Enhancement of participation of local stakeholders, key to success of CDM projects: Current rules and procedures under the CDM

Fatima-Zahra Taibi, UNFCCC secretariat

Asia and the Pacific Workshop: Promoting the CDM and the Market mechanisms
13-15 October 2014
Bangkok, Thailand
Structure

- Requirements: CDM Local Stakeholder Consultations
- Boards Initial Views and Clarifications
- Status of work & actions – to improve local stakeholder consultations
  - Track 1: Mandates by CMP (Warsaw)
  - Track 2: Mandates by the CDM Executive Board
  - Track 3: Review of the CDM Modalities and Procedures
- Actions Taken by Board as of date (for all tracks)
Requirements of CDM Local stakeholder Consultation

- CDM Modalities & Procedures stipulates two consultation process during validation:
  - Local stakeholders – prior to publication of PDD
  - Global stakeholder consultation (GSC) – 30 days (45 days for A/R projects) during publication of PDD in the website

- **Requirements of CDM Modalities & Procedures:**
  
  “The DOE …… shall review the PDD to confirm that the …… Comments by local stakeholders have been invited, a summary of the comments received has been provided by PP, and a report to the designated operational entity on how due account was taken of any comments has been received” [3/CMP.1, para 37 (b)]

- Board’s procedures (PS, VVS, PCP) provide further guidance on how these processes should be conducted and what actions should be undertaken by DOEs.
Status of work & Actions – to improve local stakeholder consultations

Work progressing under three parallel tracks:

• **Track 1: Mandates by CMP (Warsaw)**
  - CMP at its 9th session requested the CDM Executive Board, with the support of the secretariat, to collaborate with the Designated National Authorities Forum on collecting and making available, on the UNFCCC clean development mechanism website, information on practices conducted for local stakeholder consultations, and to provide technical assistance to designated national authorities, upon their request, for the development of guidelines for local stakeholder consultation in their countries.

• **Track 2: Mandates by the CDM Executive Board**
  - Revision of PS, VVS, PCP as per work-plan of Board- 2014
  - Work to improve LSC as mandated by EB70 (para 92-94)

• **Track 3: Review of the CDM M&P**
  - Recommendation of the Board to SBI on possible changes to the CDM M&P
  - Technical paper by the secretariat based on Parties views and submission on possible changes to the CDM M&P
Updates on status of work under Track 1: Mandates by CMP (Warsaw)

• EB78 agreed on the work-plan 2014, to deliver the CMP mandate. The Board set up project 227 and the project aims to:

  a) Collaborate with the DNA Forum on collecting and making available, on the UNFCCC CDM website, to facilitate sharing experience among parties, information on the practices conducted for LSC; and

  b) Provide technical assistance to DNAs, upon their request, for the development of guidelines for LSC in their countries.
Updates on status of work under Track 1: Mandates by CMP (Warsaw)

**Action Taken by Board as of date:**

- Developed and launched website in 1st week of May 2014
- Communication sent to all DNAs. As on date only one DNA expressed interest to receive technical assistance to develop guidelines.
- EB 70 requested secretariat to create more awareness among DNAs including at this event.
- DNA of Brazil shared their practices for LSC.
- Board shall consider a concept note defining work plan to assist DNAs when a request from an eligible DNA is received.
http://cdm.unfccc.int/DNA/index.html
Updates on status of work under Track 2: Mandates by the CDM Executive Board

**Action Taken by Board as of date:**

- At EB69 (Annex 22) and EB70 (para 91-93), the Board considered a “Concept note on improving the stakeholder consultation process” taking into account inputs received from stakeholders:
  - call for public inputs launched in 2011
  - 5th CDM Round Table (10 August 2012 in Bonn)
  - other inputs

- The Board:
  - For global stakeholder consultations: agreed to improve the process by expanding the type documents required to be published to improve transparency, by defining the scope of comments to be submitted and analyze the feasibility to submit them in the official language of the host country and by providing guidance to the DOEs on the treatment of the comments received
Updates on status of work under Track 2: Mandates by the CDM Executive Board

**Action Taken by Board as of date:**

- If significant changes have occurred in the project design after the initial local stakeholder consultation (LSC), the DOE, as part of its validation process, shall assess whether the LSC is still adequate.

- Agreed to establish a grievance mechanism for stakeholders to channel their complaints to the DNA of the host country in case they are not satisfied on how their comments have been addressed by the PPs.

- Those amendments and improvements of the LSC and GSC have been integrated in the new revision of the PS, VVS and PCP adopted by the Board at its 80th.

- Requested the secretariat to further work on improving the process of LSC through, among others, defining the minimum groups of stakeholders that should be consulted, the means of consultations.

- Requested the secretariat to come-up with proposals to deal with stakeholders comments received after the registration of the project that are delinked of the verification process but nevertheless constitute a formal process for dealing with those concerns. EB 81 in Lima will consider a new proposal from the secretariat.
Updates on status of work under Track 3: Review of the CDM M&P

**Actions taken by Board as of date:**

- The Board made recommendations to SBI 38. Recommendation on stakeholders consultations consisted on:
  - Strengthening the requirement in paragraph 37 (chapeau and (b)) to require the DOE to validate that the local stakeholder consultation was carried out in accordance with host Party laws and regulations, and to evaluate how the content of the comments was duly taken into account.

- Possible changes in the technical paper submitted to SBI 40 consisted on: based on parties views consisted:
  - DNAs make publicly available and maintain up-to-date information relating to the applicable rules relating to local stakeholder consultation;
  - Include a provision allowing the Board or the secretariat to receive information on complaints regarding issues that are not related to the emission reductions or removal enhancements of a registered CDM project activity or PoA for forwarding to the relevant DNA for investigation and assessment and the outcome of such investigation.
Updates on status of work under Track 3: Review of the CDM M&P

- Introduce a GSC process at the verification stage, allowing comments to be related to any aspects of the PDD and requiring the DOE that conducts the verification to forward the comments on the issues that are not related to emission reductions or removal enhancements to the relevant DNA for investigation and assessment and transfer of the outcome of such investigation to the Board.
Thank you