

Gold Standard®

GUIDE

CARBON OFFSETTING

*What You Need To
Know To Take Action
Against Climate Change*



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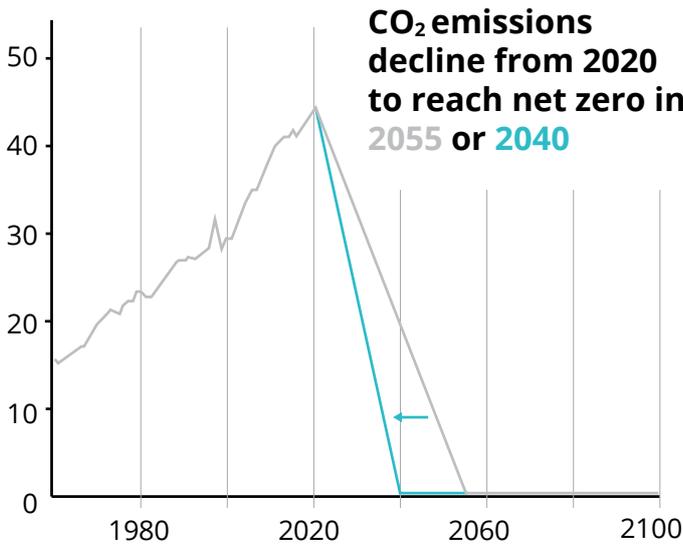


THE CLIMATE CHALLENGE

*“We do not inherit the earth from our ancestors.
We borrow it from our children.”*

– Native American Proverb

Emission reduction targets pledged by countries are not enough to put us on track for a secure climate, according to science. We don't have time to wait. Every person and every business has an opportunity to take accountability for their climate impact and support the reduction of global carbon emissions.



The decarbonization curve we need.
Billion tonnes CO₂ per year (GtCO₂/yr)

HOW CAN I TAKE ACTION?

A person in a red shirt stands on a dark, rocky outcrop, holding a green flare high in their right hand. The flare emits a thick, bright yellow plume of smoke that rises into the sky, forming a large, billowing cloud. The background is a clear, light blue sky. The person is looking towards the flare. The overall scene is set against a backdrop of a vast, open landscape with some green vegetation visible in the foreground.

We all have a role to play in the fight against climate change. Your actions, however small, can have a profound impact when combined with thousands of others.

MEASURE REDUCE OFFSET

Taking action on climate change starts with knowing your climate impact. You should then make efforts to reduce that impact as much as you can. Finally, support Gold Standard Climate+ projects, which not only cut carbon but also deliver life-changing benefits to vulnerable communities and help conserve local ecosystems.

MEASURE

KNOW
YOUR CLIMATE
IMPACT



REDUCE

MAKE EFFORTS
TO REDUCE
IMPACT



OFFSET

SUPPORT
CLIMATE+
PROJECTS



WHY SHOULD I OFFSET?

You've heard about carbon offsetting as a way to make a direct impact toward fighting climate change, but what does it really mean? And how do you know you're making the right choices?



OFFSETTING 101

WHAT IS A CARBON CREDIT?

A carbon credit, sometimes called a carbon offset, represents the certified reduction or removal of one tonne of carbon dioxide equivalent (tCO₂e) from the atmosphere. It's equivalent to the average monthly carbon footprint of someone living in Europe.

WHAT IS CARBON OFFSETTING?

Carbon offsetting is the purchase of carbon credits, generally in an amount equivalent to the carbon emissions that your lifestyle or business has created. After making every effort to reduce your emissions as much as you can, purchasing carbon credits is a way to be accountable for your climate impact and take climate action beyond your own area of influence. And by supporting high impact projects, you not only "offset" your emissions but can help communities on the front lines of climate change grow in a sustainable way.

HOW CARBON OFFSETTING HELPS COMBAT CLIMATE CHANGE

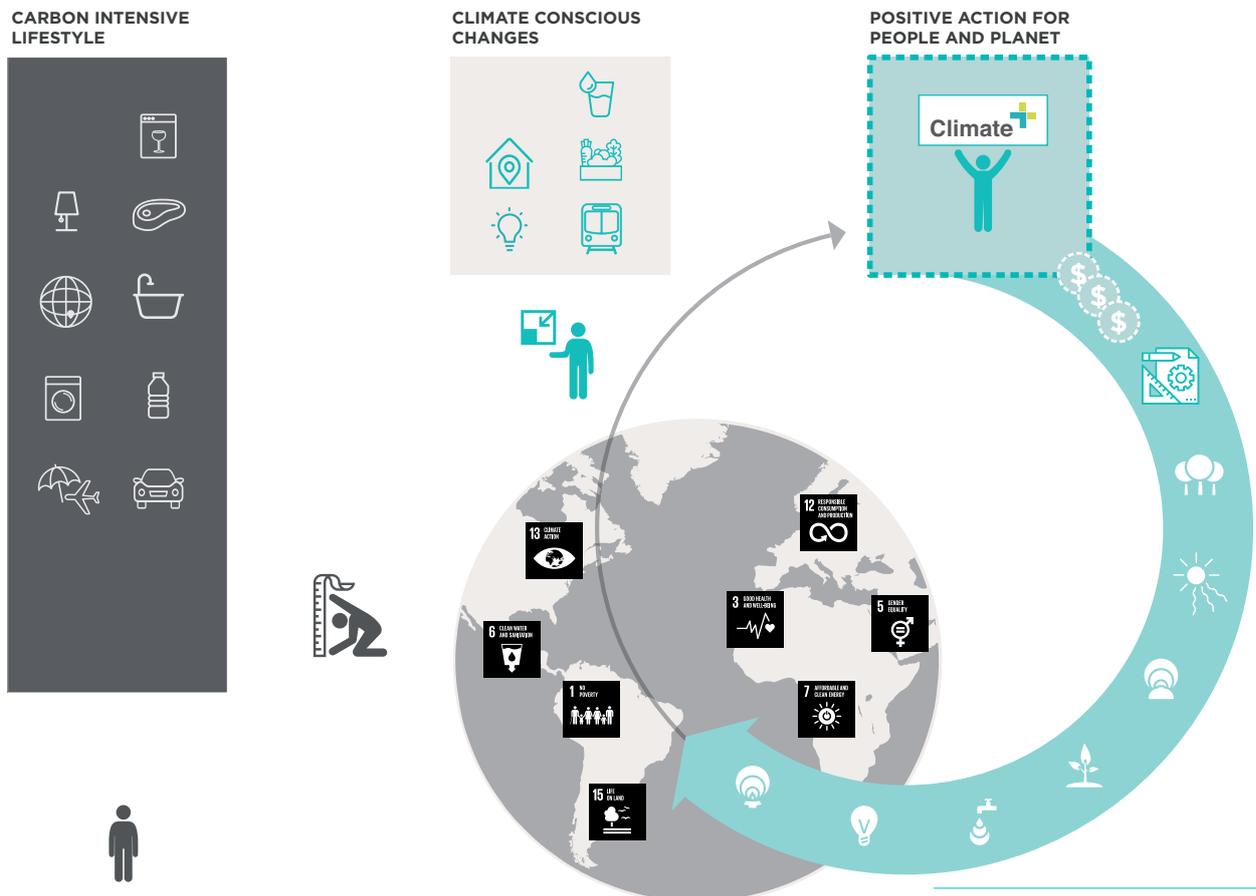
Carbon offsetting empowers you to be accountable for your unavoidable climate impact by funding the certified reduction of greenhouse gas emissions through climate protection projects elsewhere in the world. The finance you provide by purchasing carbon credits helps drive the transition to a low-carbon economy.

The science behind carbon offsetting schemes is based on the fact that climate change is a global problem: where a tonne of carbon dioxide is emitted or reduced is irrelevant for the atmosphere in scientific terms. This means that a tonne of CO₂e reduced in a cookstove project in Kenya has the same environmental value as one reduced through a wind project in China or an improved agriculture project in the United States.

WHY CARBON OFFSETTING IS URGENTLY NEEDED

The global carbon budget indicates that everyone must reduce their own climate impact. However, the commitments that companies and governments have made so far leave a huge “emissions gap” that puts us on a pathway to dangerous levels of global warming.

By funding emission reductions through carbon offsetting, you help close this emissions gap, making it more likely we can stay within the 2C limit scientists tell us will help us avoid catastrophic effects of climate change.



CORRECTING THE MISCONCEPTIONS

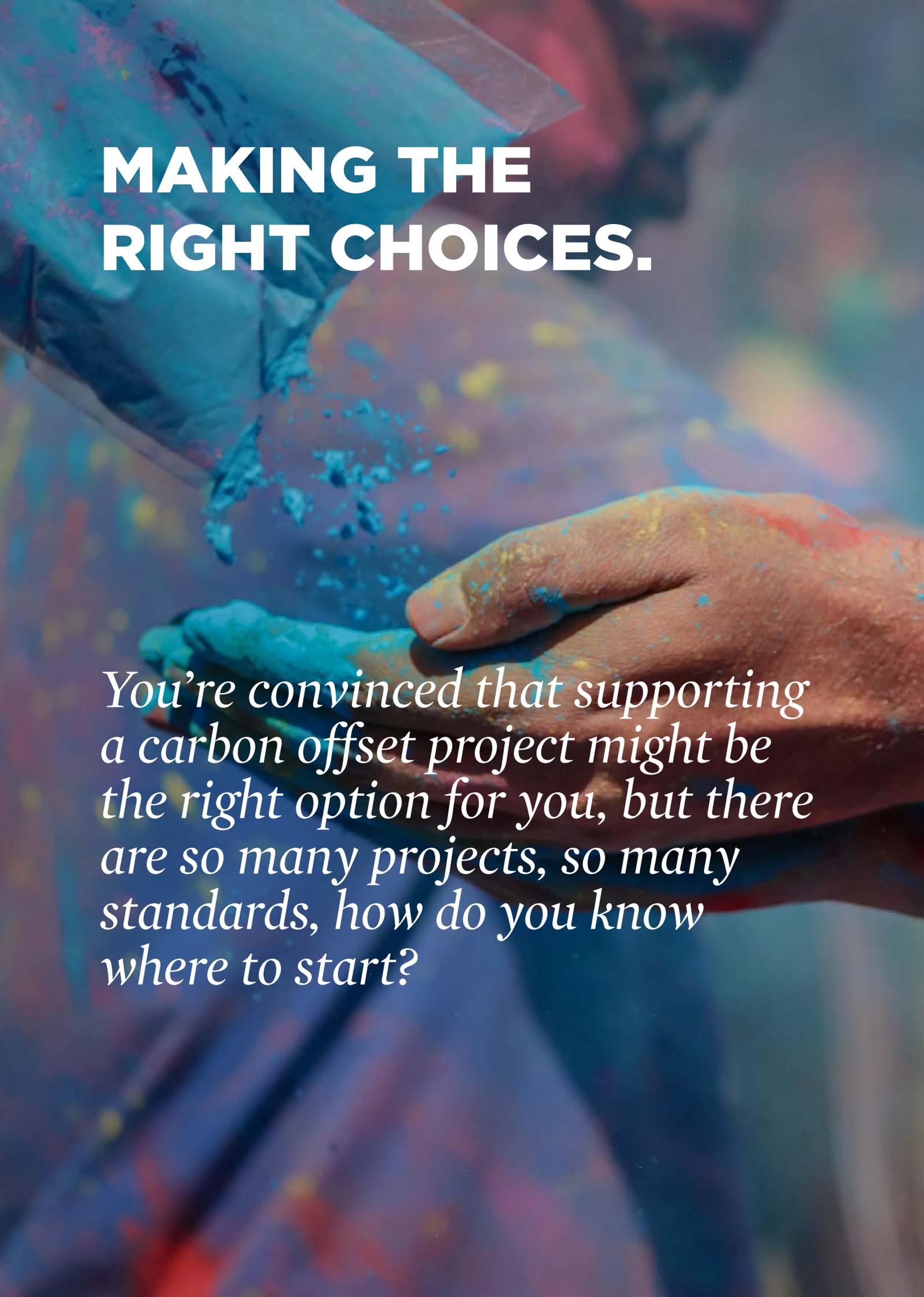
It's smart to critique any action that is positioned as a way to tackle one of the most pressing concerns of our time. However, carbon offsetting has been surrounded by a number of misunderstandings.

Some claim that purchasing carbon credits does not provide an incentive for people to change behavior and reduce emissions; people can offset and maintain a carbon intensive lifestyle. It's true that offsetting alone will not solve climate change. Organisations, governments and individuals all need to make changes to reduce their carbon footprints. But in our current world, however much we try to reduce our footprint some emissions are unavoidable. You still need to get to and from work. You need to heat your home and 100% renewable energy is not yet available in your area. The food you eat undoubtedly has at least some carbon footprint.

If you're faced with making a carbon-intensive choice or not, offsetting should not convince you that a poor choice is suddenly better. Rather, offsetting truly unavoidable emissions empowers you to take responsibility for the emissions you can't reduce. If you must take a flight, for example, offsetting your flight is much better than doing nothing.

Purchasing emission reductions from projects that support sustainable development in vulnerable communities ensures that offsetting also contributes to climate justice, improving the lives of those least responsible for the problem and least economically equipped to adapt to the changing conditions caused by climate change. This helps contribute toward meeting Sustainable Development Goals such as no poverty (SDG1), good health and well-being (SDG3), gender equality (SDG5), clean water and sanitation (SDG6), affordable clean energy (SDG7), decent work and economic growth (SDG8), life on land (SDG15) and of course, climate action (SDG13).

We all have a role to play in the fight against climate change. Your actions, however small, can have a profound impact when combined with thousands of others wanting to make a difference. By being conscious of the choices you make, their effect on the environment and taking responsibility for unavoidable emissions through climate projects that deliver sustainable development benefits you can feel good knowing you're doing your bit to help save our planet!

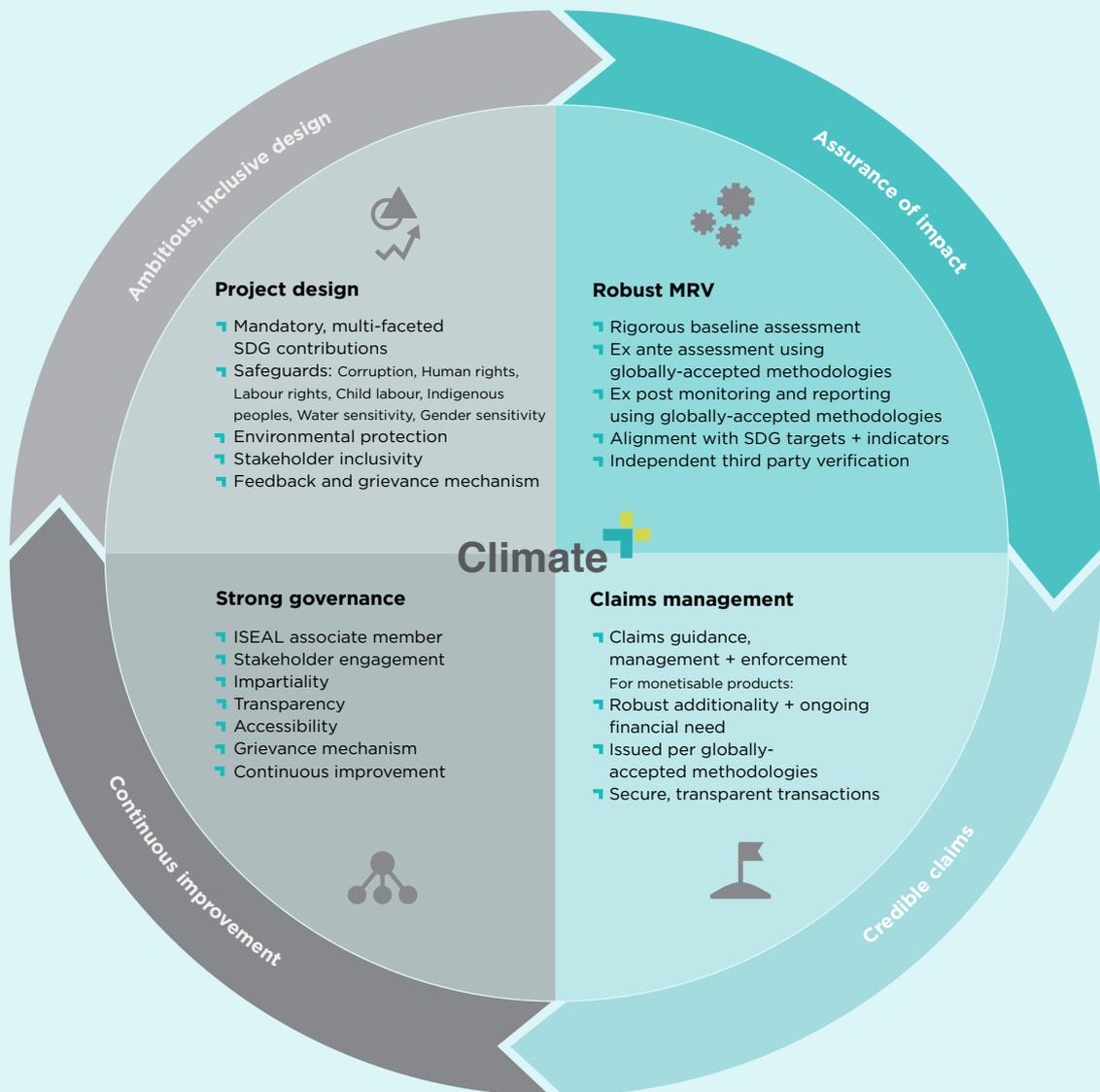
A close-up photograph of a hand holding a blue, textured object, possibly a piece of fabric or a small container. Blue powder is falling from the object, creating a dynamic, colorful scene. The background is blurred with various colors, suggesting a festive or artistic setting.

MAKING THE RIGHT CHOICES.

You're convinced that supporting a carbon offset project might be the right option for you, but there are so many projects, so many standards, how do you know where to start?

STANDARDS MATTER

With the technical detail involved in designing a project and measuring and verifying its impact, it can be difficult to understand the nuanced but important differences among standards that issue carbon credits. This is particularly important if you're interested in ensuring that your contribution – your money, to put it simply – delivers as much as it can.



Gold Standard projects deliver the greatest impact and place a high value on certainty of outcomes and credibility of claims. Gold Standard is an Associate Member of ISEAL, which sets the standard for these processes and principles, including transparency, impartiality, stakeholder engagement, grievance management, and efficiency as well collaboration with other standards for exponential impact.

Standards vary in if or how they feature these quality measures. For example, in some standards, safeguards are **optional**, not **mandatory**. So it's best to understand your priorities and ask some key questions before making your choice in carbon credits.

Gold Standard mantra is "making good better." This means that we commit to continue pioneering in climate protection to ensure the most stringent safeguards and the greatest impact delivered for every dollar channeled to projects.

THE MINIMUM REQUIREMENTS

Even organisations that are focused solely on climate impact – or prioritise lowest cost – should take care to ensure that their credits are from a reputable source.

Do the carbon credits represent the minimum integrity related to climate impact?

Be sure the carbon credits have these attributes to ensure integrity of their climate impact:

CERTIFIED

- › Projects are validated and verified to an [internationally recognised standard](#)

REAL

Emission reductions are measurable and permanent

ADDITIONAL

- › Emission reductions would not have happened without the project activity

INDEPENDENTLY VERIFIED

- › Project activities and impact data are verified by independent third party auditors

UNIQUE

- › Carbon credits are not counted or claimed by another party

TRACEABLE

- › All certified impacts are tracked transparently in a public registry

COMMITTED TO HIGHEST QUALITY + IMPACT IN SUSTAINABLE DEVELOPMENT

Many people interested in offsetting are motivated by specific benefits that are important to them, like gender equality, poverty reduction or access to clean water. Others seek to support projects in certain geographies.

To ensure all sustainable development claims beyond climate impact are credible, ask:

- › Does the project deliver multiple sustainable development benefits?
- › Are those benefits monitored and independently verified?
- › Has the project been designed in a gender sensitive way?

PRO TIP Even if you see an SDG icon on marketing material, ask to see monitoring and verification reports for those impacts.



THE GOLD STANDARD DIFFERENCE

Credible standards provide quality, independently verified assessments of the emission reductions produced by a project, ie, its climate impact. The Gold Standard goes further and ensures that all its projects meet robust and stringent methodology requirements for sustainable development in the local area.

SAFEGUARDS

- It's mandatory (not optional) for ALL Gold Standard projects to follow ALL relevant environmental and safeguarding principles in order to be certified.

STAKEHOLDER INCLUSIVITY

- This includes local stakeholder consultations and access to a grievance mechanism in case there are issues with the projects.

GENDER-SENSITIVITY

- All Gold Standard for the Global Goals projects must follow Gender-sensitive design principles, which is unique to Gold Standard.

PROJECT ELIGIBILITY

- Higher-risk project types like fossil fuel switch or large hydro are not eligible for Gold Standard certification.

VERIFIED SDG IMPACT

- All Gold Standard projects must deliver impact toward a minimum of 3 Sustainable Development Goals (SDGs), including climate. These SDG benefits vary according to project type and are verified by an independent third party.

HOW TO CHOOSE BETWEEN DIFFERENT PROJECTS?

Different projects provide different benefits. For example, a large-scale wind project provides more country level benefits such as better access to clean technologies, local employment opportunities, more energy independence and increased social stability. An improved cookstove project, on the other hand, benefits people at a community level by decreasing indoor air pollution, improving health (predominantly among women and children). Less wood is required helping to decrease deforestation and saving families money, and less time is needed for collecting wood, providing more opportunities for schooling and social activities.

Following are examples of common climate protection projects, the different development benefits they deliver, and the tangible economic value created by these benefits.



WIND PROJECTS

Beyond harnessing the natural power of the Earth for clean energy, wind projects provide new jobs in the green economy and help developing and middle-income countries become energy-independent.





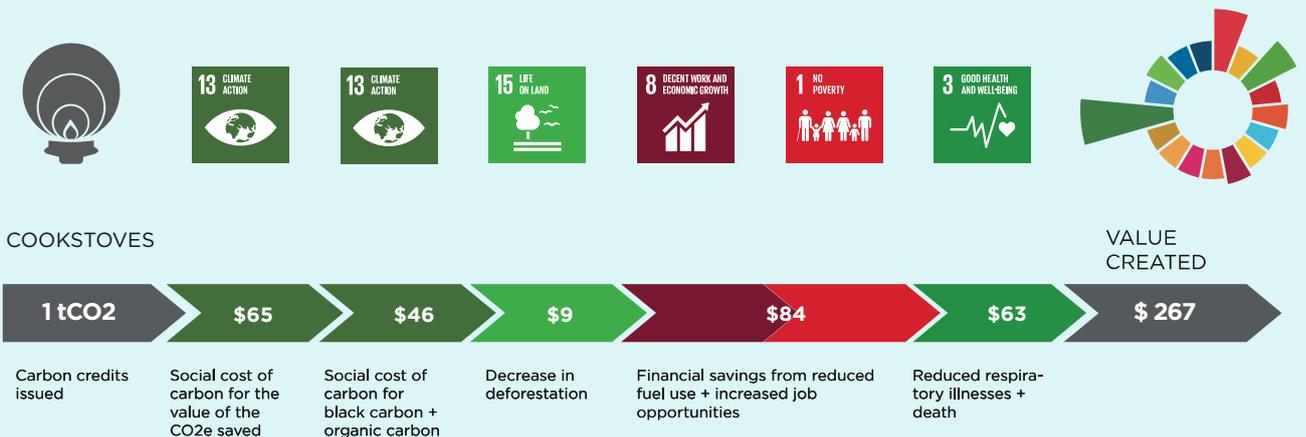
WATER PROJECTS

Water: the biggest global risk according to the World Economic Forum. These projects provide access to safe drinking water, improving health and living conditions and eliminating the burden on women and children of fetching water.



COOKSTOVES PROJECTS

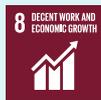
More than 3 billion people lack access to clean cooking solutions, leading to over 4 million premature deaths each year. These truly transformational projects help clean the air and save families precious time and money.





FORESTRY PROJECTS

This nature-based climate solution not only absorbs CO₂ from the atmosphere, it creates local jobs in forest management and conserves vital ecosystems--protecting local biodiversity at a time when a million species are in threat of extinction.



FORESTRY

VALUE CREATED



BIOGAS PROJECTS

A perfect example of a virtuous circle, biogas projects transform waste to a clean, reliable source of energy. On top of it all, residues from the fermentation process can be used as organic fertilizer, increasing crop growth and yields.



BIOGAS

VALUE CREATED





WHAT IS A CARBON CREDIT WORTH + WHERE DOES MY MONEY GO?

If you're confident you found the right projects to support based on your priorities, the next question is price. What does a carbon credit cost?

WHAT IS A CARBON CREDIT WORTH?

Though every carbon credit represents one tonne of CO₂ equivalent, you may have seen a range of prices for these credits. Prices range for a variety of factors:

- › Integrity of the standard its certified against
- › Value associated with the beyond-climate sustainable development benefits delivered
- › Preferences for different project types or geographies and associated supply and demand dynamics
- › Costs required to plan, implement and monitor a project

Read more about [how pricing is approached](#).

Gold Standard recommends using the Fairtrade carbon credit pricing model as a guide for *minimum* prices. For carbon credits sold through the Gold Standard website, we started with the Fairtrade minimum price and adjusted upwards to account for the value created by additional sustainable development benefits delivered by different types of projects beyond simply reducing carbon.

WHERE DOES MY MONEY GO?

Carbon offsetting projects operate on a results-based finance model. This means that the project developer takes on all the financial risk and makes the initial investment required to develop and certify the project. Once their project impacts have been independently verified and certified, the project is issued with carbon credits. The sale of these credits enables project developers to recoup costs, repay loans, and maintain and expand the project activity. This 'payment for performance' approach provides those supporting the project (e.g. purchasing carbon credits) with the highest assurance that the outcomes have been achieved.

If you would like to know more about where your money goes, here are some questions to ask your supplier:

- › Where do the proceeds of your purchase go?
- › How much money goes to the actual project developer versus the seller of the credits (if it's not the same organisation)?
- › Does the project report on how proceeds from carbon credit sales are used?
- › Can you see your purchase tracked transparently in a public registry?

The background of the image shows several metal bowls filled with brightly colored powders. A large bowl of red powder is the central focus, with a silver spoon resting in it. Other bowls contain blue, green, and yellow powders, all arranged on a light-colored surface.

WHERE CAN I PURCHASE CARBON CREDITS?

You've calculated your carbon footprint and you know the number of carbon credits you'd like to purchase, but where do you go or who do you contact to purchase these offsets?

HOW CAN I MAKE A PURCHASE?

FOR INDIVIDUALS + SMALL BUSINESSES:

Purchase online via the Gold Standard website

You can purchase credits from climate protection projects certified to [Gold Standard via our website](#).

80% of the proceeds go back to the project developers to help them maintain and expand their projects. The remaining 20% is used to cover VAT where applicable, variable PayPal charges and the administration costs for maintaining the platform and transparently retiring the credits.

Prices are set using the Fairtrade carbon credit pricing model as the minimum starting point and are adjusted upwards according to the size, complexity and added benefits delivered beyond simply reducing carbon.

The carbon credits you purchase are instantly and transparently retired in the [Impact Registry](#). On completion of an order you receive an email confirmation from Gold Standard and a follow-up email with the purchase certificate and direct links to the credit retirements.

FOR LARGER PURCHASES:

Direct from the project developers

The [Gold Standard Impact Registry](#) lists all the projects certified to Gold Standard or those seeking certification. You can search and filter the projects that meet your strategic objectives and reach out to the project developers directly to make a purchase.

Use a carbon consultant or retailer

International carbon consultants and retailers provide advice and can assist you to quantify your carbon footprint and select the right offsets to meet your specific needs. You can find a list of reputable carbon consultants and retailers at the [International Carbon Reduction and Offset Alliance](#) (ICROA) website.

Remember to ask them how much of the money you pay goes directly to the project developer. You may also want to ask if the project developer reports on how it uses carbon credit income.



SPREAD THE WORD!

*We encourage you to inspire
even more people to take action
against climate change.*

GOLD STANDARD COMMUNICATION ASSETS

Please feel free to download and use any of our ready to post communication assets for several social networks

TWITTER, FACEBOOK, INSTAGRAM POSTS SAMPLES



[ACCESS ASSETS](#)



USEFUL MARKET REPORTS + PUBLICATIONS

INTERESTED IN LEARNING MORE?

Here is a list of useful reports and publications

- [Special Report - Global Warming of 1.5C,](#)
The Intergovernmental Panel on Climate Change (IPCC), October 2018
- [Valuating the benefits of improved cooking solutions,](#)
Vivid Economics, June 2019
- [The real value of robust climate action,](#)
Net Balance, May 2014
- [Gold Standard Market Report 2019,](#)
Gold Standard, March 2020
- [EcoSystem Marketplace: State of the Voluntary Carbon Market Reports,](#)
Forest Trends, December 2019
- [State and Trends of Carbon Pricing 2019,](#)
World Bank, June 2019
- [What makes a high-quality carbon credit?,](#)
WWF, June 2020
- [Greenhouse Gas Management Institute Resources,](#)
GHGMI courses on climate change



GLOSSARY OF TERMS AND ACRONYMS

Abatement

Refers to reducing the degree or intensity of greenhouse-gas emissions.

Afforestation

Planting of new forests on lands that historically have not contained forests.

Anthropogenic greenhouse emissions

Greenhouse-gas emissions resulting from human activities.

Carbon market

A popular (but misleading) term for a trading system through which countries may buy or sell units of greenhouse-gas emissions in an effort to meet their national limits on emissions, either under the Kyoto Protocol or under other agreements, such as that among member states of the European Union. The term comes from the fact that carbon dioxide is the predominant greenhouse gas, and other gases are measured in units called “carbon-dioxide equivalents.”

Carbon sequestration

The process of removing carbon from the atmosphere and depositing it in a reservoir.

CDM

Clean Development Mechanism. A mechanism under the Kyoto Protocol through which developed countries may finance greenhouse-gas emission reduction or removal projects in developing countries, and receive credits for doing so which they may apply towards meeting mandatory limits on their own emissions.

Certified emission reductions (CER)

A Kyoto Protocol unit equal to 1 metric tonne of CO₂ equivalent. CERs are issued for emission reductions from [CDM](#) project activities. Two special types of CERs called temporary certified emission reduction (tCERs) and long-term certified emission reductions (lCERs) are issued for emission removals from [afforestation and reforestation](#) CDM projects.

CO₂

Carbon dioxide.

Deforestation

Conversion of forest to non-forest.

Greenhouse gases (GHGs)

The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Less prevalent --but very powerful -- greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

Intergovernmental Panel on Climate Change (IPCC)

Established in 1988 by the World Meteorological Organization and the UN Environment Programme, the IPCC surveys world-wide scientific and technical literature and publishes assessment reports that are widely recognized as the most credible existing sources of information on climate change. The IPCC also works on methodologies and responds to specific requests from the Convention's subsidiary bodies. The IPCC is independent of the Convention.

Kyoto Protocol

An international agreement standing on its own, and requiring separate ratification by governments, but linked to the UNFCCC. The Kyoto Protocol, among other things,

sets binding targets for the reduction of greenhouse-gas emissions by industrialized countries. [More information here.](#)

Least Developed Countries (LDCs)

The world's poorest countries. The criteria currently used by the Economic and Social Council (ECOSOC) for designation as an LDC include low income, human resource weakness and economic vulnerability. Currently 48 countries have been designated by the UN General Assembly as LDCs.

Mitigation

In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other "sinks" to remove greater amounts of carbon dioxide from the atmosphere.

MRV

Measurable, reportable and verifiable. A process/concept that potentially supports greater transparency in the climate change regime.

One or more officials empowered to represent and negotiate on behalf of a government.

Non-governmental organizations (NGOs)

Organizations that are not part of a

governmental structure. They include environmental groups, research institutions, business groups, and associations of urban and local governments. Many NGOs attend climate talks as observers. To be accredited to attend meetings under the Convention, NGOs must be non-profit. More information [here](#).

REDD

Reducing Emissions from Deforestation and Forest Degradation.

Reforestation

Replanting of forests on lands that have previously contained forests but that have been converted to some other use.

Registries, registry systems

Electronic databases that tracks and records all transactions under the Kyoto Protocol's greenhouse-gas emissions trading system (the "[carbon market](#)") and under mechanisms such as the Clean Development Mechanism. "Registry" may also refer to current discussions on a system for inscribing nationally appropriate mitigation actions.

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Technology transfer

A broad set of processes covering the

flows of know-how, experience and equipment for mitigating and adapting to climate change among different stakeholders.

UN

United Nations.

Verified emission reductions (VERs)

A Verified Emissions Reduction is a single unit (one tonne) of CO₂ equivalent reduction captured as a carbon credit for use as a commodity within the voluntary carbon market.
