THE GOLD STANDARD

Voluntary emission reductions (VERs)

MANUAL FOR PROJECT DEVELOPERS

Version 5; May 2006

Please note: This Gold Standard VER Project Developer's manual refers to The Gold Standard Project Design Document for voluntary offset projects (GS-VER-PDD) available through http://www.cdmgoldstandard.org/materials.php

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The Gold Standard for VERs has received financial support from:

And was developed by:

How to use this manual

This manual helps developers to complete the Gold Standard project design documents for voluntary large-, small- and micro-scale projects: Gold Standard for Voluntary Offsets Project Design Document (GS-VER-PDD), available at http://www.cdmgoldstandard.org/downloads.php. It provides guidance on the information that needs to be provided for successful validation and registration under the Gold Standard.

The manual consists of three parts (and Appendices).

Part 1 is the **Introduction** and contains:

- a general overview of the labelling scheme: background, mission, objectives, partners and supporters;
- an overview of the structure of the Gold Standard Organisation; and
- an overview of the Gold Standard project cycle and the screening process with three simple tests.

Part 2 is the **Pre-assessment Framework**. This part of the manual assists project proponents in carrying out a pre-assessment of the project to be put forward for the Gold Standard. The guidelines given in Part 2 will help project proponents to assess at an early stage whether a project is likely to qualify for the Gold Standard. This section also offers some guidance on which aspects of a project need additional attention in order to qualify for the Gold Standard.

The guidelines cover the following areas:

- Eligible project types
- Additionality
- Contribution to sustainable development

Part 3 is the **Assessment Framework**. This is where the project is taken through the various simple tests. The project has to pass all tests described in this part of the manual. Independent, accredited validators will validate this.

Although these tests are additional to a regular voluntary offset project cycle requirements, they are designed to fit in with the regular project activities, in order to keep transaction costs as low as possible.

The Assessment Framework consists of the following tests:

- Project Eligibility Screen
  - Project Type
  - Host country eligibility
- Additionality Screen
  - Previous announcement check
  - Additionality tool
- Sustainable development Screen
  - Sustainable development assessment
  - Environmental Impact Assessment (EIA) requirements
  - Public consultations

The Gold Standard for voluntary offset projects refers to three scales types of projects. The cut-off threshold is shown in the following box.

Micro-scale	**Small-scale**	**Large-scale**
> 0 and < 5,000 tonnes CO_2e per year	> 5,000 and < 15,000 tonnes CO_2e per year	> 15,000 tonnes CO_2e per year

A distinction has been made between micro-scale and small- and large-scale projects. The requirements in this document refer to all types of voluntary projects. For micro, some significant additional simplifications are proposed due to the inherently lower negative impacts, and relatively high transaction costs. When the requirements differ from the small-scale or large-scale voluntary projects, text boxes are used in this manual that indicate the requirements for micro-scale projects.

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The requirements for small- and large-scale projects are similar to the requirements for Gold Standard CDM projects in order to allow flexible switching between the two systems..

As an example, a 4,000 tonnes CO_2 reduction project is for example a 3 MW wind farm in a moderately carbon intensive electricity grid, or a bundle of 10 biomass projects of 100 kW each. With current VER prices at about $5-10 per tonne, the total CO_2 value would add up to about $300,000, with the CO_2 value in the first year of operation being about $30,000 for a 4,000 tonnes project. Validation costs for a Gold Standard project could add up to about $15,000. Add to that the direct costs for the project developer and the overhead in year 1 will be about 75% of the total carbon benefits in year 1. For smaller projects, this percentage can be significantly bigger.

The following Table 1 shows the main differences between large- and small-scale projects and micro-scale projects.

	Large- and small-scale projects	Micro-scale projects	Section
Project Eligibility Screen			
Project Type	Renewable energy and End use energy efficiency improvement	Renewable energy and End use energy efficiency improvement.	3.2.1
Host country	Eligible are countries without a quantitative target under the Kyoto Protocol	Eligible are countries without a quantitative target under the Kyoto Protocol	3.2.2
Additionality Screen			
Previous announcement check	Projects that have been previously announced to be implemented without carbon financing are not eligible	A statement that the project has not been announced for implementation in the last 3 years is required	3.3.1
Additionality tool	Apply the UNFCCC's Additionality tool	Apply the UNFCCC's Additionality tool	3.3.2
Sustainable development Screen			
Sustainable development assessment	Indicators must be assessed using a scoring system ranging from -2 to +2.	Indicators must be assessed using a scoring system ranging from negative to positive.	3.4.1
Environmental Impact Assessment (EIA) requirements	When it is required by: national regulation, the consultation processes, certain results from the SD screen and EIA pre-screen checklist.	Only when national regulation requires it. If the stakeholder consultation or EIA checklist identifies negative impacts that can not be mitigated, the project must be treated as a small-scale project.	3.4.2
Public consultations	2 stakeholder consultations	1 stakeholder consultation	3.4.3
Validation & Verification procedures			
Validation	By a UNFCCC accredited entity	As result from a targeted random, by a UNFCCC accredited entity. Standard fee for this process.	3.5.2
Verification	By a UNFCCC accredited entity	As result from a targeted random, by a UNFCCC accredited entity. Standard fee for this process.	3.5.4

Table 1: Overview of main differences between small- and large-scale projects and micro-scale projects

A separate section is included on the validation, verification and registration processes, requirements for the validation of the proposed project and the rules for issuance of Gold Standard-registered credits from the project. Terms and Conditions for using the Gold Standard logo and/or name as well as legal requirements for certifying a project to the Gold Standard for VERs are listed in Appendix F. Also a Validation Manual for Gold Standard voluntary offset projects, addressed to validators, is available at http://www.cdmgoldstandard.org/downloads.php

Where clear guidelines are missing on this project developer's manual, the guidance by the CDM Executive Board applies. Information on CDM rules can be found on http://cdm.unfccc.int

The structure of the document is illustrated in the following Figure 1.

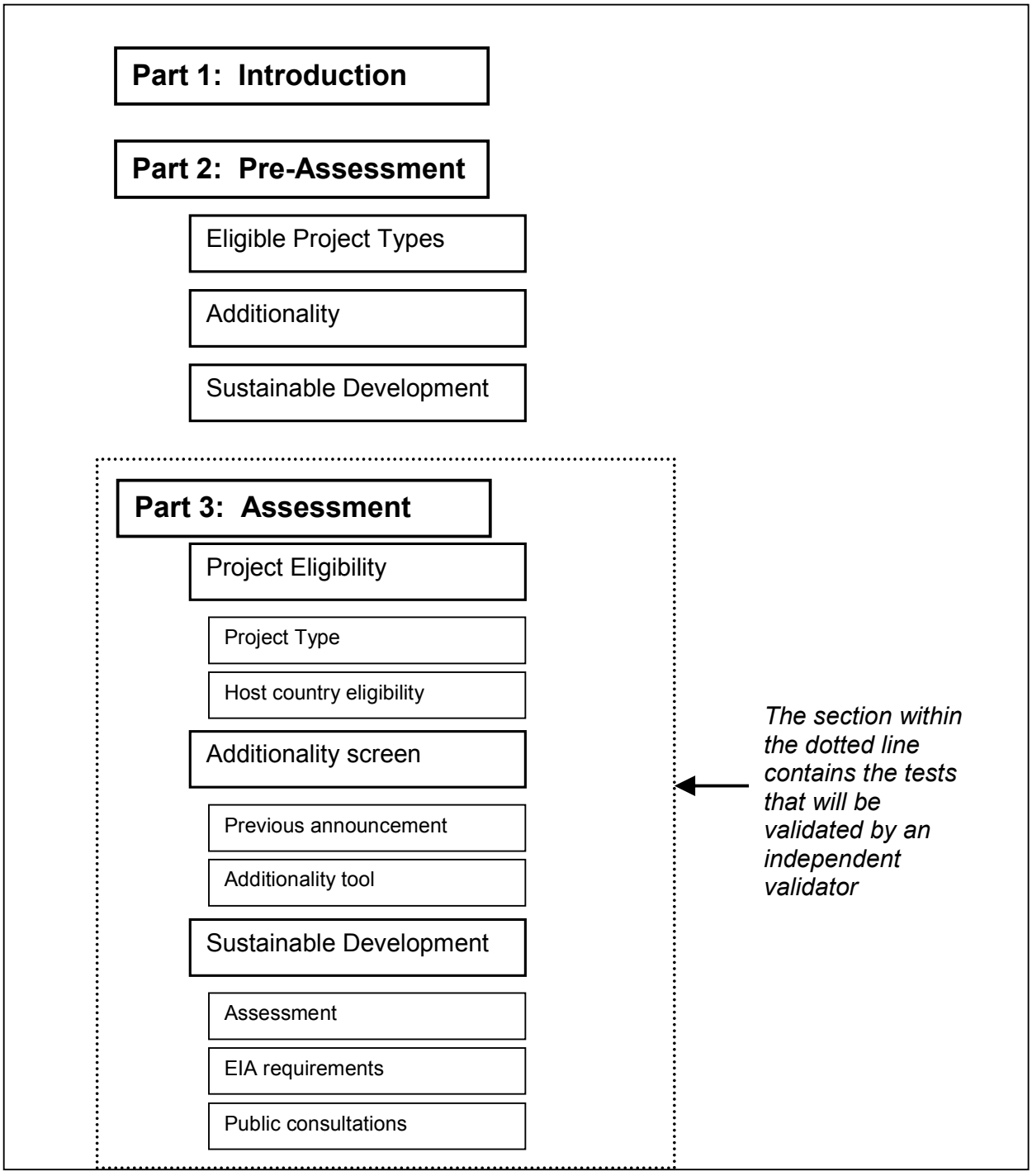

Figure 1: Structure of document

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1 PART 1: INTRODUCTION

1.1 THE GOLD STANDARD LABELLING SCHEME

The Gold Standard is the first independent best practice benchmark for emission reductions projects to offset Greenhouse Gases. It provides project developers with a tool to ensure that the CDM and JI mechanisms and the voluntary offset market deliver credible projects with real environmental benefits and, in so doing, confidence to host countries and the public that projects represent new and additional investments in sustainable energy services.

The Gold Standard label is applicable to both the projects (upon completion of validation) as well as credits produced by Gold Standard labelled projects (upon verification). This enables project owners to both market a project before the achievement of actual emissions reductions, as well as to credibly demonstrate the achievement of the promised reductions. Further guidance on this is given in section 3. 5.

The Gold Standard is based on a simple but rigorous assessment framework, meeting the following criteria:

2. A balance between environmental rigour with practicality in terms of application by project developers and operational entities;
3. Avoidance of elevated transaction costs or bureaucratic procedure;
4. Simple procedures, easily handled by standard project operators, including developers, validators/verifiers and local NGOs;
5. Global standards, readily applicable in a variety of local and national contexts and across different sectors.

The Gold Standard builds upon the guidance given by the CDM Executive Board in its Project Design Document (PDD) Version 2. This applies both for the Gold Standard for CDM and JI as well as for the Gold Standard for voluntary offsets. The Gold Standard sets out a code of best practice on many issues in the PDD and in incorporates a small number of extra screens necessary to deliver real contributions to sustainable development in host countries plus long term benefits to the climate. The extra screens can be completed as part of regular project development procedures. As such, extra costs are minimised and undisturbed development of the project is ensured.

This Gold Standard VER Project Developer's Manual has been developed to assist project developers in developing voluntary offset projects in accordance with Gold Standard VER requirements.

1.2 STRUCTURE OF THE GOLD STANDARD ORGANISATION

The Gold Standard was initiated by the WWF and is currently hosted by BASE (Basel Agency for Sustainable Energy) in Basel, Switzerland, a non-profit foundation facilitating investment in sustainable energy and a UNEP (United Nations Environment Programme) Collaborating Centre. Complete organisational independence is planned for June 2006.

A global network of 'supporter' environmental and development NGOs that have formally endorsed the Gold Standard owns the Gold Standard. These organisations have the ultimate power to define the role of the Gold Standard in the carbon market. Organisations endorsing the Gold Standard must be consulted on CDM and voluntary offset projects in their countries or in countries where they have offices, and the NGOs can request a review of the independent third-party validation and verification of any project through the Steering Committee.

Strategic guidance for the Gold Standard is provided through the input of a steering committee (GS-SC). A director appointed by the Gold Standard Steering Committee manages the Gold Standard. The director is responsible for the institutional development of the Gold Standard and acts as the focal point for project developers and buyers who have an interest in the Gold Standard.

The Gold Standard also has an independent Technical Advisory Committee (GS-TAC) made up of leading authorities on emission reduction projects. The GS-TAC includes some of those involved in the design of the CDM and voluntary offset market itself and it has given its approval to Gold Standard procedures. Its mandate includes the assessment of projects presented to the Gold Standard to ensure their credibility and to maintain the credibility of the label. It provides technical support to the Steering Committee and the Gold Standard management.

The Gold Standard was designed by a number of experts acting through the Gold Standard Advisory Board (SAB). The SAB was replaced with the above-mentioned GS-TAC in 2005 for operative reasons.

For detailed information on members of the GS-SC, GS-TAC and the former SAB as well as the list of NGO supporters endorsing the Gold Standard, see http://www.cdmgoldstandard.org/about_goldstandard.php. NGOs interested in joining the Gold Standard supporter network will also find the relevant documents for application there.

1.3 OVERVIEW OF THE GOLD STANDARD PROJECT CYCLE

Securing finance for a voluntary offset project requires a number of additional steps compared to a conventional project development cycle. These steps entail additional expenditure for implementation and/or validation and verification. These additional Gold Standard activities are explained in this manual. An overview of steps in the conventional project cycle and additional requirements for the Gold Standard is given in Figure 2. This allows the project proponent to consider when to undertake the additional steps.

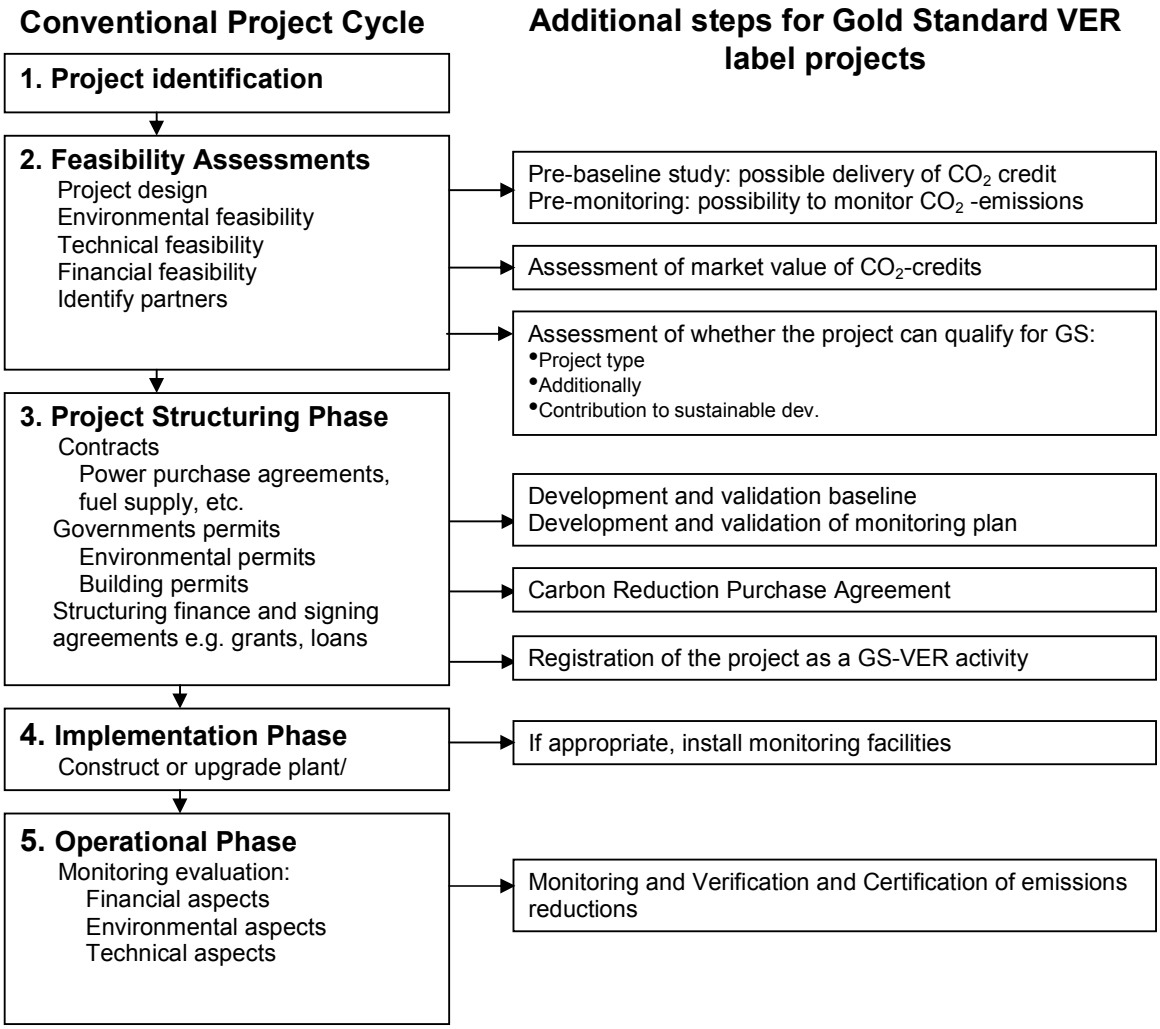

Figure 2: The Project Cycle and the Gold Standard

1.4 THE SCREENING PROCESS

Project type, additionality and sustainable development are the subjects of the Gold Standard screens. The screens contain the requirements that are additional to those for a conventional project cycle and that need to be addressed in the design of the project. The screening methodology used to apply for the Gold Standard comprises two main steps:

1. A **pre-assessment stage** to test the minimum conditions for eligibility for the Gold Standard. The pre-assessment screens exist only to assist the project proponent, and are not part of the formal requirements for the Gold Standard. Guidelines are provided as a first indication of what the project proponent will need to do to meet the requirements of the Gold Standard for Voluntary Offsets.

2. The **main assessment framework** where the main screens are applied to confirm eligibility of the project against the Gold Standard VER requirements. The results of the application of the screens will be validated for each project that applies for the Gold Standard.

   Monitoring and ex-post verification by an independent party and reporting is needed to retain Gold Standard registration of a project and to register issued credits as Gold Standard credits. The procedures for this are also part of the main assessment framework.

   Validation and verification are conducted by UNFCCC-accredited Designated Operational Entities (DOEs) accredited for the appropriate scopes, selected by the project proponent. The DOEs will base their validation on the Gold Standard VER Manual for Validators.

1.5 RETROACTIVE REGISTRATION OF CONVENTIONAL VOLUNTARY OFFSET PROJECT TO THE GOLD STANDARD

Retroactive registration of a project under the Gold Standard VER is possible under certain conditions:

1. **For projects already under implementation or operational** (implementation being defined as start of the physical construction of installations associated with the project):
   - Projects can earn Gold Standard VER credits for the emission reductions achieved in the future if they can credibly and transparently demonstrate that they have applied an equally rigorous project development procedure, particularly with respect to stakeholder consultation and assessment of additionality. Also it must provide credible evidence that the previous announcement check, as defined in section 3.3.1, had been passed before implementation. This will also require demonstration that official, legal or corporate documents relating to project development were available to credible 3rd parties at time of project activity start.
   - Projects must comply with Gold Standard VER criteria.
   - Project proponents wishing to make use of this option are requested to submit relevant documentation to the Gold Standard Technical Advisory Committee via info@cdmgoldstandard.org .
   - The GS-TAC will conduct a first feasibility assessment and, if the outcome is positive, request DOE validation of the respective claim. The Gold Standard charges a fee for this initial assessment that is based on the expected annual volume of reductions (1 US-Cent per expected VER; with a minimum fee of 250 US$).
2. **For projects having started the project development process or passed validation, but not yet under implementation or operational:**
   - Projects need to show full compliance with Gold Standard VER criteria. This includes performing an initial stakeholder assessment as described in detail section 3.4.3, subsequent adaptation of the PDD depending on the outcome of this process, and a main stakeholder consultation to the Gold Standard rules.
   - A Designated Operational Entity (DOE) must validate all information. In the latter case, the validation documentation also needs to explicitly state that adaptation of the project to the Gold Standard VER rules has not led to a change in prospective emission reductions.

Regarding micro-scale projects, the rules for retroactive registration are the same, but the validation by the DOE will be carried out only if it is selected through the targeted random (see section 3.5 for more details).

Developers wishing to apply for retroactive registration under the Gold Standard should contact the Gold Standard for an initial feasibility assessment (info@cdmgoldstandard.org). Figure 3 illustrates the necessary steps for retroactive Gold Standard registration.

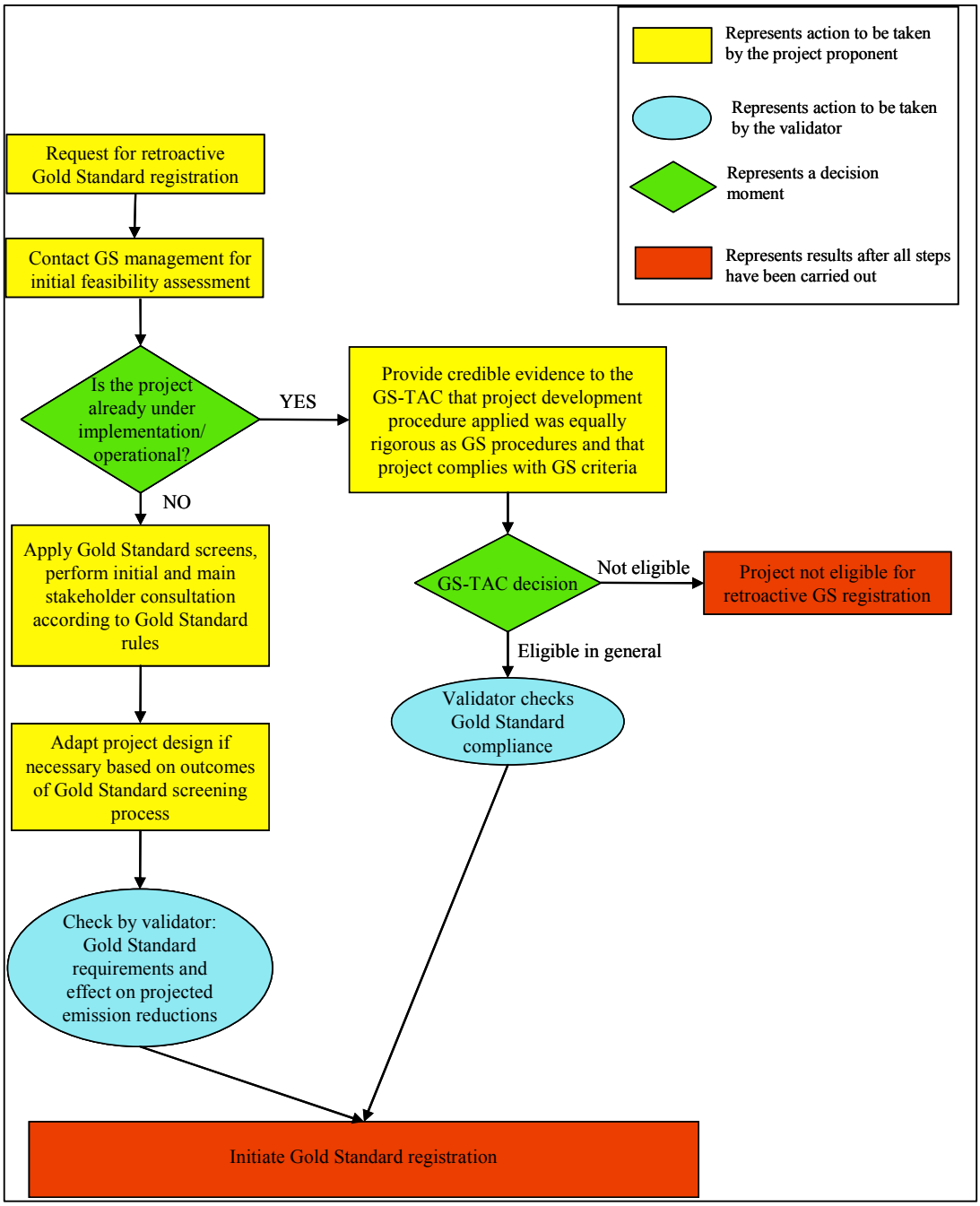

Figure 3: Retroactive registration of conventional offset project to The Gold Standard

2 PART 2: THE PRE-ASSESSMENT FRAMEWORK

2.1 THE PRE-ASSESSMENT

This part of the manual is to assist project proponents in carrying out a pre-assessment of their project.

Please note that the guidelines that are included in this part of the Manual will not be validated. These serve only to provide guidance to the project proponent in the pre-assessment of the project and are not mandatory.

2.2 PROJECT ELIGIBILITY

The goal of the Gold Standard is to promote investments in energy technologies and management techniques that mitigate climate change, promote (local) sustainable development and contribute towards a transition to non-fossil energy systems.

To be eligible for the Gold Standard:

- The project activity can be located in any country that does not have a quantitative reduction target under the Kyoto Protocol
- The project activity and its components must be on the explicitly mentioned (see Box 1 below and Appendix A of this document)
- Each project activity of a bundle must be on the list below. A bundle is defined as several different project activities submitted as one single voluntary offset project (i.e. in one single PDD)
- All project activities that are part of a bundle must be considered, also for the size limitations

Renewable Energy

- PV
- Solar thermal
  - *Electricity*
  - *Heat*
- Ecologically sound biomass, biogas and liquid biofuels
  - *Heat, electricity, cogeneration*
  - *Transport*
- Wind
- Geothermal
- Small low-impact Hydro, with a size limit of 15 MW, complying with WCD guidelines

End Use Energy Efficiency Improvement

- Industrial energy efficiency
- Domestic energy efficiency
- Energy efficiency in the transport sector
- Energy efficiency in the public sector
- Energy efficiency in the agricultural sector
- Energy efficiency in the commercial sector

When renewable electricity is produced through a biomass or biogas project, emission reductions due to the capture of methane that would normally be emitted from the project are applicable under the Gold Standard and count towards the project's overall emission reductions. Detailed guidance on eligible project types is given in **Appendix A** of this document.

Box 1: Project Types Eligible to the Gold Standard

2.3 ADDITIONALITY

Voluntary offset projects must reasonably demonstrate that the emission reductions from the project are additional to what would have happened in the absence of the project.

To satisfy this additionality test, project proponents need to satisfactorily demonstrate that:

- The project would not have occurred without the project being a Gold Standard voluntary offset project; due to financial, political or other barriers;
- The project goes beyond a 'business as usual' scenario;
- Greenhouse gas emissions are lower with the project than they would have been without the project (i.e. the baseline situation), as illustrated below in Figure 4.

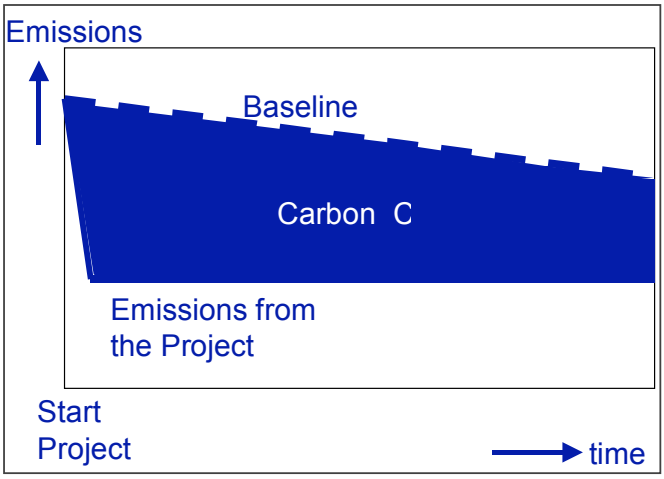

Figure 4: Baseline for a voluntary offset Project

To be judged *'additional'* for the Gold Standard, the project design should meet the following requirements:

1. **Measurability of emissions reductions**. Emissions reductions need to be measurable for the project to be eligible for the Gold Standard. They should be predictable emission reductions, amenable to standardised validation and verification processes and must use accepted methodologies or new methodologies that have been approved by the MethPanel of the CDM Executive Board, the SSC WG or the UNDP MDG Carbon Facility. If none of the existing approved methodologies is applicable for the voluntary offset project, a new methodology could be submitted to the TAC to be checked. A standard fee of 1.000$ for micro-scale and 2.500$ for small- and large-scale project methodologies will be charged for this purpose. Gold Standard will not disclose the new methodology, other than through publishing the PDD. Project proponents should be aware that voluntary offset projects based on Gold Standard-only, UNDP MDG Carbon facility and other non-MethPanel approved methodologies will not be able to "switch" to a CDM project at a later stage.
2. **Introduction of technology and/or knowledge innovation to the host country**. Gold Standard projects should positively contribute to technology transfer (North-South, South-South or in-country urban-rural or rural-urban).
3. In cases where a **public announcement** has been made of the project going ahead without it being a voluntary offset project, prior to any payment being made for the implementation of the project, the project is not eligible for the Gold Standard, except in cases where the project was subsequently cancelled.
4. **Compliance with the UNFCCC's Additionality Tool** ("Tool for the demonstration and assessment of additionality"; http://cdm.unfccc.int/methodologies/PAmethodologies/AdditionalityTools/Additionality_tool.pdf). This tool should be used to provide evidence that the project is additional through a series of analyses.
5. **The project should not employ Official Development Assistance** (**ODA**) **for purchasing of VER credits**. ODA funding encompasses funds to developing countries and multilateral institutions provided by government agencies

whose main objective is the economic development and welfare of developing countries and that are concessional in character, conveying a grant element of at least 25%.

Project participants should assess additionality in a **conservative** manner to avoid the crediting of business-as-usual activities. Section 3.3.3 of this document gives further guidance about conservative approach.

MICRO SCALE PROJECTS
Regarding the point number 3 above about previous announcement, for a micro-scale project a written statement by the project developer is required that this project has not been announced for implementation without seeking carbon **finance within the last 3 years.**

2.4 SUSTAINABLE DEVELOPMENT

2.4.1 Sustainable Development Assessment

Voluntary offset projects qualified as Gold Standard are projects with real environmental benefits and represent new and additional investments towards a sustainable development. Although the term 'sustainable development' is open to many different interpretations, there is some agreement on defining the core principles. These include environmental protection, social advancement, human rights and economic development.

The Gold Standard defines a list of indicators as illustrated in Box 2. To be eligible for the Gold Standard, a project must be assessed against these indicators, using a scoring system ranging from –2 (major negative impact without possibility of mitigation) to +2 (major positive impact). Projects that score –2 for any of the indicators are not eligible for Gold Standard registration.

NOTE: This assessment does **not** pre-empt or judge the sovereignty of host countries to define sustainable development according to their own needs – it merely provides a structured framework for the assessment and filters out projects that have negative impacts that cannot be mitigated.

For the pre-assessment, a qualitative assessment of the indicators should give a first indication of the sustainable performance of the project and whether one of the indicators may be a bottleneck for Gold Standard eligibility.

Local/regional/global environment Water quality and quantity Air quality (emissions other than GHGs) Other pollutants: (including, where relevant, toxicity, radioactivity, POPs, stratospheric ozone layer depleting gases) Soil condition (quality and quantity) Biodiversity (species and habitat conservation)
Social sustainability and development Employment (including job quality, fulfilment of labour standards) Livelihood of the poor (including poverty alleviation, distributional equity, and access to essential services) Access to energy services Human and institutional capacity (including empowerment, education, involvement, gender)
Economic and technological development Employment (numbers) Balance of payments (sustainability) Technological self reliance (including project replicability, hard currency liability, skills development, institutional capacity, technology transfer)

Box 2: Sustainable Development Indicators

MICRO SCALE PROJECTS
The scoring system for the sustainable development assessment can be used: negative, neutral, positive (-,0,+).
Projects that score negative without possibility for mitigation are not eligible for the Gold Standard VER.

2.4.2 Environmental Impact Assessments

The project proponent will comply with specific requirements for Environmental Impact Assessments. An EIA is necessary in three cases:

1. When required by appropriate host country law
2. When required by the Gold Standard:

- If the outcome of the initial public consultation process (see section 3.4.3) is that environmental or social impacts are significant, and/or the sustainable development assessment matrix (see section 3.4.1) comprises one or more indicator scoring –1 for small- and large-scale or negative for micro-scale projects,

  and

- The results of using a pre-screen checklist (see Appendix B) show that the environmental impacts identified in the initial stakeholder consultation or in the sustainable development matrix are significant enough to require an EIA.

MICRO SCALE PROJECTS
An EIA is necessary if required by appropriate local, regional or national legislation.
If no EIA is required, the project developer has to provide a statement that the proposed project complies with the local environmental regulations.

Micro-scale projects scoring negative in the Sustainable Development screen, with no possible mitigation measures, must be treated as a small- or large-scale project (see section 3.4.2 for details).

2.4.3 Stakeholder Consultation

The final important piece of the sustainable development screen is ensuring that there is a meaningful stakeholder consultation that involves parties that will be directly affected by the project activity.

The Gold Standard Public Consultation Process requires at least two public consultations in the design phase of the project (see section 3.4.3 for details).

MICRO SCALE PROJECTS
For micro scale projects, only one stakeholder consultation is required (see section 3.4.3 for details).

3 PART 3: ASSESSMENT FRAMEWORK

This chapter contains the formal requirements that a project needs to meet in order to be eligible for the Gold Standard and will be subject to validation.

3.1 INTRODUCTION

The project has to pass all the screens that are included in this part of the manual in order to be eligible for the Gold Standard. Independent, UNFCCC-accredited validators, will carry out this validation and verification upon request. An overview of accredited validators (or DOEs) can be obtained from the website of the UNFCCC: http://cdm.unfccc.int/DOE/list. The Gold Standard accepts validation and verifications by every DOE accredited to the UNFCCC for the relevant scopes. Project proponents needing assistance in finding a Gold Standard-experienced DOE can contact info@cdmgoldstandard.org.

The results of the screens are part of the Gold Standard for Voluntary Offsets Project Design Document (GS-VER-PDD) The appropriate document can be downloaded from the Gold Standard website (http://www.cdmgoldstandard.org/downloads.php).

These tests are designed as far as possible to fit in with regular project activities, in order to keep additional transaction costs as low as possible.

The Assessment Framework consists of the following tests:

- Project Eligibility screen
  - Project type
  - Host country eligibility
- Additionality screen
  - Previous public announcement check
  - Additionality tool
- Sustainable development screen
  - Sustainable development assessment
  - Environmental Impact Assessment (EIA) requirements
  - Public consultation

3.2 PROJECT ELIGIBILITY SCREEN

The purpose of this screen is to assess whether the project can be eligible for the Gold Standard in terms of type of project and location.

3.2.1 Project Type

Only projects that fall into the categories outlined in the pre-assessment section in Box 1 in Chapter 2 are eligible to The Gold Standard. For a definition of these technologies, please refer to Appendix A: “Definition of Technologies”. Each project activity of a bundle must be a technology as listed in Appendix A. A bundle is defined as several different project activities submitted as one single voluntary offset project (i.e. in one single PDD). All project activities that are part of a bundle must be considered, also for the size limitations.

Definitions given in Appendix A, while linked to UNFCCC methodologies for small-scale projects, are equally applicable to other project sizes. The project’s generic features of the technology need to be in accordance to that described in the small-scale methodologies for Gold Standard compliance.

If a project proponent wants to register a project to the Gold Standard not included in this Appendix A then the Gold Standard should be contacted previously to starting PDD work. The GS-TAC will define the necessary information for this decision and formulate a recommendation for the Gold Standard Steering Committee. The Gold Standard Steering Committee will then decide whether a decision by the Gold Standard NGO supporters is required. For a successful addition to Appendix A, at least 30% of the Gold Standard NGO supporters need to respond and of those 30% the majority needs to be in favour of the suggested amendment.

MICRO SCALE PROJECTS
The project proponent has to make a statement that the micro-scale project is not a part of a larger project. Debundling of small- and large-scale projects to micro-scale projects it is not allowed.

3.2.2 Host country eligibility

A Gold Standard voluntary offset project can be located in any country that does not have a quantitative reduction target under the Kyoto Protocol.

The host country will be involved in the consultation process (see section 3.4.3).

3.3 ADDITIONALITY SCREEN

Voluntary offset projects must reasonably demonstrate that the emission reductions from the project are additional to what would have happened in the absence of the project. Additionality should be assessed in a conservative manner so as to avoid crediting business-as-usual activities.

To satisfy the Gold Standard additionality screen, project proponents need to demonstrate that:

- The project would not have occurred without the project being a Gold Standard voluntary offset project; due to financial, political or other barriers.
- The project goes beyond a 'business as usual' scenario.
- Greenhouse gas emissions are lower with the project than they would have been without the project (i.e. the baseline situation).
- ODA will not be used for purchasing of VER credits. Note that in the case of a later switch to the CDM, Gold Standard projects must demonstrate that ODA has not been used in the project. In that case the guidelines of the Gold Standard CDM project developer's manual must be used.

The additionality screen consists of two parts:

- **Previously announced projects screen**: checks whether a public announcement has been made of the project going ahead without it being a voluntary offset project, prior to any payment being made for the implementation of the project.
- **Additionality tool:** checks whether the project is additional based on a methodology provided by the UNFCCC.

MICRO SCALE PROJECTS
Please note that the degree of detail of the documentation should be commensurate to the size of the project

3.3.1 Previously announced projects screen

Projects of which there has been a public announcement of the project going ahead without it being a voluntary offset project, prior to any payment being made for the implementation of the project, are not eligible for the Gold Standard. This restriction is not valid in cases where the project was subsequently cancelled and is now being re-activated due to the possibility of a VER transaction intervention.

What do I need to do in order to demonstrate that the project has not been previously announced?

- Check whether the project has been previously announced in its current design. If so, the project cannot be submitted as a Gold Standard project

If a project has been previously announced with another project design, the project may be submitted as a Gold Standard project if it can be clearly substantiated why the project design has been changed. In the barrier screen (next section) it should be demonstrated why the change in project design has helped to remove a barrier for implementation that can be overcome with the help of the Gold Standard VER registration.

MICRO SCALE PROJECTS
Required is a written statement by the project developer that this project has not been announced for implementation without seeking carbon finance within the last 3 years.

3.3.2 Additionality tool

A Gold Standard voluntary offset project must be additional, that is the project must offer further reductions on top of other emission reductions projects planned.

As indicated in Chapter 2, project participants should demonstrate additionality by using the UNFCCC's "Tool for the demonstration and assessment of additionality", Version 2 (dated November 28, 2005) (see figure below). (http://cdm.unfccc.int/methodologies/PAmethodologies/AdditionalityTools/Additionality_tool.pdf).

The UNFCCC has developed this tool to test the additionality of a CDM project. If a project successfully passes this test it can claim additionality. The use of this tool does however not replace the need for the use of an approved baseline methodology.

Every step of the tool is of equal importance. For a quick scan of a project it is common practice to perform an investment, and a barrier analysis.

- *Economic/financial analysis*: if the project is to be developed as a voluntary offset project, it has to successfully demonstrate that the revenues from the VERs are essential for the development of the project. This analysis is also called investment analysis.
- *Barrier analysis*: determine whether the proposed project activity faces barriers that:
  - Prevent the implementation of this type of proposed project activity; and
  - Do not prevent the implementation of at least one of the alternatives.

The tool must be used in its totality, i.e. the steps 0-5 need to be passed and satisfactorily document additionality. Project proponents may choose between an investment ***or*** barrier analysis.

What do I need to do in order to pass the additionality test under the Gold Standard?

- Complete all the 6 steps of the UNFCCCs additionality tool, choose between Step 2, Investment Analysis, **or** Step 3, Barrier Analysis.
- Use conservative estimates and assumptions in the process.

3.3.3 Conservative approach

Voluntary offset projects should result in lower greenhouse gas emissions than those that occur in the 'baseline' situation. The baseline is defined as the scenario that reasonably represents the greenhouse gas emissions that would occur in the absence of the project.

The Gold Standard stresses the importance of a conservative approach in demonstrating additionality in order to avoid crediting business-as-usual activities. The most convincing baseline approach is to be selected, and the choice shall be justified. When applying the appropriate baseline methodology conservative options and data should be used to calculate the baseline emissions.

The methodology that is used to calculate the baseline needs to be approved by the MethPanel of the CDM Executive Board (these are available at: http://cdm.unfccc.int/methodologies), the SSC WG or the UNDP MDG Carbon Facility. If none of the existing approved methodologies is applicable for the voluntary offset project, a new methodology could be submitted to the TAC to be checked. In that case, the cost of the evaluation is a standard fee of 1,000$ for micro-scale projects and of 2,500$ for small- and large-scale projects. Gold Standard will not disclose the new methodology, other than through publishing the PDD.

It is important that the methodology chosen should lead to a conservative estimate of the baseline in order to reduce the risk of artificially inflating the number of VERs received by a project activity. Unless there is a convincing case for an alternative choice of baseline methodology and technical assumptions (e.g. emission factors), the approved methodology that results in the lowest baseline emissions must be used. Data or expert opinions need to be presented in a sufficient degree of detail,

transparency and should be verifiable. Data uncertainties should be clearly stated, if possible, with associated margins of error. All data and statements will, in any case, be subject to checking by the validators. Leakage issues are to be addressed as part of the baseline and project boundary, as with any conventional voluntary offset project.

The baseline report must include an overview of the current and known future legally binding regulatory instruments so the validator can assess whether the project would be implemented anyway because of these. It also should provide evidence so that the validator can assess whether or not the technology used is considered "normal practice".

What do I need to do in order to demonstrate that a conservative approach is adopted?

- Select a methodology approved by the MethPanel, SSC WG 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.

3.4 SUSTAINABLE DEVELOPMENT

The purpose of this screen is to assess whether the project complies with the requirements of the Gold Standard in terms of sustainable development. The screen comprises three parts:

- Sustainable development assessment (see section 3.4.1)
- EIA requirements (if applicable; see section 3.4.2)
- Public consultation procedures (see section 3.4.3)

The three parts of this screen are closely interlinked and it is critical that correct timing is applied in order to reduce unnecessary delays. Figure 5 gives an overview over the connections of the different requirements and timing for small- and large-scale projects.

It is also incumbent on the project proponent to support all the judgments and statements made in this assessment with further information or materials (the results of the initial public consultation and subsequent consultation meetings, information collected in the EIA and EIA screening process should be employed, supplemented by available research studies, interviews and references to similar projects). The validator will assess whether the project proponent's claims are sufficiently substantiated.

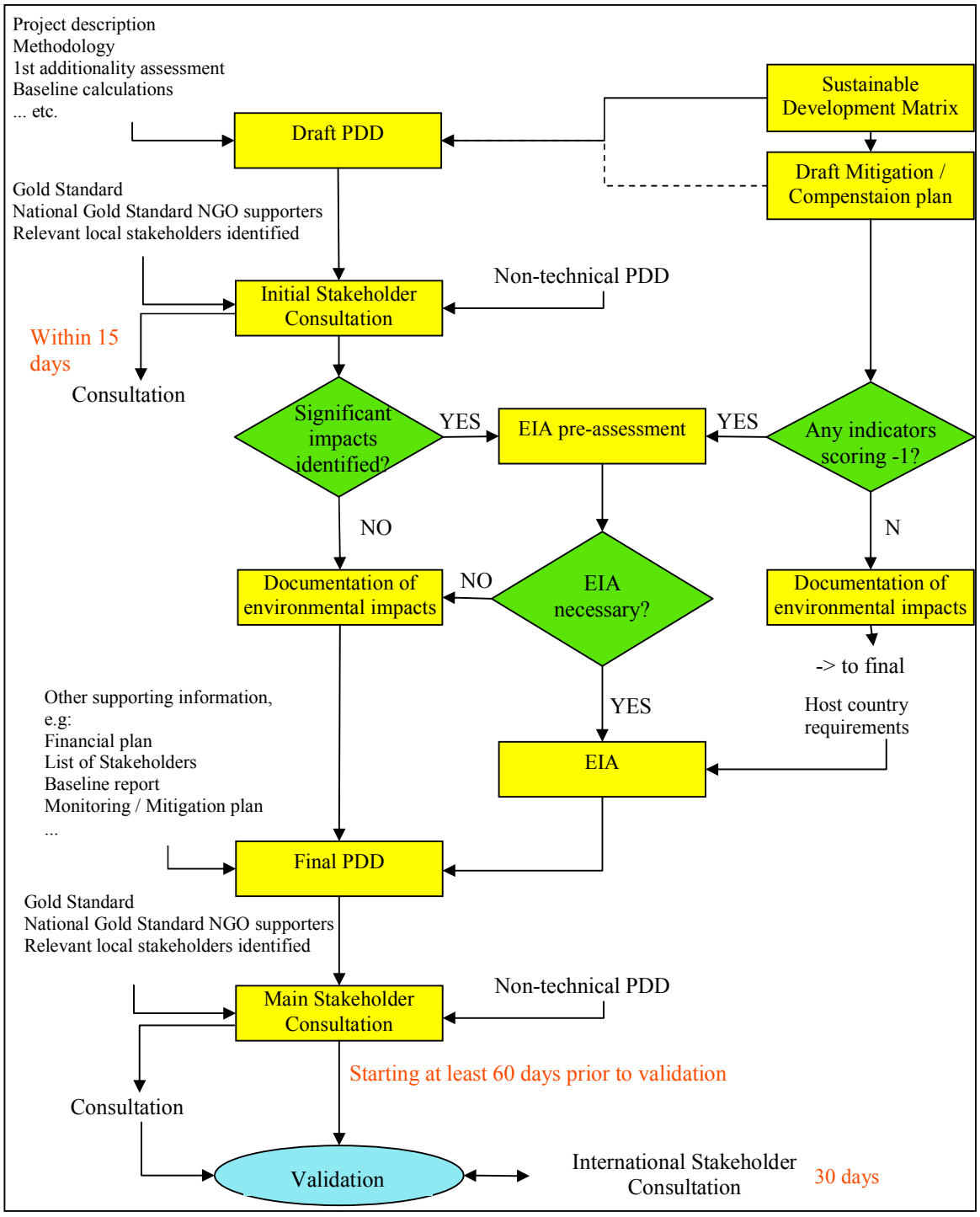

Figure 5: Gold Standard Sustainable Development Screen for small- and large-scale projects – linkages and timing

3.4.1 Sustainable development assessment[1]

Any project seeking to obtain the Gold Standard must demonstrate clear benefits in terms of sustainable development. The contribution of the proposed project activity to the sustainable development of the country is based on indicators of three broad **components**:

- Local/global environment sustainability;
- Social sustainability and development;
- Economic and technological development.

The indicators within these three components are set out in the Sustainable Development Assessment Matrix (see Box 3 below). They do not provide "yes" or "no" answers, but a rating of how the project performs against a series of parameters, based on quantitative and/or qualitative assessment. The project's performance must be assessed using the following **scoring system**:

-2: major negative impacts, i.e. where there is significant damage to ecological, social and/or economic systems that cannot be mitigated through preventive (not remedial) measures.

-1: minor negative impacts, i.e. where there is a measurable impact but not one that is considered by stakeholders to mitigate against the implementation of the project activity or cause significant damage to ecological, social and/or economic systems.

0: no, or negligible impacts, i.e. there is no impact or the impact is considered insignificant by stakeholders.

+1: minor positive impacts

+2: major positive impacts

Indicators scoring –1 must be subject to the EIA pre-screen checklist (see 3.4.2) to determine necessity of an EIA.

All changes are to be considered relative to the baseline situation (i.e. without the proposed project) as defined in the project documents. Those indicators that are either crucial for an overall positive impact on sustainable development or particularly sensitive to changes in the framework conditions and/or where the public consultation (see section 3.4.3) has yielded concerns of stakeholders, need to be marked with an asterisk (*) and must be included in the monitoring plan of the project (see section 3.5.1). The data used for monitoring these indicators in future must be consistent with the data used for the primary assessment.

The Gold Standard does not define qualitative or quantitative boundaries between the different scores apart from the ability to undertake mitigation of major negative impacts (not possible → -2; possible → -1). This allows for situation-specific scoring of the indicators.

For eligibility to the Gold Standard:

- Each of the components must have a sub-total score that is non-negative,
- The total score must be positive.
- If one of the indicators has a score of -2, the project is not eligible for the Gold Standard.

MICRO-SCALE PROJECTS

The scoring system for micro-scale projects scores as negative, neutral or positive impacts:

-: negative impacts. Where there is damage to ecological, social or economic systems.

0: no, or negligible impacts, i.e. there is no impact or the impact is considered insignificant by stakeholders

+: positive impacts

If a project scores negative then it is only eligible if the project proponent, in a mitigation plan to be included in the monitoring plan of the project, can demonstrate that the impacts can be mitigated or compensated. Projects scoring negative where mitigation or appropriate compensation is not possible are not eligible to the Gold Standard for micro-scale VER projects and must be treated as a small or large-scale VER project. The proposed project will need to restart the assessment and adjust the PDD as a small- or large-scale project.

[1] This methodology is based on the work of Helio International (www.heliointernational.org) and members of the South South North network (www.southsouthnorth.org).

Guidance on completion of the Sustainable Development Assessment Matrix
Completion of the table should not require new research, but should be based on existing sources of information. These could include data from existing reports, results from stakeholder consultations, and experiences with similar projects in similar situations, etc. The indicators should be discussed during the stakeholder consultation processes as the opinions of people and communities affected by the project represent a key input into the sustainable development assessment. Where data are unavailable or is of poor quality, independent opinions and expert judgements can also be used.

Data or expert opinions need to be presented in a sufficient degree of detail, transparency and should be verifiable. Data uncertainties should be clearly stated, if possible, with associated margins of error. All data and statements will, in any case, be subject to checking by the validators.

Component • Indicators (A list describing the indicators in more detail is presented in Appendix D.)	**Score (-2 to 2)/(-, 0, +)**
Local/regional/global environment	
• Water quality and quantity	
• Air quality (emissions other than GHGs)	
• Other pollutants (including, where relevant, toxicity, radioactivity, POPs, stratospheric ozone layer depleting gases)	
• Soil condition (quality and quantity)	
• Biodiversity (species and habitat conservation)	
Sub total	
Social sustainability and development	
• Employment (including job quality, fulfilment of labour standards)	
• Livelihood of the poor (including poverty alleviation, distributional equity, and access to essential services)	
• Access to energy services	
• Human and institutional capacity (including empowerment, education, involvement, gender)	
Sub total	
Economic and technological development	
• Employment (numbers)	
• Balance of payments (sustainability)	
• Technological self reliance (including project replicability, hard currency liability, skills development, institutional capacity, technology transfer)	
Sub total	
TOTAL	

Box 3: Sustainable Development Assessment Matrix

What do I need to do in order to comply with the sustainable development assessment criteria of the Gold Standard?

- Use existing data, input from the stakeholder consultation (see section 3.4.3) and, where necessary, independent local expert opinions and judgements
- Make sure full transparency is applied and the scoring is reproducible and verifiable.
- Score the indicators of the sustainable development matrix. Scores of –2, a non-positive total score and a negative sub total score mean your project is not eligible to the Gold Standard.
- In accordance with section 3.4.2 (EIA requirements), define mitigation measures where scores are –1.
- In accordance with section 3.5.1, mark those indicators that are crucial for an overall positive impact on sustainable development or are particularly sensitive with an asterisk (*) and include them in the monitoring plan.

3.4.2 EIA requirements

The project proponent must conform to the requirements of the host country in undertaking EIAs. In addition, or in the absence of any host country legal requirements, the project proponent should check the project against the Gold Standard requirements on EIA.

The Gold Standard initial stakeholder consultation includes an environmental and social impacts checklist (see Appendix E), which is designed to answer whether the project activity results in environmental and social impacts that might require an EIA or a mitigation plan.

In order to finally decide whether an EIA is necessary or not, the nature and scope of indicators scoring –1 in the Sustainable Development Assessment Matrix and the significant environmental impacts identified by the initial stakeholder consultation need to be assessed. These must at least be reviewed with respect to EIA pre-screen checklist (Appendix B).

The following flow chart (Figure 6) gives an indication of the requirements and steps to be undertaken to meet the EIA requirements of the Gold Standard. In any case an EIA needs to be performed, the Gold Standard requires that it should at least include:

1. Inclusion of an **Initial Stakeholder Consultation** (See section 3.4.3). The significant environmental and / or social issues raised by Initial Stakeholder Consultation and those indicators scoring –1 in the Sustainable Development Assessment Matrix must be addressed by the EIA and if necessary included in the mitigation plan.

2. For run of river hydro projects, the issues listed in Appendix C must be considered by the EIA.

3. Dam and other storage project activities must fulfil WCD guidelines. These can be found at: www.dams.org/report. See in particular Chapter 9 of The WCD Report: *Criteria and Guidelines.*

4. The following questions relating to essential features of a quality EIA must be answered with 'Yes':
    - Have alternative technologies, sites and resource uses been given due consideration?
    - Has the compatibility of the project activity with other existing polices, programmes and projects been duly evaluated?
    - Was the identification of environmental and socio-economic impacts deep and broad enough and did the assessment cover an appropriate area of influence?
    - Did public consultation begin early enough to ensure that stakeholder views were incorporated in the design of the project activity?
    - Were concerns raised during public consultation incorporated into the Environmental Impact Assessment?
    - Are proposed impact mitigation and compensation activities credible and feasible?

- Is the monitoring plan appropriate and feasible?

Where the EIA indicates that there will or may be significant adverse impacts, the project proponent must design and implement credible mitigation and, where necessary, compensation measures. These should be reviewed during the second stakeholder consultation (see following section) and checked for viability by validators. Implementation should also be monitored throughout the project lifetime and be included in the monitoring plan of the project.

Figure 6 illustrates the decision flowchart for the EIA requirements assessment related to small- and large-scale projects.

What do I need to do in order to meet the EIA requirements of the Gold Standard?

- Check whether the host country has local procedures requiring an EIA for the type of project proposed.
- If you propose a small- or large-scale project and no requirements are set by the host country or the TAC, no EIA is required if the Initial Stakeholder Consultation has not identified any significant impacts and no indicators were scored –1 in the Sustainable Development Matrix.
- If no EIA is required, include a description of the environmental impacts of the project in the baseline report. The validator will check whether an EIA is indeed not required for the proposed project.
- If any indicator of the Sustainable Development Matrix scored –1 or the Initial Stakeholder Consultation did identify any significant impacts, it needs to be decided whether impacts are significant enough to require an EIA. This assessment should at least include the EIA pre-screen Checklist as included in Appendix B.
- If any of the above steps show a requirement to carry out a full EIA, act accordingly to qualify for the Gold Standard.
- In cases where indicators were scored –1 in the Sustainable Development Matrix Assessment, but impacts were not considered significant enough to require an EIA, possible mitigation measures must be discussed and if feasible planned.
- In cases where the Initial Stakeholder Consultation did identify any significant impacts, but impacts were not considered significant enough to require an EIA, an alternative mitigation plan has to be developed.
- The EIA has to be submitted to the validator who will include the EIA in the main stakeholder consultation on the Project Design Document.
- Any mitigation and compensation measures for siginificant negative impacts need to be included in the project's monitoring plan. The validator will assess if the measures are sufficient, appropriate and adapted to local circumstances.

MICRO-SCALE PROJECTS

An EIA is necessary if required by appropriate local, regional or national legislation.

If any indicator of the Sustainable Development Matrix scored negative or the Stakeholder Consultation did identify any significant impacts, it needs to be decided whether impacts could be mitigated through mitigation measures. If those measures are not available, the micro-scale project must apply the rules and procedures for small-scale Gold Standard VER projects.

If no EIA is required by local law, the project developer still has to prove that the proposed project complies with the local environmental regulations. Therefore an owner declaration is required, that guarantees that the project complies with local environmental regulations.

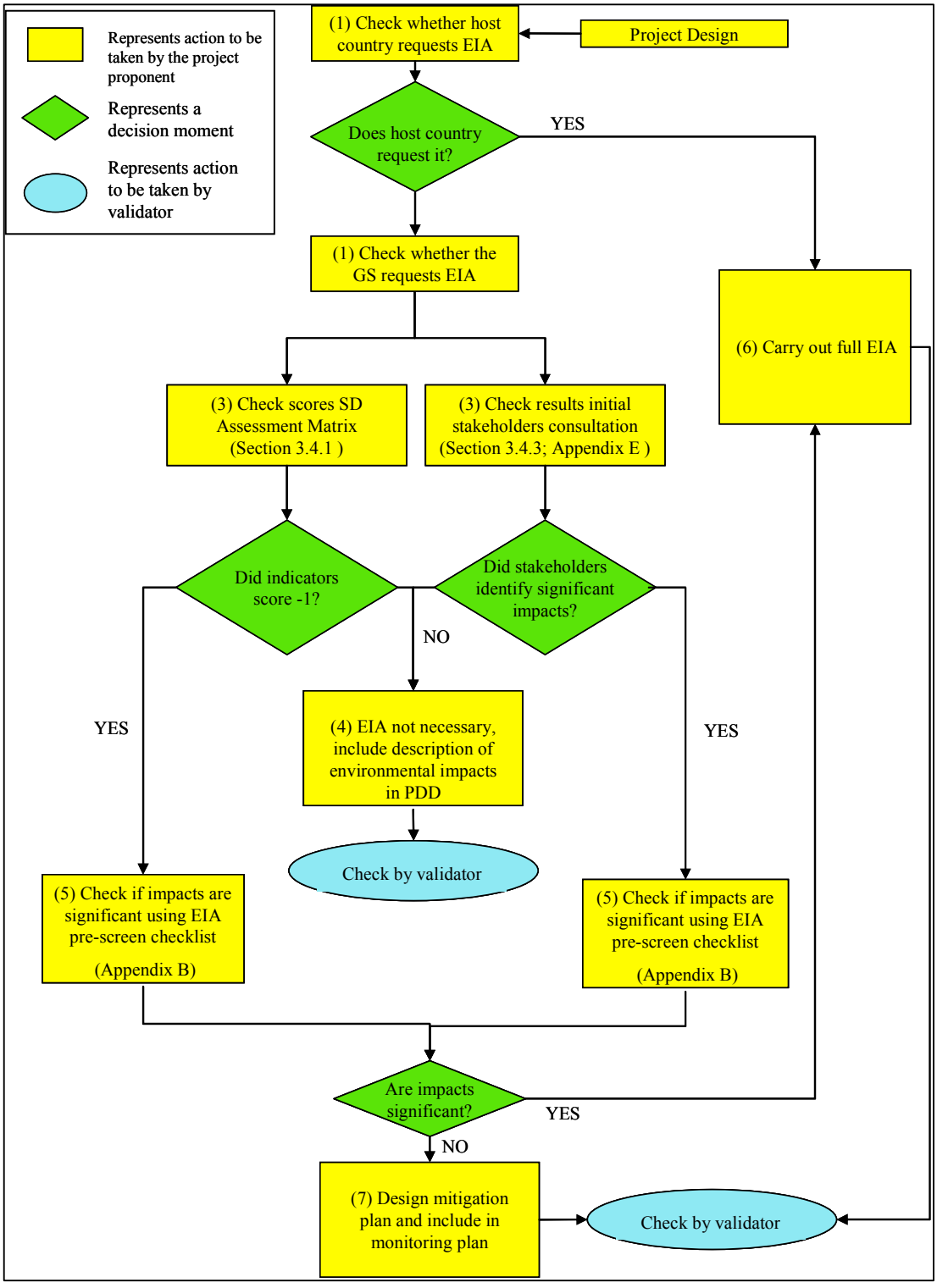

Figure 6: EIA decision flowchart for small- and large-scale Gold Standard projects

3.4.3 Public consultation procedures

Conventional small- and large-scale voluntary offset projects require public consultation procedures at two phases in the project cycle:

- Consultation of local stakeholders in the design phase (Initial Stakeholder Consultation)
- Consultation of (local) stakeholders on the Project Design Document (PDD) (Main Stakeholder Consultation)

The initial consultation procedure has to be carried out according to the host country requirements. As part of the international stakeholder consultation, every PDD will be published on the Gold Standard website for 30 days.

In addition to the locally applicable requirements of a 'conventional' project cycle, the Gold Standard Public Consultation Process has at least the following requirements:

General

Comments must be actively invited, fully documented and disseminated. Adequate publicity must be given to the project, the availability of the PDD and other documentation, and hearings, (including publication in the local media and other relevant communication channels). At least the following stakeholders must be invited to participate in both consultation processes:

- Local policy makers
- Local people directly impacted by the project
- (if applicable) Local NGOs
- Local and national NGOs that have endorsed the Gold Standard (Gold Standard supporters; a list of these organisations can be found at http://www.cdmgoldstandard.org/about_goldstandard.php?id=16). This includes consultation of those NGO supporters that have an international presence with local offices. Contact data to these offices is provided through the Gold Standard.
- The Gold Standard (info@cdmgoldstandard.org; Initial stakeholder Consultation and for information purposes only)

A list of the stakeholders consulted shall be submitted to the validator as part of the PDD. The validator, with the support of an independent local expert, will assess whether the range of stakeholders selected is appropriate.

Upon initial consultation with the Gold Standard the project proponent may list the proposed project in the Gold Standard project registry as being under development (http://www.cdmgoldstandard.org/projects.php). Projects that do not move forward to Gold Standard registration within 12 months of the first entry will be deleted from the project registry until further progress can be credibly demonstrated to the Gold Standard management. (Listing is mandatory for Gold Standard registered projects.)

Initial Stakeholder Consultation

The Initial Stakeholder Consultation is closely related to the EIA procedure. The initial stakeholder consultation shall take place prior to the decision on an EIA (where this is not already required by national legislation or the TAC). If an EIA is required, the consultation will be used as input into the EIA process and should be carried out at the earliest opportunity.

In the event that an EIA is required by national legislation, the Initial Stakeholder Consultation must be carried out anyway, although the two processes can be integrated in the following way:

- If the requirements of the Gold Standard Initial Stakeholder Consultation can be satisfied under the national EIA regulations then the Consultation may be carried out as an integral part of the EIA process.
- If this is not the case – for example where EIA regulations do not stipulate stakeholder consultation - then the Gold Standard Initial Stakeholder Consultation must be carried out in addition to the EIA and prior to its commencement.

As part of the consultation process, project developer has to send a letter to the DNA, if existent, to inform about the project. If no DNA exists, a letter should be send to the National Focal Point or any other relevant national governmental institution.

At a minimum the initial consultation should be based on:

- Documentation on environmental impacts,

- A non-technical summary of the draft Project Design Document in an appropriate local language.
- At least one public consultation meeting should be carried out in an appropriate local language(s), organised by the project proponent in conjunction with an independent representative of the local community. The results of the public consultation meeting must be made publicly available and concerns addressed in the PDD.

The results should be made publicly available to stakeholders in a readily accessible format no more than 15 days after the initial consultation process has closed.

To ensure adequate consideration of a full range of issues, stakeholders must be asked to address the impacts and their significance raised in the Environmental and Social Impacts Checklist**,** as included in Appendix E. Where impacts are deemed significant or particularly sensitive it needs to be assessed by the project proponent whether an EIA is necessary to further understand the significance of the impact using the EIA pre-screen checklist (see section 3.4.2), and appropriate indicators to address the impact need to be added to the monitoring plan of the project (see section 3.5.1).

The report on the initial stakeholder consultation must include:

- A description of the procedure followed to invite comments, including all the details of the oral hearing such as, place, date, participants, language, local or national Gold Standard NGO supporters, etc.
- All the written comments received, and all comments received during the oral hearing and as a response to the newspaper announcement.
- The argumentation on whether or not comments are taken into account and the respective changes in the project design.

Main Stakeholder Consultation
The Main Consultation process should take place before the project activity is validated. In addition to the UNFCCC requirements for a CDM Stakeholder Consultation, full documentation must be made publicly available for two months prior to validation in a readily accessible form, including:

- The original and complete PDD
- A non-technical summary of the project design document
- All relevant supporting information (if available in appropriate local language(s); additional, non-translated information must be made available as well and shall be translated to the local language upon any justified request of a stakeholder).
- During the consultation period the project developer should respond to comments and questions by interested stakeholders.

The report on the Main Stakeholder consultation must include:

- A description of the procedure followed to invite comments, including addressing all the details of the oral hearing such as, place, date, participants, language, local or national Gold Standard NGO supporters, etc.
- all written or oral comments received;
- The argumentation on whether or not comments are taken into account and the respective changes in the project design.
- The validator (DOE) will check whether or not the mentioned requirements are met. If necessary, the validator will contact the local or national Gold Standard NGO supporters for additional information.

What do I need to do in order to meet public consultation requirements of the Gold Standard?

- Conduct two consultation rounds – one in the early stages of the PDD development, one on the final PDD.
- Structure the consultation in a way that those stakeholders directly affected by the project can provide their input – see above for minimum requirements on how to do this and what issues need to be addressed.
- Send a letter to DNA, if existent, or to the National Focal Point or any other relevant national governmental institution, to inform about the project.
- The consultation may reveal concerns over environmental impacts of the project by stakeholders. In this case, refer to the requirements on EIA (section 3.4.2) to determine if an EIA is necessary.
- Include appropriate indicators on areas that raise concerns over impacts by the stakeholders in the monitoring plan of the project (section 3.5.1).
- Include local Gold Standard NGO supporters and The Gold Standard in your consultations.

MICRO-SCALE PROJECTS

Conduct at least one consultation round in the early stages of the PDD development. It has to meet the requirements as "Initial Stakeholder Consultation".

This initial stakeholder consultation must be carried out in the design phase and needs to include all relevant stakeholders as defined in Chapter 3. If major changes to the project design result from the consultation input, the project developer must inform the stakeholder who requires changes how the comment(s) are taken into account, and demonstrate this in the final PDD.

3.5 MONITORING, VALIDATION, REGISTRATION, VERIFICATION AND CREDIT ISSUANCE PROCEDURES

This section describes the measures intended to safeguard the environmental integrity as required by the Gold Standard and the procedures necessary to obtain the Gold Standard label. Most of the activities to be carried out in these steps require cooperation between the project developer, the validating/verifying DOE and the Gold Standard organisation.

The steps include the following:

1. Monitoring requirements and monitoring plan
2. Validation of the project
3. Registration procedures
4. Verification requirements
5. Gold Standard credit issuance procedures

Projects seeking registration to the Gold Standard and issuance of Gold Standard credits must register a project validated to Gold Standard VER requirements and report results of verification to the Gold Standard organisation. The Gold Standard procedures in addition to verifying emission reductions put emphasis on the requirement to monitor and verify the development of sustainable development indicators.

The procedures below outline both additional Gold Standard requirements as well as best practice procedures for the conventional project requirements to be met in order for a project to qualify for the Gold Standard. Where not specifically described standards considered a common practice apply.

3.5.1 Monitoring Requirements and Monitoring Plan

To meet the requirements of the Gold Standard, the monitoring plan must allow for an accurate assessment *after* project implementation of the emission reductions resulting from the project, key sustainable development indicators and success of mitigation measures, as well as follow the quality requirements set out below.

The data collected on the basis of the monitoring plan is the basis for verification, where the DOE on a periodic basis audits monitoring results, the achieved emission reductions and the project's continued conformance with all relevant project criteria, in particular regarding the sustainable development indicators.

The Gold Standard specifically requires that

- Achieved emission reductions are determined in the necessary degree of detail and, where applicable, data is interpreted conservatively. The relevant data have to be identified and it must be described how they will be established. The project proponent has to ensure that indicators that show the GHG emission level from the project are recorded in a way that enables comparison with the baseline emission scenario
- Indicators of the Sustainable Development Assessment Matrix (see section 3.4.1) that are critical for a positive contribution of the project to Sustainable Development or that are particularly sensitive must be clearly identified, marked with an asterisk (*) in the matrix and added to the monitoring plan with a description of indicators and data collection methodology.
- Based on the issues of potentially significant importance raised in the public consultations (section 3.4.3), additional indicators may be selected, marked with an asterisk (*) and included in the monitoring plan with a description of indicators and data collection methodology.
- Appropriate success indicators for potential mitigation/compensation measures are selected and included in the monitoring plan.

The selection of the indicators must be justified and is subject to a check by the validator. It is recommended to use those indicators, which are already in use for normal business practice. The following are examples of indicators that can be used:

- Project activity levels (e.g. kWh produced)
- Input feedstock use and quality (e.g. volume, moisture content of biomass fuel)
- Environmental impacts as identified in the EIA
- Leakage indicators

In general, the monitoring plan should address the following issues:

- The sources, collection and archiving of all relevant information for
- determining the baseline, emissions and/or removals occurring within the project boundary during the crediting period;
- determining leakage. Leakage is here defined as the increased emissions and/or reduced removals outside the project boundary that are significant and reasonably attributable to the project during the crediting period.
- environmental impacts and
- key sustainable development indicators;
- Potential mitigation and/or compensation measures
- The project proponent has to describe the monitoring equipment to be implemented in order to carry out the monitoring adequately.
- Quality assurance and control procedures for the monitoring process.
- Procedures for the periodic calculation of the emission reductions and/or enhancements of removals by the project, and for leakage effects, if any.
- Documentation of all steps involved in the calculations above.
- The project proponent has to describe the methods used for data registration, monitoring, measurement and calibration. Preferably an internationally recognised method should be applied

The monitoring plan and the proposed monitoring equipment will be assessed by the validator, who may also contact a local expert for the validation of the selected key indicators for the monitoring of the sustainable development impact of the project. If the validator judges that it is not sufficient then the monitoring plan should be revised accordingly.

The following flow chart (Figure 7), gives an indication of the requirements and steps to be undertaken for the monitoring requirements.

What do I need to do in order to meet monitoring requirements of the Gold Standard?

- Determine suitable indicators to monitor baseline data, emissions reductions, leakage, environmental impacts, sustainable development and mitigation/compensation measures.
- Describe and fully document sources of information, calculation procedures, the process of data collection/registration/measurement and archiving as well as necessary monitoring equipment for the selected indicators including calibration procedures.
- Describe control procedures and quality assurance of the monitoring process.

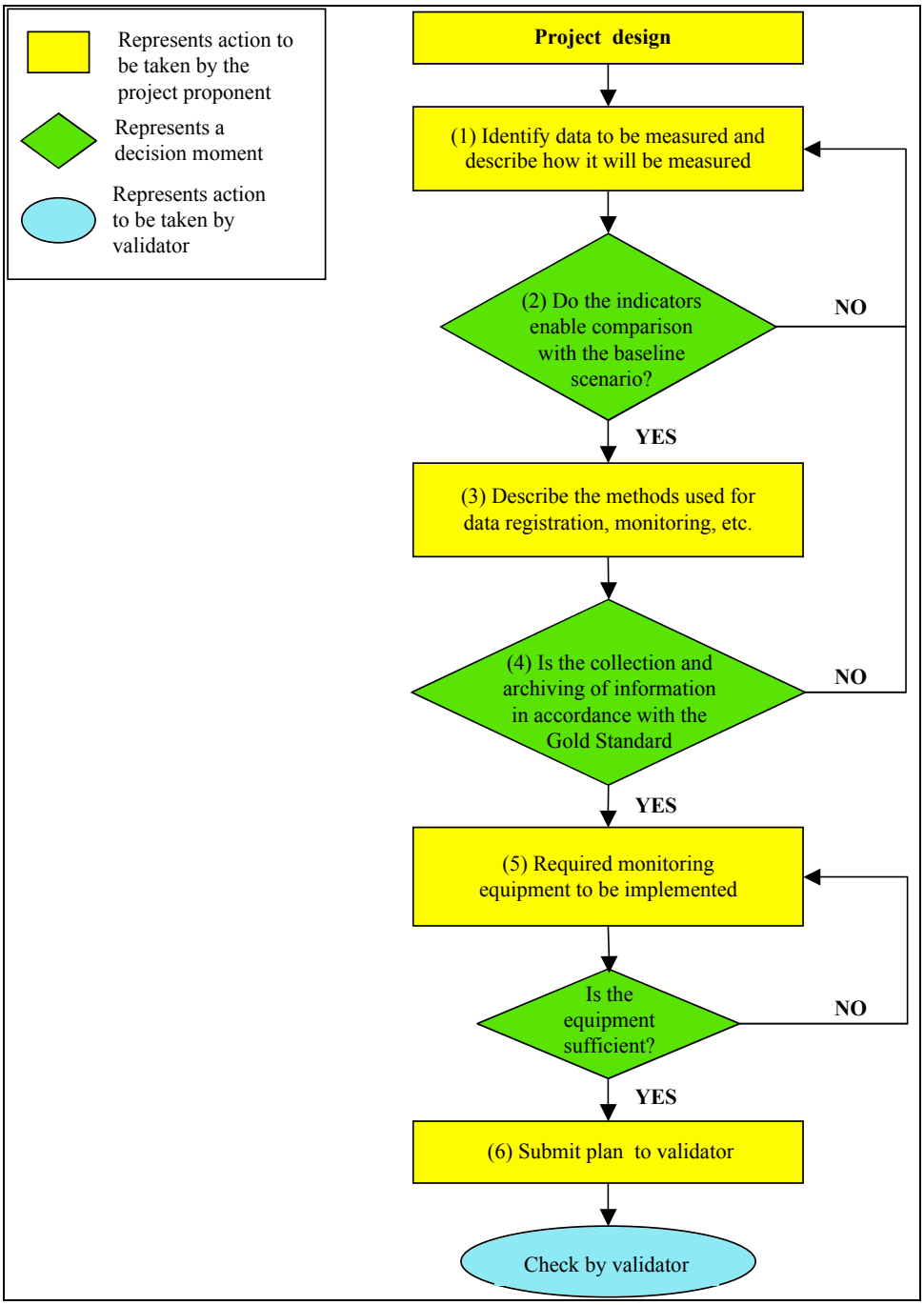

Figure 7: Monitoring requirements flowchart

3.5.2 Validation of the project

To register the project under the Gold Standard, the project and the GS-VER-PDD have to be validated by a DOE.

The project proponent has to contract a DOE accredited for the relevant project type scope and notify it of its intention of validating the project to the Gold Standard. An overview of accredited DOEs can be obtained from the UNFCCC web-site: http://cdm.unfccc.int/DOE/list.

The selected DOEs will validate the project and the PDD according to the Gold Standard requirements as outlined in this document. Where necessary, the DOE will request further clarification or corrective action on the project design.

DOEs will apply guidance given in the "Manual for Validators" available from the Gold Standard website (http://www.cdmgoldstandard.org/downloads.php) for this process and will consult with a local or regional expert of their choice where necessary. A local or regional expert is defined as somebody who has demonstrable experience in the sector and country/region where the proposed project activity is located.

The project proponent has to submit the following documents to the validator:

- **The complete Gold Standard VER PDD**, including
    1. The baseline report (see section 3.3.4 for detailed requirements)
    2. The monitoring plan (see section 3.5.1 for detailed requirements)
    3. Environmental Impact Assessment, (if applicable; see section 3.4.2 for detailed requirements)
    4. Stakeholder consultation report (if applicable; see section 3.4.3 for detailed requirements)

The information must be presented in the format requested in the GS-VER-PDD.

Upon successful validation, the validator will issue a validation statement and a validation letter, specifically stating compliance with the Gold Standard VER requirements. Both the validated GS-VER-PDD and the validation letter need to be submitted to the Gold Standard for registration of the project under the Gold Standard (see following section 3.5.3).

Figure 8 illustrates the Gold Standard validation and registration procedures for small- and large-scale projects.

What do I need to do in order to have my project validated to the Gold Standard?

- Make the DOE aware that the project should be validated to the Gold Standard.
- Submit the complete PDD including all additional documents pertinent to the DOE (baseline report, monitoring plan, EIA, stakeholder consultation report).
- Respond to Requests for Clarification or implement Corrective Action where required by the DOE.

MICRO-SCALE PROJECTS

Validation is potentially significant costs for micro-scale projects. The following model for validation therefore applies:

1. Project developer sign The Gold Standard Terms and Conditions (see Annex F).
2. For each project requesting a Gold Standard label, a flat fee of 5,000$ for validation is requested to collect in a validation fund. Payments before registration will be for the validation fund only. A project proponent can also choose to have his own validation carried out. The validation fee will then be 0$ (ZERO).
3. Submit a complete Gold Standard VER PDD, including, baseline report, monitoring plan, EIA if applicable and stakeholder consultation to the Gold Standard TAC.
4. From the projects submitted, a "targeted random" selection by the Gold Standard Technical Advisory Committee is made that is actually validated.
5. The party submitting the project is responsible for the selection of the validator (which needs to be a validator approved by the Gold Standard, i.e. a UNFCCC-accredited DOE). A maximum fee equal to the collective contribution of a number of projects as defined by the GS-TAC is paid to this validator from the Gold Standard validation fund. The GS-TAC, in its decision of setting the rate of projects validated, considers the typical market price for validation to ensure the complete validation is paid from the Gold Standard validation fund. However, if the validation fee negotiated between the project proponent and the DOE exceeds the available funds in the Gold Standard validation fund, the remaining cost will have to be carried by the project proponent. The rate of projects validated is only disclosed to Gold Standard NGO supporters in order to not interfere with the price negotiations between project proponent and DOE.
6. If the validation shows that the project documentation is fraudulent, the party submitting the project is permanently disqualified and this is publicly announced. Fraudulent is when project proponents have provided information that is clearly not correct, and used to obtain Gold Standard status, or inflate the amount of emission reductions from the project. The determination of fraud would be pre-empted by several rounds of requests for clarification and/or corrective action. Of course, a ban will only be imposed if the Gold Standard has credible evidence that shows the intent of the project proponent. For all other cases, the project will not be registered, and the issuance of credits will be denied.
7. The TAC can audit a validation.
8. The validation funds are non-profit; the funds collected can only be used to pay validations. The Gold Standard is not allowed to build up reserves in the validation funds or use the funds for other purposes. Validation fund will be balanced every 3 years, in case that there are excess funds.
9. If a project proponent chooses to have its project validated according to the Gold Standard requirements in any case the contribution to the validation fund is waived. The Gold Standard must be notified of this in writing.
10. The Gold Standard can perform an internal validation of projects not selected for DOE validation. In that case, project proponents have the same duty to respond to clarification and/or corrective action requests as in the case of a DOE.

3.5.3 Gold Standard registration procedures

To register the project under the Gold Standard, project proponents need to contact the Gold Standard and submit:

- The complete, validated GS-VER-PDD including all relevant annexes to be published in the Gold Standard project registry;
- A statement from the DOE, or the Gold Standard-TAC when a micro-scale project has not been validated by a DOE, confirming the project is compliant with the Gold Standard VER requirements (for Gold Standard use only).

Upon receipt of the documentation, the Gold Standard will request the project proponent to accept the Terms & Conditions (see Appendix F) of the Gold Standard and to enter the project details in the Gold Standard project registry (http://www.cdmgoldstandard.org/projects.php). If necessary and upon request, e.g. to comply with exclusive brokerage agreements, the project registry entry and the published GS-VER-PDD may be made anonymous.

The Gold Standard will upon signature of the Terms and References circulate the documentation initiating a 6-week registration period during which GS-TAC Members may raise any request for clarification or corrective action, which will be addressed to the validating DOE who may further seek clarification from the project proponent or instruct the initiation of corrective action.

If the GS-TAC feels the issues raised have not been resolved after two rounds of requests for clarification or corrective action it can refuse project registration following a simple majority vote. Any denial of registration needs to be justified in a written letter by the GS-TAC towards the project developer and the validating DOE.

Projects that have been validated by DOEs conducting a first time validation of a GS-VER-PDD will be submitted to a more in-depth audit by the GS-TAC that serves as DOE accreditation procedure to the Gold Standard.

Further in-depth audits of validation will be conducted on a random basis or upon request by the Gold Standard Steering Committee. Gold Standard NGO supporters may contact the Gold Standard Steering Committee in order to request an in-depth audit of projects submitted for registration to the Gold Standard. In-depth audits must be initiated within the 6 week registration period and will be paid for by the Gold Standard.

If no objections have been raised within the 6-week registration period for DOEs-validated projects or within the 2-week for projects not validated by a DOE or upon successful resolution of any objections the Gold Standard will register the project to the Gold Standard, giving the project the right to use the trademarked Gold Standard logo for the purposes as described in the Terms & Conditions.

Figure 8 illustrates the Gold Standard validation and registration procedures for small- and large-scale projects..

What do I need to do in order to register my project with the Gold Standard?

- The validation protocol and letter issued from the DOE (or GS-TAC) should be sent to the GS to be registered as a Gold Standard project.
- Signature of the Gold Standard Terms and Conditions.
- Respond to any queries raised during the six-week registration period by providing further explanation or corrective action.

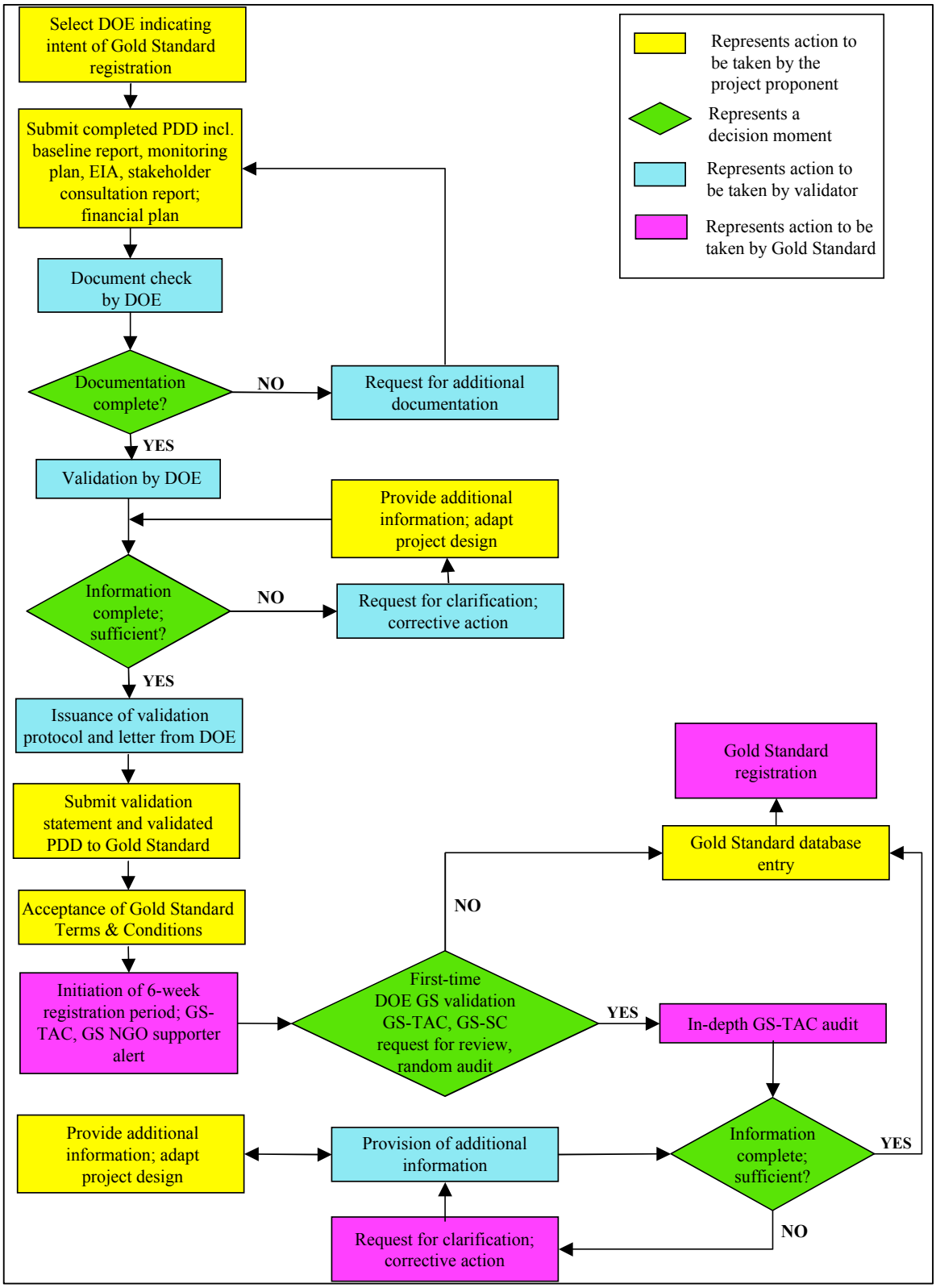

Figure 8: Gold Standard validation and registration procedures for small- and large-scale project

3.5.4 Gold Standard verification procedures

In order to make sure emission reductions claimed by a registered Gold Standard voluntary offset project are real, achieved emissions reductions need to be verified by a DOE accredited for verification by the CDM EB. Gold Standard verification is based on the monitoring plan (see section 3.5.1).
Note that both for micro scale and for small scale projects, the DOE carrying out the verification can be the same as for the validation.

In order to comply with the Gold Standard VER requirements, project proponents need to notify their selected verifier to carry out the verification of the project for the Gold Standard. The verifier will provide a report, based on the monitoring plan, on:

- Emission reductions achieved and leakage
- Changes to the key sustainable development indicators selected
- Success indicators to monitor potential mitigation/compensation measures

The DOE may verifiy selected samples of the monitoring plan only and will justify any such selection in the verification report. The full verification report needs to be submitted to the Gold Standard.

The Gold Standard, upon receipt of the verification report, will initiate a 2-week period during which GS-TAC members may request further clarification or corrective action (e.g. mitigation measures to maintain or restore the score/status of indicators deviating from targets set in the monitoring plan) from the verifier or the project developer of a DOE-validated project.

In general, the Gold Standard can only require project developers to initiate measures that secure the overall scores of the three sustainable development components are maintained and that the conditions for the assessment of the sustainable development matrix (see section 3.4.1) are not violated (e.g. if an indicator monitored is scored with –2 at the time of verification corrective action must be initiated). Project developers must restore compliance with Gold Standard procedures within the following year and verification will only be accepted if credible evidence of an initiated corrective action can be demonstrated by including the corrective action in the monitoring plan. Indicators for corrective action initiated upon verification must be verified by the DOE the following year.

After the 2- or 1-week period, depending whether is a DOE-validated project or not, the resolution of clarifications requested and/or the demonstration of corrective actions initiated the credits generated in the period that is verified are accepted as real, measurable emission reductions.

See also Figure 9 below for an illustration of the Gold Standard verification and issuance procedures for small- and large-scale projects.

What do I need to do in order to verify my project under the Gold Standard?

- Send verification report to the Gold Standard
- If any corrective action is needed, this must be credibly demonstrated within one year following notification.
- Proof of corrective action must be provided to the Gold Standard.

MICRO-SCALE PROJECTS

Verification is potentially significant costs for micro-scale projects. The following model for verification therefore applies:

1. Project developer sign The Gold Standard Terms and Conditions (see Annex F).
2. For each project requesting a Gold Standard label, a flat fee of 2,500$ for annual verification is requested to collect in a verification fund. Payments for the verification fund are following annually after registration, with the first payment taking place within 9 months after registration. The first due date for the first verification fund contribution is after notification of the Gold Standard that the project has started operation (i.e. started reducing emissions). A project proponent can also choose to have his own verification carried out. The verification fee will then be 0$ (ZERO).
3. From the projects submitted, a "targeted random" selection by the Gold Standard Technical Advisory Committee is made that is actually verified.
4. The party submitting the project is responsible for the selection of the verifier (which needs to be a verifier approved by the Gold Standard, i.e. a UNFCCC-accredited DOE). A maximum fee equal to the collective contribution of a number of projects as defined by the GS-TAC is paid to this verifier from the Gold Standard verification fund. The GS-TAC, in its decision of setting the rate of projects verified, considers the typical market price for verification to ensure the complete verification is paid from the Gold Standar verification fund. However, if the verification fee negotiated between the project proponent and the DOE exceeds the available funds in the Gold Standard verification fund, the remaining cost will have to be carried by the project proponent. The rate of projects verified is only disclosed to Gold Standard NGO supporters in order to not interfere with the price negotiations between project proponent and DOE..
5. If the verification shows that the project documentation is fraudulent, the party submitting the project is permanently disqualified and this is publicly announced. Fraudulent is when project proponents have provided information that is clearly not correct, and used to obtain Gold Standard status, or inflate the amount of emission reductions from the project. The determination of fraud would be pre-empted by several rounds of requests for clarification and/or corrective action. Of course, a ban will only be imposed if the Gold Standard has credible evidence that shows the intent of the project proponent. For all other cases, the project will not be registered, and the issuance of credits will be denied.
6. The TAC can audit a verification.
7. The verification funds are non-profit; the funds collected can only be used to pay verifications. The Gold Standard is not allowed to build up reserves in the verification funds or use the funds for other purposes. Verification fund will be balanced every 3 years, in case that there are excess funds.
8. If a project proponent chooses to have its project verified according to the Gold Standard requirements in any case the contribution to the verification fund is waived. The Gold Standard must be notified of this in writing.
9. The Gold Standard can perform an internal verification of projects not selected for DOE verification. In that case, project proponents have the same duty to respond to clarification and/or corrective action requests as in the case of a DOE.

3.5.5 Gold Standard credit issuance procedures

Project developers are allowed to trade emission reduction credits from their project as Gold Standard credits only after reception of the respective VER serial numbers from the Gold Standard.

The serial numbers will be used to clearly identify which credits are of Gold Standard quality and will be listed in the respective project registry page.

The Gold Standard will charge a fee of 10 c€ for VERs produced through a small- or large-scale project and a fee of 15 c€ for VERs from a micro-scale offset project.

The Gold Standard is currently developing a fully automatic registry guaranteeing offsets will be matched with credits issued. Until further notice, the Gold Standard will run a manual registry, and project proponents are requested to disclose their sales of issued VER credits and to notify the Gold Standard when they are retired from the market.

For an illustration of the Gold Standard verification and credit issuance procedures for small- and large-scale projects, see Figure 9.

What do I need to do in order to have Gold Standard credits issued for a project?

- Submit all relevant documentation to Gold Standard.
- Upon request, please pay the Gold Standard issuance fee to the indicated Gold Standard account.
- Receive the VER issuance data.

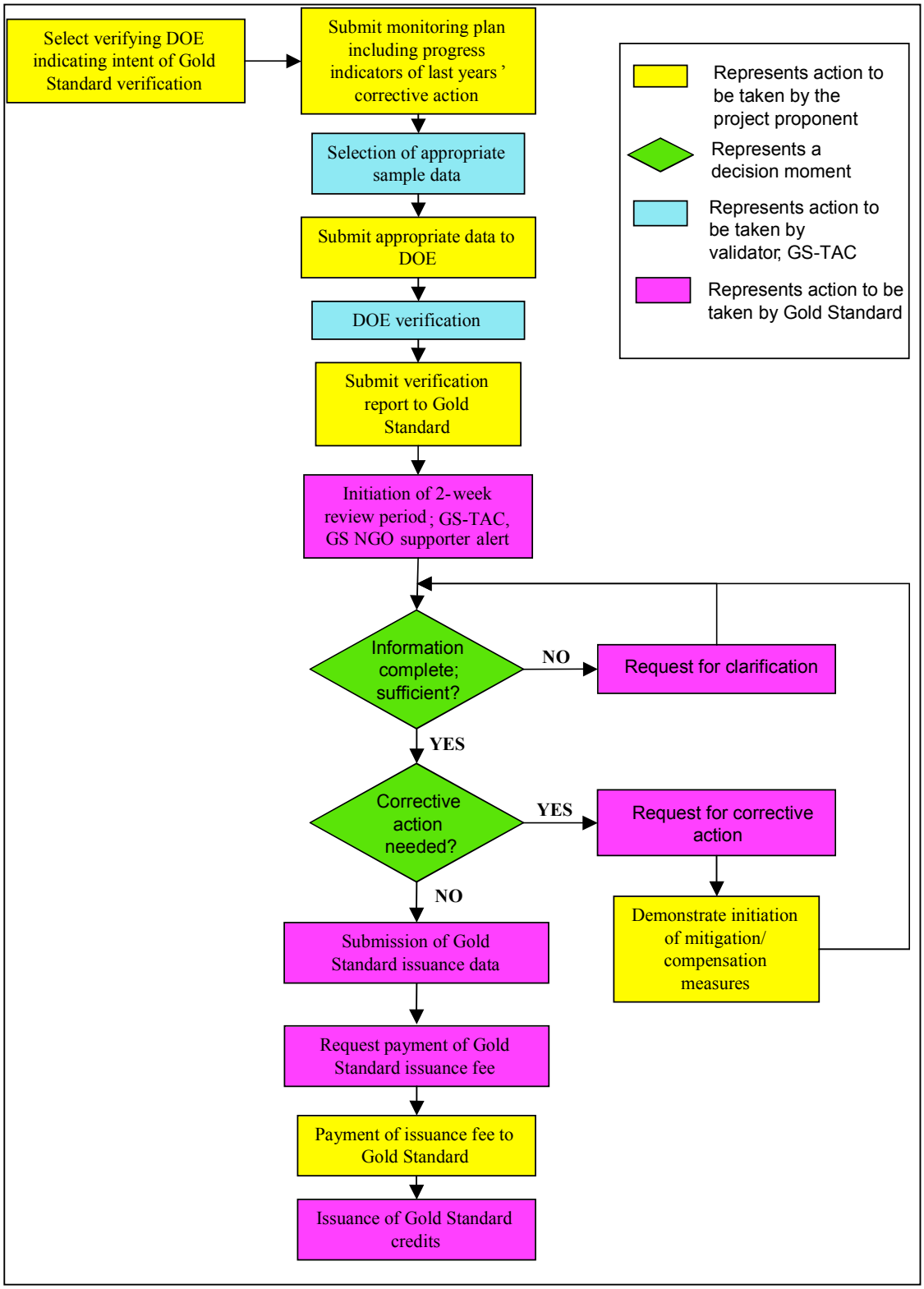

Figure 9: Gold Standard verification and credit issuance procedures for small- and large-scale projects

APPENDIX A: DEFINITIONS OF ELIGIBLE TECHNOLOGIES

In general, eligible project types are those covered by the technologies as listed in Box 1, Section 2.2 of this document.

Technology definitions given, while linked to UNFCCC methodologies for small-scale projects, are equally applicable to other size projects using technology of a similar design. If a large- or micro-scale project is developed generic features of the technology need to be in accordance to that described in the small-scale methodologies for Gold Standard compliance while an appropriate UNFCCC- or Gold Standard TAC-approved methodology in conjunction with the GS-VER-PDD must be used. Project proponents of large-scale projects are invited to contact the Gold Standard for an initial assessment of eligibility if the project design entails major differences compared to the technical features included in the methodologies used in the definitions for eligible project type below.

A.1. Renewable Energy (Electricity, Heat)

The eligible project types correspond to categories AMS-I.A-I.D of those qualifying for small-scale project status under the CDM (see Appendix B, Simplified Modalities and Procedures for Small-Scale CDM project activities, FCCC/CP/2002/3; available at http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html). For biomass, biogas and liquid biofuels, as well as Hydroelectricity projects additional conditions apply.

For Methane Capture / Recovery, categories AMS-III.D, AMS-III.G. and AMS-III.H. are also applicable when renewable electricity or heat is generated (see section A.1.1.2 for detailed requirements).

Methane avoidance projects in the category AMS-III.E. are eligible when renewable electricity or heat is generated and additional conditions are met (see section A.1.1.2.3 for detailed requirements).

A.1.1. Biomass, biogas and liquid biofuels

Resources for biomass projects should be carbon neutral (at worst). This should be included in the baseline assessment. Project developers must declare if they use Genetically Modified Organisms or not. This must be taken into account in the EIA, when existent, and stakeholder consultation. If biomass resources with competing uses (e.g., food, fodder or household cooking fuel) are used, this should be accounted for in the assessment of social impacts.

Co-firing of biomass in fossil fuel plants is excluded.

A.1.1.1 Biomass

For biomass projects, only emission reduction credits derived from electricity and heat generation including cogeneration are eligible under the Gold Standard (thus excluding carbon sequestration).
The following categories of ecologically sound biomass projects are included in the Gold Standard:

- Energy crops
- Agro-processing and other residues

Examples of categories include: bagasse, mustard crop residues, rice and coffee husks, etc; woody waste from industry and vegetable processing biomass residues.

A.1.1.2 Biogas

This category includes landfill gas (LFG) and biogas from agro-processing, wastewater and other residues.

When renewable electricity is produced through a biogas project, emission reductions due to the capture of methane that would normally be emitted from the project are applicable under the Gold Standard. AMS III. D.-, III.G.- and III.H.-type projects that flare captured biogas and do not use the captured biogas for the production of electricity and/or heat are **not** eligible to the Gold Standard. However, it is not required that credits are sought for the replacement of fossil fuels from heat/electricity generation by captured biogas and LFG.

Projects of the design as defined in AMS-III.G. must show how the project design provides for a stable operation of a LFG-to-energy generator and consider implied maximum flowrates in relation to minimum flowrates necessary for stable operation of a generator in their predictions of expected emission reductions from the project. The yearly methane generation potential must be calculated using the default IPCC values for k_j or more conservative assumptions; and project proponents shall discuss default values for k_j in relation to potentially available decay rates observed under typical conditions of the project locality. Values used for $MD_{y,\,project}$ greater than 50% of MB_y need to be substantiated with quantitative analysis.

A.1.1.2.1 Landfill gas

With regards to the GHG methane emission reduction component the following applies:

- Eligibility is limited to projects reducing methane emissions at existing sites that are not covered by existing legislation mandating LFG recovery.
- Where no such legislation exists, crediting of projects will be permitted until such legislation comes into force (related to the additionality of the project).
- Where a project activity leads to emission reductions that go beyond legal requirements, only those reductions that exceed these requirements are eligible for the Gold Standard. This must be reflected in the baseline calculation.
- The monitoring plan of LFG projects must cover monitoring of legislative development and monitoring of heat/electricity generation.

A.1.1.2.2 Agro-processing and other residues

The following project categories are included permitted under the conditions stated in A.1.1.2:

- Food-processing water treatment (e.g. from brewing).
- Animal slurries.
- Heat and power generation from waste water treatment projects. For applications of projects relating to AMS-III.H. it must be shown how the project provides for stable operation of a gas-to-energy generator. Projects based on option 1.(i) are excluded from eligibility to the Gold Standard unless it can be shown that the new process improves quality of the discharge water substantially. Projects based on option 1.(ii) must show that sludge treatment is necessary and improves discharge water quality.
- Fertiliser production.

With regards to the GHG methane emission reduction component the following applies:

- Eligibility is limited to projects reducing methane emissions at existing sites that are not covered by existing legislation mandating methane recovery.
- Where no such legislation exists, crediting of projects will be permitted until such legislation comes into force (related to the additionality of the project).
- Where a project activity leads to emission reductions that go beyond legal requirements, only those reductions that exceed these requirements are eligible for the Gold Standard. This must be reflected in the baseline calculation.
- The monitoring plan of methane recovery projects must cover monitoring of legislative development and monitoring of heat/electricity generation.

A.1.1.2.3 Methane avoidance

Projects designed as described in AMS-III.E. Avoidance of methane from biomass decay through controlled combustion are eligible if the energy from biomass combustion is used to generate heat and/or electricity replacing the use of fossil fuels under the condition that the following criteria are met:

- The project is designed to burn biomass only (with an allowance of a total of 5% of the energy generated to stem from other fuels in order to provide risk coverage for continuous operation);
- The project proponent can credibly demonstrate why reduction of the biomass waste is not possible at the source and why composting (e.g. using AMS-III.F.) is a less feasible option.
- Co-firing of non-renewable wastes is not permitted for eligibility under the Gold Standard.

A.1.1.3 Liquid biofuels

This category includes biofuels for transport or generator sets, including biodiesel, bio-ethanol, etc.

A.1.2 Hydroelectricity

Only projects involving hydroelectric plants with a maximum output capacity equivalent of up to 15 megawatts are eligible for the Gold Standard.

Project developers and operational entities must pay particular attention to the socio-economic and environmental impacts of project activities using hydroelectric installations. Specific guidance on this is presented in section 3.4.2 and for run-of-river projects in Appendix C.

A.2 Energy Efficiency

Energy efficiency improvement is defined as the reduction in the amount of energy required delivering or producing non-energy physical goods or services

The eligible technologies correspond to AMS-II.C – II.F and AMS-III.C of those qualifying for small-scale project status under the CDM, with exception of fossil-fuel switching activities included in categories II.D – II.F (see Appendix B, Simplified Modalities and Procedures for Small-Scale CDM project activities, FCCC/CP/2002/3; available at http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html)).

This includes co-generation projects provided they can credibly demonstrate that the project has a demand-side energy efficiency character. Biomass co-generation projects shall be considered as category I. (Renewable Energy) activities.

Projects applying technologies as described in AMS-III.C. must include quantitative data on the average emissions of the baseline vehicles in order to be eligible to the Gold Standard.

APPENDIX B: EIA PRESCREEN CHECKLIST

The EIA Pre-screen checklist below needs to be applied in order to assess the nature and scope of any significant environmental impacts identified by the Gold Standard Initial Stakeholder Consultation and any indicator scoring –1, for small- and large-scale projects, or negative for micro-scale projects. in the Sustainable Development Assessment Matrix.

This checklist serves as a guide to determine the necessity to perform an EIA regarding a significant impact identified earlier in the Sustainable Development Assessment process. There is no set threshold of questions answered with 'Yes' that will automatically trigger an EIA. It lies in the responsibility of the project proponent to provide concise, transparent and sufficiently detailed answers to the questions to clearly decide whether an EIA is necessary or not. The discussion of each question with regard to every significant impact identified must be fully documented. This documentation will be assessed by the validator for completeness, comprehensiveness, replicability and transparency.

1. Will there be a large change in environmental conditions?
2. Will new features be out-of-scale with the existing environment?
3. Will the effect be unusual in the area or particularly complex?
4. Will the effect extend over a large area?
5. Will there be any potential for transfrontier impact?
6. Will many people be affected?
7. Will many receptors of other types (fauna and flora, businesses, facilities) be affected?
8. Will valuable or scarce features or resources be affected?
9. Is there a risk that environmental standards will be breached?
10. Is there a risk that protected sites, areas, features will be affected?
11. Is there a high probability of the effect occurring?
12. Will the effect continue for a long time?
13. Will the effect be permanent rather than temporary?
14. Will the impact be continuous rather than intermittent?
15. If it is intermittent will it be frequent rather than rare?
16. Will the impact be irreversible?
17. Will it be difficult to avoid, or reduce or repair or compensate for the effect?

(Adapted from: CEC (1993) 'Environmental Manual: Environmental Procedures and Methodology Governing Lomé IV Development Cooperation Projects' DGVIII, CEC, Brussels, Belgium.)

APPENDIX C: EIA REQUIREMENTS FOR RUN OF RIVER PROJECTS

Relevant environmental and social aspects of run of river projects

Management domain	Basic requirements
Minimum Flow	Goal is a dynamic flow regime, which qualitatively simulates the natural hydrological regime Minimum flow which guarantees habitat quality and prevents critical oxygen and chemical concentrations No disconnection of lateral rivers Minimum water depth for fish migration during critical periods Lateral and vertical connectivity (flood plains and groundwater) shall not be substantially disturbed Provides sufficient transport capacity for sediments Landscape compartments shall not be destroyed Flood plain ecosystems shall not be endangered Conservation of locally adapted species and ecosystems
Hydropeaking	Rate of change of water level should not impair fish and benthic populations Reduction in water level should not lead to drying of the water course. Protective measures if flood plain ecosystems are impaired. No isolation of fish and benthic organisms when water level decreases No impairment of spawning habitat for fish
Reservoir management	Are there feasible alternatives to reservoir flushing? Changes in reservoir levels should not impair lateral ecosystems (flood plains, river shores, …) Connectivity with lateral rivers should not be impaired Sediment accumulation areas should be used as valuable habitats, where feasible. Special protection of flood plain ecosystems if they are impaired
Sediment management	Sediments have to pass through the power plant. No erosion and no accumulation in the river bed below storage dams and water intakes because of a deficit in sediments. Sediment transport should sustain morphological structures, which are typical for the river. No accumulation of sediments below dams Riverine habitats have to be established
Power plant design	Free fish migration upwards and downwards (as far as technologically feasible) Protection of animals against injury and death stemming from power plant operations (turbines, canals, water intakes, …)
Social impacts	Cultural landscapes Human heritage (including protection of special ethnic groups) Preservation of lifestyles Empowerment of local stakeholders in the decision-making process (about mitigation and compensation of social impacts) Resettlement of local population under similar or better living conditions (than prior to the project) Build additional social infrastructure, sufficient to cope with population increase (due to migration induced by the project) Water quality and fishing losses affecting downstream riverside population

APPENDIX D: LIST OF SUSTAINABLE DEVELOPMENT INDICATORS

A Local/global environmental sustainability

Water
Water quantity
This indicator is used to evaluate the project's contribution to water availability and access locally and regionally. Number of people with access to water supply in comparison with the baseline.

Water quality
This indicator is used to evaluate the contribution of the project to water quality locally and regionally in the project's area in comparison with the baseline. Water quality will be measured using concentration of main pollutants (including BOD and others) in any effluents generated by the project activity and their contribution, if any, to local water quality.

Dependent on the result of the EIA, both quantity and quality assessment should discuss seasonal variation of availability and quality in addition to mean annual data due to the fact that mean annual data might not be sufficient to provide full understanding of impacts of the project activity against the baseline.

Air quality
This indicator is used to evaluate the contribution of the project to local air quality. Air quality will be measured by comparing the concentration of most relevant air pollutants (e.g.: SOx, NOx, particulate matters etc.) generated by the project activity with the baseline.

Other pollutants
This indicator is used to evaluate the contribution of the project activity to reducing the flow of pollutants not already considered to the environment, including solid, liquid and gaseous wastes.

Soil condition
This indicator is used to evaluate the contribution of the project activity to local soil condition. Soil condition will be measured by comparing the concentration of most relevant soil pollutants, erosion and the extent of land use changes due to the project with the baseline.

Contribution to biodiversity
This indicator is used to evaluate the contribution of the project to local biodiversity. The change in biodiversity is estimated on a qualitative basis considering any destruction or alteration of natural habitat compared to the without projects scenario. A positive change will be given by previously disappeared species re-colonising the area, a negative change will be given by species disappearing or by introduction of foreign species. In judging this, inputs from local communities should be considered a key resource.

B Social sustainability and development

Employment (quality)
This indicator is used to evaluate the qualitative value of employment, such as whether the jobs resulting from the project activity are highly or poorly qualified, temporary or permanent in comparison with BAU. Take temporary and permanent as well as job-related Health and Safety (H&S) impacts as qualifications for job quality.

Livelihoods of the poor
This indicator comprises a number of sub-indicators. Where a sub-indicator is not relevant to the project, it should be ignored. After all the relevant variables have been considered, the total score should be non-negative.

Poverty alleviation
This sub-indicator is used to evaluate the project contribution to poverty alleviation. Poverty alleviation will be evaluated by calculating the change in number of people living above income poverty line compared to baseline.

Livelihoods of the poor: Contribution to equitable distribution and additional opportunity for disadvantaged sectors
This sub-indicator is used to evaluate contribution of the project to equitable distribution of wealth and opportunity, in particular gender and marginal or excluded social groups. The indicator combines quantitative - changes in estimated earned income (normalised to the project's starting year) compared with the baseline – and qualitative assessment - improved opportunities.

Access to essential services (water, health, education, access to facilities, etc.)
Access to essential services will be taken as an indicator of social sustainability, measured by the number of additional people gaining access in comparison with the baseline. Access must be directly related to the service and not an unintended impact.

Access to affordable clean energy services
The CDM and JI provide an important opportunity to improve the coverage of reliable and affordable clean energy services, especially to the poor and in rural areas. Where of a relevant scale, security of energy supply (an indicator of a country's ability to generate the power that is needed for services and the economy in comparison with the baseline), should be taken into account.

Human Capacity
This indicator is used to assess the project's contribution to raising the capacity of local people and/or communities to participate actively in social and economic development. It comprises three indicative sub-indicators:

Empowerment
The sub-indicator is used to evaluate the project's contribution to improving the access of local people to and their participation in community institutions and decision-making processes.

Education/skills
The sub-indicator is used to assess how the project activity enhances and/or requires improved and more widespread education and skills in the community.

Gender equality
The sub-indicator is used to assess how the project activity requires or enhances improvement of the empowerment, education/skills and livelihoods of women in the community.

C Economic and technological development

Employment (numbers)
Net employment generation will be taken as an indicator of economic sustainability, measured by the number of additional jobs directly created by the CDM project in comparison with the baseline.

Sustainability of the balance of payments
Net foreign currency savings may result through a reduction of, for example, fossil fuel imports as a result of CDM projects. Any impact this has on the balance of payments of the recipient country may be compared with the baseline.

Hard currency expenditures on technology, replicability and contribution to technological self-reliance
As the amount of expenditure on technology changes between the host and foreign investors, a decrease of foreign currency investment may indicate an increase of technological sustainability. When CDM projects lead to a reduction of foreign expenditure via a greater contribution of domestically produced equipment, royalty payments and license fees, imported technical assistance should decrease in comparison with the baseline. Similarly a reduced need for subsidies and external technical support indicates increased self-reliance and technology transfer.

APPENDIX E: PUBLIC CONSULTATION: CHECKLIST

Environmental and Social Impacts Checklist
This list is a guideline on how to do the Initial Stakeholder Consultation and should be completed by the stakeholders. If it is decided to deviate from this list, substantiate reasons for this will be provided. Project proponents may choose to only have certain stakeholders complete certain parts/questions of the whole list. In this case, the selection of questions (and the various stakeholder groups) must be transparently and sufficiently be documented and justified. The validator will check the selection and justification for appropriateness.

Project proponents should clarify that the first answer column refers to a scenario with the project implemented as compared to the baseline scenario, i.e. a situation without the project, but including other future development at the location.

Environmental Impacts	**Yes / No / ? . Briefly describe**	**Is this likely to result in a significant effect? Yes/No/? – Why?**
1. Will construction, operation or decommissioning of the Project use or affect natural resources or ecosystems, such as land, water, forests, habitats, materials or, especially any resources which are non-renewable or in short supply?		
2. Will the Project involve use, storage, transport, handling, production or release of substances or materials (including solid waste) which could be harmful to the environment?		
3. Will the Project release pollutants or any hazardous, toxic or noxious substances to air?		
4. Will the Project cause noise and vibration or release of light, heat energy or electromagnetic radiation?		
5. Will the Project lead to risks of contamination of land or water from releases of pollutants onto the ground or into surface waters, groundwater, coastal wasters or the sea?		
6. Are there any areas on or around the location which are protected under international or national or local legislation for their ecological value, which could be affected by the project?		
7. Are there any other areas on or around the location, which are important or sensitive for reasons of their ecology, e.g. wetlands, watercourses or other water bodies, the coastal zone, mountains, forests or woodlands, which could be affected by the project?		
8. Are there any areas on or around the location which are used by protected, important or sensitive species of fauna or flora e.g. for breeding, nesting, foraging, resting, overwintering, migration, which could be affected by the project?		
9. Are there any inland, coastal, marine or underground waters on or around the location which could be affected by the project?		
10. Is the project location susceptible to earthquakes, subsidence, landslides, erosion, flooding or extreme or adverse climatic conditions e.g. temperature inversions, fogs, severe winds, which could cause the project to present environmental problems?		

Socioeconomic and Health Impacts

11. Will the Project involve use, storage, transport, handling, production or release of substances or materials (including solid waste) which could be harmful to human health or raise concerns about actual or perceived risks to human health?		
12. Will the Project release pollutants or any hazardous, toxic or noxious substances to air that could adversely affect human health?		
13. Will the Project cause noise and vibration or release of light, heat energy or electromagnetic radiation that could adversely affect human health?		
14. Will the Project lead to risks of contamination of land or water from releases of pollutants onto the ground or into surface waters, groundwater, coastal wasters or the sea that could adversely affect human health?		
15. Will there be any risk of accidents during construction or operation of the Project which could affect human health?		
16. Will the Project result in social changes, for example, in demography, traditional lifestyles, employment?		
17. Are there any areas on or around the location, protected or not under international or national or local legislation, which are important for their landscape, historic, cultural or other value, which could be affected by the project?		
18. Are there any transport routes or facilities on or around the location which are used by the public for access to recreation or other facilities and/or are susceptible to congestion, which could be affected by the project?		
19. Is the project in a location where it is likely to be highly visible to many people?		
20. Are there existing or planned land uses on or around the location e.g. homes, gardens, other private property, industry, commerce, recreation, public open space, community facilities, agriculture, forestry, tourism, mining or quarrying which could be affected by the project?		
21. Are there any areas on or around the location which are densely populated or built-up, or occupied by sensitive uses e.g. hospitals, schools, places of worship, community facilities, which could be affected by the project?		
22. Are there any areas on or around the location which contain important, high quality or scarce resources e.g. groundwater, surface waters, forestry, agriculture, fisheries, tourism and minerals, which could be affected by the project?		
23. Is the project location susceptible to earthquakes, subsidence, landslides, erosion, flooding or extreme or adverse climatic conditions e.g. temperature inversions, fogs, severe winds, which could cause the project to present socioeconomic problems?		

(Adapted from: CEC (1993) 'Environmental Manual: Environmental Procedures and Methodology Governing Lomé IV Development Cooperation Projects' DGVIII, CEC, Brussels, Belgium.)

Appendix F: Gold Standard for Voluntary Offsets Terms and Conditions

The following Terms and Conditions are written to protect the reputation and market differentiation of the Gold Standard brand and all those using it.

A. Introduction

I. The Gold Standard Terms and Conditions for voluntary offset projects ("Terms and Conditions") represent a binding arrangement between the Gold Standard Foundation, based in Basel, Switzerland ("The Gold Standard") and the legal owner ("Project Proponent") of the voluntary offset project registering to the Gold Standard ("Project").

II. Acceptance of the Terms and Conditions in writing is an integral part of the Gold Standard registration process. Acceptance is signalled by signing each page of Appendix F by a legally entitled representative of the project owner and returning these signed pages to the Gold Standard via mail (The Gold Standard, 22, Baeumleingasse, 4051 Basel, Switzerland), Fax (+41 61 271 10 10) or scanned as email (info@cdmgoldstandard.org) at the time of submission of the validated Gold Standard VER PDD.

III. The rules laid out in this document apply for registration as well as the subsequent operational period of the project during which Gold Standard credits are issued.

IV. The document also provides guidance on the use of the Gold Standard logo (see figure below), which is a protected trademark. This guidance applies to all parties wishing to use the Gold Standard logo for any purpose. Usage of the logo implies acceptance of the complete Terms and Conditions. Ownership of all rights to the Gold Standard logo and name remains with the Gold Standard Foundation. The user receives only the limited, non-exclusive rights of use (license) explicitly granted by this agreement. Especially, the user is not entitled to register the Gold Standard logo or name (standing alone or in combination with other signs) as a trademark, tradename or domain name. Furthermore, any use of the logo must respect the altruistic aims of the Gold Standard; the user must take the necessary precautions to avoid any harm to the reputation of the Gold Standard and/or the Gold Standard Foundation.

The Gold Standard logo (protected trademark)

V. Unless otherwise stated, all definitions, rules and procedures applying and referred to in the Terms and Conditions are those presented in the Gold Standard VER Project Developer's Manual (including Appendices).

VI. These Terms and Conditions are set under Swiss Law. Any dispute arising from non-compliance with the Terms and Conditions requiring jurisdiction shall be resolved exclusively by a court at the registered seat of the Gold Standard Foundation. Sanctions are listed in section F. of the Gold Standard Terms and Conditions.

VII. Acceptance of the Terms and Conditions is project-specific and must be repeated for every project even if several projects are submitted for registration.

VIII. The Terms and Conditions apply to the following extent to project proponents submitting projects and other parties using the Gold Standard logo and/or name:

- Projects starting Gold Standard certification process after May 1st 2006: all sections.
- Projects not having submitted their documentation for validation by May 1st 2006: all sections, except, where not applicable or agreed otherwise with the Gold Standard, rules as laid out in section B.
- Projects having submitted their documentation for validation to an accredited DOE, but not for Gold Standard registration by May 1st 2006: all sections except section B.
- Projects having submitted their documentation for registration to the Gold Standard VER: all sections except sections B. and C.I-IV.
- Gold Standard VER registered projects: All sections except sections B. and C.
- Buyers and other parties using or wishing to use the Gold Standard logo and/or name in any way: All sections.

B. Gold Standard applicant projects (prior to registration)

I. Project proponents wishing to register a voluntary offset project to the Gold Standard in the future may use the Gold Standard logo for marketing purposes at all times of the project development process of a specific, clearly identified project under the conditions named hereafter. Any other use of the logo is not allowed, unless previously approved by the Gold Standard Foundation:

- Submission of a document describing the project (e.g. PIN etc.); including identification of any party involved or being part of a transaction of the project. Should additional parties get involved with the project or in a transaction of the project prior to successful completion of the initial stakeholder consultation, the Gold Standard must be informed of this.
- Commitment to submit the relevant small- or large-scale project for DOE-validation within 12 months upon acceptance of the Gold Standard Terms and Conditions. Upon presentation of credible reasons the Gold Standard may extend the deadline for submission by 6 months once.
- Clear and explicit statement in all communications, whether publicly accessible or not, that the relevant project has only Gold Standard applicant status (i.e. "Gold Standard applicant"; "project is applying for Gold Standard registration", "Gold Standard application under preparation" etc.). This statement must be made whenever the project is named in connection with the Gold Standard and whenever the Gold Standard logo is used, and the information must be provided in a way that it is clearly visible that the project has only applicant status. Any false impression that would make the applicant project seem to be a certified project has to be avoided.
- Submission of copies of all documents, materials or websites where the project is mentioned as an applicant / where the logo is used to Gold Standard registration.

II. Project proponents may register their projects in the Gold Standard project database after having completed the initial stakeholder consultation (see section 3.4.3 Gold Standard VER Project Developer's manual). The Gold Standard will publish the relevant information in the database as soon as it has successfully been involved in the initial stakeholder consultation. The Gold Standard can refuse to publish incomplete database entries and cannot be held liable for any damage occurring based on wrong or fraudulent information provided in the Gold Standard database entry. It also retains the right to make changes to all database entries. In that event, the project proponent will be informed of the changes through the designated contact person in the database.

III. Projects having completed the initial stakeholder consultation according to the Gold Standard VER Project Developer's Manual and having been registered in the Gold Standard database may use the Gold Standard logo and/or name in the communications of the project, provided the rules given in section B.I., b) and c) are considered.

IV. Projects wishing to apply for Gold Standard registration in the future but not wishing to use the Gold Standard logo and/or name before or after the Gold Standard initial stakeholder consultation are exempted from the rules listed under section B.I.

C. Validation and Registration to the Gold Standard

I. Project proponents for a small- or large-scale project have to submit the project documentation to a UNFCCC-accredited DOE for validation, indicating that the documentation shall be validated to both the Gold Standard VER requirements. Project proponents for micro-scale projects have to submit the project documentation to Gold Standard TAC. If a micro-scale project is selected for validation by the Gold standard TAC, same rules apply for validation than for small- and large-scale projects. If necessary, project proponents may also choose to only submit the project's documentation for validation against the Gold Standard requirements after successful validation against the conventional CDM requirements. If applicable, different DOEs may be chosen for these two validation steps, but accreditation of the DOE to the UNFCCC is mandatory for DOE eligibility. The DOE must be made aware that the validation documentation must clearly indicate compliance with the Gold Standard requirements.

II. Any validated project in compliance with the rules and procedures of the Gold Standard can be submitted for registration to the Gold Standard. Registration depends on compliance with the criteria set out in the Gold Standard VER Project Developer's Manual, notably

a) Submission of a PDD validated by a UNFCCC-accredited DOE or the Gold Standard TAC, in case of a micro-scale project, in compliance with the Gold Standard VER requirements, and including all necessary supporting documentation (validation letter, etc.)

b) Acceptance of the Gold Standard for Voluntary Offsets Terms and Conditions by the project proponent

c) Registration of the project in the Gold Standard project database through the project proponent

d) Non-objection of the relevant Gold Standard institutions as set out in section 3.5.3 in the Gold Standard VER Project Developer's Manual

III. Projects need to be submitted for registration within 6 weeks after validation.

IV. The project proponent is notified of the outcome of the registration process (described in section 3.5.3 of the Gold Standard VER Project Developer's Manual) at the latest 6 weeks for DOEs-validated projects after submission of the relevant documents and 2 weeks for the rest. The Gold Standard has no obligation to register a project and refuses all liability incurring due to non-registration of a project.

V. Registration of a project to the Gold Standard is free of charge. If a project proponent of a micro-scale project wants to use the validation fund facility, registration of the project only takes place after payment for the validation fee has been received.

VI. Once registered, project proponents may use the Gold Standard label without restriction for marketing purposes of the relevant, clearly identified project. Developers have to submit a copy of all materials that feature the Gold Standard logo and that are publicly accessible (i.e. at conferences, on websites, annual reports, brochures etc.) upon request of the Gold Standard. Any use of the logo beyond marketing purposes in connection with clearly identified, registered project is prohibited, unless previously approved by the Gold Standard Foundation.

VII. The Gold Standard must be informed once the project becomes operational, i.e. starts to reduce emissions. The date at which the project becomes operational marks the start of a one-year period after which the project needs to submit its first monitoring report for verification. If the project proponent of a micro-scale project wants to use the verification fund facility, payment of the verification fee will need to be made within 9 months after registration of the project.

VIII. The project proponent is required to keep the Gold Standard project database entry up to date at all times. The Gold Standard refuses all liability from damages incurring due to wrong or fraudulent information in the Gold Standard project database entry. It also retains the right to make changes to all database entries. In that event, the project proponent will be informed of the changes through the designated contact person in the database.

IX.. The project proponent, in all its marketing activities, is requested to point out to buyers that credits sold at this stage are forward transactions only and that no actual emission reductions under the Gold Standard scheme have been achieved and verified to date. The project proponent shall also offer to self-motivated inform any buyer of the registered project's forward credits of successful verification and issuance in the future (i.e. by communicating the relevant VER serial numbers). The Gold Standard declines all liability for damages incurring due to wrongful or fraudulent claims by project proponents regarding the status of Gold Standard-registered projects and expected future Gold Standard credits.

D. Verification, Reporting and Issuance

I. Project proponents have to submit to a UNFCCC-accredited DOE monitoring reports satisfying the Gold Standard reporting requirements periodically, usually after each year of operation unless otherwise agreed upon with the DOE selected for verification. Micro-scale projects submit the monitoring plan only upon request by the Gold Standard TAC.

II. Project proponents have to inform their selected DOE that verification shall be conducted both in compliance with the Gold Standard rules and procedures and that the DOE shall compile and, after successful verification, send to the Gold Standard (info@cdmgoldstandard.org) a verification report clearly indicating compliance with Gold Standard requirements.

III. Verification reports of small- and large-scale projects and verification reports of micro-scale projects , when existent, together with the underlying project reporting documents, need to be submitted to the Gold Standard at the latest 6 weeks after the DOE has completed verification. Projects may choose at any time to apply for credit issuance under the Gold Standard VER scheme (for more information, see http://www.cdmgoldstandard.org or contact info@cdmgoldstandard.org). Credit issuance under this scheme however requires acceptance of the relevant Terms and Conditions.

IV. The project proponent is notified of the outcome of the Gold Standard verification review period process (described in section 3.5.4 of the Gold Standard VER Project Developer's Manual) at the latest 2 weeks after submission of the relevant documents of DOE-verified projects. The Gold Standard has no obligation to accept a verification report and refuses all liability incurring due to subsequent non-issuance of a Gold Standard credits to a project.

V. If requested by the Gold Standard or the verifying DOE, the project proponent has to credibly demonstrate the initiation of mitigation and / or compensation measures needed to ensure compliance with the Gold Standard requirements.

VI. Upon acceptance of the relevant documentation such as verification report, and, if applicable, credible demonstration of initiated mitigation and/or compensation measures, if applicable, the Gold Standard will communicate VER serial based on the verification report or other relevant information, in case of micro-scale projects that have not been verified by a DOE.

VII. Based on the number of VER credits issued, the Gold Standard will charge an issuance fee of 0.10 US$ for for VERs produced through a small- or large-scale project and a fee of 0.15 US$ for VERs from a micro-scale offset project. The Gold Standard will communicate bank contacts and payment details immediately after communication of the number of issued credits. The issuance fee is due for payment within 5 working days after the communication of the bank contacts and payment details. For late payments an additional fee of 5% per 5 working days delay will be charged.

VIII. Upon confirmation of payment, the Gold Standard will list the range of VER serial numbers certified to the Gold Standard in the Gold Standard project database and issue a confirmation letter to the project proponent. The relevant VERs may then be considered as actual Gold Standard credits.

IX. The project proponent is required to keep the Gold Standard project database entry up to date at all times (i.e. reflecting changes in the project design over time). The Gold Standard refuses all liability from damages incurring due to wrong or fraudulent information in the Gold Standard project database entry. It also retains the right to make changes to all database entries. In that event, the project proponent will be informed of the changes through the designated contact person in the database.

E. General conditions for the use of the Gold Standard logo and name

I. The Gold Standard logo is shown in section A. of the Gold Standard Terms and Conditions. References to the Gold Standard in writing could be “The Gold Standard”, “The Gold Standard Foundation” or any other similar terms clearly associating a party with the Gold Standard, its rules and procedures as laid out in the Gold Standard Project Developer’s Manual.

II. Project proponents may use the Gold Standard logo and name(s) according to the rules set out in sections A.-D. above.

III. Buyers of Gold Standard credits, both for forward transactions and issued credits, may use the Gold Standard logo and/or name(s) in their communications and materials to demonstrate their engagement with the Gold Standard. Buyers of Gold Standard credits are encouraged to disclose the relative share of Gold Standard credits to their total portfolio of credits. To avoid wrongful or fraudulent usage of the Gold Standard logo and/or name(s), any party using the Gold Standard logo and/or name(s) to claim previous purchases of Gold Standard credits (both on a forward basis and issued credits) must be prepared to demonstrate to the Gold Standard a proof of the actual purchase of the relevant credits. This proof may be altered to keep commercial details of this transaction in confidence, but must at least show a date of the transaction, the name of the seller or project and the amount of credits transacted.

IV. All other parties may use the Gold Standard logo and/or name only if such use is approved by the Gold Standard prior to use and if no wrongful claims are associated with this use. Particularly, it is not permitted to use the Gold Standard logo and/or name in association with claims on a Gold Standard project or a portfolio of Gold Standard projects on offer for resale if not backed by appropriate contracts and purchase agreements with project proponents compliant with sections B., C. or D.; unless with prior consent of the Gold Standard.

F. Sanctions

I. Project proponents failing to submit their project designs for DOE validation within the timeframe as laid out in section B. of the Gold Standard Terms and Conditions without presenting credible reasons explaining why no submission has been made will need to announce failure to achieve Gold Standard registration to all parties that have been previously involved in the project as well as post a clear statement of withdrawal from Gold Standard registration on the web-based newslist climate-l. Failure to comply within 10 working days of the request from the Gold Standard to do so will result in the Gold Standard announcing withdrawal of the project itself through channels of its own choice. The Gold Standard refuses all liability from damage incurring due to withdrawal of a project from the registration process and the respective announcement.

II. Projects that are not validated to the Gold Standard because of DOE objection due to clear non-compliance or unsatisfactory reaction to corrective action requests or clarification requests will have to announce their withdrawal from Gold Standard according to the guidelines given in section F.I.

III. For projects failing to be registered to the Gold Standard because of unresolvable objections by the relevant Gold Standard institutions or because of non-compliance with Gold Standard registration procedures, the Gold Standard will substantiate the reasons for denial of registration in writing and communicate to all parties involved in any way with the project, based on a list of parties to be informed by the Gold Standard. The Gold Standard may also choose to publicly announce the reasons for denial of registration. In any case, the project's project database entry – if available – will feature a written substantiation of the denial for registration by the Gold Standard.

IV. Projects failing to be registered to the CDM by the CDM EB will be requested to choose the Gold Standard VER option for their projects. This process will only be initiated by the Gold Standard after final rejection of the project b the CDM EB. In case the project rejects choosing the Gold Standard VER option by signing the Gold Standard Terms and Conditions for VER projects, the project must withdraw its registration to the Gold Standard according to the guidelines set out in section F.I.

V. Project proponents failing to submit Gold Standard-compliant verification reports within 6 weeks after DOE Verification will be issued a reminder by the Gold Standard to immediately do so. Failure to comply with this reporting requirement within 10 working days following the reminder will result in the project's credits of the relevant period being denied Gold Standard status in any instance. This will be announced to all known parties previously involved with the project, as well as on the Gold Standard website and project database and in the Gold Standard newsletter. Project proponents failing to comply with this requirement twice will be banned from future submission of projects for Gold Standard registration.

VI. Project proponents failing to initiate mitigation and/or compensation measures following a request for corrective action following verification or during the verification review process within a timeframe to be mentioned in the corrective action request will result in the project's credits of the relevant period being denied Gold Standard status in any instance. This will be announced to all known parties previously involved with the project, as well as on the Gold Standard website and in the Gold Standard newsletter. No verification and issuance of credits will be possible in the future until the request for corrective action has been credibly satisfied.

VII. Project proponents having initiated mitigation and/or compensation measures following verification or verification review will have to demonstrate successful implementation of the respective measure(s) within a timeframe agreed between the project proponent and the Gold Standard in order to be allowed to request issuance of credits of subsequent crediting periods. If compliance with Gold Standard requirements cannot be re-established the project will not be allowed to request further issuance of Gold Standard credits.

VIII. Project proponents failing to pay the issuance fee in due time will not be issued Gold Standard credits for the relevant and any subsequent crediting periods until the fee has been paid. Cumulative penalites of 5% per 5 working days delay will be applicable.

IX. Project proponents having made wrongful or fraudulent claims in connection with their project and its status regarding the Gold Standard certification procedure will be asked by the Gold Standard to renounce these claims through appropriate channels to be defined by the Gold Standard. Repeated wrongful or fraudulent claims may lead to a ban on submission of further project for certification. The Gold Standard reserves further legal action at all times and refuses all liability associated with these steps.

X. Buyers of credits making wrongful or fraudulent claims in connection with their project portfolio and relative share of Gold Standard credits will be asked by the Gold Standard to renounce these claims through appropriate channels to be defined by the Gold Standard. The Gold Standard reserves further legal and other action at all times and refuses all liability associated with these steps.

XI. Other parties making wrongful or fraudulent claims in connection with the Gold Standard will be asked by the Gold Standard to renounce these claims through appropriate channels to be defined by the Gold Standard. The Gold Standard reserves further legal and other action at all times and refuses all liability associated with these steps.

XII. Project Proponents, Buyers of Credit or any other parties subject to these Terms and Conditions using the Gold Standard logo or name in a fraudulent or wrongful way, in a way causing reputational damage to the Gold Standard Foundation or in any other way not allowed by the Terms and Conditions will be sanctioned to pay a conventional fine of CHF 20'000.00 per instance of violation. Payment of the conventional fine does not release from further respecting the Terms and Conditions. Additional claims for damages and any other rights or actions of the Gold Standard Foundation remain reserved.