

Gold Standard Programme of Activities

Unlocking the carbon market for waste-management enterprises



SEED
promoting entrepreneurship
for sustainable development



Background

Waste management remains a central challenge across Indian cities especially with solid waste generation increasing up to 377,000 tonnes daily by 2025 while merely 75-80% of the municipal waste gets collected and only 22-28% of this waste is processed and treated.¹ In response to this challenge, a movement of innovative waste-management enterprises is coming up with innovative closed-loop business models.

Yet, these waste-management enterprises have fall behind their potential due to a lack of capital and financial instruments to scale-up their businesses. While India's emerging carbon market could offer an opportunity to fill this gap, carbon revenue models have not realized the potential of small and medium-sized enterprises (SMEs) to offer bottom-up solutions to the climate emergency. Typically, SMEs are not able to access carbon revenues due to high transaction costs, administrative burdens and missing capacities to meet requirements.

Solution Overview

The **Gold Standard Programme of Activity (PoA)** for Waste Management Start-Ups is an umbrella programme that bundles several emissions reducing activities that can earn carbon credits. The PoA enables carbon revenue for SMEs including small-scale projects involved in waste management in key community-oriented areas such as households and commercial waste.

Key Features

The PoA lays the foundation to enhance sustainable development through effective municipal solid waste management. The PoA unlocks an additional revenue stream for waste management start-ups via the carbon market, which would otherwise not be able to access carbon revenues due to limited scale, high transaction

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| Focus: | Climate change mitigation |
| Ecosystem Impact: | Access to finance; Entrepreneurial mind-set; Infrastructure & technology |
| Lab Cycle: | Climate Finance, India 2018 |
| Challenge Hosted by: | GIZ & VNV Advisory |

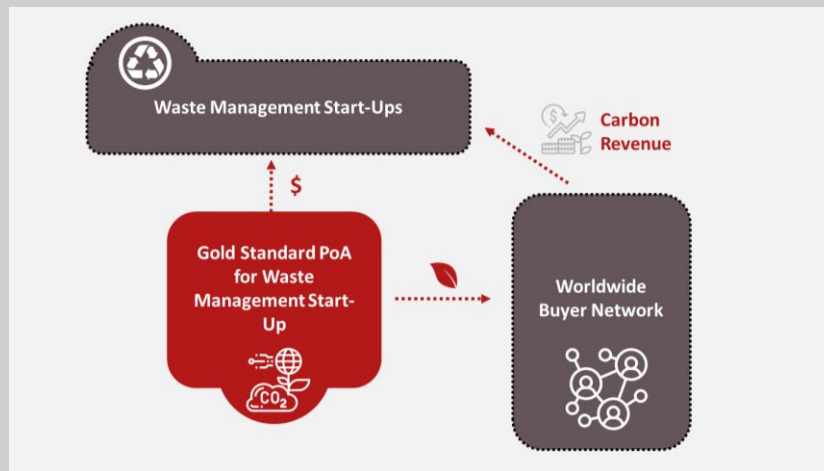
Innovative Characteristics

- Facilitating an extensive portfolio of projects with fast growing emission reduction potential.
- Reducing time, certification effort and regulatory risk for waste-enterprises and investors.
- Opening financial opportunities for waste-enterprises by lowering debt and collateral costs, thereby attracting additional financial options gained by credibility and recognition.

costs and a lack of know-how. The due diligence process underlying the PoA, certifies the enterprises with verified emission reductions (VER) which could proof beneficial to access further capital by serving as a guarantee for loans for example.

Finally, the Gold Standard PoA serves as a pilot that adds towards developing the carbon market in India and will aim to influence policy makers to include the waste sector as a priority sector.

¹World Bank 2018. What a Waste 2.0 : A Global Snapshot of Solid Waste Management to 2050. Urban Development; Washington, DC



Target Market

- **Waste Management Start-Ups:** need to undergo a screening and need to prove their social impact as well as the amount of collected and processed waste to calculate carbon reduction potential to be included in the PoA (based on yearly audits)
- **Worldwide buyer network:** includes VNV's existing buyer network of over 100 organization and new domestic corporate partnerships as well as individual carbon offsets.
- **Indian corporations:** local Indian corporations can offset their carbon emissions via the PoA and at the same time engage in corporate volunteering with the local waste management enterprises.

Solution Developers



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Impact Potential

- **Facilitating access to carbon revenue finance** by unlocking debt capital for waste management start-ups.
- **Raising awareness among investors and companies of the opportunity that waste entrepreneurship offers** to address climate change mitigation through diverse business models
- **Contributing to a transition towards a green and inclusive economy** by supporting the scale-up of bottom-up solutions to our climate emergency.

SEED Practitioner Labs Climate Finance empower participants during the hands-on and collaborative Labs process to turn major financing challenges into robust prototypes. SEED Practitioner Labs Climate Finance are part of the implementation of "Financing and capacity building for micro and small climate-smart enterprises: Filling the gap of the missing middle", a project supported by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety.