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Financing for global water projects is in crisis: The Gold Standard's exciting new 'results based finance' governance platform aims to change this by providing the first globally consistent mechanism that defines best practice governance for, and certifies the positive impacts of, investment in water projects.

The World Water Council and the Global Water Partnership estimate that annual investment needs to double to \$180-billion dollars and acknowledge that 'water, above all, is a problem of governance'. As an example, the organisation Sustainable WASH, estimates that over the last 20 years, around 800,000 hand pumps have been installed in Sub-Saharan Africa, of which some 30% are known to fail prematurely, representing a total failed investment of between \$1.2 and \$1.5 billion. Less than five percent of projects are revisited after project conclusion and less than one percent have any long-term monitoring.

This is in stark contrast to low carbon development projects certified by The Gold Standard whose outcomes must be independently audited annually for between 10 and 50 years and listed in a public registry. Each successful audit of verified outcomes leads to the issuance of credits that are sold to provide ongoing finance to a project. This approach provides incentives for sustainable project operation and the achievement of outcomes.

Indeed, through this 'results based finance' carbon framework, in the last decade, The Gold Standard has driven billions of dollars of investment into more than 1200 clean energy projects in 50 countries. WWF calls The Gold Standard its 'market based weapon of choice' while the International Finance Corporation says Gold Standard climate projects deliver 'supra-normal' development outcomes.

Ultimately, Gold Standard certification guarantees accountability in sustainable development, giving confidence to investors that outcomes are measurable and verified.

With the conviction that this carbon results based finance model can be adapted to generate broader environmental and development outcomes, The Gold Standard established its Water Programme to develop a cutting edge framework for global water projects that deliver significant water impacts.



This framework will provide an international benchmark and trusted certification that a volume of water has been saved, purified or supplied by a project, allowing development agencies, philanthropic foundations, governments and corporates to link funding to measurable and verifiable outcomes of water-related projects.

An advisory committee, including organisations such as IUCN, The Stockholm International Water Institute and the World Resources Institute, has been established and four pilot projects will be implemented through The Gold Standard Water Governance Platform in order to test and refine the scheme. Because this pioneering programme is a first of its kind, The Gold Standard will continually undertake stakeholder engagement to allow the broadest possible civil society input and feedback in the development of the platform.

Expressions of interest are also being sought from organisations that may wish to make use of the framework or from those that may wish to participate in expanding or enhancing the current scope of the programme through financial and/or material in-kind contributions.

The Gold Standard Foundation is developing its Water Results Based Finance Platform in association with the Water Benefit Partners programme, conceived in 2011 and initiated and managed by First Climate (www.firstclimate-climateneutral.com), The Programme is a Public Private Partnership (PPP) between the Swiss Government and a number of NGO and commercial partners (www.waterbenefitpartners.org). The Gold Standard Foundation has actively participated in the PPP as a member of the Sounding Board.

Following a successful first phase, The Gold Standard is now leading the in-depth development of governance and monitoring, reporting and verification frameworks. It is also defining and establishing the 'regulatory infrastructure' required for a credible certification scheme and supporting the certification of the first demonstration projects against water-specific methodologies.

A vital part of The Gold Standard Foundation's role is to drive the process of consultation and engagement with civil society and other key stakeholders.

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