



Stakeholder Communication Form

(Version 01.0)

This form shall be used for any CDM-related communication with the UNFCCC secretariat or the CDM Executive Board. All the questions are mandatory unless otherwise indicated.

The completed form and any supplemental documents shall be submitted electronically to cdm-info@unfccc.int, or via fax to +49-228-815-1999 or via post to: Sustainable Development Mechanism (SDM) Programme, UNFCCC secretariat, P.O. Box 260124, D-53153 Bonn, Germany.

SECTION 1: COMMUNICATION HEADER

Please provide your contact information.

Title: Mr. **First Name:** Sven **Last Name:** Kolmetz

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Country: United Kingdom *Include country code (e.g. +49-228-815-1999)*

Stakeholder Type: Non-Governmental Organization (NGO) If other:

Please indicate from whom you would like to get an answer.

This communication is addressed to¹: Chair of CDM Executive Board (normal track)

SECTION 2: PROJECT ACTIVITY OR PROGRAMME OF ACTIVITIES (PoA)

If this communication refers to a specific CDM project activity/PoA, please answer questions in this section (otherwise proceed to Section 3).

Project/PoA Ref. Number If applicable, CPA Ref. Number:
5-digit# format 01234 *8-digit# format 0123-4567*

Project Cycle Stage Other If other:

If there is no specific CDM Reference Number, please answer the remaining questions in this section (otherwise proceed to Section 3).

Host Country(ies) All Non-Annex I

Project/PoA Title

Technology Type Other If other: All

SECTION 3: YOUR COMMUNICATION

Title/Subject
Maximum 250 characters

Conceptual conflicts of paragraphs 101 and 102 of the CDM Project Standard for PAs and paragraphs 64 and 65 of the CDM Project Standard for PoAs, related to timing of Local Stakeholder Consultation (LSC) and conflict with Project Starting Date.

Communication Text
Include background, details, and conclusion (unlimited length)

With this communication we would like to stress our concerns about the provisions of paragraphs 101 and 102 of the CDM Project Standard for Project Activities (version 02.0) and paragraphs 64 and 65 of the CDM Project Standard for Programmes of Activities (version 03.0), regarding the timing of Local Stakeholders Consultation (LSC) against the definition of Project Starting Date for i) CDM project activities or CPAs, as well as ii) for CDM PoAs, which generate conflicts with domestic rules and objectives for Local Stakeholder Consultation (LSC).

Referenced texts:

Paragraphs 101 and 102 of the CDM Project Standard for Project Activities (version 02.0):

101. The project participants shall complete the local stakeholder consultation process at the timing

¹ In accordance with the "Procedure: Direct communication with stakeholders" (version 02.0), stakeholders may address communications either (a) to the secretariat, in order to seek a fast-track technical or operational explanation regarding the implementation of existing CDM rules, or (b) to the CDM Executive Board, in order to communicate to the Board their views on CDM rules and their implementation, or to seek official clarifications of CDM rules.

required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do not exist, the project participants shall complete the process:

- (a) Before the start date of the project activity as defined in the “Glossary: CDM terms”; and
- (b) Before submitting the PDD of the proposed CDM project activity to a DOE for validation.

102. For the project activities that do not meet the requirement referred to in paragraph 101(a) above, but for which notifications of prior consideration of the CDM have been submitted to the secretariat in accordance with the “CDM project cycle procedure for project activities” before [24 February 2017], the project participants may, in accordance with the “Procedure: Direct communication with stakeholders”, submit a request for exemption from the requirement to the Board for its consideration on a case by case basis.

Paragraphs 64 and 65 of the CDM Project Standard for Programmes of Activities (version 03.0):

64. The coordinating/managing entity shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do not exist, the coordinating/managing entity shall complete the process:

- (a) Before the start date of the PoA as defined in the “Glossary: CDM terms”; and
- (b) Before submitting the PoA-DD of the proposed CDM PoA to a DOE for validation.

65. For the PoAs that do not meet the requirement referred to in paragraph 64(a) above, but for which the start date is before [24 February 2017], the coordinating/managing entity may, in accordance with the “Procedure: Direct communication with stakeholders”, submit a request for exemption from the requirement to the Board for its consideration on a case by case basis.

Suggested new text: We strongly request the substitution of the original text proposed above in the annotated agenda of the EB93 for the following ones in order to avoid conflictual issues with Project Start Date definitions:

Adjustment of paragraph 101 and exclusion of paragraph 102 of the CDM Project Standard for Project Activities (version 02.0):

101. The project participants shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do not exist, the project participants shall complete the process before submitting the PDD of the proposed CDM project activity to a DOE for validation.

Adjustment of paragraph 64 and exclusion of paragraph 65 of the CDM Project Standard for Programmes of Activities (version 03.0):

64. The coordinating/managing entity shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do not exist, the coordinating/managing entity shall complete the process before submitting the PoA-DD of the proposed CDM PoA to a DOE for validation.

Alternatively, we propose to replace the “and” by an “or”, in case you want to give project developers the opportunity to voluntarily decide to start the LSC at an earlier stage when there is still no decision made for the project.

Background and reasons for our request:

According to the Glossary of CDM terms (version 08.0), available at:

https://cdm.unfccc.int/Reference/Guidclarif/glos_CDM.pdf, the “start date” is defined as follows:

- i) “In the context of a CDM project activity or CPA, the earliest date at which either the implementation or construction or real action of a CDM project activity or CPA begins.
- ii) In the context of a CDM PoA, the date on which the coordinating/managing entity officially notifies the secretariat and the DNA of their intention to seek the CDM status or the date of publication of the PoA-DD for global stakeholder consultation in accordance with the relevant CDM rules and requirements.”

- 1) Conflict with the Project Starting Date of PoAs.

As defined by the Glossary of CDM terms, the Project Starting Date for PoAs may be defined as date on which the coordinating/managing entity officially notifies the secretariat and the DNA of their intention to seek the CDM status”

This procedure is further clarified by the submission of the Prior Consideration form to the UNFCCC and Host Country DNA, as defined in paragraph 14 of the CDM Project Cycle Procedure (version 09.0):

“... the coordinating/managing entity may notify to the DNA(s) of the host Party(ies) of the PoA and the secretariat in writing of the intention to seek the CDM status for the PoA, using the “CDM programme of activities prior consideration form” (CDM-PoA-PC-FORM) for the purpose of determining the start date of the PoA.”

In this case, it is the purpose of this “Prior Consideration” to announce the intention to develop a PoA, as well as to set its Start Date, which must be before any effective action in relation to a CPA is taken. In other words, the Project Starting Date in this case is the very first moment that the intention of developing a Program of Activities is announced. At this point in time, Project

	<p>Developers do usually not have the information or documents such as a draft PDD, PoA or CPA that are required by domestic regulation to undertake a CDM specific local stakeholder consultation. Therefore, the request to undertake a local stakeholder consultation process before the start date of a PoA (if a “Prior Consideration” is used for this purpose), is inadequate and not feasible.</p> <p>2) Conflict with the Project Starting Date of CDM Projects and CPAs</p> <p>As defined by the Glossary of CDM terms, the Project Starting Date of a CDM project activity or CPA is defined as:</p> <p>“the earliest date at which either the implementation or construction or real action of a CDM project activity or CPA begins.”</p> <p>Such Start Date may be defined by very diverse events, such as the signature of equipment or construction contract or a successful bid for a public tender to develop a concession or to supply a power purchase contract. Depending on the event, this may mean that the project developer did not have any prior relation, commitment or entitlement to the project. In fact, it is the essential concept behind the Project Starting Date to determine the earliest moment when the Project Developer assumes a tangible commitment for the development of a project.</p> <p>With this concept in mind, it is not plausible to request that a CDM specific local stakeholder consultation is conducted before such an event because:</p> <p>i) If local stakeholder consultations are undertaken before a tangible commitment for the development of the project exists, this will not only generate sunk costs, but also expectations and confusion that will frustrate the stakeholders in question.</p> <p>ii) CDM specific local stakeholder consultations need to be developed in accordance with applicable national regulations”. These domestic regulations commonly require that adequate information and documentation, such as draft PDDs, PoAs or CPAs are made available. Developing such documents requires detailed project studies that are usually not available before the events that define the Project Start Date. Moreover, it requires investment of resources (time, money and people) to prepare the necessary documentation that are not justifiable before an effective investment decision is taken.</p> <p>iii) Undertaking local stakeholder consultation on the basis of limited information and incomplete documents may further increase frustration as it will not allow addressing stakeholder concerns.</p> <p>iv) Undertaking a CDM specific local stakeholder consultation too early prevents local stakeholders from expressing grief about the effective impacts that occur during construction and implementation of the process and thus is not in their best interest.</p> <p>Conclusions and Suggestions:</p> <p>The PD Forum fully supports the necessity and intention to ensure that local stakeholders are adequately consulted and involved in the project development and implementation process. To ensure that this is met with utmost respect for local circumstances, it is key to supervise that projects have been licensed according to the rules and requirements implemented by sovereign parties.</p> <p>In order to ensure the effectiveness of such a concept, we believe that the original rule to Project Developers to “complete the local stakeholder consultation process before submitting the proposed CDM project activity or PoA to a DOE for validation” is more appropriate.</p>
<p>Supplemental Documents <i>If applicable, list the title(s) of any attached file(s) or link(s)</i></p>	
<p>This communication may be made public</p>	<p>Yes</p>

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	02 March 2015	This form supersedes and replaces the following: <ul style="list-style-type: none">• F-CDM-RtB: <i>Form for submission of Letters to the Board</i> (version 01.2)• F-CDM-RtB-DOE: <i>Form for communication on policy issues initiated by AEs/DOEs</i> (version 01.1)• CDM-RtB-DNA: <i>Form for communication on policy issues initiated by DNAs</i> (version 01.1)

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