

FOR IMMEDIATE RELEASE

Protected Against Greenwashing: Subnational Climate Fund Achieves Gold Standard's Design Certification

Gold Standard has announced that [the Subnational Climate Fund \(SCF\)](#) has become the first fund ever to achieve Design Certification under the world-leading standard Gold Standard for the Global Goals. This certification provides independent verification of the impact of investments, effectively guarding against greenwashing.

GENEVA, SWITZERLAND – 20/07/2023 – Amidst growing concern that 'sustainable finance' is not delivering real impact toward global climate and development targets, Gold Standard today announced that SCF, a global blended finance initiative, is the first certified impact fund under Gold Standard's [piloting of requirements for impact funds and bond issuers](#). The requirements help investors and bond holders manage, measure, and maximise the impact that their investments or use of proceeds have on sustainable development. Gold Standard's certification will validate impact results, accelerating necessary private capital investments in products and companies that contribute to a safe, sustainable tomorrow.

SCF has successfully achieved design certification, meaning its governance structure, impact strategy and investment screening criteria align with GS4GG. The unique requirements mean all key investment decisions must consider the impact they will have. This guards against 'greenwashing' - when organisations make claims that are misleading, overclaimed, or not real.

The announcement comes shortly after SCF announced its [first investment](#) into Grupo LUXUN, a leading Mexican renewable energy company for distributed generation. As part of the project, SCF is developing solar photovoltaic assets to offer clean energy to commercial and industrial clients who currently have limited electricity supply options. SCF expects the project to positively impact numerous Sustainable Development Goals (SDGs), including access to affordable and clean energy (SDG 7), decent work and

economic growth (SDG 8), and climate action (SDG 13). SCF investments are also assessed against Nature-based Solutions and biodiversity benefits. Other projects in the pipeline include an integrated cold chain logistics development platform in North and West Africa, utility scale solar and battery storage projects in Dominican Republic and the Balkans, an ecotourism opportunity in the Galapagos, and sustainable agriculture projects in Jamaica and West Africa.

Achieving design certification means that it has been independently verified that:

- SCF's governing body integrates the UN's SDGs into its decision-making practices, and their impact strategy aligns with SDG 5 (gender equality) and SDG 13 (climate action).
- SCF's investments assess negative impacts by applying GS4GG safeguarding principles and requirements for all potential impacts.
- SCF's investments must have an exit strategy to ensure that the principle of "do no harm is" embedded into decision making for the lifetime of the investments made.

Gold Standard's pilot fund requirements align with other leading standards, such as Operating Principles for Impact Management (OPIM), UN Principles for Responsible Investment (UN PRI), and UNDP (United Nations Development Programme) SDG Impact Standards, minimising the reporting burden for funds. In addition, they go beyond traditional practices by including performance reporting and assurance.

Commenting on the announcement Margaret Kim, CEO of Gold Standard, said:

"By working with Gold Standard and focusing on impact, SCF can be sure that they are identifying investments that will make a genuine, tangible, verifiable difference to the UN's Sustainable Development Goals, and demonstrate results in the real world."

Craig Cogut, CEO & Founder of Pegasus said:

"We are proud that SCF is the first impact fund achieving Gold Standard's design certification to ensure SDG impacts are achieved in the real economy and to reduce the risk of greenwashing. Given Gold Standard's rigorous requirements for stakeholder inclusivity, impacts linked to SDGs with approved methodology, safeguards to avoid unintended negative effects and the mandatory third-party

audit, we are convinced that Gold Standard will set the bar high for investors who are committed to sustainable development impacts.”

David Albertani, CEO of Catalytic said:

“Credible measurement plays an important role in attracting additional investments for sustainable infrastructure projects by adding another level of confidence. Gold Standard’s effort in pushing the boundaries of impact measurement further by adding ‘design certification’ for funds to their process is a very step important in our industry.”

If you would like to learn more about how the world can encourage more impactful sustainable investment, Gold Standard will be holding a webinar along with experts in green finance 6 September 2023 at 16:00 CEST. Register to attend [here](#).

Those interested in applying the Gold Standard fund requirements should contact caitlin.drake@goldstandard.org.

About Gold Standard

Gold Standard (www.goldstandard.org, @goldstandard) was established in 2003 by WWF and other international NGOs as a best practice standard to help the world #GrowToZero. All Gold Standard-certified projects and programmes accelerate progress toward the Net-Zero ambition of the Paris Climate Agreement while catalyzing impact toward the broader Sustainable Development Goals. Its standard, Gold Standard for the Global Goals, allows climate and development initiatives to quantify, certify, and maximise their impacts toward climate security and sustainable development. Certification against the standard provides the confidence that these results are measured and verified, enabling credible impact reporting. ISEAL Code Compliant and backed by a broad NGO Supporter Network, Gold Standard has 1900+ projects underway in over 90 countries, creating billions of dollars of shared value from climate and development action worldwide.

About SCF:

The Subnational Climate Fund (SCF) is a global blended finance initiative that aims to invest in and scale mid-sized (5 – 75 M \$USD) subnational infrastructure projects in the

fields of sustainable energy, waste and sanitation, regenerative agriculture, and nature-based solutions in developing countries. The SCF features a dedicated, grant-funded facility (\$28M) for Technical Assistance (TA) that provides technical support and grant funding to stakeholders in identifying and strengthening investment proposals for the Fund. The Green Climate Fund (GCF) committed up to \$150 million to the Investment Fund for a junior tranche which is intended to further de-risk investment, and a further \$18.5 million for the technical assistance facility. SCF is managed by a group of organizations committed to sustainable development including, Catalytic Finance Foundation, IUCN (International Union for Conservation of Nature), GCF, Gold Standard and Pegasus.

www.subnational.finance