

# Submission to annotated agenda for the 89th CDM Executive Board meeting 9-13 May 2016, Germany

04 May 2016

Carbon Market Watch welcomes the opportunity to provide input to the CDM Executive Board on issues included in the annotated agenda of the 89th meeting, particularly on the following agenda items:

1. Agenda item 2.2. Strategic planning and direction
  - Action 7: Simplified inclusion process for automatically additional microscale CPAs
2. Agenda item 5. Regulations with forums and other stakeholders
  - Action 40 (bis): The Board may wish to take note of activities undertaken with regards to stakeholders

## **1. Agenda item 2.2. Strategic planning and direction**

**Action 7: The Board may wish to provide guidance on a concept note on the “Simplified inclusion process for automatically additional microscale CPAs”, as contained in Annex 3 to these annotations.**

Carbon Market Watch would like to provide input to Annex 3 of the annotated agenda, specifically regarding its position on the role of DOEs in the validation process of automatically additional microscale CPAs.<sup>1</sup> The proposed process would effectively eliminate the detailed validation process undertaken by a DOE prior to registration. As proposed, this formal validation would be replaced with a checklist for determining eligibility, which the UNFCCC secretariat would review as part of the standard completeness check. A verification of the project characteristics and performance would be done during the first verification by a DOE,<sup>2</sup> shifting the responsibility from the validating DOE to the verifying DOE.

This proposed process also shifts the responsibility of local stakeholder consultation validation and the respective on-site visits to the validating DOE. This raises concerns given that it will limit the means by which the DOE can ensure that local stakeholder consultations were conducted in accordance with the CDM modalities and procedures and relevant national and international laws. Means of verification would be dependent on technologies such as phone calls or video conference calls – however, it is important to note that many areas do not have reliable access to such technologies. Regardless, it would be difficult if not impossible to understand the local dynamics and conduct an adequate assessment of a local stakeholder consultation from a distance.

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<sup>1</sup> CDM-EB89-A03

<sup>2</sup> CDM-EB89-A03, para. 22

This proposal to shift responsibility from the the validating DOE to the verifying DOE should be discard, in light of the Board’s recent and ongoing discussions on the need to improve stakeholder consultation processes, as well as the requirement that "local stakeholder consultation [must] be conducted in accordance with applicable national regulations“<sup>3</sup>. This has widespread implications on the environmental and social integrity of the CPA project.

## **2. Agenda item 5. Regulations with forums and other stakeholders**

**Action 40 (bis): The Board may wish to consider and address stakeholder comments received by the Board pertaining to human rights issues.**

As previously agreed, the Board requested the secretariat to ensure that, in the case that any stakeholder comments are received by the Board, which the stakeholders perceive to pertain to human rights issues, these comments be forwarded to the relevant bodies within the United Nations system and within the host government. It has been brought to our attention that stakeholder comments regarding the Barro Blanco project have been made and there may be others. In the interest of transparency and accountability, we request that the Board add this action item to the agenda, so these concerns may be concerned and addressed and that actions may be taken as necessary in response to the concerns raised.

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If you have any questions or would like additional information, please do not hesitate to contact me.

### **Contact information:**

Juliane Voigt  
Policy Officer, Carbon Market Watch  
[juliane.voigt@carbonmarketwatch.org](mailto:juliane.voigt@carbonmarketwatch.org)  
[www.carbonmarketwatch.org](http://www.carbonmarketwatch.org)

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<sup>3</sup> CDM-EB81-A04, CDM validation and verification standard, 146d