

atmosfair gGmbH, Zossener Straße. 55-58, D-10961 Berlin

The Gold Standard Foundation  
Avenue Louis Casai 79 CH-1216  
Geneva-Cointrin  
Switzerland

**Launch Grievance procedure on false CO<sub>2</sub>-emission  
compensation  
Sustainable Deployment of the LifeStraw Family in rural Kenya  
(GS 886)**

Berlin, 14.04.2016

Dear Marion Verles,

it is with great concern that lately I have learned about fundamental flaws in the Gold Standard project *Sustainable Deployment of the LifeStraw Family in rural Kenya (GS886)*. The evidence compiled and documented shows that hundreds of thousands of tons of CO<sub>2</sub> emission reductions claimed and issued from this project do in fact not exist and never were real. This puts into question what I feel should be at the heart of the Gold Standard: integrity. This project is detrimental to the climate in two ways: Not only do carbon credits issued from the LifeStraw project fail to compensate carbon emissions from the polluting buyers, but furthermore they drive quality credits from real projects out of the voluntary market. As a Gold Standard Supporter, I therefore urge you to expeditiously launch a grievance procedure on this project and to enact immediate safeguards in order to minimize environmental and reputational harm.

This letter has been agreed with and is backed by the Gold Standard founding NGO Supporter e5, the European Business Council for Sustainable Energy. Furthermore I have informed the atmosfair integrity board about my grievance, notably members of the German Federal Environmental Ministry (BMUB) and Germanwatch.

The documentary *'The Carbon Crooks'* by Tom Heinemann investigates instances of fraudulent emission trading and carbon offsetting. The offset project scrutinized is the GS LifeStraw project in Kenya, involving the distribution of water filters to replace the usage of fuel wood for water boiling. The movie has been and continues to being screened in documentary festivals throughout Europe. It may also reach television and has already spurred journalists asking atmosfair for inside expert views.

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atmosfair gGmbH

Headquarter: Kaiserstr. 201  
D-53113 Bonn

Office: Zossener Straße 55–58  
D-10961 Berlin

Tel.: +49 (0)30 6273550 - 0  
Fax: +49 (0)30 6273550 - 29

E-Mail: [info@atmosfair.de](mailto:info@atmosfair.de)

Website: [www.atmosfair.de](http://www.atmosfair.de)

Registered at:  
Amtsgericht Bonn  
HRB 13789

Managing Director:  
Dr. Dietrich Brockhagen

Bank information:  
GLS Gemeinschaftsbank eG  
Donations account: 4009 1533 00  
IBAN DE06 4306 0967 4009 1533  
00  
Business account: 4009 1533 05  
IBAN DE65 4306 0967 4009 1533 05

Bank code 430 609 67  
BIC GENODEM1GLS

German VAT No.: 27/601/53604  
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In the documentary, alleged direct beneficiaries of the LifeStraw filter state that they don't know anybody who uses the LifeStraw. This is in stark contrast to the more than four million tons of CO<sub>2</sub> savings that have been issued from the Gold Standard for this project so far, making it one of the biggest Gold Standard projects. Due to its large-scale promotion by both carbon traders and the Gold Standard, the project also appears as emblematic for the Gold Standard. However, the documentary prominently shows the Gold Standard Foundation stonewalling related requests by Mr. Heinemann.

The evidence of Mr. Heinemann seems direct and irrefutable at least for the visible part of the project. He in fact conducted an onsite visit in Kenya and filmed the responses of direct "beneficiaries", for all to see. This leaves little room for doubts. Furthermore, irrespective of the subject matter, it worries me to see the Gold Standard publicly exposed to stonewalling and thus seemingly not standing by the core values of a true NGO: responsibility and transparency. However, Mr. Heinemann is not alone.

The Stanford University additionally has questioned the crucial project assumption that people in Western Kenya without the LifeStraw normally boil their water. Kevin Starr writes '*People in western Kenya, by and large, don't boil their water.*' This is supported by numerous studies in Western Kenya and Africa, finding shares of water boiling only in between 4% and 25%.

ERM CVS verified the project. When I reviewed the verification report by ERM in 2014, I found that the auditors criticised the '*hypothetical nature*' of monitoring questions. Moreover, during their On-Site Visit ERM observed failure to apply the principle of conservativeness. It surprises atmosfair that the ERM quantitative results were nevertheless considered as reliable by the Gold Standard and eventually led to an issuance of more than one million carbon credits. In this situation, it is of little help that not all relevant project documents are publicly available through the Gold Standard.

For the above reasons, the LifeStraw project is in conflict with the Gold Standard Foundation's core principles number four (*Greenhouse gas emission reductions shall be real*) and six (*The project shall be transparent*).

atmosfair cannot and does not accept as a NGO Supporter of the Gold Standard that individual consumers continue paying for offsetting their carbon emissions in good faith through a project that is exposed to strong, publicly visible and well substantiated criticism from independent and various voices. The environmental integrity as well as the confidence, trust and accountability to carbon markets and carbon projects are damaged by both the project itself and the apparent behaviour of the Gold Standard, both as credit issuing agent and as NGO vis a vis the public.

I therefore request the Gold Standard Foundation to launch a formal grievance procedure. More specifically, I ask you to conduct the following measures of alleviation and safeguard, in order to minimize environmental and reputational harm:

**I. As long as the presented grievance is not resolved and with immediate effect**

1. stop issuance of carbon credits from this project,
2. notify all carbon traders and other intermediaries of the grievance and recommend them stopping sales of carbon credits from this project,
3. make the grievance public on the Gold Standard website,
4. respond to Mr. Heinemann and make your answer available on your webpage,
5. make all relevant documents publicly available on the project website (documents from project owner and from the Gold Standard).<sup>1</sup>

**II. Diagnosis and alleviation**

1. Commission an independent and new expert group. This expert group should restore the credibility of the Gold Standard and therefore be composed of independent environmental experts, such as the Oeko Institute, from relevant CDM bodies, NGOs such as Greenpeace and Carbon Market Watch, different local stakeholders (e.g. the NGO Aquaya) as well as critics such as Mr. Heinemann. It should be co-chaired by independent, trusted and known environmentalists and mediators such as Michael Schlup as founder of the Gold Standard, the Swiss Lauterkeitskommission, senior environmental ministry officials in charge of the UNFCCC CDM negotiations or members of the environmental committee in the Swiss parliament.
2. Mandate the expert group to freshly investigate the project from scratch. The mandate should comprise as a minimum
  - investigation of the observations from Mr. Heinemann and others,
  - the LifeStraw filter itself and its use case,
  - the project's developing and climate context,
  - a large scale onsite visit,
  - estimation of the number of spurious carbon credits issued so far,
  - proposals for adequate alleviation measures for affected carbon buyers such as re-compensation through replacement projects.

I thank you for your kind consideration. Let us work together for the benefit of the climate and the global south. I am looking forward to your feedback.

Kind regards,



Dietrich Brockhagen, Managing Director

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<sup>1</sup> This involves as a minimum all studies that have been realized by independent organisations such as the Berkeley Air Monitoring Group, verification review protocols between The Gold Standard Foundation and the project owner and any further studies conducted by The Gold Standard Foundation on the usage of the LifeStraw filters.