

Open letter to implement UN obligations to respect human rights

9 October 2015

Dear CDM Board members,

We, the undersigned, comprised of 98 networks, organizations and concerned citizens including Members of the European Parliament, from 36 countries, urge you to adopt the recommendations presented to you in the UNFCCC Secretariat's "Concept Note: Improving stakeholder consultation processes"¹ as a critical step towards operationalizing human rights in climate action.

The need for human rights protections when developing and implementing mitigation activities (such as CDM projects) has been recognized by the Parties to the UNFCCC, when they adopted the **Cancun Agreements, Decision 1/CP.16**, that emphasize that "*Parties should, in all climate change related actions, fully respect human rights*" (para 8).

The Clean Development Mechanism (CDM) is often praised for having mobilized billions of dollars of investment and for continuing to leverage private sector investment ten times greater than the public funds allocated². However, hardly any countries have pledged demand for offset credits under the future Paris agreement making the future of the CDM uncertain.

In the post-2020 regime, a potential demand for CDM offset credits might come from the global market-based mechanism for aviation emissions, which is expected to be adopted in September 2016. Given the reputational risks to which airlines are exposed, such demand is expected to require carbon offsets to show how they have complied with international human rights obligations as well as relevant safeguards to identify, assess and manage environmental and social risks.

The latest attempt to counteract the reduced demand for CDM offset credits is the UNFCCC's Go Climate Neutral Now³ initiative launched on 22 September 2015 that aims to offer CDM carbon offsets to governments, companies and individuals. The UN Office for Project Services (UNOPS) has also stepped in to stimulate demand and has launched a tender to purchase 350,000 CDM carbon offsets. Both initiatives put the sustainability co-benefits of the projects in the forefront but the CDM's rules and procedures do not have the necessary monitoring rules and accountability mechanisms in place to guarantee the validity of such claims.

There may be potential for future CDM projects to receive funding through other climate finance channels in the form of "results-based finance". Many multilateral development banks and institutions, as well as the Green Climate Fund (GCF), apply safeguards and performance standards to help ensure that climate finance does not cause environmental and social harms, including human rights impacts. Yet, the CDM has not adopted safeguards or other mechanisms to prevent human rights violations.

¹ UNFCCC Concept Note [CDM-EB86-AA-A15](#)

² [Keynote address](#) by John Kilani, Director, Sustainable Development Mechanisms programme UNFCCC Secretariat, Bonn, Germany, May 2015

³ [Go Climate Neutral Now Initiative](#)

