



VOLUNTARY GHG PROJECT CERTIFICATION PROGRAMS

This document provides information to stakeholders about the Gold Standard, a voluntary GHG project certification program. This document is distributed to stakeholders to provide them with an opportunity to evaluate whether Green-e Climate should endorse the Gold Standard. Comments are sought on the Gold Standard's conformance with the Green-e Climate Principles and Criteria (www.green-e.org/getcert_ghg_standard.shtml). Stakeholders who wish to comment on this issue should use the Gold Standard comment form, which can be found here:

http://www.green-e.org/getcert_ghg_endorsed.shtml

General Information

Name of Program: The Gold Standard

Program Directors: Michael Schlup

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Principle #1 – Transparent Program Development

Procedures for the development of the GHG Program requirements invite broad participation by interested parties, are transparent and require public availability of information

The Gold Standard was developed under the lead of the World Wildlife Fund (WWF) in response to the concern of individuals, academics and non-governmental organizations that emission reduction projects were not making a positive contribution to lowering CO₂ levels. Initiated by WWF, SouthSouthNorth (SSN) and Helio International the Gold Standard for CDM projects was launched in 2003 after a wide-ranging stakeholder consultation among key actors of the carbon market as well as governments. A methodology for voluntary offset projects was launched in May 2006.

The Gold Standard was authored by Mozaharaul Alam, Bert Dalusung, Liu Deshung, Emilio LaRovere, Holger Liptow, Liam Salter, Agus Sari, Steve Thorne, Harald Winkler and Steve Bernow (+2003) as well as to all those that contributed by giving comments.

The Gold Standard evolved over a two-year period of direct consultation that was designed to ensure input was included from as wide a range of stakeholders as possible. Not only were key actors in the carbon market consulted, but also representatives from governments, NGOs and the private sector. Proposals were discussed by climate-related NGOs worldwide in direct consultations with groups from over thirty countries. A five-month open consultation process from which over ninety comments were received and incorporated into the final document was conducted before its launch at COP8 in New Delhi.

The Gold Standard's independent Technical Advisory Committee (GS-TAC) is made up of leading authorities on emission reduction projects and provides technical support to the Foundation Board and the Gold Standard management. Its mandate includes the assessment of projects presented to Gold Standard to ensure the credibility of the validation and verification process and maintain the credibility of the label.

It currently comprises the following individuals:

- * Liam Salter (Chair), WWF Hong Kong
- * Holger Liptow, GTZ (German govt development aid organization)
- * Jan-Willem Bode, Developer, OneCarbon (Spain)
- * Matt Spannangle, United Nation's Development Programme
- * Deepak Mawandia, Carbon Watch (India)

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- * Steve Thorne, SouthSouthNorth (South Africa)
- * Rob Fowler, (Abatement Solutions) Australia,

The TAC meets on a regular basis, and main decisions are published in the Gold Standard newsletter. Stakeholders may submit requests regarding changes or clarification of the Gold Standard methodologies in writing via the contact form (http://www.cdmgoldstandard.org/contact_us.php) or email.

The Gold Standard is not membership based but supporter based. The Gold Standard is owned by the Gold Standard NGO supporters, a group of currently 50 NGOs/charitable organizations that have subscribed to its principles. Endorsement is for the Gold Standard methodology only – all supporters remain free to criticize individual projects. The supporters ultimately decide on the strategy and further development of the Gold Standard. The Gold Standard Steering Committee is formed in its majority from members of NGO supporters and regularly reports back to this group. More organizations are expected and invited to join, in order to give the Gold Standard an ever increasing and more powerful network, thus helping to ensure that carbon investments also contribute to sustainable development. Endorsement is formalized by signing the Gold Standard Supporter form, posted on the website. <http://www.cdmgoldstandard.org/materials.php>

The Gold Standard methodology is outlined on the website. Detailed documents describing the Gold Standard process in detail are available to download from the website as well.

Principle #2 – Balance and Impartiality
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The Gold Standard does not develop projects nor is it selling or buying GHG offsets or reductions. Strategic Guidance and governance are provided by the Gold Standard Foundation Board. The Foundation Board is self-constituent and consists of representatives of all stakeholders, but a majority of representatives are Gold Standard NGO supporters. Stakeholders may submit requests regarding changes or clarification of the Gold Standard methodologies in writing via the contact form or email.

The Foundation Board elects a Director for managing all operational activities of the Gold Standard. Michael Schlup has held the Director position since September 2004. The Foundation Board also acts as a focal point for requests from Gold Standard NGO supporters and as the ultimate decision-maker in the event that a project must be denied Gold Standard registration.

The director and the team at the Gold Standard secretariat is responsible for the institutional development of the Gold Standard and for the coordination of the

marketing and fundraising activities. He acts as the focal point for project developers and buyers who have an interest in the Gold Standard and oversees all operational and administrative activities.

Principle #3 – Environmental Integrity

GHG Program requirements ensure real, verifiable, permanent and enforceable GHG emission reductions

Gold Standard projects follow the UN project cycle, using UN approved validators/verifiers in both the CER and VER stream.

The Gold Standard requires validation and verification by UN-accredited Designated Operational Entities (DOEs) who validate/verify according to The Gold Standard methodology as outlined in a given Gold Standard Project Design Document. This document includes project-specific monitoring plans against which a project is independently validated/verified. See Gold Standard Project Developers Manual and Project Design Document available at:

<http://www.cdmgoldstandard.org/materials.php>

The Gold Standard method for using methodologies and choosing a conservative baseline:

- Select a methodology approved by the CDM Executive Board or the UNDP MDG Carbon Facility (or submit a new methodology to the Gold Standard TAC if none of the existing is applicable). Unless there is a convincing case for an alternative choice of baseline methodology, the approved methodology that results in the lowest baseline emissions must be used.
- Develop and quantify all likely baseline scenarios and select the most convincing one.
- Make sure full transparency is applied with regard to which sets of data were selected based on the prerogative of conservativeness. This should include full references to sources where this data was derived from.
- Describe the baseline methodology chosen, the set of quantified scenarios and a substantiated choice for the most convincing scenario selected as the baseline in a baseline report.

The validator will assess whether a sufficiently conservative scenario is chosen on the basis of the baseline report

See Crediting Periods in *Gold Standard Rules and Procedures Updates and Clarifications*, pages 1-4 (available at http://www.cdmgoldstandard.org/uploads/file/GS_changes,clarifications.pdf)

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The Gold Standard requires additionality as measured by the UNFCCC's additionality tool. See additionality cheat sheet here:

<http://www.cdmgoldstandard.org/materials.php?id=53>

Projects must prove that a) project would not have occurred without carbon market due to financial, political or other barriers (i.e. common practice) b) project goes beyond a "business as usual" scenario and c) GHG emissions with the project are lower than they would have been without the project. (i.e. project emissions are lower than baseline scenario.)

Gold Standard Verified Emission Reductions can be issued from Jan. 1 2006.

Principle #4 – Validity of Emissions Reductions

GHG Programs ensure the validity of GHG emission reductions with respect to the program requirement

The TAC receives validation and verification reports for all projects from UN accredited DOEs. Gold Standard requires validation and verification by UNFCCC-accredited Designated Operational Entities (DOEs). The Gold Standard provides DOEs with a validation manual for each the CDM and VER stream of its scheme.

All small scale projects (5, 000 to 15,000 tons per year) must be validated and verified by a UN DOE. For 'micro'-scale (less than 5,000 tons per year) Gold Standard Verified Emission Reduction projects, a targeted random selection is made among several projects. All 'micro'-scale projects are at least reviewed by a DOE 3 times during a crediting period of ten years. All projects contribute to a validation fund that is spent on DOE validation of the selected project. All other projects are reviewed by the Gold Standard internally.

Principle #5 – Disclosure and No Double Counting

The GHG Program includes measures to require disclosure and prevent double counting

Project registration to the Gold Standard is achieved by submitting the completed Project Design Documents (PDD), a validator confirmation and upon acceptance of the Gold Standard Terms and Conditions (Appendix F of the Project Developer Manuals). The project is then added to the GS database and listed on the GS website: <http://www.cdmgoldstandard.org/projects.php>

For CDM projects, serial numbers of CDM EB-issued credits are linked with the Gold Standard label; for Gold Standard VERs credits are issued with a unique serial number and subsequently delivered to a registry mechanism being developed by APX, Inc.

Additional Criteria

Referenced GHG Project Protocols or Standards

The Gold Standard references methodologies developed by the United Nations Framework Convention on Climate Change's Clean Development Mechanism.

Additional Criteria

Project Specific Criteria

Nuclear Power:

The Gold Standard does not certify emission reductions from nuclear power projects.

Hydropower Projects:

Small scale hydro projects, under 15 MW, complying with World Commission on Dams guidelines, are eligible for The Gold Standard.

Project Types Permitted in Program:

The project types eligible under the Gold Standard are

Renewable Energy:

- Solar Photovoltaics
- Solar Thermal – electricity and heat
- Ecologically sound biomass, biogas and liquid fuels – heat, electricity, cogeneration, transport.
- Wind
- Geothermal
- Small low impact hydro.

End-Use Energy Efficiency:

- Industrial and domestic energy efficiency.
- Energy efficiency in transport, public, agricultural and commercial sectors.