

[Interviews](#)

Bringing blockchain to the VCM – A Gold Standard perspective

Hugh Salway, Senior Director for Market Development and Partnerships at Gold Standard, recently joined our CEO Raphaël to discuss how blockchain technology and the VCM are coming together.



Toucan
03 Aug 2023 • 3 min read

Fireside Chat Insights

Gold Standard: Bringing blockchain to the VCM



Hugh Salway
Senior Director,
Market Development & Partnerships
Gold Standard



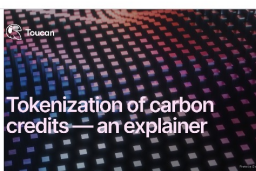
Raphaël Haupt
CEO & Co-Founder
Toucan

Carbon credit tokenization and its potential impact on the carbon market remains a hot topic. [Hugh Salway](#), Senior Director for Market Development and Partnerships at [Gold Standard](#), recently joined our CEO Raphaël to discuss how blockchain technology and the VCM are coming together.

Tokenization of carbon credits | A deep dive

Tokenized carbon is the digital representation of real-world carbon credits on the blockchain. We explain how tokenization works, look...

Toucan Protocol • Ela Khodai



In this conversation, Hugh delves into Gold Standard's decision to explore blockchain and how it could transform the carbon market. He also shares his concerns and excitement for the future.

Tokenization and its benefits

Tokenization is the process of converting real-world assets, in this case carbon credits, into digital tokens on a blockchain.

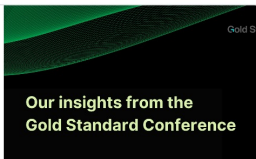
Carbon credit tokenization encourages greater participation from outside the current VCM bubble and enables retail investors and conscious individuals to offset their emissions. Tokenization also offers unique opportunities that simply didn't exist before:

- the fractionalization of carbon credits
- improving transparency
- enabling pre-financing for carbon projects that need it most

Gold Standard Conference 2023 | Our insights

Our insights and impression from Gold Standard's Grow to Zero Conference – how technological innovation can help the VCM scale.

Toucan Protocol • Anna Watson



Gold Standard's roadmap for tokenization

First, Hugh shed light on Gold Standard's journey into exploring tokenization. The organization has been open to blockchain and new technologies for many years, but the explosion of the DeFi (Decentralized Finance) space and the tokenization of 20 million carbon credits on the Verra platform in 2021 brought greater attention to the opportunities and challenges in this area.

Currently, Gold Standard is working on creating a framework for digital assets on-chain. They are considering both existing models and innovative approaches to benefit the market and achieve broader environmental goals.

Navigating risks and challenges

While the potential benefits of tokenization are significant, there are also concerns. The carbon market already faces many challenges, for example, misinformation and misleading practices that result in negative consequences for investors. Additionally, the decentralized nature of blockchain technology brings both real and perceived risks, and some stakeholders are worried about potential negative outcomes.

Gold Standard's approach to tokenization involves careful consideration of risks and implementing measures to maintain the market's integrity.

A change in regulations

One of the major concerns for the carbon market's future is the impact of regulatory changes. The carbon market is growing and becoming more integral to climate mitigation efforts, and governments worldwide are exploring ways to regulate it.

Positive regulation can enhance the market's credibility, but poorly designed regulations could stifle innovation and hamper its growth. Finding the right balance is crucial to ensure a smooth transition to a regulated and mature carbon market.

Speeding up project developments

A significant challenge for the carbon market is the time-consuming and complex project certification process. This bottleneck slows down project development and the flow of funds to sustainable initiatives.

Gold Standard recognizes this issue and has been taking steps to streamline and digitize the certification process. This would expedite approvals and enable more efficient project development.

Balancing market access and accountability

The discussion also touched on the balance between market access and accountability. Opening the carbon market to a broader audience is desirable. But ensuring the responsible use of carbon credits and preventing greenwashing is equally crucial.

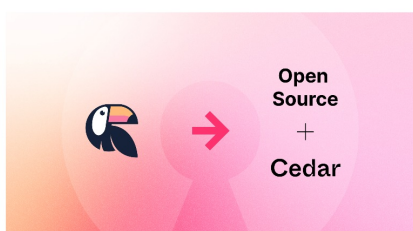
Certifying bodies like Gold Standard play a role in maintaining the market's integrity, but it is also essential for governments and initiatives to introduce disclosure practices and guidelines for responsible credit usage.

Conclusion

The carbon market is starting to navigate the challenges and opportunities that blockchain technology offers. But striking the right balance between regulation and innovation is crucial for creating a more equitable and effective landscape. Tokenization could revolutionize the way carbon credits are bought, sold, and utilized. And it can democratize access to carbon credits and accelerate the progress toward a more sustainable future.

We're thanking Hugh for a great conversation with valuable insights into Gold Standard's exploration into tokenization, and appreciate the organization's commitment to driving innovation while fostering accountability.

Sign up for more like this.

[Subscribe](#)

Toucan Protocol is Going Open Source — and Introducing Cedar

Today, we're thrilled to announce two significant updates: Toucan Protocol is becoming an open-...

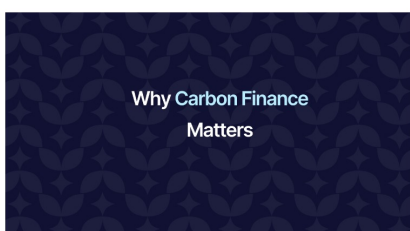
08 May 2025 • 3 min read



plant-based NFTs: Pioneering Carbon Removal through Art and Technology

Toucan is launching a generative, plant-themed NFT collection by artist Cyrus Clarke, in collaboration...

30 Jul 2024 • 5 min read



Why Carbon Finance Matters

What are carbon credits and why do they matter? From tradable certificates to real-world...

30 Jun 2024 • 3 min read