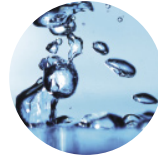
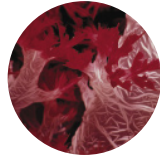




The Gold Standard

Premium quality carbon credits



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News from the Gold Standard

Dear Reader!

The Gold Standard comes of age! With its establishment as an independent, non-profit Foundation, and the debut of new schemes and institutions to support Gold Standard projects in the Kyoto and voluntary markets, Gold Standard is ready for expansion.

Summer workshops, together with IT Power and SouthSouthNorth, helped build Gold Standard supply in China, Mozambique, the Philippines, and Tanzania. Between 6 to 10 Gold Standard PDDs are now under development as a result of these activities. Gold Standard is also happy to invite project developers and other stakeholders to the upcoming Brazil workshop.

This fall, we're launching initiatives on the demand side. Carbon Asset Management Sweden AB has established a Gold Standard Transaction Fund to cover costs associated with the label, and has committed up to 10 million euro for this purpose. In the Netherlands, Rabobank and WWF's have developed the Visa „Climate Credit Card,“ to be available in 2007. All emissions from cardholder purchases will be voluntarily offset with Gold Standard credits. The programme expects 400,000 customers in the first year alone. Gold Standard also expects activities from the „Penguin Approved“ product label, just launched by Belu Water's Reed Paget. Finally, Belgium's latest CDM/JI tender will pave the way for even more Gold Standard projects.

Procedures are continuously streamlined by the Technical Advisory Committee to maximise Gold Standard benefits. The first VER-only methodologies are now being considered, and the host country eligibility criteria have been clarified for Annex-I countries. Currently, the Gold Standard is actively looking for interested parties to provide registry services for the current GS-VER volume of around 1 Mt per year, which we expect to double every year for the next 3 years.



LATEST NEWS

*September 2006.
Reed Paget, owner
of Belu Water in the U.K.,
launched the "Penguin
Approved" product label
for British consumers.
The "Penguin Approved"
marketing campaign
is designed to imitate the
success of the "Fairtrade"
label in British shops.
"Penguin Approved"
products will be carbon
neutral, offset with Gold
Standard credits.*

*September 2006.
Gold Standard attends
premier JETRO carbon
conference in Vienna,
Austria, in preparation for
increased activity with
the Japanese market.
For inquiries regarding
Gold Standard presence
in Japan, please contact:
info@cdmgoldstandard.org.*

*October 4th, 2006.
Essent Energy Trading,
the largest energy company
in the Netherlands,
completed its first VER
transaction, purchasing
50,000 credits from
the Gold Standard certified
Te Apiti Wind Farm.*

Finally, the Gold Standard is delighted to welcome Jasmine Hyman and Ole Emmik to the Gold Standard Team. Focussing on the demand and supply side, respectively, Jasmine and Ole are helping to manage and expand the Gold Standard presence in Latin America and the United States. Duan Maosheng is also advising to the Gold Standard as a local expert in China. Finally, Rachel Madan, our newest arrival, brings communication and marketing expertise to the team. As we grow, so too does our ability to match market requirements with the global imperative for energy reform and sustainable development.

Credit Cards for Gold Standard Credit? Introducing the Visa Climate Card...

Rabobank, in collaboration with WWF Netherlands, recently launched the "Climate Card," which aims at providing 400,000 customers with a Visa credit card whereby all private purchases are voluntarily offset with Gold Standard projects. The Climate Card Programme seeks Gold Standard projects from multiple sources. Said Daan Dijk, Rabobank Associate Director, "The environmentally concerned public is getting more interested in offsetting, and more critical of the concept at the same time. We chose Gold Standard because it is the safest choice for a public relations based initiative."

The initiative employs an open tender, multi-source process and invites project developers and Gold Standard suppliers to inquire.

Rabobank (<http://www.rabobank.com>)

Daan Dijk, Associate Director, +31-6-22934186, d.dijk@rn.rabobank.nl

WWF Netherlands (<http://www.wwf.nl>)

Barbera van der Hoek, +31 654 621 906, bhoek@wwf.nl

Belgian Tender Echoes Gold Standard

Belgium is to launch its second tender for CDM/JI projects worth 50 million EUR soon, only this time Gold Standard projects enjoy preferred access. The selection criteria specifically ask for a transparent and validated assessment of sustainable development indicators and the call asks for energy efficiency and renewable energy projects. These indicators are congruent to those used for developing Gold Standard projects.

Belgian administration officials confirmed that no extra completion of their sustainable development indicator matrix will be needed for Gold Standard projects.

Under the Belgian CDM/JI tender, projects may benefit from significant up-front payments up to 50% of the contract value, financial contributions towards document preparation, and other forms of capacity support. For more information, please visit: <http://www.klimaat.be/jicdmtender/>



LINKS

www.reeep.org
www.panda.org
www.itpower.co.uk
www.southsouthnorth.org
www.energy-base.org
www.undp.org/mdgcarbon-facility
www.climate.org
www.myclimate.org
www.davidsuzuki.org

Securing Financing for RE/EE projects in Southern Africa through Gold Standard CDM

Achieving sustainable development (SD) in non-Annex I countries is a key goal of the CDM. SouthSouthNorth (SSN) – a non-profit developmental organization that deals with climate change based in South Africa – considers financing to be a major barrier to these smaller SD projects. SSN have partnered with Gold Standard, using funding from the Renewable Energy and Energy Efficiency Partnership (REEEP), to address these challenges in Tanzania and Mozambique. They see part of the solution to designing replicable SD projects lying in a mixture of capacity building and appropriate financial models that incorporate carbon finance, while not relying on it.

So far, capacity building workshops in the two countries have centred around carbon finance. A Financing and Transaction Guide has been published and made available to workshop delegates. The next phase of the REEEP project will focus on awareness raising on how GS carbon financing can increase a project's bankability in the financial, government and project development sectors by raising its profile among carbon credit purchasers, who are looking for projects with SD benefits.

SSN and GS hope to secure the financial closure of two RE and EE projects in Tanzania and Mozambique each by the end of the REEEP project. Thus far, five SD climate projects have been identified and Project Identification Notes (PINs) drawn up (two micro-hydro, two biofuels, and one photovoltaic water pumping scheme). Partnerships with GED in Mozambique and TaTEDO in Tanzania ensure that the projects will be implemented and managed by local teams.

Contact: Emily Tyler, Climate Project Transactions, The SouthSouthNorth Project: South Africa Office, emily@southsouthnorth.org; www.southsouthnorth.org



Carbon Asset Management Sweden AB

GOLD STANDARD TRANSACTION FUND: CALL FOR PROJECTS

Carbon Asset Management Sweden committed up to ten million euros to cover Gold Standard project transaction costs. The CAM Gold Standard Fund enables CDM/JI and voluntary offset project developers to apply to the fund for transaction cost subsidies. Moe Moe Oo, CAM Vice President, took the lead on this initiative. "We are delighted to support high quality projects in the market, and our internal analysis makes it clear that in the end, Gold Standard pays off. Having Gold Standard projects in our portfolio has multiple benefits and supports our bottom line."

Carbon Asset Management Sweden AB

(<http://www.camsweden.se>)

Moe Moe Oo, Vice President, moe@tricornona.se



EVENTS

26.11.2006 12 pm

Brown Bag Lunch,
Gold Standard Discussion
hosted by
Asian Development Bank
For PREGA members, limited
extra seats available
(please inquire to
Michael@cdmgoldstandard.
org)

27.11.2006 9 am

Gold Standard Workshop at
the Carbon Expo Asia Beijing
Conference
China World Hotel, Beijing

7-8/12/06

Gold Standard Capacity
Building Workshop with
REEEP, IT Power, and WWF
Sao Paulo, Brazil
(for invitations,
please inquire to
Jasmine@cdmgoldstandard.
org)

The TAC Box – Gold Standard Updates

The GS-TAC, at it's last meeting, has made the following amendments and clarifications to the Gold Standard methodologies:

General

- Projects registering retroactively can claim Gold credits from the start of the crediting period rather than only after Gold Standard registration.
- The GS-TAC is currently revising its requirements for technology transfer and innovation.

Gold Standard VER stream

- Projects from Annex-I countries are eligible to produce GS VERs for the years 2006 and 2007 provided carbon finance streams are/were included in the additionality assessment.
- The GS-TAC will base decisions on registering CDM projects under the GS-VER stream that were rejected by the CDM EB on a review including the reasons for rejection given. This process is mandatory even if the project previously has passed Gold Standard validation. Similarly, registration for Gold Standard CDM is contingent on CDM EB registration.
- The GS-TAC clarified that there is no international stakeholder consultation performed by the DOE required for validation under the GS VER stream, given that Gold Standard NGO supporters with a local stake must be consulted in any case in the design phase.

“As the world convenes around solutions, we are forced to confront other realities: that 10% of the world’s population consumes 80% of the world’s resources, or that for every tonne of carbon generated by the lifestyle of a Filipino, someone living in Australia is generating 13 times more...”

Of what use is curbing emissions if the method aggravated the inequity so typical of business-as-usual growth?

....The Gold Standard makes the difference between carbon credits generated by a large hydroelectric power plant that marginalizes communities and a mini hydroelectric plant run by cooperatives. It makes all the difference between sourcing rice husks from an exploiting middleman ... or buying them directly from local farm communities.“

Susan Roxas, Head of Marketing and Corporate Relations, WWF Philippines

- Gold Standard VER registries: The Gold Standard is currently defining registry criteria and invites registry providers to establish Gold Standard registries. Registry guidelines will ensure suitable interfaces between competing registries, which will need to be validated by an independent third party. All Gold Standard VERs will only be issued into Gold Standard-approved registries.



These changes will be reflected in new versions of the Gold Standard manuals to be published by November 10th 2006 and will become effective immediately.

The GS-TAC is currently revising the non-eligibility of co-firing biomass is currently revised, and respective projects can be included under the Gold Standard in the future; and the requirements for technology transfer and innovation are also currently being clarified. Guidelines are expected to be finalised at the next GS-TAC meeting in December.

Perspectives from the supply side: Gold Standard is feasible

The Gold Standard project developing community gets a new momentum. Carbon professionals from myclimate, 500ppm, and McKinsey&Company recently incorporated South Pole Carbon Asset Management, a company focusing on Gold Standard project development. The founders are convinced that many CDM projects would have the potential for Gold Standard certification. But why are many project developers still hesitating to capture the Gold Standard premium?

First, the standard CDM process is perceived as complex and complicated. Therefore, many project developers have a general aversion against any additional requirements, irrespective of whether a small additional procedural effort would be outweighed by the premium gained. Second, Gold Standard specific requirements (e.g. additional stakeholder consultations) are time sensitive. If planned improperly, a Gold Standard certification could lead to a significant delay of the project. However, an experienced Gold Standard project manager is able to fit GS requirements into a conventional CDM project schedule. Obviously, this requires a sound understanding of the GS procedures.

Third, some argue that Gold Standard CERs will not yield a premium in the carbon market. Hence, any additional effort would not be justified. However, South Pole is convinced that Gold Standard CERs will capture an interesting price premium. The fact that South Pole has signed umbrella contracts with institutional buyers for premium projects shows that the market already differentiates carbon credits regarding their contribution to sustainable development: not all carbon credits are alike.

Staff of South Pole have been involved in developing several Gold Standard CDM projects and is committed to set up and market a distinguished portfolio. Based on our experience we know that the additional requirements to get a high quality CDM project certified as Gold Standard are acceptable. The expected price premium clearly outweighs the extra cost. Key factors to success include rigorous planning, well-structured stakeholder consultations, and systematic screening of sustainability benefits.

Dr. Christoph Sutter
Managing Director, South Pole
www.southpolecarbon.com



The following organisations currently are official Gold Standard supporters:

ATA – Appropriate Technology Association (Thailand)
Atmosfair (Germany)
BCAS – Bangladesh Centre for Advanced Studies
BASE, UNEP Collaborating Centre (Switzerland)
Carbon Watch (India)
CASA (Japan)
CDM Forum (Indonesia)
SACAN – Climate Action Network South Africa
Development Alternatives (India)
Dhammanart Foundation (Thailand)
e5 – Europe Business Council for Sustainable Energy
EnerGHG (India)
Germanwatch (Germany)
Greenpeace International
Clean Energy Nepal
David Suzuki Foundation (Canada)
Fundacion Ecologia y Desarrollo (Spain)
GRIAN – Greenhouse Ireland Action Network
Hamburg Institute of International Economics (Germany)
Helio International (France)
ICAN – Indonesia Climate Action Network
Indonesia Forum for Environment (WALHI)
KIKO Network (Japan)
King Mahendra Trust For Nature Conservation (Nepal)
KLIMA – Manila Observatory (Philippines)
Legambiente (Italy)
Miriam PEACE (Philippines)
myclimate (Switzerland)
Pelangi (Indonesia)
Pembina Institute for Appropriate Development (Canada)
Philippine Network on Climate Change
Philippine Solar Energy Society
REEEP
Sibol ng Agham at Teknolohiya (Philippines)
SSN – SouthSouthNorth (South Africa)
Winrock International – India
Winrock International – Nepal
WWF International
Zero (Zimbabwe)

The Gold Standard receives financial support from



and **DANIDA**

Capacity Building Goes Both Ways: Gold Standard en route to Brazil following successful workshops in Tanzania, Mozambique, China, and the Philippines

Gold Standard, in partnership with IT Power UK and SouthSouthNorth, began the implementation of two REEEP-sponsored pilot programmes to build financial capacity in Africa and support Gold Standard case studies in Asia and Latin America. As is usually the case with capacity building initiatives, Gold Standard learned more than it taught!

July's African workshops provided basic understanding of how the carbon market works and what its value is to project developers. This is key to ensuring that the real value of the project – including its SD benefits – is reflected in the price of the carbon credits that developers can sell. In support to the workshop, SouthSouthNorth and Gold Standard developed a Project Developer's Guide for Securing Carbon Finance, which is freely available upon request.

China's workshop in Beijing successfully identified a suite of projects for possible Gold Standard certification, two of which will receive free expert support from IT Power UK regarding the CDM project cycle. Sarah Davidson of IT Power commented, "China and Gold Standard are natural partners, as the Chinese national guidelines frequently overlap with the Gold Standard method. Developers were quite enthusiastic. For example, all Chinese projects are subject to an Environmental Impact Assessment... the Gold Standard just allows them to get a premium price for it."

In Manila, IT Power's Manuel Fuentes and Gold Standard's Jasmine Hyman were happily inundated with questions, suggestions, and local expertise. Due to the high level of capacity already present in the Philippines, the workshop delved into the technical details of the methodology and kept Gold Standard realistic about the methodology on the ground. In the words of a one project developer, "Look Gold Standard, I am just a humble engineer. So you give me this page of boxes about additionality. Well, I go through your boxes, and if I am "additional", okay. And if I'm not, that's okay too."

Yet even better than okay, the summer's workshops identified at least 6 Gold Standard projects that are projected for registration early next year. Support documents for the workshop, including brief text explanations of the Gold Standard screens, are available upon request. The final REEEP workshop will be held in Sao Paolo from 7-8 December, 2007, in collaboration with IT Power and WWF.

www.reeep.org | www.panda.org | www.itpower.co.uk | www.southsouthnorth.org

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