

Dear Mr Goyal,

We confirm the receipt of your responses to our comments raised and would like to raise the following concerns. Since I got your answers only yesterday (see below, first bullet on procedural), the following comments are preliminary.

I: Procedural

- The two NGO supporter organizations Germanwatch and atmosfair provided input as part of the Issuance Review process, supported by NGO Supporter E5 (put in cc). Our comments and the list of questions were sent to the GS by Dr. Dietrich Brockhagen of atmosfair, however, your answer was sent only to Robert Müller from atmosfair. Since Robert Müller is currently in Bolivia your response was only forwarded by Mr. Müller to Mr. Brockhagen on 25/3/2013. It is therefore not possible for us to provide an answer by 26/3/2013. We therefore kindly ask for an extension of the comment period for further 6 working days.
- The responses provided by Gold Standard (GS) are mostly referring to internal discussions between the GS, the DOE and the PP. However, survey data have not been published, neither in general nor for supporting the answers given. Therefore it is not possible for NGO supporters to assess the accuracy and plausibility of the answers. Please provide supporting documents and audit trails for the question&answer part between GS, DOE and PP, as it is good practice in the field of CO₂-verification.
- We have also noted that the following request was not considered in your response: Disclosure of critical documents such as the full list of questions asked by the DOE, survey reports, survey results spread sheet, VER calculation spread sheet.
- Since our comments and questions have resulted in significant new information provided by the DOE and the PP (i.a. FAR raised, wood savings revised from 1.3% to 24%, new questions asked by the DOE during the onsite audit which were not originally reported in the FVR) the revised documents as well as the question and answer process (audit trail) following our initial questions may be of interest for other supporter NGOs and the general public and thus a second issuance review period where all documents are made available is necessary.

II: Suppressed Demand and comprehensive options assessment

Suppressed Demand:

- We agree to the importance of suppressed demand as described in your feedback. We do however think that the case of the GS 886 project is different. You argue with "...those who, through lack of education, physical capability or financial means do not sterilise their water with biomass but would choose to if they could". However, fuel wood scarcity is named in the PDD as a constraining factor. Therefore, it is not a plausible development path that beneficiaries would "get dirty before getting clean" as you state, even if poverty was alleviated. The revision from 1,3% fuel wood reduction to 24% by the DOE in response to our comments (see below) does not change this argument.
- We recognize the right of the beneficiaries to have access to save drinking water and the urgent need to provide solutions, but we do not think that you have demonstrated that the claimed emissions reductions would have occurred in the case of alleviated poverty beyond those stemming from direct fuel wood reduction, even when considering suppressed demand.

Comprehensive Options Assessment:

- The idea of a comprehensive options assessment is to find the most suitable solution to serve the suppressed demand and not the technological solution which a project developer, who may also be the technology producer, wants to promote. It is therefore clear that an options assessment needs to include all possible solutions (which may be even none technical). Please see the World Commission on Dams Guidelines as an example on how a comprehensive options assessment should be conducted at the design stage of a project. Using the example of a hydro dam, one possible options is of course not to build a dam but to produce electricity otherwise (this option is also not available to a project developer specialized on hydro dam developments).

We therefore still see the need for a comprehensive options assessment (even if not required under current carbon methodologies) since at the level of local stakeholders, no other technological solutions were discussed and stakeholders do not have the opportunity to choose or raise comments on several options. Using GS 886 as an example, a technology distributed so massively should have been discussed at the level of project planning in comparison to other options in order to make sure that long-term sustainability is the main criterion for choosing a technology, and not the possibility to generate carbon credits. This is particularly important where suppressed demand is applied to justify the introduction of a new technology.

III: Specific Comments on the 2nd verification

Given the time constraints and the limited information provided, we are not able to respond to each of the specific observations; however we would like to raise the following questions at this point in time:

- From the information provided it is difficult to retrace how a calculation mistake can result into the percentage of wood fuel savings to be revised from 1.3% to 24%. More information on how the wood savings are measured and calculated is required.
- As a response to our questions, the DOE has provided more information which is not specified in the Final Verification Report (e.g. cross check question on filter backwashing to cross check usage). We therefore maintain that the full set of questions asked by the PP and the FVR during the monitoring and verification is to be disclosed to get the full picture.

IV. Conclusion

In conclusion, we think that at the current state of comments&answers no VERs should be issued.

Berlin, 26.03.2013, Dr. Dietrich Brockhagen

atmosfair gGmbH