

Call for public inputs	Recommendations for possible changes to the modalities and procedures of the CDM
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Date: 23.01.13

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Issue No.	Issue to be addressed (including need for change)	Proposed change (including proposed text, if applicable)
1	<p>Transparency of meetings</p> <p>The CDM upholds strong transparency standards, including the webcasting of Executive Board meetings. Significant portions of the meeting still take place behind closed doors, however.</p> <p>The participation of civil society at Board meetings is primarily observational. Observers can ask questions, but not in relation to specific projects.</p> <p>Extensive minutes of these meetings are publicly available, as are the reports of sub-committees and working groups. However, rules and revisions are sometimes buried in these minutes, and are not always presented in a user-friendly manner in a timely fashion.</p> <p>The Methodology Panel and Designated Operating Entity accreditation meetings are not open to civil society. Civil society does not currently play a role in verification or issuance.</p>	<p>Board meetings should be webcast in their entirety. In instances when the Board insist on private discussions, reasons for non-disclosure should be clearly stated and publicly available.</p> <p>Opportunities should be made available for observers to raise questions and provide feedback on projects at meetings as value-added input to Board decision-making. Guidelines regarding interventions could be developed to facilitate this process.</p> <p>Minutes should be made available as soon as possible following each meeting. These should be structured in a consistent and coherent fashion for ease of reference.</p> <p>These meetings too should be open to meaningful civil society input.</p>

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2	<p>Stakeholder consultations</p> <p>Consultation is variable across the scheme. Designated Operational Entities must invite comments from local stakeholders, summarise their contents, and report on how due account was taken of any comments received. The local consultation must be summarised in the DOE's validation report. However, there is no standard procedure for how stakeholder consultations should be undertaken, and in practice these are often rudimentary, badly advertised, inaccessible, poorly documented and/or timed to take place after work on the project has already taken place.</p> <p>At the global level, stakeholders have a 30-day window to comment on proposed projects (45 days for afforestation/reforestation projects), but there is no obligation on DOEs to enter into dialogue with (or acknowledge) them, and they generally do not do so. It is unclear how feedback is assessed in validation, and there is no clear norm or best practice.</p> <p>Methodology proposals are limited to 15 days of comment if they are deemed 'qualified', but there are no other requirements to interact with civil society. Methodology revisions are subject to a 10 day comment period.</p>	<p>The CDM's consultation process is essential for its legitimacy. Project developers and consultants should not be granted full discretion over the design and undertaking of consultations, instead there should be clear rules and guidance for this process.</p> <p>At the local level these standards should aspire to the following:</p> <ul style="list-style-type: none"> • Consultations should be advertised well in advance of the submission of a project proposal, and through numerous, popular channels so as to guarantee that the process is widely acknowledged and understood • Consultations should be conducted in an open, transparent and truly participatory manner • Guidance should be offered on who should participate in consultations, including technical experts, academics, local communities, the media and public authorities • The results of the consultation process should be clearly presented in the project design documents, including an attendance list or list of additional interviewees, and thorough minutes of discussions and agreed follow-up. <p>At both local and global levels:</p> <ul style="list-style-type: none"> • Evidence should be offered as to how the consultation process influences the approval and accreditation of the projects so that stakeholders are made aware of the value of their contributions. <p>Civil society participation should be strengthened via a lengthier timeframe for comments and guidelines on who should be consulted and how.</p> <p>Civil society should be recognised as a valuable source of information, expertise and independent oversight for the CDM at all stages of decision-making and monitoring.</p>

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3	<p>Accountability of decision-making</p> <p>The Executive Board is required to justify its decisions, with reasons for rejecting projects made publicly available. Concerns have been raised about the consistency of decision-making, however, as well as over the time taken to reach decisions on project registration. The delays are still more acute in relation to methodology development, which can take from six months to two years to pass the process.</p>	<p>Criteria for the acceptance or rejection of projects should be clear and consistently adhered to, with publicly available and detailed justifications for decisions on a case-by-case basis. Reasons for delays in decision-making should be communicated to the public and expedited where possible. Part of the reason for such delays is that the board are a politically appointed group of people with daytime jobs. They have to decide on a wealth of different issues (including legal, technical and administrative matters) for which they may lack expertise and time. Professionalising the board would expedite and strengthen the legitimacy of decision-making. Some of the more technical decisions currently bestowed to the board could be delegated to larger groups of technical experts. This group should then be made accountable to the board, and the board should be responsible for the more normative decisions. We believe that this would strengthen the efficiency, speed and quality of decision-making.</p>
4	<p>Appeals process</p> <p>There is no recourse to appeal decisions made by the Executive Board, a state of affairs that has been heavily criticised by project developers, carbon traders and civil society alike.</p>	<p>We welcome the fact that the possibility of an appeals procedure is currently being discussed under the Kyoto Protocol track of the UNFCCC negotiations. We recommend that the board should help appoint a bespoke appeals body or tribunal to oversee the appeals process. This body must be competent, independent and impartial and recognised under international and national law. As outlined in previous interventions, we recommended that:</p>

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4		<ul style="list-style-type: none"> The CDM appeals body be comprised of persons who are independent from the Executive Board and UNFCCC Secretariat, such as through the creation of a new body under the authority of the CMP7 The CDM appeals body be required to abide by codes of conduct and ethics that guarantee that they are able to act impartially and without conflicts of interest Criteria and procedures for the selection, and removal processes of CDM appeals body members, ensure appropriate transparency, accountability and integrity Operational procedures of the CDM appeals body ensure that its members maintain independence and impartiality Members of the CDM appeals body have appropriate competence to perform their duties including expertise and knowledge of the technical and procedural requirements for CDM project activities Members of the CDM appeals body be compensated sufficiently, and provided with appropriate resources to enable their performance within appropriate time-frames Procedures should be in place to address conflicts of interest should they arise. These procedures should include requiring the suspension and/or removal of appellate body members who may have such conflicts Rules and procedures should exist to guide the work of the appeals body and to ensure impartiality in its decision-making, in order to maximise its legitimacy and public confidence in its authority

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5	<p>Integrity guarantees</p> <p>Executive Board members are required to take a written oath of service, and are subject to a Code of Conduct which requires members to exercise discretion as to whether a financial or personal conflict of interest exists. These criteria provide adequate checks to prevent direct financial conflicts of interest. Political conflicts of interest remain a problem, however, with several Board members juggling their role with simultaneously serving as climate negotiators or representing their country's Designated National Authority. It has been shown that a project's chance of approval increases if there is a Board member from the host country.</p> <p>Conflict of interest rules also exist to govern panels and working groups set up by the Board. Experts employed by the panels are required to declare any pecuniary or financial interests in an issue under discussion, and to sign a written disclosure of financial or other conflict of interests and respect for confidentiality. While Registration and Issuance Team members are required to declare any conflict of interests, many are employed by DOEs or project developers, opening the way to indirect pressure or influence.</p>	<p>The CDM's existing conflict of interest policy should be extended to account for potential political conflicts of interest. It must also be made unequivocal, and mechanisms put in place to ensure that it is strictly enforced. Clear rules must also exist to establish procedures and penalties in cases where conflicts of interest are detected.</p> <p>Integrity pledges, special codes of conduct or other project specific contracting arrangements calling on all project participants to avoid corruption and act with appropriate levels of transparency, accountability and integrity should provide a useful means to ensure CDM project integrity. Enabling public scrutiny of parties to CDM projects through third-party, public oversight bodies provide additional assurances that project parties or participants are operating with appropriate integrity and avoiding corrupt practices. Incorporating such integrity practices with the CDM aims to add value to the credibility of the CDM validation and verification processes, to the quality of desired projects and their mitigation potential and to the antecedent goal of contributing to sustainable development.</p>