

Watch This!

NGO Voices on the CDM



Welcome

to the summer edition of our NGO newsletter 'Watch This! NGO voices on the CDM'!

The heat is on as last projects from emerging economies rush to registration before the change of eligibility for the European market at the end of the year will take effect. Dirty coal will not make the race as the methodology remains suspended. This decision kicks almost all future carbon credits from coal power projects out of the EU ETS. Good timing! While this is amazing news, much work still needs to be done to create finance mechanisms with net benefits for climate and people. Maybe the development of sustainable development goals launched this year at Rio+20 will be able to break the deadlock and contribute to prioritizing projects that truly benefit local populations and the climate. Given the problems the CDM is plagued with, many issues need to be addressed in the reform efforts under way and expectations are high.

In this second edition we zoom in on the latest decisions made by the CDM Executive Board. We also take a look at how the CDM Policy dialogue has been doing so far and evaluate if civil society was sufficiently included in the dialogue. We raise an eyebrow at Rio+20 where the CDM's troubles to meet its goals featured in a prominent side act of the conference. To celebrate the first birthday of the CDM Watch Network we serve up a wide range of guest articles from our members. Examination of local stakeholder consultations in India and Mexico confirms that consultations are mostly inadequate or in some cases even forged. We look at the CDM's performance in Chile and finish with contentious issues around waste management projects in Mexico and how Europe is waking up to the reality of carbon credits from waste.

Watch This! appears quarterly in English, Spanish, Hindi and Bangla with campaign updates and opinion pieces from around the world. If you would like to contribute to the next edition of Watch This! or have any comments please get in touch with antonia@cdm-watch.org

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Notice board

Join the Network!
Share your views!
Burst Kyoto's hot air
Bubble!

Highlights of the 68th CDM Executive Board meeting



By Eva Filzmoser,
Director, CDM
Watch



The 68th meeting of the CDM Executive Board (EB) held in Bonn from 16 -20 July brought a victory against coal power projects in the CDM. It also advanced discussions on the sustainable development reporting (SD) tool that will be discussed and possibly approved at the next Board meeting in September. This article looks critically at the SD tool and summarizes key outcomes of the meeting.

The 68th Board meeting was an important milestone for CDM Watch and its campaign against coal in the CDM. The decision of the Board to once again reject revisions to the coal methodology essentially locks the door for carbon credits from new CDM coal power projects to the EU ETS. Good timing! For more information see box on the right.

The CDM Executive Board also discussed the development of a sustainable development reporting tool that should highlight sustainable co-benefits of CDM projects. An initially promising opportunity was unfortunately wasted when the Board decided at their previous meeting that this tool shall be voluntary, with no monitoring or verification requirements.

What has been developed so far is a tick-box questionnaire of roughly 20 questions divided in sections for, inter alia, co-benefits, no harm safeguards and stakeholder engagement. The main objectives of the tool are 1) Improvement of the Executive Board's ability to demonstrate CDM support to sustainable development 2) Streamlining and publishing of CDM sustainable co-benefits and 3) Keeping national governments in charge of deciding on sustainable development.

The Board launched a call for public comments to which CDM Watch, with the support of CIEL and Earthjustice, made a [submission](#) on 10 August 2012. The submission highlights the above concerns, especially that the tool is limited to project participants, and that it does not request sufficient information to effectively evaluate whether a project participant has complied with do no harm safeguards or whether it has created opportunities for meaningful engagement in the consultation process.

While the voluntary reporting tool lacks requirements on monitoring and verification it is a remarkable sign that sustainable development has been raised on the political

The end for dirty carbon credits from coal power in the EU - One victory down, many more to go!

In November 2011, the CDM Executive Board suspended the crediting rules of coal power projects (methodology ACM0013). At their last meeting, the EB requested yet another round of revisions for the methodology that is being used to give billions in subsidies to new coal plants in China and India. While we had achieved an initial suspension in Durban last year, this decision is the nail in the coffin because there won't be enough time to revise the methodology before the EU bans credits from China and India beginning next year. As the ETS is the biggest market this means the billions that would have gone to coal now aren't. Huge thanks to Sierra Club and the Stockholm Environment Institute as well as everyone else involved in this campaign!



agenda. These recent developments as well as the decision in Rio+20 to develop international sustainable development goals set the stage for a broader discussion on the pivotal role of SD in the CDM and other climate mitigation mechanisms.

The issue of sustainable development was also featured in discussions about withdrawal of letters of approvals (LoAs) for CDM projects. Each prospective CDM project has to get such an LoA from the host government before it can apply for registration. Potential infringements with national legislations and the role of DNAs were cautiously assessed and some Board members pointed out that no legal imposition should be made by the UN to host countries or project participants. At the same time, other Board members reiterated the importance of sustainable development and the lack of sufficient criteria.

On a less positive note, a revised methodology for waste incineration projects and landfills (AM0025) was approved despite its flaws including potential negative impacts on local communities. Other topics addressed during the meeting were, inter alia, guidelines for expanding additionality testing to small-scale and micro-scale projects, guidelines on Suppressed Demand, funding and expansion to A/R projects of Standardized Baselines. The meeting also appointed two new Board members from Bangladesh and Zimbabwe and appointed members for the new Working Group on Carbon Capture and Storage (CCS WG) which we will watch closely.

A more comprehensive summary report of the meeting can be found [here](#).

Major decisions on these issues are expected at the upcoming Board meeting from 9-13 September in Bangkok. We are particularly looking forward to discussions about the sustainable development tool and potentially new requirements for local stakeholder consultations. The report by the CDM Policy Dialogue Panel will also be released at this meeting. The September meeting will also be important for the annual CDM Executive Board report that will provide recommendations for COP 18 in Doha.

“Sustainable Development is like teenage sex - everybody claims they are doing it but most people aren't, and those that are, are doing it very badly.”
Chis Spray (Northumbrian Water) in a [Design Council Piece about sustainability.](#)



Courtesy of GAIA

The CDM policy dialogue - Lobby showdown or honest review?



By Antonia Vornier,
Network Coordinator,
Project Manager Latin
America and Africa,
CDM Watch



CC Rose Robinson

Countdown's almost up: The high-level panel on the CDM Policy Dialogue has finalised its report at their last meeting from 24-26 July in Johannesburg. The report summing up reform recommendations will be released in September 2012. We have closely followed the process and are worried that the final report will include results of heavy business lobby. CDM Watch will keep you tuned about this final report which will hopefully be an honest review of the CDM and not shy away from unpleasant conclusions.

Since most panel members had little prior experience with the CDM, balanced input from a wide range of stakeholders was essential for the opinion-forming process for panel members. However, limited opportunities for input and stakeholder meetings and inadequate support for travel made it almost impossible for civil society representatives to participate in stakeholder meetings that were heavily dominated by business lobbyists. To counterbalance the process CDM Watch has provided critical input from a civil society perspective wherever possible. We also launched a [discussion forum](#) and organised a [side event](#) during the intersessional climate change conference in Bonn. At the occasion we also handed over the [open letter](#) 84 organisations in 27 countries had signed to draw attention to urgent unaddressed concerns about the CDM.

What our Network members say about the stakeholder meetings they participated in

'The Rio meeting of the CDM Policy Dialogue was an excellent opportunity to reflect on the last decade and think about the future of climate policy in the 21st century. All parties need to realize that the current mechanism continues to be faulty, and that the challenge of climate change demands a more holistic commitment of national governments and international organizations for both mitigation and adaptation. We cannot think about emissions reductions and human rights as two separate questions.'

Oswaldo Jordan, ACD Panama. Participated at the stakeholder meeting in Rio de Janeiro on 15 June 2012.

Was Civil Society fully included in the meeting? Was it constructive? What opportunities were presented to engage? Did you feel that the policy dialogue panel members were cooperative with Civil Society present?

CIVIL SOCIETY LETTER TO THE CDM POLICY DIALOGUE PANEL

Bonn, 21 May 2012

We 84 civil society organisations, networks and concerned citizens from 27 countries submit this letter to draw attention to the several urgent concerns about the CDM.

The CDM must be considered in the larger context of the climate crisis and democratic process of selecting development options. [...] Experience shows that the CDM in its current form has not achieved its dual objectives of reducing emissions and achieving sustainable development. In fact, a large majority of credits come from large industrial projects that deliver no social or environmental benefits and often heap adverse impacts on the poorest. Some projects are even causing severe environmental, social and human harm and/or violating national and international laws and standards, such as human rights.

We call on the members of the CDM Policy Dialogue Panel to hold the CDM to account and to especially address the following urgent issues at its upcoming report in September 2012 and at the COP-18 in Doha:

- Additionality
- Eligibility of project types
- Sustainable development
- Human rights
- Public participation in the CDM process
- Grievance mechanisms

You can see the full letter [here](#).

'It was really sad that there was such low Civil Society presence in a crowd of companies, consultants and FICCI employees. An official from DNA-India was also present. Social and ecological aspects were neglected in the discussion and it felt as if the policy dialogue was focusing on the commercial aspects of the CDM only. Nonetheless we took the opportunity to make statements about CDM projects that are having negative impacts or even violate existing laws and environment, forest, and biodiversity acts, that ignore the local governance body 'Grampanchayat' and basic components of the Constitution of India. I sincerely hope that panel members and policy makers will not forget the local poor communities, their hurdles and troubles when making CDM policy.'

Dr. Leena Gupta, Senior Scientist (Senior Program Coordinator), Society for Promotion of Wastelands Development, New Delhi, India
Participated at the stakeholder meeting in Delhi on 16 July 2012

'While the policy dialogue panel members were cooperative with the civil society in general, it seemed that the organizer FCCI had more interest in easy CER generation than to scrutinize the environmental and social integrity of the mechanism. It would have been better if the DNA the government authority had hosted such a dialogue, to ensure fair and biased free decisions.'

'Although, the civil society were given opportunities to present their ideas and an organized set of questions were sent before the meeting on which we had to comment and express our views, the questionnaire was sent just 2 days prior to the meeting which was insufficient.'

'I do feel that anyhow the meeting was constructive, since we came to know various issues faced by beneficiaries and also the role of various stakeholders - we got chance to discuss things with DNA. Moreover, we also got opportunity to exchange ideas with the DNA secretary which was a mutually benefiting.'

Mahesh Pandya, Paryavaran Mitra
Participated at the stakeholder meeting in Delhi on 16 July 2012

Given the problems the CDM is plagued with, many issues need to be addressed in the final report and expectations are high. In particular the negative impacts of offsetting in the absence of climate net benefits, which CDM project types are fit to truly contribute to sustainable development and how to provide incentives for developing countries to increase their own emission reductions. With more than 5,000 CDM projects in the pipeline - projects that will be operational for many years to come, post-registration monitoring of impacts and a grievance mechanism need to be urgently put in place.

Only if the CDM is reformed in a way that it can deliver net reductions and actual sustainability benefits to the local communities will it be a “mechanism for the future.”

'The Policy Dialogue meeting was more like a commercial meeting with most of the industry asking for quick money and much smoother process and less time. There was hardly any discussion on sustainable development or CSR. There was not a single presentation on positive impacts of the CDM in the country.'

'Only 3 civil society representatives were present, making it a one sided, biased industry meeting. Also, looking at the panel there was no civil society representation. There was government and industry. It is almost as if civil society had to forcefully enter the dialogue.'

'Still, the Policy dialogue was constructive in the sense that the issues we raised were given due respect and we were also given time to present our issues in writing in 3 days which we did. This would have been more constructive had we had longer notice and had more civil society organisations from other states be present in the meeting. At least from the CDM Watch Network there would have been active participation.'

Tushar Pancholi, Paryavaraniya Vikas Kendra
Participated at the stakeholder meeting in Delhi on 16 July 2012



Cast your vote and raise your own opinions on the performance and accessibility of the consultation process online in our discussion forum <http://www.qiqo.info/cdmwforum/index.php?topic=27.0>

Happy 1st Birthday CDM Watch Network!



By Andrew Coiley and Antonia Vornier, CDM Watch Network team



This time last year the CDM Watch Network was just launched. Since then word has spread and the network has grown from a few activists and academics working with us on the CDM and carbon markets to nearly 500 member organisations and networks that work on various issues across 5 continents! Happy Birthday everybody!

In the earlier stages of CDM Watch's work a clear need for an international civil society network focusing on the CDM was quickly identified. We wanted to build a civil society coalition to challenge the sustainable development dimension of operational projects at one level and also campaign against harmful projects in the pipeline on another. In early 2011, CDM Watch launched the CDM Watch Network. The goal of the Network is to strengthen the voice of civil society in the CDM and other carbon market developments to stop artificial emission

reductions and environmentally or socially harmful projects. The Network connects civil society and academia around the world in order to share information and coordinate public inputs such as open letters and submissions. Members use the mailing lists to seek critical information from partners on the network and share advocacy victories. For a list of network members on respective continents see: [Asia, Africa, Americas and Europe](#).

The discussions and policy developments around CDM and carbon markets can be confusing and very technical. We try to help activists and organisations affected by or concerned about carbon markets to stay on top of all the hot issues. Over the past 3 years NGOs and concerned citizens came together at our regional capacity building workshops to exchange experiences and concerns in relation to the CDM and carbon markets. It has been encouraging that so many organisations have continued the debate online across this network, supporting each other in raising concerns identified to the responsible authorities. Members are sharing information and concerns about particular projects or project types in their country and point to opportunities for engagement that many civil society organisations would not otherwise be aware of. This is an essential first step in making sure that concerns are being heard at all governance levels. As the network gets stronger, the critical voice of civil society will grow louder in the CDM and carbon markets.

CDM Watch focal points

The CDM Watch Network keeps evolving. To further develop and strengthen this civil society platform we are happy to announce the formation of new national and regional focal points. These organisations, identified by their expertise and active role in the network, will help facilitate stronger public scrutiny in the CDM and other carbon markets at regional level. Focal Points will act as interface and civil society contact point on CDM related issues in their country and region. This should enable the establishment of a communication link between the wider CDM Watch Network and national Civil Society Networks. Equally the focal point will be communicating identified issues of importance back to the Network. To ensure that civil society voices are heard at all governance levels, the focal points will also enter in contact with national carbon market actors and authorities.

Together we will keep exposing weak governance rules and practices, and support actions and campaigns against problematic CDM projects at national and international level. If you have any suggestions on how we can improve what we do, we are very happy to hear from you.

We would like to thank all our members throughout the world for their support, input and suggestions and look forward to welcoming new Watchers on board in the years to come.



The CDM Watch Network

- A civil society platform to share information about the CDM and carbon markets
- Peer-support for project campaigns and advocacy efforts
- Opportunities to participate in campaign and advocacy actions such as open letters and submissions
- Three mailing lists to choose from:
 - **Global CDM Watch Network Mailing list:** Mailing list for the whole Network to share campaign and policy news as well as media coverage of relevant topics, alerts for public input opportunities and discussions about technical and political questions. Join here.
 - **CDM Watch India Network: Mailing list** launched in May 2012 as a response to the many Indian organisations that have scrutinized CDM projects and developments over the last years. Join here.
 - **Red de Vigilancia: Spanish mailing list** connecting Latin American organisations scrutinizing the CDM and carbon markets. You can join the mailing list here

CDM Watch Network membership is free and open to all NGOs and academics formally independent from governments and commercial organisations. We especially invite activists and local movements from CDM host countries to join the Network. Join us online at: http://www.cdm-watch.org/?page_id=16

If you or your organisation would like to learn more about becoming a national focal point please contact our Network Coordinator Antonia at antonia@cdm-watch.org



More info:

Join us online at: http://www.cdm-watch.org/?page_id=16 and connect on Facebook and twitter.

Sustainable Development in Rio+20: So close and yet so far away



RIO+20
United Nations
Conference on
Sustainable
Development



By Nicola Fraccaroli,
Policy Intern, CDM
Watch

The Greenhouse Gas emissions from the organization of the Conference will be compensated by Brazilian projects under the Clean Development Mechanism

At the 1992 Earth Summit in Rio, the cornerstones of the Kyoto Protocol were laid down which then created the so-called Clean Development Mechanism with the aim of achieving carbon emission reductions and, at the same time, deliver sustainable development. Twenty years have passed and sustainable development remains one of the major topics discussed in international settings. One key outcome was the decision to develop sustainable development goals. It is yet to be seen what this would mean for the CDM and other carbon market mechanisms.

Hopes that issues with the CDM's contribution to sustainable development (or lack thereof) would be addressed were soon given up and the CDM keeps facing serious difficulties in delivering on its dual goal of climate mitigation and sustainable development. Yet, the CDM featured in a prominent side act of the conference: The United Nations Development Programme (UNDP) launched an initiative to reduce the carbon footprint of roughly 1400 UN staff participating at the conference. This was to be achieved by purchasing an estimated 3,600 carbon credits, each equaling one tonne of CO₂ caused in relation to the organization of this conference from Brazilian CDM projects¹. However, upon questions to the Brazilian government which projects were used for this purpose and what kind of sustainability benefits they would have, no further information was provided.

Brazil is the fourth largest recipient of CDM projects. These 207 registered projects are to deliver more than 320 million carbon credits by 2020². 54 of these projects are large hydropower projects. The heavy social and environmental impacts that large hydro power projects often have on local communities and ecosystems is well known. Brazil hosts a number of infamous mega-dams, most of them in the Amazon. Even projects that are heavily opposed by local populations such as the Jirau, Santo Antonio and Teles Pires³ dam are currently pending for approval under the CDM. Brazil also approved several industrial eucalyptus mono-cultures as CDM projects such as the infamous Plantar project in Minas Gerais.

It is yet to be seen whether the decision of Rio+20 to develop sustainable development goals by 2015 will provide stronger criteria and guidance to change the current situation. What we do know is that compensating emissions

Sustainable development and the CDM

The main reason for the CDM's failure to achieve sustainable development lies mainly in the lack of effective incentives and lack of financial consequences if promised sustainability benefits are not achieved. Moreover, lack of safeguards can cause projects to have negative impacts. In the case of the CDM, each country decides individually whether a CDM project contributes to sustainable development. Because of the investments these projects bring with them it is usually in the interests of the respective host country to secure as many CDM projects as possible. The contribution to sustainable development usually has little to do with the decision to pass national approval for a project. Moreover, even if a project contributes to sustainable development, there is no monitoring system in place to verify how this is done in practice.



that occurred for the organization of Rio+20 with carbon credits from projects with little or no contribution to sustainable development will not help. One starting point will be to provide real incentives and enforcement for sustainable development and to put in place a strong monitoring system to make sure that the promised sustainability benefits are actually achieved.

¹ <http://www.unccd2012.org/index.php?page=view&nr=249&type=1000&menu=126>

² IGES July 2012

³ See International Rivers: [The Global CDM Hydro Hall of Shame](#)

NGO Roundtable on the CDM in Chile

by Gabriela Toledo Roman, Colectivo Viento Sur



On July 18 CDM Watch and Colectivo Viento Sur organized a civil society roundtable at the Heinrich Böll Foundation in Santiago to discuss about the CDMs performance in Chile and new market mechanisms. During the roundtable, Eduardo Giesen and Diego Martinez-Schütt presented case studies and exposed problematic aspects of related national and international policies such as perverse incentives and their impacts on sustainable development.

Various Chilean case studies illustrate the undesirable effects inherent to the current design of the CDM such as the lack of additionality, impacts on legal reform, the strategic use of CDM and practices of beneficiary companies that are not compatible with sustainable development. With 120 CDM projects in the pipeline, Chile is the third Latin American country, after Brazil and Mexico, with the highest number of projects in the region. In Chile all CDM projects are medium or large scale. Additionality in medium and large projects is highly questionable, since the level of investment of these projects is typically very high. It can be thus assumed that these projects were already planned and that the benefits of the CDM were not a decisive factor in the decision to proceed with the project. For example, the [Chacabuquito](#) hydroelectric project is very similar to others that have been developed without CDM financing. In Chile there are 60 run of the river hydroelectric plants operating and another 96 projects of this type in the pipeline (see <http://www.centralenergia.cl/>). The [Alto Maipo project](#) has a projected capacity of 272 MW. Considering the current price per ton of CO₂ reduced, at a total investment cost of \$ 700 MM, the sale of carbon credits cannot be considered relevant in making decisions on its implementation.



The Colectivo Viento Sur is a multidisciplinary organization that supports the construction of a sustainable and sovereign society. The organisation has a horizontal structure that takes transversal actions and works in a holistic manner in the territories across Chile. See: <http://colectivovientosur.wordpress.com/>

Businesses are incentivized to use their influence to delay the enactment of environmental standards or laws governing pollution permitted in a particular activity or area. Because CDM operation is voluntary and credits can only be claimed if emissions are reduced beyond national legislation, it is convenient for the project owner to push for weaker or down-regulations.

During the roundtable, participants also discussed about the case of landfills and methane recovery projects in Chile. A mandatory standard for the treatment of methane was going to be implemented but the landfills had benefited from the CDM and the application of the standard has therefore been delayed. Today it remains a voluntary action of companies. Examples of landfill projects benefiting from CDM are Lepanto Landfill, El Molle, Copiulemu, Biogas Chile Investment, among others.

A strategic use of the CDM could be observed in Chile, where CDM certification is often used to promote the environmental practices of certain business or sectors as sustainable and this remains in the collective imagination of the people. However, the company only undertakes environmentally friendly action under CDM schemes. Agrosuper, for example, registers a CDM project based on the recovery of methane in liquid waste in 5 plants. However, it does not re-apply these practices, as we had witnessed with the conflict that occurred in Freirina in May 2012 due to the release of toxic gases from the pig farms.

Participants also discussed the coexistence of CDM and unsustainable practices. At this point the mechanism has an evident flaw with regard to other certification mechanisms since monitoring only occurs for the reduction of GHG but not for social and environmental impacts. Moreover, although a given project may not have adverse effects or contrary to those desired, there are cases where the beneficiary company is widely criticized for its environmental and social impacts in its practices outside the project. For example, we are reminded of the company Arauco and implementation of CDM projects related to energy production from biomass, coexisting with a high degree of social conflict in the area, at the same time with the loudest environmental conflict of Chilean history, the death of the swans in Valdivia. Finally, roundtable participants, mostly belonging to NGOs stated that it's unreachable for small businesses or communities in monetary terms to complete efforts for the development of a CDM project. In addition, the ton of CO2 is currently very cheap and, in the words of a potential project operator present at the roundtable, there are currently no incentives for their development. It was noted that in Chile, the experiences related to CDM projects account for problems of design and implementation, of large barriers for small projects and that future prospects are likely to be slim at least in the Chilean context.



The mechanism should be revised or replaced by a mechanism that promotes the shift to clean technologies effectively and directly, where additionality is not a matter of constant concern.

Local Stakeholder Consultation Examined

Our Network members Gujarat Forum on CDM and Transparencia Mexicana scrutinized the local stakeholder consultation processes in India and Mexico. Their findings confirm that a lack of specific guidelines and regulations contributes to insufficient, inadequate or even forged processes of consultation. Many suggestions for stronger guidelines have been brought forward but the CDM continues to lack proper public consultation.



Detective: courtesy of thefamousfrugalista

Local stakeholder consultation - Just a formality!



By Falguni Joshi,
Gujarat Forum on
CDM

Tickbox: cc Daniel*1977

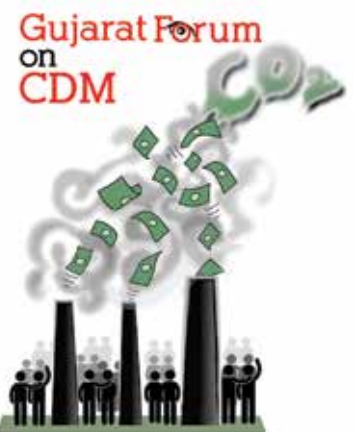


India accounts for almost a quarter of all CDM projects, counting 857 registered projects to date. Numbers tell a progressive story, but the people affected by these projects - the local stakeholders - are neglected in the process.

The local population is the most important stakeholder party as they are most affected by a CDM project. Projects can often lead to direct and indirect displacement and sometimes also trigger disastrous environmental impacts which could in most cases be avoided by a serious public consultation process that addresses issues at an early stage. But the consultation meetings themselves often seem to be conducted as a mere formality.

When preparing the PDD, project proponents have to organize a local stakeholder consultation to provide information about the project and possible impacts. But experience shows that in the absence of clear guidelines and oversight by a dedicated authority, this consultation process has mostly not been followed properly. We examined how local stakeholder consultation processes have been carried out in practice in India. **Through field research and analysis of a wide range of PDDs we can conclude that:**

- **Public notices issued without proper venue details/time/contact person for the meeting** is a common practice in almost all the public consultations. Hiding such substantial information enables project proponents to effectively avoid villagers from participating in meetings



The Gujarat Forum is a network of individuals and organisations working on environmental issues. The Forum specifically monitors CDM projects and developments in Gujarat, India.

- Even if the villagers somehow come to know about the meeting and attend, the **Executive summary is prepared in such a language (generally English!) and way that it is way beyond the understanding of the impoverished villagers.** Information mentioned also seems to cover all the irrelevant issues without stating explicitly the main issues which can be of greater concern to the stakeholders.
- Interestingly, the **reports are always decorated with positive remarks about each and every project with not even a single unfavorable comment on the report!**



Quite evidently, public consultation has become a meeting where the term “public presence” refers to presence of only a handful of supporters of the company. Public notices intentionally skip the venue of the meeting in the notice, meetings are delayed for hours. Based on such loose and unproductive meetings, reports are filed for the PDD which then forms the basis of grant of carbon credits to the companies.

A mechanism which was meant to benefit all, a right to information which was meant for the public is shamelessly crushed beneath the rosy stories in CDM project documents. To stop the menace some serious steps need to be taken:

- The relevant project documents & public notice need to be published in an **easy understandable local language**
- Notification is to be arranged in a way that stakeholders know about their **right to public consultation**
- The **2% share clause** for villagers from the sale of the carbon credits needs to be communicated to the public (Point 27 Indian PCN)
- Local stakeholders should be able to **participate in the decision** on how their share from the earnings of carbon credit should be utilized
- Public notice for consultation should be published in at **least two newspapers - one compulsorily being in the local newspaper** to ensure a better circulation of information.
- The **videography of the public consultation should be made mandatory** & the stakeholders consultation video to be uploaded during the validation period
- The **social, economic, environmental and technical impacts** mentioned in the PDD should be explained in an **easy language** which can be easily understood by the local people.

Such measures would not only increase transparency in the local stakeholder consultation process but would also ensure an effective participation of a larger number of stakeholders. This could contribute to avoid negative impacts, involve local populations in the project design and eventually increase the sustainable development benefits of projects, thus fulfilling the sole purpose of the CDM process which is “development and protection for all”.

Two casestudies from Gujarat:

Grid Connected Solar Photovoltaic Power Project by M/s EMCO Limited at Fatepura, Taluka Dassada in Surendranagar district, Gujarat. According to the Public notice in a local newspaper, the public consultation meeting was scheduled at 4 pm in a primary school of Adariyana village on 18th April, 2011. Seeing the public notice, the villagers contacted the contact number given in the advertisement (the only number without details of any contact person or address) to obtain the PDD (Project design document) which was not provided to any of them.

On the day of the Public hearing, the meeting started 1 hour late and the villagers who had come to attend the meeting and wanted to bring their concerns forward were asked to leave or just sit and listen in the meeting. When the villagers raised their concerns by submitting a written complaint document, the document was denied from being accepted and signed. Later on the meeting continued along with 5 supporters of the industrial party.

If you check the section E of the PDD of this project you will find that the well written report is hiding such details.

At the local stakeholder consultation for the project '**Utilization of biogas for power generation and waste heat from steam generation at Maize products, Kathwada, Ahmedabad**', the Public notice was published in the English Newspaper “The Indian Express” on 24/12/2008. The public consultation was to be held on 26/12/2008 to develop a CDM project for utilization of biogas for power generation and waste heat for steam generation. In the public notice, they did not mention a venue nor a contact person. When the local organization Paryavaran Mitra tried to get more details from the project proponent they were informed about the unintentional error of venue and other details in the public notice and therefore the project proponent had to republish the notice with appropriate information. The following loopholes could be noted:

- No advertisement in any of the newspapers and widespread announcement in local affected area
- Only the workers of the company involved were present
- It was a 30-min public consultation, which was not enough time
- PDD and concept note was not given to stakeholders
- Concerned government officers were absent

In absence of a proper public consultation, the villagers were unable to convey their problems and are unaware of the forthcoming plans which can be hazardous to them and sometimes even lead to displacement from their local villages.

Maize Products Ltd.
P.O. Kathwada, Ahmedabad-382430
Phone : 079-2290 1414

Clean Development Mechanism Project

Maize Products (A Division of Sayaji Industries Ltd.), a leading starch manufacturing industry in the state of Gujarat is developing a Clean Development Mechanism (CDM) project on “Utilization of Biogas for power generation and waste heat for steam generation at Maize Products, Kathwada, Ahmedabad.”

The company has taken initiative towards mitigating the impact of climate change through the development of CDM project with the use of alternative less Green House Gas (GHG) emitting fuel. The project activity results in:

1. Reduction in GHG emissions and abatement of environmental pollution by consumption of Biogas for power generation and waste heat for steam generation at Industrial facility.
2. Lowering of local pollutants like SPM, SOx, NOx and CO.
3. Increasing awareness on use of alternative fuels.
4. Improving work environments & help bring sustainability.

Venue :

Date of meeting : 26-12-2008 Time : 8.30 to 9.00 a.m.

Reality Check Mexico: Who participates in the CDM?



By Eduardo
Bohórquez and
Bruno Brandão,
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(Transparency
International national
chapter)

cc Mike Licht, NotionsCapital.com

Transparencia Mexicana analysed how all Project Design Documents for CDM projects in Mexico report about local stakeholder consultations. The results revealed that a lack of regulation and guidelines affects the quality of consultation processes, the reporting of results and the possibilities for stakeholders to intervene in the approval and accreditation of CDM projects in Mexico. The study also indicates that it is essential to ask who participates in these consultations - that is, what type of stakeholders are being listened to.



Transparencia Mexicana (TM) was founded in 1999 as the national chapter of Transparency International (TI), the global coalition against corruption. TM approaches corruption from a holistic standpoint, engaging with public and private actors to reduce corruption by creating changes in the institutional and legal framework of the Mexican state.

The Clean Development Mechanism has frequently been criticized for its lack of proper public consultation. It is often argued that a lack of specific guidelines and regulations contributes to insufficient, inadequate or even forged processes of consultation. However, these critiques tend to be based upon assumptions or the experience of a limited number of cases. Broad-based, empirical data has been missing from the debate.

Transparencia Mexicana took the decision to launch a research program to address this issue and collect empirical evidence from a vast range of cases. [The research is part of Transparency International's Climate Governance Integrity Programme](#) and aims to understand the interactions and relationships among the actors engaged with and affected by CDM projects. After a decade of work in the field of corruption, we understand that risks for integrity arise from the quality of the institutions as much as from the quality of the interactions and relationships that these institutions establish. In the first exercise within this new research program, we analysed the totality of Project Design Documents (PDDs) ever produced for CDM projects in Mexico (at the time of research, in June 2012, there were 150 PDDs, including registered, rejected, under review and withdrawn projects).

The study addresses three main questions concerning public participation and CDM projects in Mexico:

1. How is the consultation process conducted?
2. How are the results of the consultation process presented in the PDDs?
3. How does the consultation process influence the approval and accreditation of the projects?

These initial results reveal that a lack of proper regulation and guidelines affects the quality of the consultation processes, the reporting of results and the possibilities for stakeholders to intervene in the approval and accreditation of CDM projects in Mexico. Our study thus supports with empirical data the criticism that is often expressed in relation to CDM consultation processes. However, the data produced by this study can do more than that. More than revealing how consultation processes are truly undertaken, they can also provide guidance as to what sort of interactions among stakeholders these processes can generate. As mentioned above, Transparencia Mexicana works according to the premise that integrity analysis should highlight not only the quality of institutions, but also the quality of the interactions and relationships that these institutions create. Although we cannot yet corroborate these conclusions with in-depth analyses, it is worth mentioning that mitigation measures tend to be requested when specialized authorities are involved in the consultation process and interact with members of local communities. Mitigation requests, in contrast with compensation requests, usually reflect broader knowledge and understanding by the public of CDM projects' real impacts.

We believe that the interaction of distinct sections of the public is a crucial aspect in the design of consultation processes. Consultations should enable and promote interaction among local affected communities, academics, media, public authorities (particularly specialized agencies), project developers and consultants. This way it can promote the exchange of information at multiple directions, as not only local communities can learn from the so-called experts, but also the opposite is often the case. It is not rare that academics, media and public authorities come out of the encounter with local communities with a refined perspective over their objects of analysis.

Moreover, the encounter of distinct types of stakeholders can promote the aggregation of interests and, therefore, the creation of alliances with stronger persuasive capacity among those that are often the weaker side of the chain. This encounter does not mean that the consultation mechanism should ignore the specific needs of distinct publics and the limitations of certain actors for adequate participation. The design of consultation processes should take into account the unequal capacities among actors and aim to mitigate these unbalances. Very often these inequalities result in manipulation and exploitation and it is virtually impossible to completely avoid such behaviours.

However, an appropriate consultation mechanism that brings together distinct sections of the public can help by bringing attempts of manipulation and exploitation to broad daylight, within an institutionalized space of participation.

Initial key findings of the research:

Project developers and consultants have full discretion over design and undertaking of consultation with stakeholders: The most popular type of consultation is through public assembly (31%), but there were also cases of projects conducting direct interviews (3%), surveys (2%) and calls for comments (3%). The majority of the cases, however, opted for a combination of these modalities of consultation (61%).

Reporting of the results and characteristics of the consultation is generally very poor: Only 64% of the projects state that an attendee list (or participants list in the case of calls for comments) has been produced. From this total only 45% actually attach or reproduce the list in the PDD. Added to that, only 27% register the existence of meeting minutes, only one case confirms the existence of signed minutes, and none actually attach or reproduce the minutes. Finally, only 50% of the documents have a record of the questions and answers voiced during the hearings.

Very few documents actually record requests from the public: only 10% with compensation and 7.3% with mitigation requests. This could be due to several factors: insufficient and/or inadequate channels to convey comments; a lack of clarity for the public that their participation comprises more than questioning and commenting and that they can present demands; or that stakeholders do not have sufficient information about the project to be aware of their potential consequences at that time.



cc:thefamousfrugalista

Recommendations

CDM consultation process is essential for a legitimate mechanism and the findings of the study show that the rules/guidance are insufficient and needs urgent reform. Transaction costs and the types of projects should of course be taken into consideration when designing new guidelines and regulation of CDM consultation processes. It is nevertheless our understanding that, in order to really fulfil its purpose, the CDM consultation process should be regarded as a platform for the encounter of distinct types of knowledge and interests.

- "Transparencia Mexicana understands that risks for integrity arise from the quality of the institutions as much as from the quality of the interactions and relationships that these institutions establish."



CDM Waste management projects in Mexico: Greenwash for business as usual, social and environmental costs to communities



By Jorge Tadeo Vargas, Rising Tide Mexico, member of the Global Alliance for Incinerator Alternatives (GAIA)

In the past two years, waste management within the CDM in Mexico has been gaining greater importance than any other carbon market project type. However, this has not benefited the most vulnerable communities. On the contrary, projects have undermined community level waste management and threatened recyclers' livelihoods. Landfills have been closed and waste used as alternative fuel in cement plants and co-processing for energy to gain access to the carbon market. This article looks at the impacts of these trends.

Mexican municipalities often do not have adequate waste management programs in place, as could be recycling centers and differentiated collection. This means that landfills have a limited lifespan at the end of which they become a deposit of exploitable landfill gas. This is where the CDM comes into play. When landfills are then sealed for biogas extraction and waste is incinerated, communities that make a living from collecting and recycling materials that can still be used lose their source of income. Authorities rarely provide support for reintegration. Sealing landfills to obtain biogas and the use of waste derived fuels also has significant impacts on communities' health and environment. Not only are formal and informal recyclers often left without source of employment, they also have to live with the contamination of soils, watersheds and air caused by the incineration of waste and industrial waste mixtures. Other communities in Mexico are affected by the practice of co-processing waste in cement plants, which has been proved to have severe health impacts to people living nearby. The companies involved are promoting this practice as alternative to the use of fossil fuels and can thus benefit from the CDM to complement their income.

There are several solid waste CDM projects in the country, 14 landfillgas projects and 10 projects for the co-processing of waste in cement plants. Some projects are still at conception stage, but already have massive negative impacts such as the former landfill 'Bordo Poniente'.

The Bordo Poniente landfill project, Mexico City

Until December 2011 the Bordo Poniente was the largest landfill in Latin America. Until its closure, it received a steady stream of twelve thousand tons of municipal solid waste daily. Four thousand tons were organic waste processed in the composting plant, where they became fertilizers for city parks. The other remaining eight tons went to the landfill where informal recyclers collected waste and materials that still had an opportunity to return to the market. This practice served more than 1500 families who lost their source of income with the closure of the landfill.

Without thinking of a more socially and environmentally adequate solution, the Government of Mexico City closed the Bordo Poniente to recover waste gas and is considering application for CDM support. This would directly benefit the company that wins the concession to operate the landfill



GAIA is a worldwide alliance of more than 600 grassroots groups, non-governmental organisations, and individuals in over 93 countries whose ultimate vision is a just, toxic-free world without incineration.
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gas recovery. This project on the former Bordo Poniente landfill is still underway and is expected to enter the CDM project cycle in the coming months, once a company has been contracted. A second project aims at using the furnaces of the transnational cement company CEMEX as final disposal site for the eight thousand tons of waste per day. The energy produced will be earmarked for industrial use. While project application is still pending under the CDM, the projects are already causing serious impacts. The decision to close the landfill was made without an alternative waste management plan underway and has resulted in a garbage crisis in the streets of the city and accumulated a debt for the final waste disposal in the cement plants at a charge of 300 Mexican Pesos (about 20 Euros) per ton of waste incinerated in their ovens.

Waste management has become a sort of game of hide and seek, looking for places to put the surplus that does not end up at CEMEX. This is causing serious impacts on other landfills in the City of Mexico and nearby municipalities. Current waste management practices fail to take the role played by wastepickers into account. Committing to a zero waste plan would be an alternative that would benefit both environment and people. Instead authorities placed their bet on a project that exploits biogas and incinerates waste, practices which have more negative impacts than benefits.

CEMEX and the CDM

In Mexico alone, CEMEX has three plants registered and seven more pending approval as CDM projects planning to manage waste derived fuels as alternative to fossil fuels. This practice has generated a number of negative impacts on nearby communities, such as health problems and damage to ecosystems. The chemical mixtures that are made in cement kilns become dangerous cocktails, containing dioxins and furans and other toxic contaminants. While these projects are pending approval, the disposal of these wastes means business for the company. As both businesses and municipalities pay a fairly substantial amount for taking care of this waste, we can understand that the CDM is a cherry on their pie, which they use as makeup to camouflage the impacts that their practices are already causing. Resistance to these projects is growing as communities living nearby are organizing themselves to demand a halt to incineration or co-processing of waste in cement kilns.

Without benefits but high socio-environmental costs

When analysing all sectors involved in the CDM in Mexico we can see that the vast majority of implemented projects are industrial scale projects that do not generate benefits to local communities. Even worse, they are often highly harmful to them. The case of waste management projects is exemplary because it has two aspects that go together, closing the landfill for biogas extraction and incineration in cement kilns. Here the CDM serves only to greenwash practices that are highly polluting. There is no benefit to communities, which end up paying a high environmental and social cost. On top of this, the emission reductions achieved are minimal, to the extent of not representing a significant reduction in greenhouse gases.



Photos cc Mike Licht, NotionsCapital.com



'Zero Waste Management Plans, strong public policies on incineration and community involvement is a real alternative that generates not only reductions in greenhouse gases, but also provides communities a decent life.'

Europe Wakes up to the Reality of Carbon Credits from Waste



By Mariel Vilella,
Climate Policy
Campaigner,
Global Alliance
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Alternatives (GAIA)

Courtesy: Gaia



Members of the European Parliament from a wide political spectrum, civil society organizations from 23 countries and international networks have signed a letter to the European Commission and the CDM Executive Board to demand an immediate halt to all investments and support to CDM-backed landfill gas systems and incinerators in developing countries.

These waste disposal projects contradict and undermine Europe's official priorities: waste reduction, reuse, recycling, limiting toxic emissions from incineration, diverting organic waste from landfills and minimizing greenhouse gas emissions. If proposed in Europe, these projects would breach the Waste Framework Directive, the Landfill Directive and the Incineration Directive.

After the vote on May 24th, the European Parliament is now fully committed to the Resource Efficiency Roadmap, which aims to ensure that all materials are efficiently used, recycled or composted, and residual waste is brought as close to zero as possible. The Roadmap proposes to gradually ban landfilling and phase out, by the end of this decade, the incineration of recyclable and compostable waste. The Roadmap also suggests that EU funding should follow the waste hierarchy and invest in recycling instead of disposal.

For all these reasons, MEPs and civil society said, the European Commission and the EU Member States should immediately halt all investment in CDM-backed incinerators and landfills gas systems in order to maintain the integrity of their own efforts to reduce greenhouse gas emissions, increase resource efficiency and respect EU legislation. The Executive Board of the Clean Development Mechanism should immediately cease issuing carbon credits for incinerators and landfills.

For further information on CDM-backed landfills and incinerators please see:

- [EU Double Standards on Waste Management & Climate Policy Discredited: Carbon credits from waste undermine EU waste policy and efforts to reduce climate change](#)
- [Letter from Members of the European Parliament and civil society organizations to the European Commission and the EU Member States](#)



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Courtesy: Gaia

Watch This!

NGO Voices on the CDM

Notice board

The CDM Watch Discussion Forum

is the place to share your views on the CDM with the world. Has the CDM achieved its goals? What was your experience with the CDM? Anything that you want to reveal? The aim is to take stock of the performance so far, expose flaws and draw on lessons learnt.

All views are welcome.

Log in at:

<http://forum.cdm-watch.org/> and leave a post.



Join the network !

Together we will keep exposing weak governance rules and practices, and support actions and campaigns against problematic CDM projects at national and international level.

Register online with our brand-new registration form and choose from three mailinglists to keep informed on the CDM and carbon market developments. Our Network page is now accessible in [English](#), [Spanish](#) and [French](#).



Burst the hot air bubble!

Countries have less than six months left to close the gigantic loophole that threatens the viability of new climate regimes. The Kyoto Protocol surplus allowance issue needs to be resolved otherwise climate commitments until 2020 could be nullified. Like! [Burst Kyoto's "Hot Air" Bubble](#) on facebook and stay informed on the campaign.



About CDM Watch



CDM Watch scrutinises carbon markets and advocates for fair and effective climate protection. CDM Watch was set up in 2009 as an initiative of international NGOs to provide an independent perspective on individual CDM projects and the political decision-making process affecting wider carbon market developments.



The CDM Watch Network connects NGOs and academics from the global North and South to share information and concerns about CDM projects and policies. Its purpose is to strengthen the voice of civil society in the CDM and carbon market developments.

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