

# Submission to annotated agenda for the 90th CDM Executive Board meeting 18-22 July 2016, Germany

11 July 2016

Carbon Market Watch welcomes the opportunity to provide input to the CDM Executive Board on issues included in the annotated agenda of the 90th meeting, particularly on the following agenda items:

1. Agenda item 2.3. Performance management
  - Action 11: key messages for the annual report
  - Action 15: guidance to improving the user-friendliness of the sustainable development co-benefits tool
2. Agenda item 5. Relations with forums and other stakeholders
  - Action 46: assistance to DNAs for development of guidelines for local stakeholder consultation

## **1. Agenda item 2.3. Performance management**

### **Action 11: messages to CMP through annual report**

Carbon Market Watch would like to recommend the inclusion of an analysis of the communications received from stakeholders during the year 2016 in your annual report to the CMP. This may also comprise a summary of communications on problematic projects as well as means of communication that do not fall within the scope of a dedicated process procedure.

To strengthen the CDM as well as to safeguard a future role of this mechanism, it would be useful to compare accountability standards of other institutions and mechanisms. An incorporation of a comparison of current accountability standards in the annual report alongside respective recommendations is thereby an essential tool. Especially, it would be fundamental to underline the need for the establishment of a grievance mechanism. The establishment of a CDM grievance mechanism is thereby essential for the operationalisation of the Cancun agreement and the Paris Climate Agreement, recognizing that parties must respect and promote human rights when taking action to address climate change.<sup>1</sup>

### **Action 15: sustainable development co-benefits tool**

Carbon Market Watch would like to provide input to Annexes 9 and 10. With regards to proposals on improving the identification, categorization and comparability of benefits as outlined in annex 9<sup>2</sup>, we would like to underline that in order to ensure independent “third-party assessment for the respective co-benefits”<sup>3</sup>, it is crucial to allow stakeholders to engage directly in the reporting process

---

<sup>1</sup> UNFCCC Decision 1/CP.16, para. 8., Paris Agreement Preamble

<sup>2</sup> CDM-EB90-A09, 3.3. para. 10-12

<sup>3</sup> *Id.* para. 11d

or provide some other means of reporting for stakeholders. In addition, the tool should include a commenting section where stakeholders can provide comments on the input provided by project participants or CMEs. Moreover, given the fact that the tool is voluntary, it would seem sensible not to limit the source of input to project participants and CMEs. Local stakeholders or civil society (those whom the CDM's safeguard policies are intended to protect), should be able to input to provide a full and comprehensive picture of a project's impacts.

Moreover, the proposal to "increase the number of questions based on "Yes/No" answers"<sup>4</sup> would intensify the already existing insufficient level of detail to enable effective evaluation of whether a project participant or CME complied with "do no harm" safeguard principles or whether stakeholders had opportunities for meaningful engagement in the consultation process.

Despite the Board's acknowledgement in the SD tool user manual that "[s]takeholder involvement at global and local level[s] is seen as an important means to enhance the credibility of reporting of SD co-benefits and ensure transparency" (citing Principle 10 of the 1992 Rio Declaration on Environment and Development), the level of detail sought in the SD tool does not ensure evaluation of the effectiveness or extent of stakeholder consultation.

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

### **Action 46: technical assistance to DNAs for the development of local stakeholder consultation guidelines**

Carbon Market Watch supports the proposed solutions put forward by the Secretariat in Annex 16 on how to support DNAs in the development of guidelines for local stakeholder consultation. With respect to the approach described in 8(c) of Annex 16, however, a starting point for this analysis should be the international principles and standards that apply under these circumstances. The legal standards for consultation and, when appropriate, free, prior and informed consent are clearly articulated under international human rights law and should be the baseline for any assistance or recommendations for DNAs on how to establish local stakeholder consultation guidelines. Further, any assistance should provide clear guidance on how to undertake the local stakeholder consultation process (i.e., location, scope, contents, frequency, and timeline of public consultation meetings) and on how and when to give notice of opportunities to participate in the local consultation process

\*\*\*\* \* \* \*

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)

---

<sup>4</sup> *Id.* para. 11a