

GOLD STANDARD

Market report 2019



February 2020

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Gold Standard[®]

MARKET REPORT

Table of contents

Foreword	3
Executive summary	4
Gold Standard project pipeline	6
Gold Standard certified projects	8
A closer look at 2019	14

MARKET REPORT

Foreword

Looking back

The year 2019 marked steady issuances and another record year for carbon credit purchases – a positive indication for the willingness of the private sector to finance emission reductions beyond their boundaries. Demand for land use credits in particular has soared, showing a fast growing interest in nature based climate solutions. These are indeed critical to reach the ambition of the Paris Agreement to balance emissions with sinks by midcentury, but must be leveraged in a robust way, used under the right mechanisms, and come alongside dramatic emission reductions to decarbonize the economy.

Looking forward

For this reason, Gold Standard will look to significantly scaling our nature based solutions portfolio with high-quality carbon removal projects for use in both market and non-market approaches. Our focus:

- Expand our Afforestation/Reforestation portfolio
- Build upon our newly launched [Soil Organic Carbon framework](#)
- Pioneer new methodologies in blue carbon

We are now approaching the 2021 deadline when the ‘rulebook’ for Article 6 of the Paris Agreement is meant to come online. However, COP25 in Madrid was a stalemate, revealing a continued lack of political will to reach agreement on rules for international carbon trading. Fortunately, Gold Standard, its partners

and the civil society organisations that follow carbon markets have more than 15 years' experience to inform how to make carbon markets deliver the greatest impact. We will use these insights along with views from our stakeholder base to propose new rules and requirements for projects post-2020. Our aim is to again raise the bar for both environmental integrity and sustainable development, leading to credible, high-impact carbon finance.

Looking for input

We will publish our proposals for new eligibility criteria and other rules and requirements in the second quarter of 2020. We hope that our stakeholders, supporters – and even detractors – will review these proposals and share their own views about how to maximise the impact of markets moving forward.

"2019 was a record year for carbon credit purchases – a positive indication for the willingness of the private sector to finance emission reductions beyond their boundaries. With soaring demand for nature based solutions, Gold Standard will look to ensure they are leveraged in a robust way, used under the right mechanisms, and come alongside dramatic emission reductions to decarbonize the economy."

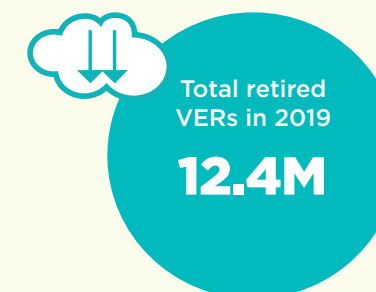
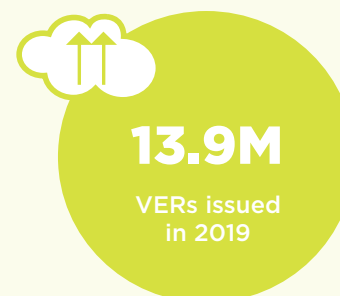
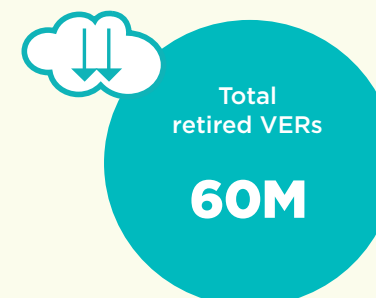
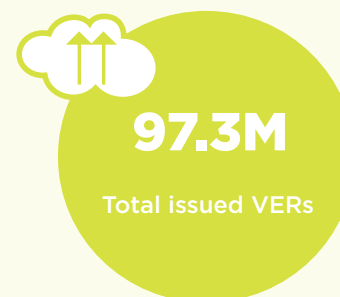
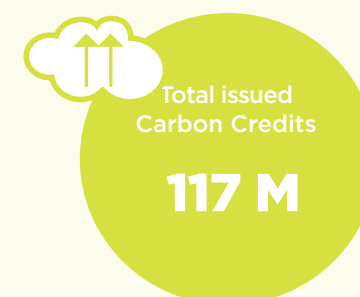
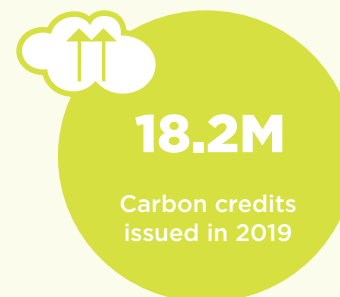
MARKET REPORT

*Executive summary***IN 2019**

- Another year of high issuances, with **18.2 million** emission reductions issued from 49 different countries. This included, **13.9 million** voluntary Verified Emission Reductions (VERs) and **4.3 million** Gold Standard labelled Certified Emissions Reductions (CERs) for the compliance market
- Growth primarily from wind, cookstove and household biogas
- Record high voluntary retirements in 2019 with **12.4 million** emission reductions retired – 31% increase over 2018

IN TOTAL

- In total, Gold Standard has issued nearly **117 million** carbon credits from over 800 projects, based in 65 different countries. This includes, **97.3 million** VERs and **19.4 million** Gold Standard labelled CERs.
- In total, **60 million** tonnes of VERs have been retired, 62% of the total VERs issued.





GOLD STANDARD

Project pipeline

In total, there are +2000 projects in our pipeline with the potential to save nearly 170 million tonnes of CO₂ per year – more than three times the annual emissions released by Switzerland every year.

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Project pipeline

When applying our standard, projects move through a project certification cycle.

This page provides an overview of where projects are within this cycle. Over 60% of our projects are fully certified and already issuing credits or at the design certified stage – the final stage before issuance is approved.

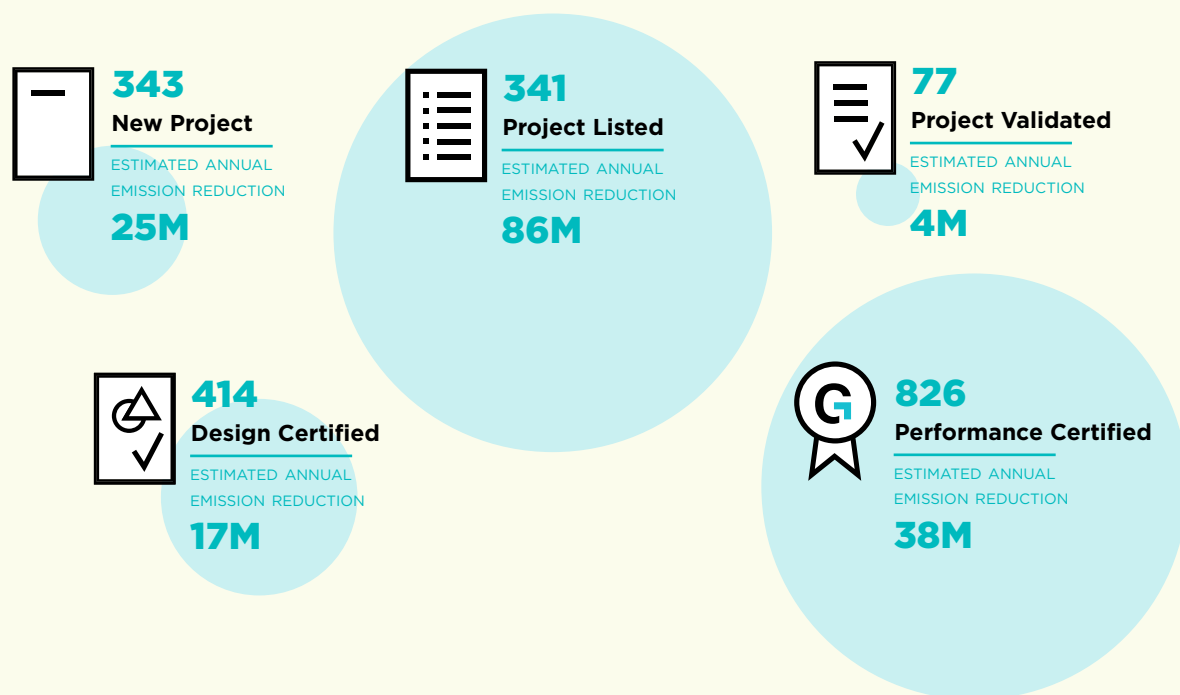


FIGURE 1 – Overview of projects in our project certification process

Definitions

- › **New Project** – Project concept submitted to Gold Standard
- › **Project Listed** – Preliminary review to check conformance successfully completed
- › **Project Validated** – Documentation successfully validated by a third-party auditor
- › **Design Certified (Registered)** – Validation audit complete and all documents reviewed and approved
- › **Performance Certified (Issued)** – Project cycle and verification audit successfully completed; Project is issued with relevant product (e.g. carbon credits)



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Certified projects

Gold Standard saw record high voluntary retirements in 2019, with retirements up by 30% and totaling 12.4 million.

GOLD STANDARD CERTIFIED PROJECTS

Year-on-year comparisons

Over 800 projects have completed the certification process and issued credits. In total Gold Standard has issued nearly **117 million** emission reductions (19% increase compared to 2018): **19.4 million** Certified Emission Reduction (CER) labels for the compliance market and **97.3 million** Verified Emission Reductions (VERs) for the voluntary market. For retirements, **60 million** voluntary credits have been permanently retired (62% of the total VERs issued) .

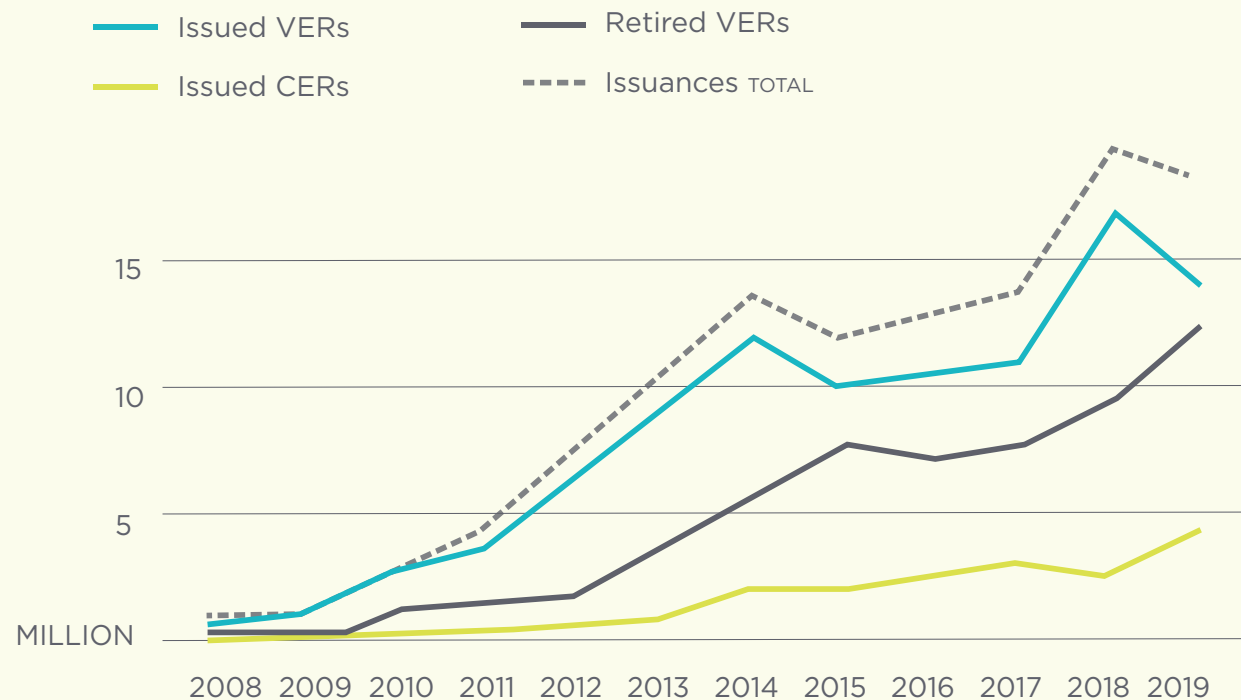


Figure 2 shows the year-on-year issuance figures for both VERs and CER labels. It also captures the annual number of voluntary retirements for VERs. These figures have steadily increased over the past decade, with record high issuances for CER labels and VER retirements in 2019.

GOLD STANDARD CERTIFIED PROJECTS

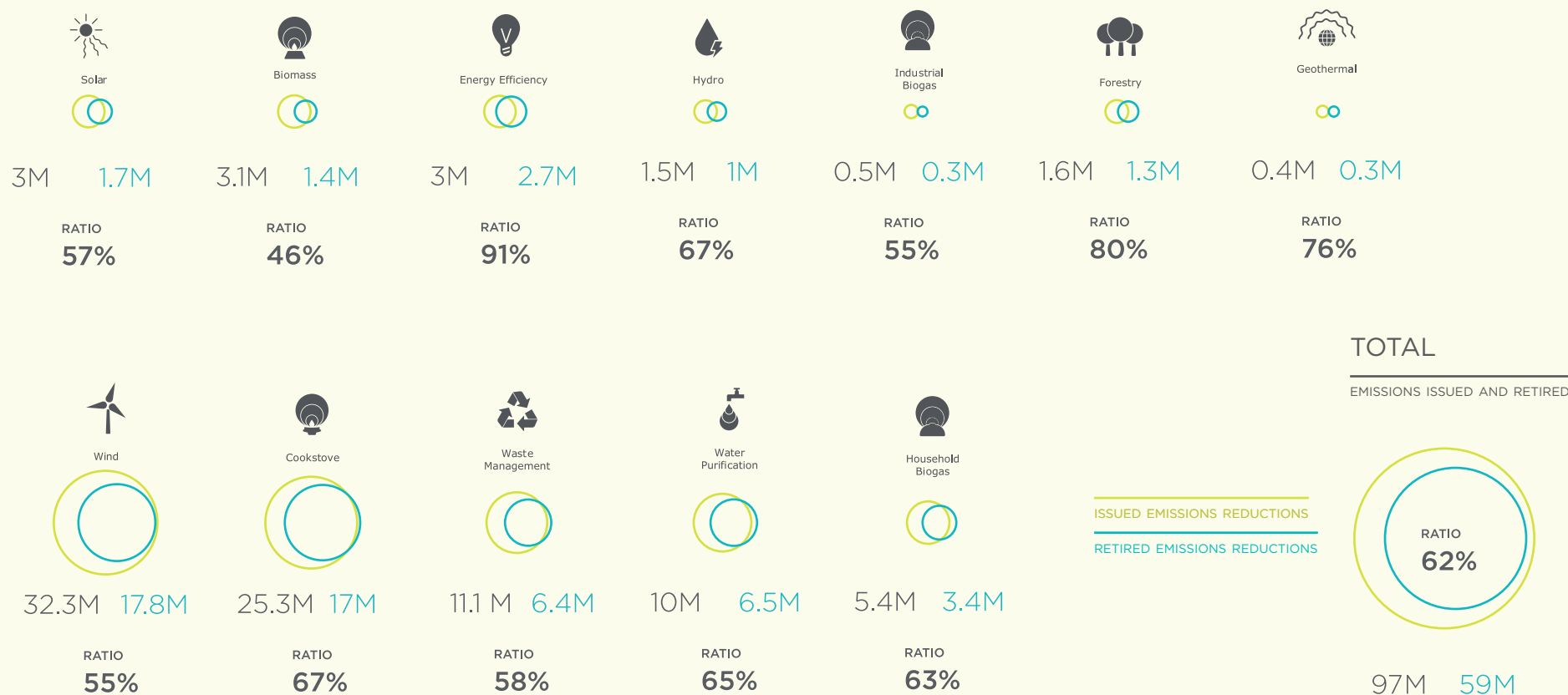
Issuance and retirement ratios

Figure 3 shows the total VER issuances and retirement volumes by project type. This data provides insights into where demand is currently highest and indicates the types of projects that may still have credits available for purchase.

GOLD STANDARD CERTIFIED PROJECTS

Scope of certified projects

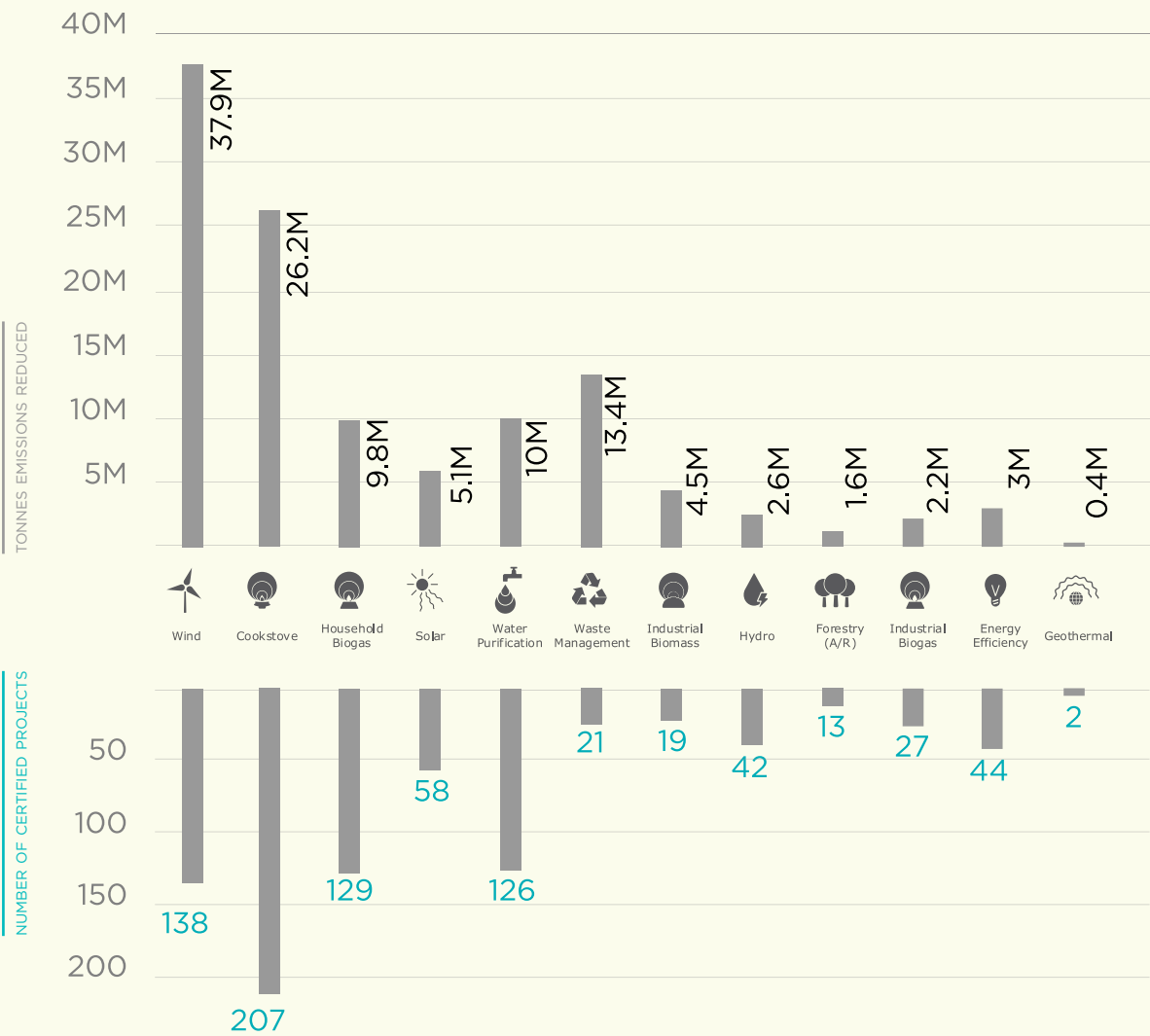


Figure 4 shows the volume of Gold Standard certified projects and issuances by issued and project type, including VER and CERs.

TOTAL
TONNES EMISSIONS REDUCED
116,670,286

TOTAL
NUMBER OF CERTIFIED PROJECTS
826

FIGURE 4 – Gold Standard certified projects by project type (VERs and CER labels)

GOLD STANDARD CERTIFIED PROJECTS

Global distribution of emissions reductions

In total, Gold Standard has issued nearly **117 million carbon credits** from projects based in more than **65 different countries** around the world.

Figure 5 provides an overview of where these emission reductions took place.

TOTAL
EMISSIONS REDUCED
166'670'286

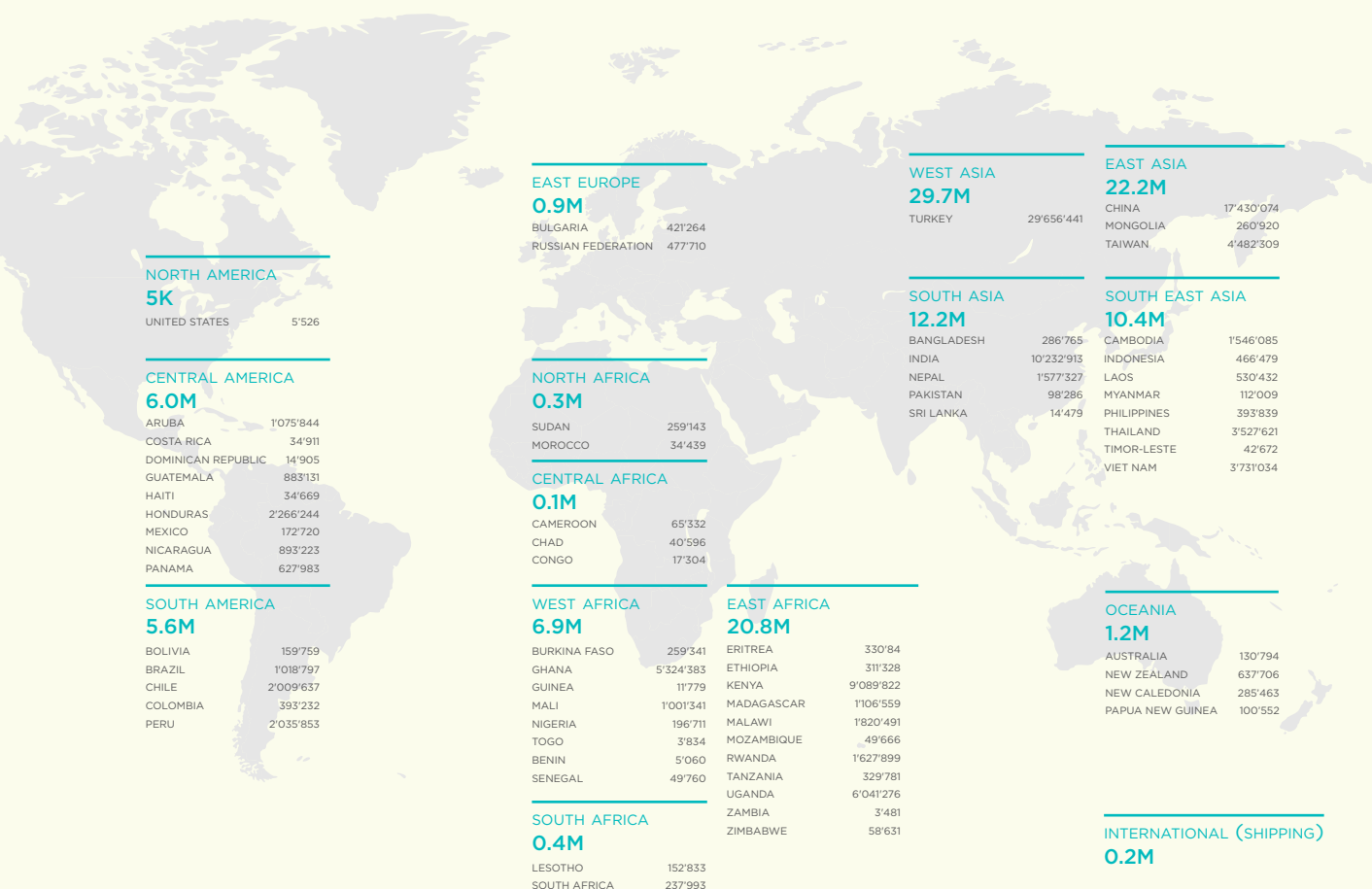


FIGURE 5 – Emission reductions from Gold Standard certified projects by region

GOLD STANDARD CERTIFIED PROJECTS

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 2019 our issued projects have created nearly **13.8 billion US dollars** of value in benefits beyond carbon (see Figure 6). This calculation considers only those project types studied within the report (e.g. household biogas, cookstove, water purification, wind and forestry (A/R) projects). It covers both the voluntary (VERs) and the compliance market (CER labels), and accounts for just over 70% of our issued portfolio.

"Gold Standard certified projects have created nearly \$13.8 BILLION dollars in shared value for climate action + sustainable development."

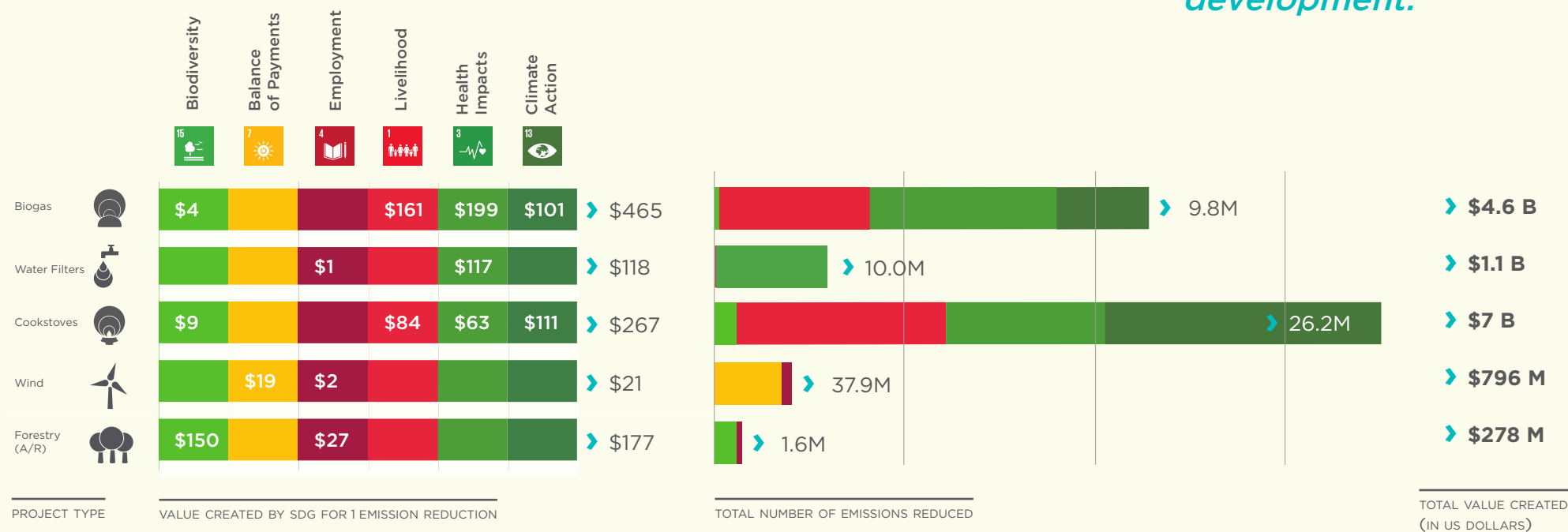
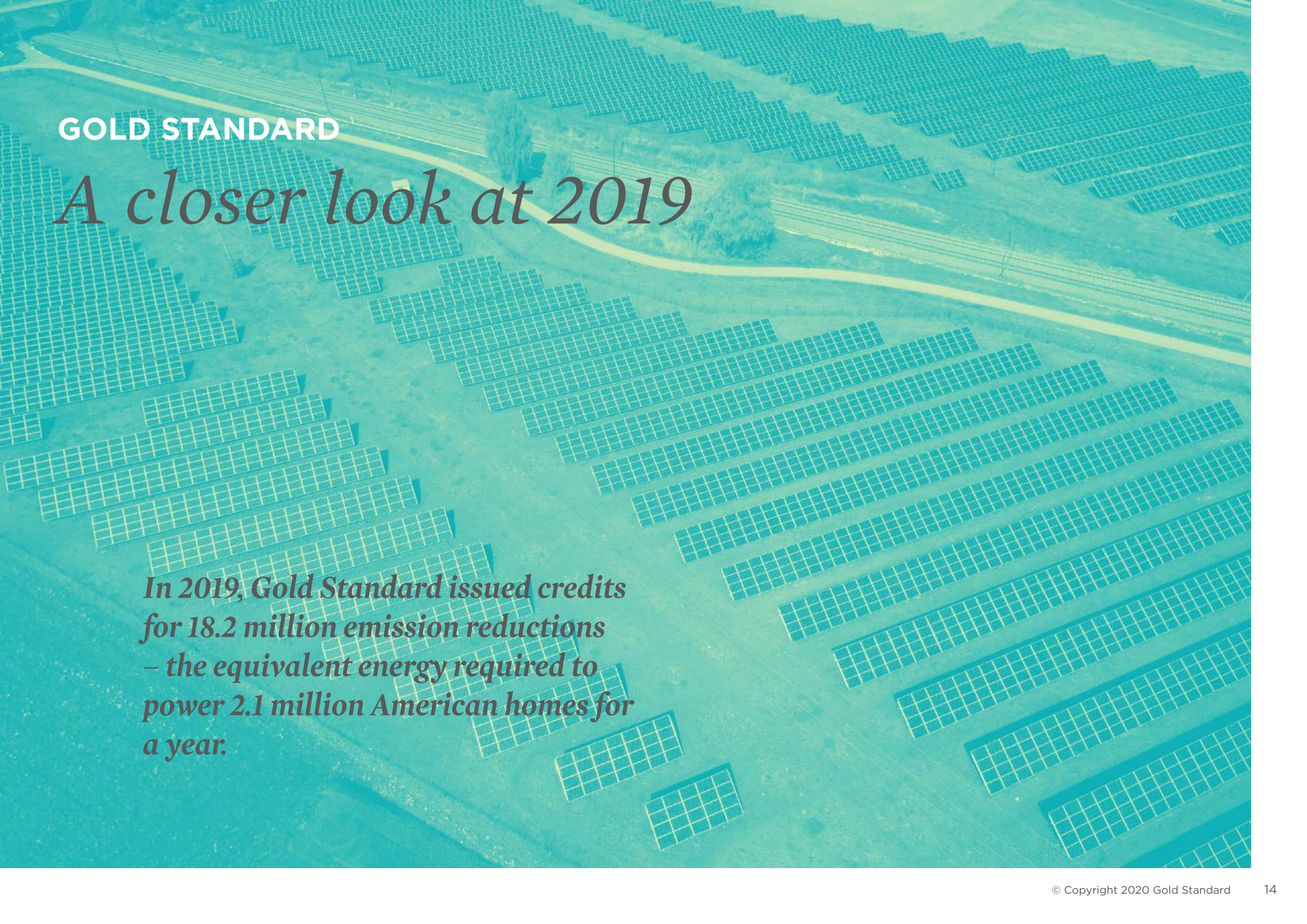


FIGURE 6 – Total value created by the additional environmental + socio-economic benefits delivered by a Gold Standard certified project.



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A closer look at 2019

In 2019, Gold Standard issued credits for 18.2 million emission reductions – the equivalent energy required to power 2.1 million American homes for a year.

A CLOSER LOOK AT 2019

Quarterly issuances and retirements for 2019

In total Gold Standard projects issued **18.2 million** carbon credits in 2019, slightly down from last year's record issuance of **19.5 million** credits. VER issuances were down by 17%, however CER label issuances increased by 62%, with a total of **4.3 million** CER labels being issued throughout the year. It was another record high year for voluntary retirements with **12.4 million** credits (31% increase) being permanently retired from the registry.

	› Q1	› Q2	› Q3	› Q4	› TOTAL
Issuance of CERs (compliance market)	› 1'604'792 +183%	› 681'882 -42%	› 463'320 -43%	› 1'573'360 +1378%	› 4'323'354 +62%
Issuance of VERs (voluntary market)	› 3'005'545 -24%	› 1'638'999 -66%	› 4'230'468 -17%	› 5'045'153 +77%	› 13'920'165 -17%
TOTAL ISSUANCES	› 4'610'337 +1%	› 2'320'881 -62%	› 4'693'788 -20%	› 6'618'513 +124%	› 18'243'519 -6%
Retirement of VERs (voluntary market)	› 3'356'597 +41%	› 2'035'597 -8%	› 2'025'470 -12%	› 4'956'591 +96%	› 12'374'255 +31%

TABLE 2 – Gold Standard issuances and retirements for 2019 by quarter

A CLOSER LOOK AT 2019

Issuance + retirement volumes by project type

Figure 7 shows the VER issuances and retirement volumes by project type for 2019. In 2019, **13.9 million** VERs were issued and **12.4 million** VERs were permanently retired from the Gold Standard Impact Registry. Forestry projects, domestic energy efficiency projects such as energy saving lamps and heating, and waste management projects all retired more credits than were issued.

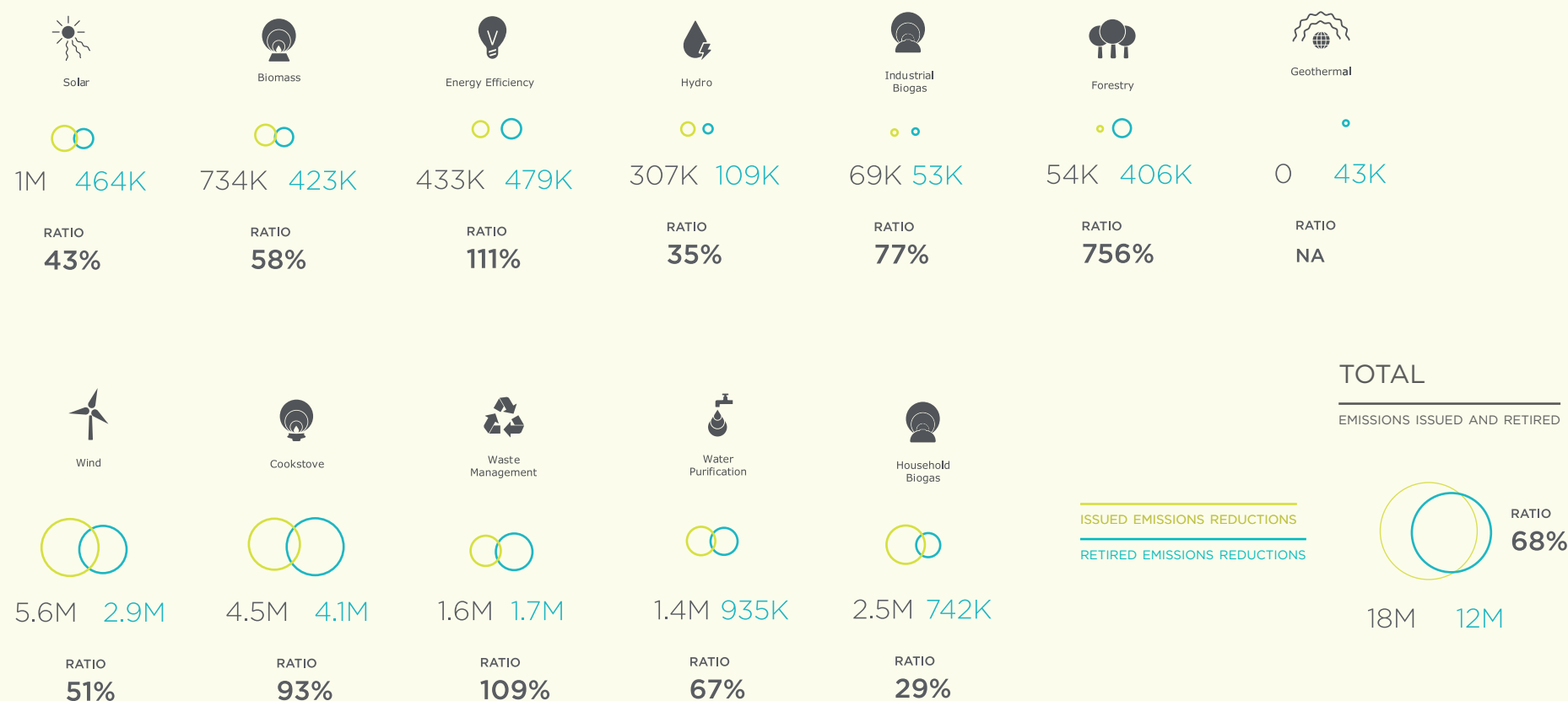


FIGURE 7 – Issuances and retirements by project type.

A CLOSER LOOK AT 2019

Issuance volumes by location

In 2019, Gold Standard issued **18.2 million** carbon credits from projects based in **49** different countries around the world.

The graph provides an overview of where these issuances took place.

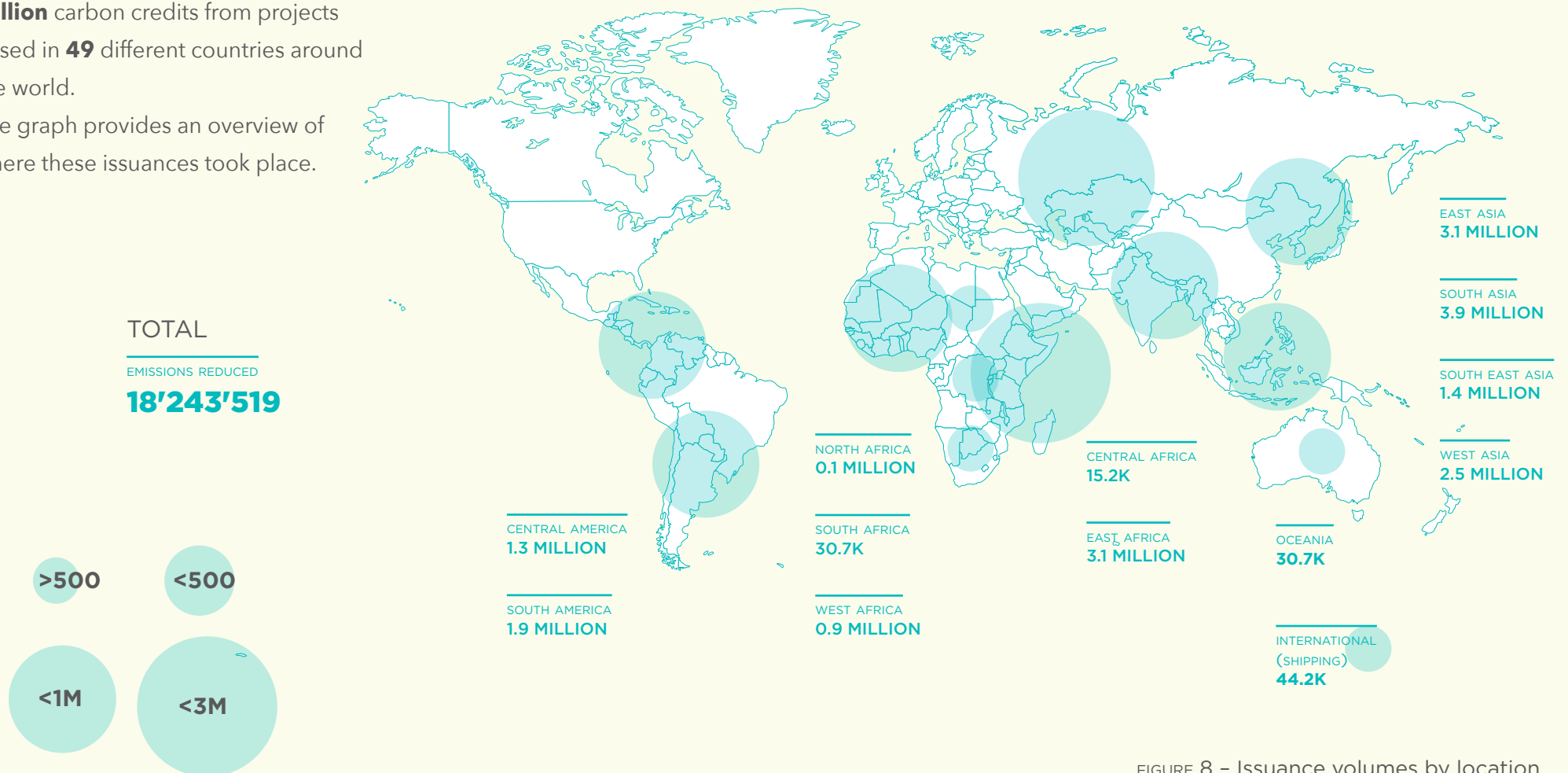


FIGURE 8 – Issuance volumes by location



We hope you find this data of value.

We would like to evolve and improve this report over time and welcome your comments or suggestions.

Please send any feedback to help@goldstandard.org

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