

## GUIDELINES

# RISKS & CAPACITIES FOR BLUE CARBON & FRESHWATER WETLANDS ACTIVITIES

## SUSTAINABLE DEVELOPMENT GOAL 13

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## CONTACT DETAILS

The Gold Standard Foundation  
International Environment House 2  
Chemin de Balexert 7-9  
1219 Châtelaine  
Geneva, Switzerland  
Tel: +41 22 788 70 80  
Email: [standards@goldstandard.org](mailto:standards@goldstandard.org)

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## SUMMARY

This document, "*Guidelines: Risks & Capacities for Blue Carbon & Freshwater Wetlands Activities*" (hereafter referred to as "this guidelines document"), is used to assess performance risks related to non-delivery or reversal of greenhouse gas benefits and other Sustainable Development Goal (SDG) impacts of a Blue Carbon and Freshwater Wetlands (BCFW) activity. An activity may undertake mitigation mechanisms to alleviate risks based on the score achieved. This guidelines document applies a risk scoring system that assesses predefined risk categories and determines the risks to an activity and the SDG impacts generated from the activity. The risk scoring system provides the structure for a broad and objective risk analysis and thus allows comparable assessment of risks amongst all such project types.

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## 1| Introduction

- 1.1.1 | This guidelines document is used to assess performance risks related to a BCFW activity's non-delivery or reversal of greenhouse gas benefits and other SDG impacts.
- 1.1.2 | It does not consider other risks (e.g., social impacts or environmental risks), which are instead covered in the Gold Standard Safeguarding Principles & Requirements Assessment.
- 1.1.3 | BCFW activities shall implement mitigation actions to alleviate identified risks as explained in this guidelines document.

## 2| Definition

- 2.1.1 | The definitions contained in the [Glossary of Gold Standard for the Global Goals \(GS4GG\)](#) shall apply.

## 3| Scope, Applicability, and Entry into Force

### 3.1 | Scope

- 3.1.1 | This guidelines document provides methods to assess the risks and capacities related to a BCFW activity i.e. an activity that applies BCFW Activity Requirements.

### 3.2 | Applicability

- 3.2.1 | This guidelines document is applicable to all BCFW activities under GS4GG, including small holder and microscope projects, in conjunction with the blue carbon and freshwater wetlands activity requirements.

### 3.3 | Entry into Force

- 3.3.1 | The date of entry into force of this guidelines document is 21/05/2025.

## 4| Normative References

- 4.1.1 | This guidelines document shall be applied with reference to the [Blue Carbon & Freshwater Wetlands Activity Requirements](#).

## 5| Scoring Methodology

- 5.1.1 | This guidelines document applies a **risk scoring system** that assesses predefined risk categories and determines the risks to an activity and the SDG impacts generated from the activity.

- 5.1.2 | Based on the risk profile, adequate risk mitigation measures shall be proposed and implemented by the project developer.
- 5.1.3 | The scoring system assigns scores for "high," "medium," and "low risks, based on defined thresholds for a range of risk categories. A high rating indicates that the identified risks require development of risk mitigation actions.
- 5.1.4 | This guidelines document defines five major categories of risk, apart from other risks:
- 1) Natural disturbance
  - 2) Political
  - 3) Project management
  - 4) Financial
  - 5) Market
  - 6) Other
- Each category is further divided into subcategories.
- 5.1.5 | The risk scoring system combines three factors that determine the overall risk per subcategory:
1. **Exposure** of the project to an event: Refers to the question "How probable is the activity to be exposed to an event or a situation over its crediting period?"
  2. **Vulnerability** of carbon pools (e.g., living biomass, soil) and emission sources: Refers to the inherent capacity of the carbon pool to withstand a specific event or situation.
  3. **Spatial scale**: Refers to the extent of the activity or a carbon pool that could be affected or be at risk owing to an event or a situation.
- 5.1.6 | For every subcategory, the risk factors (exposure, vulnerability, and spatial scale) are rated as high (score 3), medium (score 2), low (score 1), or no impact (score 0).
- 5.1.7 | The rationale behind each score shall be explained in the risk and capacities report. Justification shall be objective and based on credible sources, including peer-reviewed scientific reports and studies, historic data, pictures, maps, credible websites, aerial imagery, expert opinion, legal documents, etc. Anecdotal evidence shall not be considered as primary evidence and shall be used only to support a justification.
- 5.1.8 | Project developers shall be cautious of biases. For example, a recent but very rare event in the region may affect the analysis, resulting in a higher score than what is reasonable. Similarly, there could be overconfidence about the capacity of a carbon pool to withstand an extreme event, resulting in a lower score.
- 5.1.9 | The scores are multiplied to reflect the actual risk for the subcategory to the project's overall performance. For example, in a mangrove plantation, exposure to high wind is assessed as medium (score 2) and vulnerability as low (score 1). The spatial extent is the complete activity area and is high (score 3). In this case, the subcategory would not reach a high overall risk

rating and thus does not lead to significant reversals of sequestered carbon overall (total score 6). Please refer to Section 6: Scoring System for more details.

- 5.1.10 | The scores shall be selected based on the long-term implementation risk of the project.
- 5.1.11 | The multiplication of risk factors will lead to a score between 0 and 27.
- Score 0–6 designates risks for which risk mitigation measures are not mandatory (though still recommended).
  - Score 7–27 indicates that risks are not acceptable and mitigation measures are required.
- 5.1.12 | Risks are initially assessed without taking into account risk mitigation measures (present or planned). After adequate risk mitigation measures are identified and planned for implementation, a corrected score shall be calculated.
- 5.1.13 | Depending on the score, risk mitigation measures shall be developed and explained. This shall include a description of which risks/risk factors are addressed, along with an explanation of how the risks are reduced to a total score of 6 or lower.
- 5.1.14 | The activity can proceed for design certification only if the corrected score is 6 or lower.
- 5.1.15 | The initial risk assessment, and the risk mitigation plan reported at the time of design certification shall be re-visited at the time of renewal of certification.
- 5.1.16 | Implementation of planned mitigation actions shall be demonstrated at the first performance certification. Any changes to the risk mitigation plan may be notified through a revised risk assessment report at the time of periodic performance certification.

## 6| Scoring System

- 6.1.1 | Table 1 shows the scoring criteria to be applied for the risk factors in subcategories. Unless otherwise stated, the risk classification and scoring described in this table applies to all subcategories.

**Table 1:** Risk Category and Scoring Criteria

Risk Category	Scoring Criteria
<b>Exposure</b>	<ul style="list-style-type: none"> <li>High (score 3): Event is expected to occur once or more in 10 years.</li> <li>Medium (score 2): Event is expected to occur once in 20 years.</li> <li>Low (score 1): Event is expected to occur less than once every 20 years.</li> <li>No impact (score 0): Event is not expected to occur during the crediting period of the project.</li> </ul>

Risk Category	Scoring Criteria
<b>Vulnerability</b>	<ul style="list-style-type: none"> <li>High (score 3): Event is expected to fully destroy the GS4GG products/greenhouse gas benefits, AND GS4GG products/greenhouse gas benefits are not expected to recover without intervention.</li> <li>Medium (score 2): Event is expected to harm the GS4GG products/greenhouse gas benefits but do not lead to full destruction, AND GS4GG products/greenhouse gas benefits are expected to recover to current level without intervention in five years or more.</li> <li>Low (score 1): Event is expected to harm the GS4GG products/greenhouse gas benefits but do not lead to full destruction, AND GS4GG products/greenhouse gas benefits are expected to recover without intervention to the current levels in less than five years.</li> <li>No impact (score 0): Event is not expected to occur during the crediting period of the project or, if it occurs, it is not expected to harm the GS4GG products/greenhouse gas benefits.</li> </ul>
<b>Spatial Scale</b>	<ul style="list-style-type: none"> <li>High (score 3): Event is expected to affect more than 50% of the project area.</li> <li>Medium (score 2): Event is expected to affect between 10% and 50% of the project area.</li> <li>Low (score 1): Event is expected to affect between 5% and 10% of the project area.</li> <li>No impact (score 0): Event is expected to affect less than 5% of project area and is considered to be insignificant.</li> </ul>

## 7| Risk Categories

7.1.1 | The risk subcategories are detailed in Table 2 and shall be used by the project developer to assess risks and capacities. Appendix A of this guidelines document details how scoring shall be considered against each subcategory.

**Table 2:** Risk Categories and Subcategories

Risk Category	Risk Subcategory
1. Natural Disturbance	1.1.Fire damage 1.2.Wind damage 1.3.Temperature extremes 1.4.Water extremes 1.5.Climate variability 1.6.Geological extreme events

Risk Category	Risk Subcategory
	1.7.Dominant animal- or plant-related 1.8.Pest and disease outbreaks
2. Political	2.1.Political interventions 2.2.Land acquisition 2.3.Non-regularised resettlement 2.4.Exploitation of natural resources
3. Project Management	3.1.Technical capacity (availability) 3.2.Technical capacity (dependency) 3.3.Financial capacity (availability) 3.4.Financial capacity (dependency) 3.5.Legal capacity (availability) 3.6.Legal capacity (dependency) 3.7.Capacity to maintain GS4GG certification (availability) 3.8.Capacity to maintain GS4GG certification (dependency) 3.9.Constraints in technical equipment
4. Financial Risks	4.1.Lack of secured, continued financial resources for activity implementation until the activity's cumulative break-even cash flow
5. Market Risks	5.1.Lack of liquidity/financial resources due to price variations 5.2.Risk of competing commodities 5.3.Risk of competing infrastructure
6. Other Risks	6.1.Any other specific risks that endanger the viability of the activity

## 8 | Assurance

8.1.1 | The Gold Standard Validation and Verification Body (VVB) shall:

- a. check that the guidelines have been completed to a reasonable level of detail, including application of weightage(s), and
- b. confirm that all risks are identified adequately based on the sectoral and geographical experience, interviews, and site visit, and
- c. evaluate adequacy of the proposed risk mitigation measures proposed by the project developer, both spatially and temporally.

8.1.2 | VVB shall assess the implementation of planned mitigation measures at the first performance review. Any changes to the risk assessment or the risk mitigation plan notified by the PD shall also be subject to assessment against 8.1.1.

8.1.3 | VVB shall provide their opinion during every performance review audit that the implementation of the risk mitigation measures is in conformance with the risk mitigation plan.

8.1.4 | Deficits observed may be recorded as Corrective Action Requests (CARs) or Clarification Requests (CLs). This could be based on deficiencies identified

against 8.1.1 (a) and (b). Forward Action Request (FARs) are allowed to be raised in cases of deficiencies identified against paragraph 8.1.1 (c).

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## Appendix A: Risks and Capacities Categories and Scoring

A1.1.1| Appendix A explains how risks and capacities shall be scored for each risk category and subcategory.

A1.1.2| Present Score refers to the project situation without any risk mitigation measures. Corrected Score takes into account risk mitigation measures.

A1.1.3|The risk subcategories are detailed in the tables below and shall be used by the project developer to assess risks and capacities.

ID: 1.1	<b>Natural Disturbance</b>		
Risk Category	<b>1.1 Fire damage</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 1.2	<b>Natural Disturbance</b>		
Risk Category	<b>1.2 Wind damage (e.g., hurricane, typhoon)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 1.3	<b>Natural Disturbance</b>		
Risk Category	<b>1.3 Temperature extremes (e.g., extreme heat, frost)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		

<b>Total Score of the Risk</b>		
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<b>ID: 1.4</b>	<b>Natural Disturbance</b>		
<b>Risk Category</b>	<b>1.4 Water extremes (e.g., drought, heavy rain, flood, mudslide, avalanche, ice storm, rise in sea level, increased salinity)</b>	<b>Present Score</b>	<b>Corrected Score</b>
<b>Exposure</b>	>> provide description here		
<b>Vulnerability</b>	>> provide description here		
<b>Spatial Scale</b>	>> provide description here		
<b>Mitigation Measures</b>	>> provide description here		
<b>Total Score of the Risk</b>			

<b>ID: 1.5</b>	<b>Natural Disturbance</b>		
<b>Risk Category</b>	<b>1.5 Climate variability</b>	<b>Present Score</b>	<b>Corrected Score</b>
1.5.1	Predicted long drought period		
1.5.2	Seasonal variability of rainfall pattern		
1.5.3	Increase in extreme events		
1.5.4	Other (optional)		
<b>Exposure</b>	>> provide description here		
<b>Vulnerability</b>	>> provide description here		
<b>Spatial Scale</b>	>> provide description here		
<b>Mitigation Measures</b>	>> provide description here		
<b>Total Score of the Risk</b>			

\* Shall develop separate scores for 1.5.1-1.5.4, as applicable.

<b>ID: 1.6</b>	<b>Natural Disturbance</b>		
<b>Risk Category</b>	<b>1.6 Geological extreme events (e.g., earthquake, landslide, tsunami, volcanic eruption, desert progression, natural oil seep)</b>	<b>Present Score</b>	<b>Corrected Score</b>
<b>Exposure</b>	>> provide description here		

Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 1.7	<b>Natural Disturbance</b>		
Risk Category	<b>1.7 Dominant animal- or plant-related (e.g., damage due to unplanned grazing by domestic or wild animals)</b>  <b>Includes changes due to dominant/invasive species (e.g., effect of sea urchin on kelp)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

D: 1.8	<b>Natural Disturbance</b>		
Risk Category	<b>1.8 Pest and disease outbreaks (e.g., insect, bacteria, virus, fungus, microbe)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 2.1	<b>Political Risks</b>		
Risk Category	<b>2.1. Political interventions (e.g., war, riot, civil strife, terrorism, corruption, land occupation, community resistance)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		

Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	No mitigation measure needs to be provided as this is beyond the influence of the project developer.		
<b>Total Score of the Risk</b>			

ID: 2.2	<b>Political Risks</b>		
Risk Category	<b>2.2. Land acquisition (e.g., expropriation, infrastructure development, infilling or diversion of waterway)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 2.3	<b>Political Risks</b>		
Risk Category	<b>2.3. Non-regularised resettlement (unplanned encroachment for human settlement or other human activities such as agriculture or fishery)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 2.4	<b>Political Risks</b>		
Risk Category	<b>2.4. Exploitation of natural resources (e.g., mining, water, oil)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		

Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.1	<b>Project Management Risks</b>		
Risk Category	<b>3.1 Lack of technical capacity</b> <ul style="list-style-type: none"> <li>• Insufficient internal technical capacity (e.g., due to high fluctuation of seasonal workers or permanent staff, insufficient training), or</li> <li>• Dependency on continuous external technical support</li> </ul>	Present Score	Corrected Score
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.2	<b>Project Management Risks</b>		
Risk Category	<b>3.2 Dependency on key technical individuals in the organisation who are difficult to replace</b>	Present Score	Corrected Score
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.3	<b>Project Management Risks</b>		
Risk Category	<b>3.3 Lack of internal financial accounting and management capacity or dependency on continuous external financial accounting and management support</b>	Present Score	Corrected Score
Exposure	>> provide description here		

Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.4	<b>Project Management Risks</b>		
Risk Category	<b>3.4 Dependency on key financial accounting and management expertise of individuals in the organisation who are difficult to replace</b>  <b>3.4 Project failure due to:</b> <ul style="list-style-type: none"> <li>• insufficient internal financial accounting and management capacity, or</li> <li>• dependency on continuous external financial accounting and management support.</li> </ul>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.5	<b>Project Management Risks</b>		
Risk Category	<b>3.5 Lack of internal legal management capacity or dependency on continuous external legal management support</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.6	<b>Project Management Risks</b>		
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Risk Category	<b>3.6 Dependency on key legal management individuals in the organisation who are difficult to replace</b>	Present Score	Corrected Score
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.7	<b>Project Management Risks</b>		
Risk Category	<b>3.7 Lack of internal capacity to support and maintain GS4GG impact certification process or dependency on continuous external support to support and maintain GS4GG impact certification process</b>	Present Score	Corrected Score
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.8	<b>Project Management Risks</b>		
Risk Category	<b>3.8 Dependency on key individuals to support and maintain third-party certification in the organisation who are difficult to replace</b>	Present Score	Corrected Score
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 3.9	<b>Project Management Risks</b>		
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Risk Category	<b>3.9 Constraints in technical equipment (e.g., machinery) or planting material (e.g., import barriers)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 4.1	<b>Financial Risks</b>		
Risk Category	<b>4.1. Lack of secured, continued financial resources for activity implementation</b>	<b>Present Score</b>	<b>Corrected Score</b>
Adaptation of Scoring Criteria	<ul style="list-style-type: none"> <li>• <b>High (score 3):</b> No secured funding for planting activities.</li> <li>• <b>Medium (score 2):</b> Secured funding is available for the planting activities, but not for management and protection of the plantation.</li> <li>• <b>Low (score 1):</b> Secured funding is available for planting, management and protection activities of the plantation for the first 5 years after plantation.</li> <li>• <b>No impact (Score 0):</b> Secured funding is available for planting, management and protection activities of the plantation for more than the first 5 years after plantation.</li> </ul>		
Exposure	>> <i>provide description here</i>		
Vulnerability	>> <i>provide description here</i>		
Spatial Scale	>> <i>provide description here</i>		
Mitigation Measures	>> <i>provide description here</i>		
<b>Total Score of the Risk</b>			

ID: 5.1	<b>Market Risks</b>		
Risk Category	<b>5.1. Lack of liquidity/financial resources due to price variations (e.g., CO<sub>2</sub> certificates, fertiliser, machines, value-added products from projects)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> <i>provide description here</i>		
Vulnerability	>> <i>provide description here</i>		



Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 5.2	<b>Market Risks</b>		
Risk Category	<b>5.2. Risk of competing commodities (e.g., shrimp farm, pisciculture, or other agricultural activities)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 5.3	<b>Market Risks</b>		
Risk Category	<b>5.3. Risk of competing infrastructure (e.g., settlement, road, bridge, shipping lane, harbour)</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		
Mitigation Measures	>> provide description here		
<b>Total Score of the Risk</b>			

ID: 6.1	<b>Other Risks</b>		
Risk Category	<b>6.1. Any other specific project risks that endanger the viability of the project (e.g., illegal logging, pollution [e.g., heavy metals, accidental oil spills])</b>	<b>Present Score</b>	<b>Corrected Score</b>
Exposure	>> provide description here		
Vulnerability	>> provide description here		
Spatial Scale	>> provide description here		

Mitigation Measures	>> <i>provide description here</i>		
Total Score of the Risk			

## Document History

Version	Date	Description
1.0	28 May 2025	First version released

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