATEGIC OUTCOMES

Environmental markets are strengthened with more high-impact assets resulting in greater and higher quality supply and demand

### DESIGNING ENVIRONMENTAL MARKETS FOR HIGHEST IMPACT

Our focus in environmental markets is to maximise the impact of climate finance, positioning markets to deliver meaningful, measurable contributions toward sustainable development and to be a tool for climate justice

## ENSURE INTEGRITY + RELEVANCE IN CARBON MARKETS:

### VOLUNTARY CARBON MARKET TRANSITION FRAMEWORK

Gold Standard published a [set of principles](#) in early 2020 to guide the development of new requirements for certified projects in the voluntary carbon market as the rulebook for the Paris Agreement comes into force in 2021.

In mid 2020, Gold Standard held a [public consultation](#) on a policy brief entitled [Operationalising and Scaling Post-2020 Voluntary Carbon Markets](#) to inform the proposed evolution of rules to align with this post-2020 regulatory framework.

Based on these outcomes, the German Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU) [announced](#) its support for Gold Standard to develop a framework to transition the voluntary carbon market for alignment with the Paris Agreement.

The programme furthers Gold Standard's work to ensure the voluntary carbon market represents the highest integrity and greatest impact in accelerating progress toward the goals of the Paris Agreement.



## TASKFORCE ON SCALING THE VOLUNTARY CARBON MARKET

Gold Standard is participating in the Taskforce for Scaling the Voluntary Carbon Market to ensure that efforts to increase the market recognise and incentivise high-impact carbon reduction projects.

Gold Standard advocates for:

- Credits for voluntary offsetting must not be double counted or double claimed
- Robust safeguards and sustainable development must be part of minimum standards
- Quality is critical, yet a single price on carbon would disincentivise high-impact activities
- Rule setting and oversight must be managed by appropriate actors
- Vulnerable projects and marginalised stakeholders should be protected

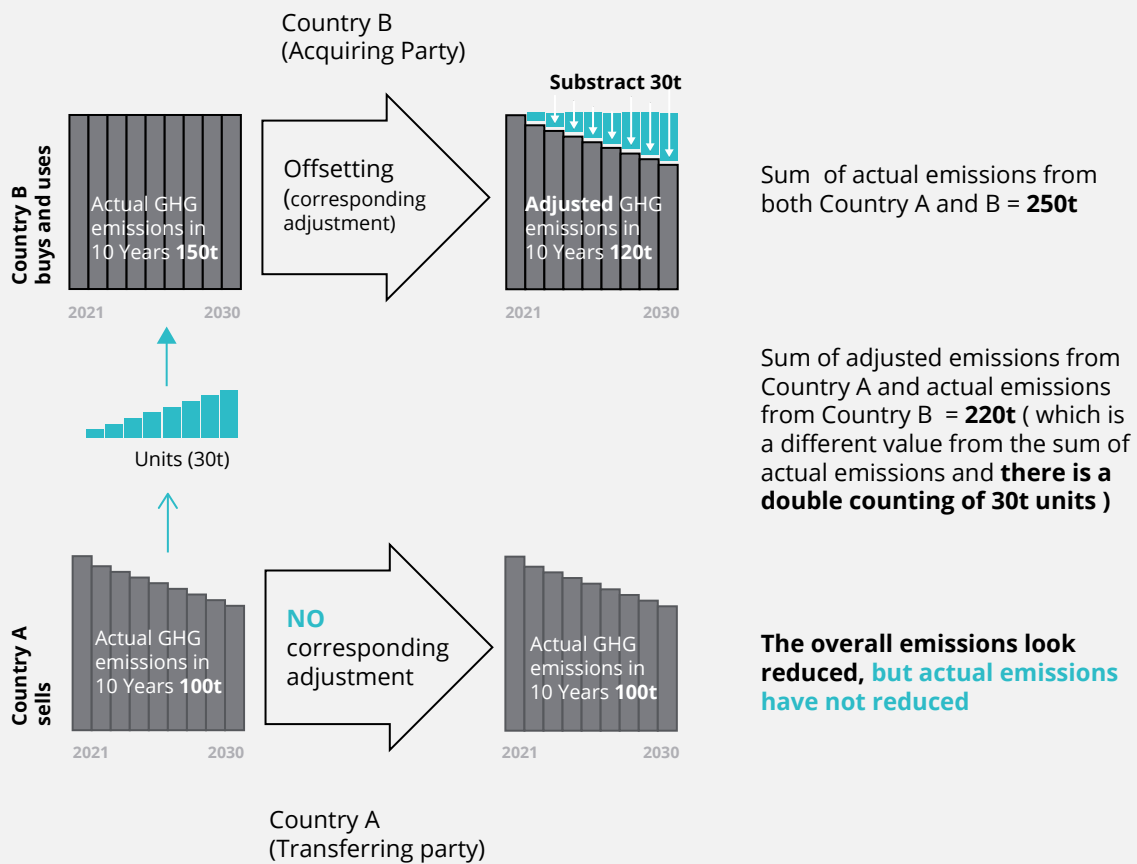


Figure 5 - Double counting in practice - Source: [https://ercst.org/wp-content/uploads/2019/01/1cs6nq3ce\\_702975.pdf](https://ercst.org/wp-content/uploads/2019/01/1cs6nq3ce_702975.pdf)

## **REMOVE BARRIERS TO SCALE WITH DIGITAL MONITORING, REPORTING AND VERIFICATION (MRV)**

### **SDG IMPACT TOOLS**

#### **Ensuring impact claims are quantitative, accurate, and credible**

To ensure market mechanisms effectively channel finance to high-impact projects and contribute to the Sustainable Development Goals (SDGs) in a meaningful way, while also stemming the emergence of “SDG washing”, 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).

Building on the principles formed in the SDG Tool Guidance released in 2019, Gold Standard has developed a new tool to help developers more efficiently monitor, quantify and certify a project’s contribution to the SDGs. This tool will be piloted in the first quarter of 2021.

### **ACKNOWLEDGEMENTS**

Gold Standard thanks all those who have supported the development of the guidance and or the activity-specific tools, including ClimateSeed, myclimate, SustainCERT, Swedish Energy Agency, UN-SDSN, Carbon Sink, Clean Cooking Alliance, Co2Logic, CO2OL, EcoMatcher, Land Life Company, Puro verde and SouthPole.



## PILOTING NEXT GENERATION MRV

### Improving efficiencies, driving down costs + overcoming barriers to scale

Gold Standard is a founding member of the Climate Ledger Initiative (CLI), which is piloting [next generation MRV](#), such as Distributed Ledger Technology (DLT) and Artificial Intelligence (AI), to quantify carbon reductions in renewable energy and community based projects and removals in land use activities -- improving efficiencies, driving down costs and overcoming barriers to scale.

For more information read the latest [CLI 2020 report](#).



INNOVATIONS + INITIATIVES

# Corporate Sustainability

## **CORPORATE SUSTAINABILITY**

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### **STRATEGIC OBJECTIVES**

Provide organisations (companies, private funds and suppliers) with efficient, scalable tools to reduce barriers to action and to be incentivised to credibly report impact against climate and sustainability targets

### **STRATEGIC OUTCOMES**

Organisations increasingly invest in interventions within and beyond their value chains that deliver credible climate impacts and safeguard and improve environmental and social outcomes

### **IMPLEMENT CORPORATE AMBITION**

### **HIGH-INTEGRITY TOOLS TO ENABLE COMPANIES TO ACHIEVE NET ZERO**

Having published Corporate Climate Stewardship guidelines with WWF and CDP in 2018 that codified the expectation for companies to reduce emissions in line with what science indicates is needed to reach global net zero targets AND finance reductions beyond their corporate boundaries, we are scaling our high-integrity carbon credit portfolio and introducing new tools that allow companies to meet their climate targets.

## REDUCE WITHIN CORPORATE BOUNDARIES:

# SOLUTIONS TO REDUCE SCOPE 3 EMISSIONS AND CREDIBLY REPORT TO GHG PROTOCOL + SCIENCE BASED TARGETS

### VALUE CHANGE INITIATIVE

#### Addressing Scope 3 emissions

The ValueChange Initiative is where companies and civil society come together to innovate and define best practice on reducing value chain emissions. In 2020, Gold Standard worked with SustainCERT and the Value Change Initiative members on the following working groups:

#### ACCOUNTING LABS: HOW TO ACCOUNT FOR IMPACT GIVEN DYNAMIC SOURCING AND DATA SCARCITY

Landscapes benefit greatly from collective action, yet it's difficult for disparate value chain actors to collectively invest in Scope 3 emission reductions at scale and credibly account for the impact achieved. The Accounting Labs are defining the conditions and principles for a Scope 3 market-based accounting approach.



#### CLAIMS LABS: WHAT CAN BE CREDIBLY CLAIMED UP AND DOWN THE CHAIN

There are many climate related terms from carbon neutral through to climate positive or Net Zero. The Claims Labs are establishing guiding principles and conditions of an integrated claims framework that identifies what claims should be made when.

APPAREL WORKING GROUP

This working group continued testing the guidance in the context of the textiles industry alongside leading apparel companies with significant scope 3 commitments.



DOUBLE COUNTING LAB

Participants deep dived on double counting, informing the Value Chain guidance's position and recommendations on the topic.



EMISSION FACTOR TRACKING SYSTEM LAB

In this lab, participants provided the basic requirements and features required to prototype an Impact Factor Tracking Mechanism.



## LOW-CARBON COMMODITIES

### Sustainability standards join forces to scale climate impact

With increasing demand for more sustainable, climate-friendly goods and services, ISEAL member standards -- including Better Cotton Initiative, Fairtrade, Forest Stewardship Council (FSC), and the Roundtable for Sustainable Biomaterials -- are collaborating with Gold Standard to define common practices to calculate carbon reductions and sequestration in their certified commodities that companies who purchase these products can use to easily report against their Science Based Targets or other climate performance objectives. The objective is to drive sustainability at a landscape scale through certified commodities that lower the carbon footprint of purchased goods and improve climate impact.



## FINANCE BEYOND CORPORATE BOUNDARIES:

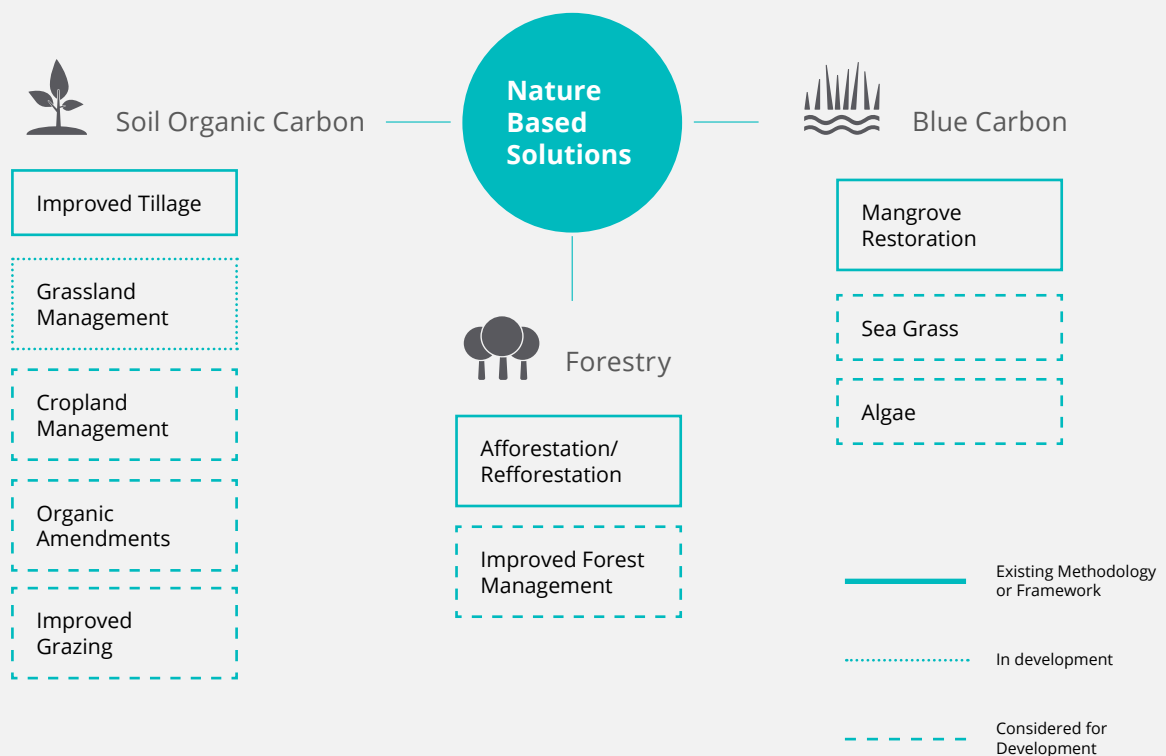
# MARKET INSTRUMENTS TO ACCELERATE PROGRESS TO GLOBAL NET ZERO EMISSIONS

### SCALING CARBON REMOVALS FOR LONG-TERM NET ZERO TARGETS

Nature based solutions have risen on the agenda for climate mitigation and resilience, biodiversity conservation, and other sustainable development benefits. As part of our 2025 Strategy, Gold Standard is dramatically expanding its Land Use efforts to ensure the highest quality in nature based approaches to carbon removals, while enabling rapid scaling across emerging innovative activities like soil carbon and blue carbon.

In 2020, Gold Standard launched a new [Soil Organic Carbon Framework Methodology](#) for carbon credit issuance as well as a project-ready [Improved Tillage Practices module](#), the first activity-specific module under its banner.

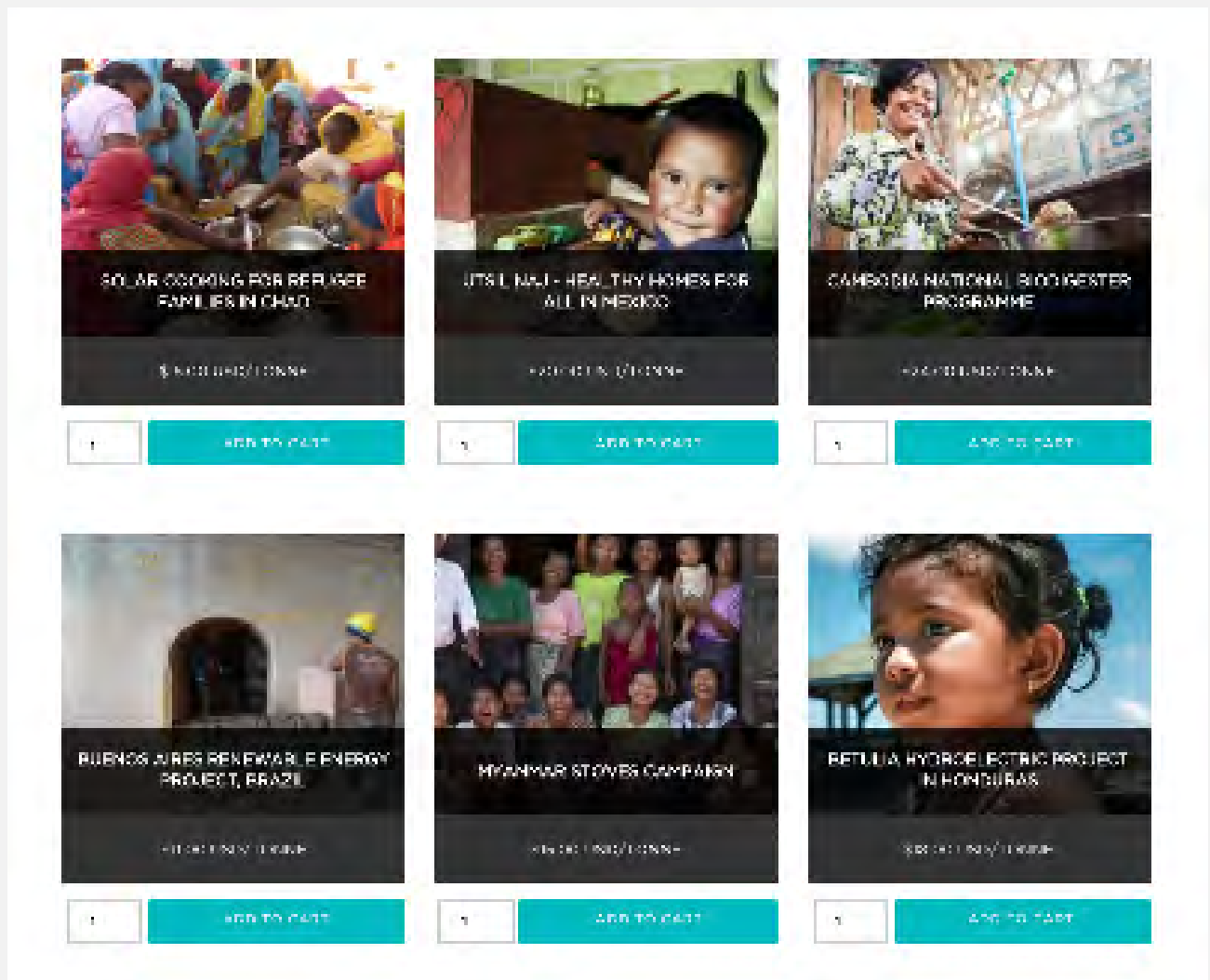
The framework features the possibility for multiple credible approaches to be used to calculate sequestration using either primary data, relevant peer-reviewed academic research, or IPCC default factors that account for uncertainty. This flexibility allows for a broad range of project eligibility rather than disqualifying projects that would not have been able to get complete primary data.



## CONTINUED ENHANCEMENTS TO THE PROJECT MARKETPLACE

The [Project Marketplace](#) provides a transparent, credible and simple platform for selling and purchasing carbon credits. Proceeds benefit project developers directly, enabling them to maintain and expand their project activity and deliver more climate and sustainable development impact.

To help improve the user experience for buyers and continue to increase support for climate protection projects, in 2020, Gold Standard implemented new features to enhance credibility and transparency, and by providing buyers with a quick, easy way to trace their offset purchase and the credit retirement.



# Climate + Development Finance

## CLIMATE AND DEVELOPMENT FINANCE

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### STRATEGIC OBJECTIVES

Mainstream GS4GG principles for climate + development in large-scale public / development finance projects and programmes to support developed and developing countries with capacity and credibility in support of the goals of countries towards Paris Agreement and the SDGs

### STRATEGIC OUTCOMES

Increased climate finance is mobilised and impact maximised for national/subnational climate action

## CATALYSE CLIMATE FINANCE

### ADVOCACY + SOLUTIONS FOR PUBLIC AND PRIVATE SECTOR INVESTMENT

**Gold Standard maintains that progress reported toward Nationally Determined Contributions (NDCs) and impact investments must meet high standards of safeguards, stakeholder inclusivity and robust climate and development impact quantification. We're working with country governments to measure outcomes for climate finance, as well as pioneering new blended finance mechanisms to catalyse high-impact climate finance.**



## FOR GOVERNMENTS:

### ENSURE IMPACT IN USE OF ARTICLES 6 + ARTICLE 9 TO MEET NDCS

#### 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 2020, the SDI published [new guidance](#) aimed at enabling a 'preliminary assessment' of a potential Article 6 activity. It provides a simple guide, full of good practices, for performing desk-based assessments on the potential of proposed activities to deliver sustainable development benefits.

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GOOD PRACTICE GUIDANCE FOR THE PRELIMINARY ASSESSMENT OF SUSTAINABLE DEVELOPMENT IN ARTICLE 6 ACTIONS



## MRV SYSTEMS:

### To support developing countries in attracting climate finance

#### **GOLD STANDARD BECOMES MEMBER OF NDC PARTNERSHIP**

In February 2020, Gold Standard became a member of the NDC Partnership -- a global coalition of countries and institutions collaborating to drive transformational climate action through sustainable development based Nationally Determined Contributions (or NDCs). This partnership is key to meeting our strategic objective to increase the mobilisation of climate finance to high integrity climate and development activities for national and subnational climate action.



#### **GOLD STANDARD AND MONGOLIAN GOVERNMENT PARTNER TO MEET AMBITION OF PARIS AGREEMENT PLEDGE**

Mongolia is one of few countries to have enhanced its Nationally Determined Contribution (NDC) to the Paris Agreement following initial submissions in 2015, yet climate finance is needed to deliver the emission reductions committed. To support the Mongolian Government in securing the finance to achieve their ambition, Gold Standard will design an integrated national monitoring, reporting and verification (MRV) system that provides credible data quantifying project impact in support of country NDC targets and meets investor requirements.



## FOR INVESTORS:

### DESIGN FUNDS FOR HIGHEST IMPACT AND MAKE CREDIBLE CLAIMS ON IMPACT INVESTMENT

#### PIONEERING SUB-NATIONAL CLIMATE FINANCE INITIATIVE LAUNCHED WITH COMMITMENT FROM GREEN CLIMATE FUND

In November, Pegasus Capital Advisors, the International Union for Conservation of Nature (IUCN), BNP Paribas, Gold Standard, and R20 - Regions of Climate Action, launched the [\*Sub-national Climate Finance Initiative \(SCF\)\*](#) - an innovative global blended finance initiative that seeks to scale mid-scale climate resilient and low-carbon infrastructure, regenerative agriculture and nature-based solutions in developing countries -- with an initial commitment of up to USD 150 million from the Green Climate Fund (GCF).

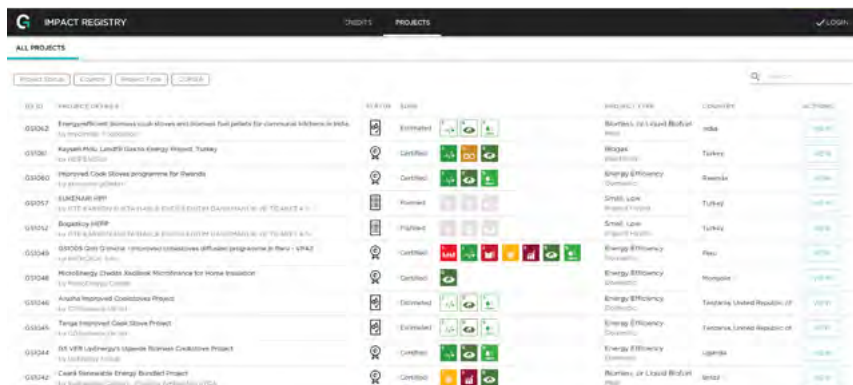


# Enhancements to IT support systems

## ENHANCEMENTS TO THE GOLD STANDARD IMPACT REGISTRY

In March 2019, Gold Standard launched its new public registry to track environmental assets and the climate and development impacts of certified interventions in a more intuitive and user-friendly way.

Since this launch, Gold Standard has been continuously improving the system to support project developers in their account management and business objectives, including enhanced navigational hierarchy and transfer experience for internal and external accounts; improved views, filters and functionality for sorting accounts, projects, credits and holdings; adding new account summaries and ability to quickly and easily export data.



INNOVATIONS + INITIATIVES

# Technical updates

With the continuous evolution of the market, Gold Standard reviews and updates its rules to simplify processes, saving time and costs for project developers whilst ensuring they are aligned with the most recent science and continue to deliver the highest levels of environmental integrity.

## GOVERNANCE FOR ISEAL COMPLIANCE

Gold Standard revised its [governance](#) as per guidance from ISEAL best practice. This included publishing an annual workplan to inform stakeholders of anticipated updates to the standard; updating the grievance procedure; and creating a new policy for stakeholder consultations.

We also hosted a public consultation and released a new [Monitoring and Evaluation \(M&E\)](#) system to track progress of the contributions that our standards system makes toward achieving long-term social, environmental or economic impacts.



MONITORING AND EVALUATION  
MANUAL (M&E)

## SOIL ORGANIC CARBON

In March 2020, Gold Standard launched the [Soil Organic Carbon Framework Methodology](#) to quantify changes in GHGs and soil organic carbon through the adoption of improved agricultural practices. The flexible structure allows project developers to propose new Activity Modules for Gold Standard approval under an accelerated timeline.

To further aid this effort, a [new template](#) has been created to help developers prepare and draft eligible Activity Module Methodologies for Gold Standard review and approval.

## CORSIA ELIGIBILITY

In 2020, Gold Standard was declared eligible for all project types for the CORSIA pilot phase. Projects with a first crediting period start date on or after 01 January 2016 are eligible to supply credits for CORSIA, for credits with vintages between 2016 through 2020, providing a great market opportunity for project developers.

## METHODOLOGY UPDATES

Gold Standard made improvements to a number of methodologies, including cookstoves, soil carbon and afforestation/reforestation (A/R) methodologies to support project developer implementation.

## INTERIM COVID-19 MEASURES

Gold Standard published interim [COVID-19 measures](#) to project developer through the global pandemic, whilst still ensuring statistically sound monitoring and assurance. This also included new procedures for projects seeking temporary deviation from the Gold Standard for the Global Goals requirements.



SOIL ORGANIC CARBON FRAMEWORK  
METHODOLOGY



SOIL ORGANIC CARBON ACTIVITY  
MODULE TEMPLATE



SOIL ORGANIC CARBON FRAMEWORK  
METHODOLOGY



SOIL ORGANIC CARBON FRAMEWORK  
METHODOLOGY



COVID-19 INTERIM MEASURES

INNOVATIONS + INITIATIVES

# Thought leadership publications

## PUBLICATIONS

PUBLISHED 22 September 2020

### CARBON OFFSETTING: What you need to know to take action against climate change

This guide provides essential information on carbon offsetting, why it is so urgently needed and the positive difference you can make by taking climate action.



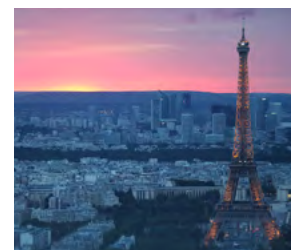
CARBON OFFSETTING: WHAT YOU NEED TO KNOW TO TAKE ACTION AGAINST CLIMATE CHANGE

## OPINION

PUBLISHED 27 February 2020

### Post 2020 voluntary carbon market principles

Working Group Statement on the future role and design of the voluntary carbon market to support the goals of the Paris Agreement



POST 2020 VOLUNTARY CARBON MARKET PRINCIPLES

PUBLISHED 4 May 2020

### **CORSIA: What eligibility decisions mean for carbon markets**

This opinion piece drills into the selection criteria for CORSIA to yield key takeaways that stand to set a new minimum bar in carbon markets.



CORSIA: WHAT ELIGIBILITY DECISIONS MEAN FOR CARBON MARKETS

PUBLISHED 5 October 2020

### **COMMENTARY on the Oxford Principles for Net Zero Aligned Carbon Offsetting**

Gold Standard's response to a new set of principles for Net Zero Aligned Carbon Offsetting, published by the University of Oxford.



COMMENTARY ON THE OXFORD PRINCIPLES FOR NET ZERO ALIGNED CARBON OFFSETTING

PUBLISHED 27 November 2020

### **COMMENT: How the credibility of sustainable development impact claims can strengthen – or compromise – the voluntary carbon market**

Sustainable development in voluntary carbon markets, the opportunities, the risks, and what needs to be done to ensure that markets have the greatest impact and utmost integrity.

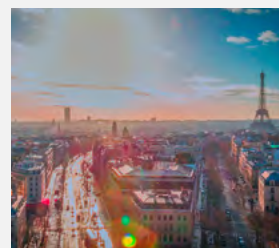


COMMENT: HOW THE CREDIBILITY OF SUSTAINABLE DEVELOPMENT IMPACT CLAIMS CAN...

PUBLISHED 8 December 2020

### **COMMENT: Taskforce to Scale the Voluntary Carbon Market: How to scale without sacrificing quality**

Views on key tenets that can help ensure future developments in the voluntary carbon market lead to high-quality, high-impact carbon offsetting.



COMMENT: TASKFORCE TO SCALE THE VOLUNTARY CARBON MARKET: HOW TO SCALE WITHOUT...



## OPERATIONAL UPDATES

# Our Footprint

Our carbon footprint significantly reduced in 2020 due to pandemic and its effect on air travel, our largest climate impact. To ensure that we have covered scope 1 and 2 activities, including energy usage for staff who work from home and for data processing, we have retired twice as many credits as we calculated for our carbon footprint.

## CARBON FOOTPRINT FOR 2020

TRAVEL FOR BUSINESS	MODE OF TRANSPORT	KM	tCO <sub>2</sub>
	Flights	40'355	11
	Train	1'288	0.5
	Hotel for 12 nights*		0.5
ENERGY IN HQ OFFICE	TYPE OF ENERGY	KM/H	tCO <sub>2</sub>
	Electric power (from renewables)	6'176	0
	Thermal energy	5'914	4
	Water m3	31	1
		TOTAL tCO <sub>2</sub>	17
		100% BUFFER	17
		<b>TOTAL RETIRED</b>	<b>34</b>

Source - [Cool Network Carbon Calculator](#) created by the University of California, Berkeley.

\* industry benchmark of 31.1kg CO<sub>2</sub> per room/night, based on the methodology of the Hotel Carbon Measurement Initiative (HCMI)

We have offset our emissions by retiring 34 emission reductions from the following project:

**AFRICAN BIOGAS CARBON PROGRAMME IN KENYA**

Project developer HIVOS

Domestic biogas digesters provide a way for households with livestock to reduce their dependence on polluting firewood and expensive fossil fuels. Cooking on biogas is fast and smokeless, improving family health, especially among women and children. Leftover slurry from the biogas process is an excellent organic fertilizer that improves crop yields – and having more vegetables to sell, provides families with extra income.

To date, this Kenya Biogas Programme has provided over 17,000 biogas digesters to individual households across Kenya, reducing over 365,000 tonnes of CO2 from being released into the atmosphere.



**OTHER PROJECT IMPACTS AND BENEFITS**

(until March 2020)

- 14,950 smoke-free kitchens
- 103,440 direct beneficiaries
- 223,000 ton of wood saved
- 13,700 productive slurry users
- 31 private enterprises
- 107 full time jobs plus part-time unskilled day labour
- 100 masons with new business entities



## OPERATIONAL UPDATES

# Fiscal Year 2020

In 2020, Gold Standard further strengthened its financial position with a record high revenue (\$6'468) and net income (\$3'514k). Strong trends in the carbon markets had a direct impact on Gold Standard's revenue growth from carbon certification and from ERs issuances which allowed us to further invest in the Impact Registry and to initiate the organizational growth in line with our strategic objectives.

(in USD '000)	2018	2019	2020
Project Certification*	3'398	2'520	5'594
Grant Funding	591	570	339
Other Income	255	562	536
<b>Revenue</b>	<b>4'244</b>	<b>3'651</b>	<b>6'468</b>
Selling, General & Admin**	2'955	2'076	2'545
Registry & Systems	263	174	209
Governance	41	40	44
Marketing & Events	98	61	36
Other	133	199	-
<b>Operating Expenses</b>	<b>3'491</b>	<b>2'550</b>	<b>2'835</b>
Net financial income	(58)	(87)	(37)
Extraordinary income/expenses	(3)	163	(83)
<b>Surplus (-deficit) for the year</b>	<b>693</b>	<b>1'178</b>	<b>3'514</b>

Table 1 - Income Statement 2018 - 2020

\* includes 'SoP sale' of credits (Share of Proceeds)\*\* Staff cost, Contractors, Consultants, Admin, Travel, Offices

## REVENUE

Gold Standard’s revenue grew by 77% compared to the previous year and reached a 3-Year CAGR of 20%. Carbon issuances, our main source of revenue (54% in 2020), together with the revenue from design review fees (18% in 2020), both indicate a strong and active Gold Standard’s project portfolio with a growing number of new project registrations.

Gold Standard used 2020 financial year to redefine its fundraising strategy and to focus on securing long-term grants. Lower 2020 revenue from grant funds (5%) is expected to yield in increased number of high impact funded programmes that will allow us to strengthen and rebalance the revenue growth in the coming years.

(in USD '000)	2018	2019	2020
Registration / Design fees	318	132	1'132
Issuance fees	1'805	1'490	3'469
Fees Other	960	364	462
<b>Total</b>	<b>3'083</b>	<b>1'985</b>	<b>5'063</b>

Table 2 - GS revenue from Certification and Issuance Fees 2018- 2020



## EXPENSES

2020 operating expenses increased by 11%, lagging behind the topline growth, as the organization geared up for its expansion and continuous investment in enhanced IT tools for project owners.



## Gold Standard<sup>®</sup>

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