



# Gold Standard<sup>®</sup>

**CMA – 29th April 2024**

**Can Policy Crediting deliver what it promises?**

# Gold Standard<sup>®</sup>

**Policy-based certification**



## Background

### Global Green Growth Institute (GGGI) teamed with GS for

- Designing Article 6 Policy Approaches (DAPA) programme
- GGGI bringing experience in policy design and implementation

### Gold Standard leading the work

- Outcome is GS owned

### Crucial help from Perspectives regarding additionality

### Outcome are two new requirement documents

- Policy related requirements
- Associated additionality tool

# └ Applicability

## └ Certification scope

- └ The content of a policy is not under GS purview, is prerogative of the policy-makers
- └ The outcome of a policy is certified

## └ Methodology

- └ GS4GG approved methodologies, tailored to national circumstance as needed
- └ New methodology

# └ Categorisation of policies

## └ Policy's effect type

- └ Policy directly affects specific activities or interventions
  - └ e.g., adopting measures for renewable energy generation, improving energy efficiency, electrification, fuel switching to zero carbon fuels, agriculture and land use
- └ Not applicable: Policy with diffuse outcome
  - └ e.g., carbon tax, ETS

## └ Motivation of policy

- └ Legal requirement - mandates
  - └ Mandate or prohibit technologies/measures with low/high mitigation impact
  - └ Example: technology standards, performance standards and quotas
- └ Financial incentives
  - └ Incentives to deploy low-carbon technologies/measures or financial disincentive to carbon-intensive technologies/measures
  - └ Example: taxes and charges, tradable permits, subsidies and incentives (e.g., concessional or risk sharing instruments) and any voluntary agreements that include financial incentives by the government
- └ Corrective legislation
  - └ Policies that eliminate prohibitions/prohibitive obstacles to mitigation activities
  - └ Example: legislation that allows the use of previously prohibited mitigation technology

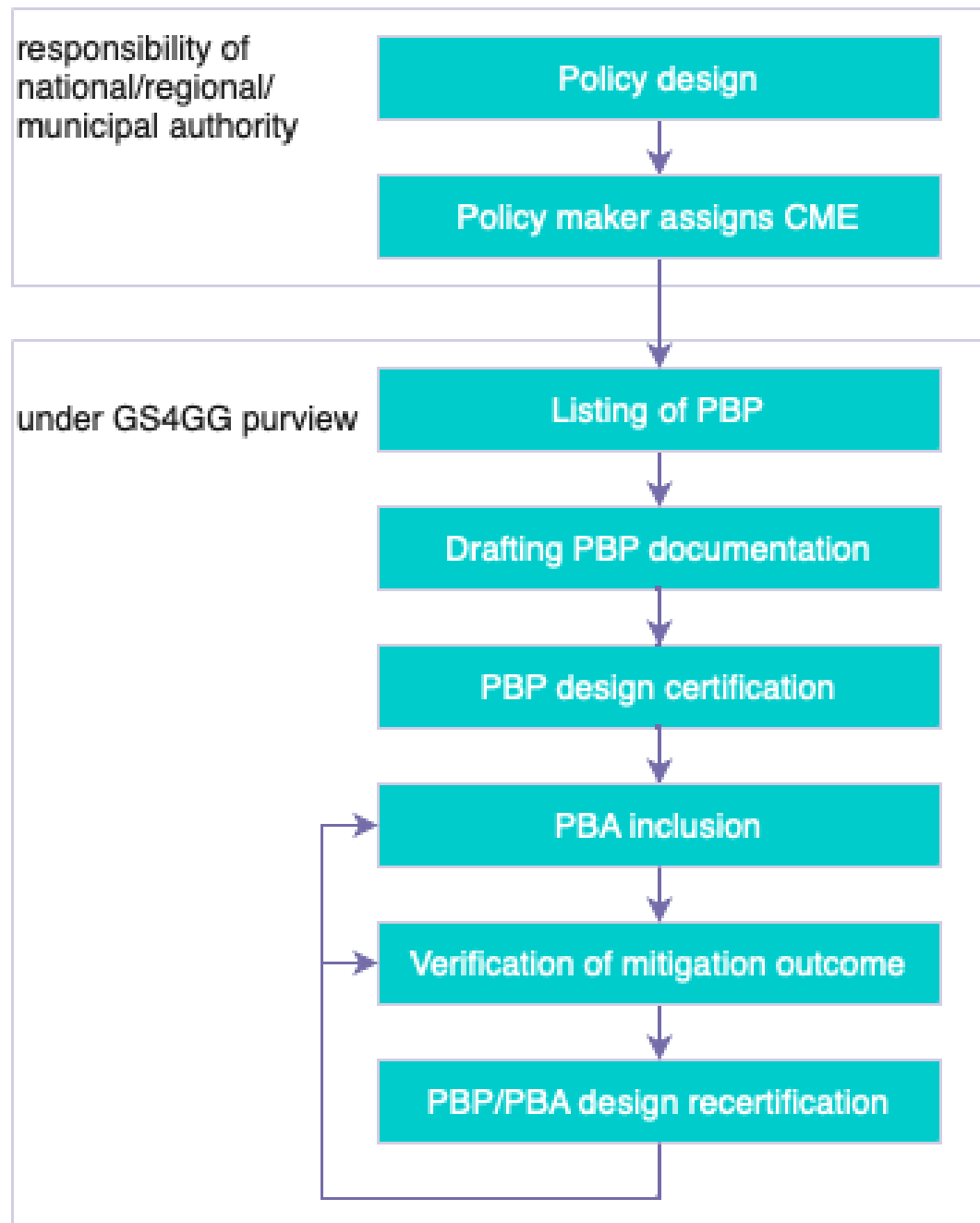
# Additionality demonstration

- Steps to demonstrate additionality:
  - Regulatory additionality
  - NDC alignment check
  - Paris temperature goal alignment
  - Financial non-additionality risk
  - Investment analysis
  - Barrier analysis
  - Common practice
- Delineated by category/sector
- Simplified approaches when possible (e.g. positive list)

## Challenges

- Procedure to identify cross-effects with other policies
- Modelling-based baselines not (yet) included
- Excluding first-of-its-kind additionality
- Policy may include several policies, instruments, regulations
- Policy may have been enacted in the past but not yet implemented
- No cross-border policies
- Provisions to rely on stakeholder consultation conducted by the policy-maker as part of their regular procedures
- Measures to avoid cross-border leakage – shifting of activities to other countries
- Annual reporting to track changes to and efficacy of policy

# Procedure





## Indicative list of policies and their applicability

Policy	Expected eligibility
Emission trading scheme / carbon tax / fossil fuel tax	No
Fuel blending mandate / vehicle emissions standard	No
Risk sharing instrument	Yes
Removal of a policy posing a technological restriction	Yes
Removal of planned financial subsidies	Yes
Research and development funding	No
Public awareness campaign	No
Subsidy / incentive (incl. taxation related) / loan guarantee	Yes
Technology standard / performance standard / energy efficiency standard / construction code	No

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**Thank you**

