



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: Ms.	First Name: Rosemary Nyambura	Last Name: Wambui
Name of Organization: Not Applicable		E-mail Address: cdm.concern@yahoo.com
Postal Address: Munkedamsveien 86B 0270 Oslo		Phone Number: +4798813419
Country: Norway	<i>Include country code (e.g. +49-228-815-1999)</i>	
Stakeholder Type: General Public		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	NA <small>5-digit# format 01234</small>	If applicable, CPA Ref. Number: NA <small>8-digit# format 0123-4567</small>
Project Cycle Stage		If other: Not Applicable

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

Host Country(ies)	Not Applicable	
Project/PoA Title	Not Applicable	
Technology Type	Other	If other: Not Applicable

SECTION 3: YOUR COMMUNICATION

Title/Subject <small>Maximum 250 characters</small>	Request for Transparency
Communication Text <small>Include background, details, and conclusion (unlimited length)</small>	<p>As a lawyer residing in Norway, I am concerned about the perceived lack of transparency within important aspects of the Clean Development Mechanism. I am particularly concerned by the fact that CDM EB seems to have made rules that excluded public access to crucial information relevant to project stakeholders and or that might protect the CDM EB or its members should they not act in accordance with the CDM EB code of conduct.</p> <p>I would therefore like to request the CDM EB to make public all communication between the CDM Secretariat and the CDM EB and the CDM EB Members. We believe this would be in line with the stated goal of transparency.</p>

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.

	<p>The following information is of particular interest.</p> <ol style="list-style-type: none"> 1. Summary Notes prepared by the CDM Secretariat and submitted to CDM EB 2. Request for Review, by CDM EB members, submitted to the CDM Secretariat. <p>We believe that this is in compliance with the principle of transparency. We further believe that making the requested information publicly available would be in line with the CDM EB code of conduct, paragraph 1 (e) and thus dispelling any concerns of misconduct within both the CDM Secretariat operations.</p> <p>It is further understood that the CDM EB Code of Conduct paragraph 1 (c) specifies that “Each member and alternate member of the Executive Board of the CDM will observe the principles of independence, accuracy and integrity in dealings with other Board members, the UNFCCC secretariat and CDM Stakeholder”. It therefore follows that if there has been collusion between CDM EB members this is in breach of the above-mentioned Code of Conduct.</p> <p>The CDM EB members have had the exclusive right to approve or reject issuance of CERs that has a value in excess of \$10 billion. This immense power to the CDM EB has been granted to them under a strict condition of transparency. The CDM EB have, however, made rules that exclude public access to vital information that might enable the public to discover potential collusion between CDM EB members should there be any.</p> <p>It is understood that there might be financial gain to be made by CDM EB members that might not comply with the CDM EB Code of Conduct. Considering the power entrusted to the CDM EB members it is reasonable and expected that the information that could determine if there might have been Collusion between CDM EB board members be made public; a move that would restore trust in the CDM EB and its operations with project stakeholders.</p> <p>A number of requests for review submitted by CDM EB Members are so similar that it is reason to believe that there has been collusion “between CDM EB members or the UNFCCC secretariat”, in preparing such requests for reviews. The fact that a very large number of projects receive exactly 3 requests for review by individual CDM EB members can also be perceived to imply that there has been collusion between CDM EB members with regards to issuance of a request for review.</p> <p>Should it be found that the Secretariat prepares Summary Notes to the CDM EB members which might be perceived as “recommendations” for issuance of a request for review, it is reasonable to ask why the secretariat has not raised their concern during the “information and report check”. It should be carefully noted that the members of the secretariat are likely in a vital position that would enable them to have personal gain from seeing many projects being subject to review.</p> <p>We have already made requests for such transparency related to communication to and between CDM EB members to the Director of Transparency at UNFCCC, Mr Donald Cooper, as well as other managers within UNFCCC. A mail was submitted on 20th of May 2021 and again in email from 12th of September 2021. We have not received any reply from any senior members of UNFCCC but did receive a reply from the UNFCCC Secretariat on 7th of October 2021.</p> <p>We trust that the requested information will be made public without delay so that the information can be analysed in time for COP 26. This request is not only crucial to project stakeholders but also to the interest of the public image and perception of CDM EB members and its operations.</p> <p>Enclosed you will find a copy of the email and the letters submitted to UNFCCC as referred to above.</p>
<p>Supplemental Documents <i>If applicable, list the title(s) of any attached file(s) or link(s)</i></p>	<p>"The need for transparency to reduce perception of corruption within the Clean Development Mechanism"</p> <p>Copy of email submitted to UNFCCC director of transparency and to other senior members of the UNFCCC.</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)
Decision Class: Regulatory Document Type: Form Business Function: Governance Keywords: communications		

The need for transparency with the Clean Development Mechanism

20.05.2021

The performance of the Clean Development Mechanism

The Clean Development Mechanism was initially determined to be a huge success. The number of projects registered, and the amount of verified CO2 emission reduction was far greater than what was expected when the Clean Development Mechanism was first initiated. What was expected to a few million USD mechanism, turned out to become a multi-billion USD mechanism.

The Clean Development Mechanism has resulted in more than 2.1 billion ton of CO2 emission reduction from more than 8,000 projects. This success was a result of what was achieved during the first 10 years up to the end of 2012.

By the end of 2012 around 9,000 projects were under development or registered¹. Half of these project were registered, and half was under development.

By end of 2020 the total number of CDM projects registered was 8,181. Less than the number of projects registered or under development 8 years earlier. During the last 5 years from 2015 only 227 new projects was registered as CDM Projects².

Based on this performance, it might be concluded that the Clean Development Mechanism was a great success until the end of 2012, but since then the performance has been very poor.

Since 2012 the risk associated with investing in a CDM project has greatly increased. The risk that the Clean Development Mechanism will not issue carbon credits even after the projects has been registered has increased substantially. During the last year to May 2021, less than 1% of the registered CDM project succeeded in having Carbon Credits issued³.

The lack of performance since 2012 is partly due to perception of collusion and maybe even corruption within CDM. This perception of the Clean Development Mechanism has led to projects registered in alternative carbon credit programs which is perceived as more efficient. From being the dominant carbon credit program 10 years ago, CDM is now a minor part of new carbon credit projects registered.

All the rules and regulations related to the Clean Development Mechanism has been made on request from the CDM Executive Board. Only rules and regulations approved by the CDM EB apply for the CDM EB. The 10 members of the CDM EB has the exclusive right to reject any request for registration or issuance and these decisions cannot be challenged.

¹ <https://unfccc.int/resource/docs/2012/cmp8/eng/03p01.pdf>

² https://unfccc.int/sites/default/files/resource/cmp2020_01_adv.pdf

³ Less 20 projects get Carbon Credits issued each month in 2021. See issuance calendar https://cdm.unfccc.int/issuance/cers_for_date.html?date=2021/03/31

It might have been expected that some transparency would be requested for decisions of more than \$10 billion in funding support to development projects. The CDM EB has however designed the CDM rules and regulations so that there is limited transparency related to issues that could discover collusion or corruption within the CDM EB.

The process of requesting registration of a CDM project and the process of requesting issuance of carbon credits from a project is similar. For simplicity this document will refer to the process of request for issuance only. The processes are as following:

1. A project developer prepares a Monitoring Report (MR) which specify the quantifiable volume of CO₂e reduction achieved during a given period. The report must be based on the Project Description Documents (PDD) that has been pre-approved by the CDM EB. The MR must comply with all CDM rules and regulations. All claims and all statements must be documented. The MR must be made in a form that is pre-approved by the CDM EB.

Once the project developer has completed a MR, then they must engage a carbon credit auditor for verification.

2. The CDM approved carbon credit auditor is in the CDM system referred to as Designated Operational Entity (DOE). The DOE must be certified and approved by the CDM EB that they might do verification of monitoring reports.

The DOE must check that the project has been implemented in accordance with the PDD and all applicable CDM rules and regulations. The DOE must verify that the project has actually contributed to CO₂e reduction similar to what is claimed in the MR.

This audit process is more comprehensive that what financial auditing of companies might entail. A verification report by DOE normally takes months to complete and the verification report might be up to 50 pages or more. In addition to this the report might refer to many other supporting documents. At least 4-5 individual auditors must check and approved the auditing report, before such a verification report might be submitted to the CDM system with a request for issuance of the verified emission reduction that has been achieved.

3. Once the CDM secretariat receive the request for issuance of the Carbon Credits, they will start to assess the monitoring report and the verification report from DOE. The CDM Secretariat does this in two steps. The CDM Secretariat spend one months to complete these two steps. The CDM secretariat will then raise questions about anything that they feel might be perceived as unclear and might request clarification for anything that they might feel need clarification. Due to the request for clarification by the CDM secretariat, it might take an average of much more than a month for the CDM secretariat to complete an assessment of a request for issuance.

There is no transparency with regards to the proportion of request for issuance in which the CDM secretariat request clarification. It is believed that the CDM Secretariat request such clarifications for most, if not all, requests for issuance that is submitted to the CDM Secretariat.

If the reply to the request for clarification is not satisfactory to the CDM Secretariat the issuance process will not go any further. Only once the CDM Secretariat has received a

reply to the request for clarifications to the satisfaction of the CDM Secretariat may the request for issuance be submitted to the CDM EB.

Once the request for issuance has been submitted to the CDM EB, then CDM Secretariat may, if the CDM EB has requested so, issue a "Summary Note" about the project or the request for issuance.

4. Once a request for issuance has been submitted to the CDM EB, the issuance of the carbon credit will be automatically approved after a predefined time (normally a month), unless there is further request for review by a party to the project (Host country) or by a minimum of 3 individual CDM EB members. Any such request for review shall be based on CDM rules and regulations and must be submitted to the CDM secretariat in an approved form for such request for review.

It should be noted that this process for individuals to request a review based on specific rule-based concern of a CDM EB member can only be considered if a request for review has been submitted by a minimum of 3 CDM EB Members. This reduces the ability of one CDM EB member to hold up issuance process for a project.

In the spirit of transparency and to reduce the potential for collusion and other forms of misconduct, we request that all correspondence between the CDM EB and the CDM EB members the CDM Secretariat and the members of the CDM secretariat to be made public.

The key information of interest is:

1. Copy of all the Request for Review submitted by CDM EB members.
2. Copy of all Summary Notes prepared by the CDM Secretariat that has been provided to the CDM EB.

Need for Transparency related to request for review by CDM EB members.

CDM EB members might raise a request for review within a predefined time after the comprehensive review of the documents have been completed by the CDM Secretariat. This is after the CDM Secretariat has found the documents to comply with all CDM rules and regulation. Such a request for review is the first step in a process in which the CDM EB might reject the issuance of CERs.

A request for review will however only be considered if it has been submitted by a party to the project or a minimum of 3 members of the CDM EB. When a request for review is considered, it leads to substantial additional cost for all parties involved.

An increasing number of projects has become subject to such Request for Review over the last few years. These request for review is almost always submitted by 3 members of the CDM EB⁴. The request for review from each of the CDM EB members that has submitted a request for

⁴ <https://cdm.unfccc.int/Projects/review.html>
<https://cdm.unfccc.int/Issuance/review.html>

review is often exceptionally similar for each of the request for review submitted by each CDM EB member for a particular project.

The Code of Conduct for the CDM EB members is a simple half page description. This code of conduct specifies that the *CDM EB members shall:*

“Observe the principles of independence, accuracy and integrity in dealings with other Board members, the UNFCCC secretariat and CDM stakeholders”.

The above-mentioned requirement in the Code of Conduct for the CDM EB members can hardly be seen as anything other than pointing out that the CDM EB members should not collude. If it is found that CDM EB members has colluded, then it is a breach with their Code of Conduct.

If a request for review is submitted by only one or two CDM EB members, then these request for review will not be considered. Request for review for projects which is only submitted by one or two CDM EB members is not listed on the CDM web page, and hence not publicly available.

It is necessary to see how many projects in which one or two requests for review has been submitted. This will, in addition to copy of the request for review submitted by 3 or more CDM EB members, provide information that might support or dismiss the suspicion of collusion between CDM EB members. When copies of all the request for review from CDM EB members has become available, it will be possible to statistically calculate the likelihood if CDM EB members has colluded.

If each of the emails in which all submitted request for review that has been received by the CDM Secretariat would be made available, then it would be possible to:

- Determine the likelihood that there has been collusion between CDM EB members.
- Determine if all the submitted request for review has been sent by a CDM EB member (and not someone else).
- Determine If the submitted request for review is submitted on the right form and within the timeline in which such request for review might be submitted.
- See if there is a pattern in which two or more CDM EB members seems to submit a request for review for the same projects.

Need for transparency of the “Summary Notes” submitted from the CDM Secretariat to the CDM EB.

It is of public interest to see the “Summary Notes” submitted from the CDM secretariat to the CDM EB. If a summary note is issued for all projects, this would greatly increase the transaction cost, which might be in breach of the instruction of the COP to seek to reduce transaction cost.

If “Summary Note” is only issued for some project, then it might be of interest to see what kind of projects in which a summary note is issued. It is of interest to see if “Summary Notes” mostly have been issued for projects with the most questionable additionality, or mainly for projects that are most dependent on income from carbon credits.

If the CDM Secretariat provide “Summary Notes” that might be perceived as a recommendation for the CDM EB members to submit a “request for review”, then this leads to the following questions.

1. Why do CDM secretariat “recommend” that the CDM EB member submit a request for review for an issue that the CDM Secretariat themselves did not raise during their own comprehensive review of the documents related to a request for issuance?
2. Has it been well communicated to project participants and to other stakeholder including the members of the Conference of the Parties (COP), that the CDM secretariat may “advise” the CDM EB to raise request for review? If not, why has this not been communicated to the COP and the other stakeholder.
3. Is such a process in line with the request by the COP to reduce transaction cost within CDM?
4. Could the CDM secretariat or individuals at the CDM Secretariat have a personal gain from having CDM EB members to raise a request for review? Request for review result in extra work for the CDM secretariat and such additional work might be used as justifying keeping more people employed at the CDM secretariat than would otherwise be needed considering the reduction in new projects and reduction in new request for issuance of CERs.

Some do have incentives for making the Clean development fail. Restricting requested transparency could contribute to such failure of CDM.

The government of poor countries want climate related funding to go to their government, rather than going directly to projects. Moreover, result based solution might be perceived as a challenge to the multi-billion development industry that enjoy the comfort of not having to prove results. Failure of result-based funding such as CDM might not be in the best interest for development or to fight climate change, but it might be in the interest of the government of poor countries or the development industry. There might be such motives behind those that might want to restrict the requested information to come public.

It is expected that there will be opposition to transparency of related to the submitted “request for review” from CDM EB members and for the “Summary Notes” from the CDM secretariat. If the COP or the court of law do request that all the submitted “request for review” and all the “Summary Notes” to be made public, it is also likely that they might want to know whom has raised objections for these documents to be made public. Hence it is understood that any objections to the requested transparency to be registered in case this information might be requested by the COP or the court of law.

Fw: Need for transparency to reduce perception of corruption within the Clean Development Mechanism

From: cdm.concern@yahoo.com (cdm.concern@yahoo.com)

To: dcooper@unfccc.int

Cc: secretariat@unfccc.int; dvioletti@unfccc.int; ckapilashrami@unfccc.int; fross@unfccc.int; kmcbride@unfccc.int; iparanova@unfccc.int; ckinuthia-njenga@unfccc.int

Bcc: alok.sharma.mp@parliament.uk; nairobi.expat@hotmail.com

Date: Sunday, September 12, 2021, 01:23 PM GMT+2

Dear Donald Cooper, Director, Transparency

I realize with great disappointment that you have decided not to reply to my mail dated 20th of May 2021. If you have decided not to support the request for transparency, I hope that you will let us know about this decision of yours, rather than just ignoring the request.

There is justifiable reason to believe that a decision not to provide copies of the requested communication between the CDM EB members and the CDM secretariat might be perceived as deliberate attempt to cover up perceived corruption. Such perception might be shared by members of the COP or the general public, if it is confirmed that you and / or UNFCCC decide not to support the requested transparency with regards to formal communication between the CDM EB, the CDM EB members and the CDM Secretariat.

I have taken the liberty to CC members of the UNFCCC senior management to ensure that there will be no claim that the mail / whistleblower case reported our emails/letter has not been received by UNFCCC or its senior staff. The people that have been CC on this mail is expected to forward this to Patricia Espinosa, Executive Secretary and others as they might perceive as appropriate.

Looking forward to your reply or the reply from others within UNFCCC to confirm if UNFCCC will make the requested information available to us.

Best regards
Concerned citizen

----- Forwarded Message -----

From: cdm.concern@yahoo.com <cdm.concern@yahoo.com>

To: Dcooper@unfccc.int <dcooper@unfccc.int>

Cc: alok.sharma.mp@parliament.uk <alok.sharma.mp@parliament.uk>; cdm@environment-agency.gov.uk <cdm@environment-agency.gov.uk>; submissions@realclearinvestigations.com <submissions@realclearinvestigations.com>; tips@theintercept.com <tips@theintercept.com>; scoop@motherjones.com <scoop@motherjones.com>; frontlinetips@wgbh.org <frontlinetips@wgbh.org>; tips@revealnews.org <tips@revealnews.org>; tips@propublica.org <tips@propublica.org>; tips@publicintegrity.org <tips@publicintegrity.org>; catherinebrahic@economist.com <catherinebrahic@economist.com>; feedback@time.com <feedback@time.com>; info@ap.org <info@ap.org>; anderson.cooper@cnn.com <anderson.cooper@cnn.com>; info@ire.org <info@ire.org>; contact@icij.org <contact@icij.org>; cape.town.2015@outlook.com <cape.town.2015@outlook.com>

Sent: Thursday, May 20, 2021, 04:31:06 PM GMT+2

Subject: Need for transparency to reduce perception of corruption within the Clean Development Mechanism

Dear Donald Cooper, Director, Transparency, UNFCCC

UNFCCC and the CDM System both claim to support transparency. The key issues that could potentially lead to substantial misconduct are however exempt from such transparency.

More than 2.1 billion Carbon Credits, worth more than \$10 billion, has been issued for CDM Projects. There are potential for corruption by those that decide which projects that may get such carbon credits.

Transparency could reduce the risk of potential misconduct by individuals and would reduce the perception that such misconduct might be a problem with the Clean Development Mechanism.

In the spirit of transparency and to reduce the potential for corruption we request that all correspondence between the CDM Executive Board and the CDM Secretariat to be made public.

The following information is of particular interest.

- 1. Summary Notes prepared by the CDM Secretariat and submitted to CDM EB*
- 2. Request for Review, by CDM EB members, submitted to the CDM Secretariat.*

We hope that the UNFCCC will ensure that the above-mentioned information for the last 10 years will be made public.

It is understood that potential irregularities could lead to criticism of UNFCCC. The potential criticism would surely be far greater if the UNFCCC decides to not support the requested transparency and it is later found out that the requested information implies irregularities.

If the UNFCCC does not support the requested transparency, then it might be that members of the Conference of the Parties might request that the requested information would be made public. It is also possible that a court of law in Germany might approve release of the requested information prior to the COP26 meeting in Glasgow in November.

Further information and justification for the request for transparency is provided in the enclosed document

Due to the perceived risk to whistleblowers, I have decided to be anonymous. I have CC some that I hope that would follow up on this issue if the UNFCCC decided not to support the requested transparency.

Best regards
Concerned citizen



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105.6kB



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