

PRESS RELEASE: NGOs, activists and citizens discuss the failures of current offsetting schemes and call for more sustainable development in any post-2012 mechanism

New Delhi, 16 November 2009. In an effort to discuss reasons for the failure of the Clean Development Mechanism (CDM), more than 80 activists, citizens and representatives of NGOs from Armenia, Bangladesh, India and Uganda gathered at a workshop in New Delhi. They concluded that any post-2012 mechanism must enforce the principle of sustainable development. Just a few days ahead of COP-15 in Copenhagen, where the reform of the CDM will be on the agenda, they called on Parties to recognize lessons learnt from the current CDM, which are to improve the participation of citizens in the process, to amend environmentally harmful methodologies, to tax carbon revenues for investment in sustainable development projects, to reveal details of buyers of carbon credits and to establish a competent institutional set-up including a credible code of conduct for the CDM Executive Board.

While the world's leaders are battling over the amount of emissions that have to be reduced to halt global warming, numerous participants at the CDM workshop condemned the design of the current CDM, which allows developed countries to reduce their emissions in developing countries where it is cheaper.

"The CDM was created to tackle climate change. It has, instead, become a cheap way for developed countries to avoid making real emission reductions" said Jaisel Vadagam from the Centre for Science and Environment India.

Workshop participants heavily criticize that cheap emission reductions were preferred over projects with high sustainable development benefits and strongly agreed on the need to improve this imbalance. Also the Indian DNA, the official body that authorizes each CDM project, suggests that project proponents of large scale projects should commit at least 2% of CER revenues every year for sustainable development to be implemented with a monitorable action plan.

But Mahesh Pandya from the Indian organisation Paryavaran Mitra lamented that *"the in-transparency of the carbon market makes it impossible to track projects to buyers. In order to monitor if project proponents actually invest in sustainable development we need clear information about the buyers, the quantity and the price of CERs purchased. Moreover, the implementation of sustainable development principles can only be strengthened if state and national governments along with local people are involved in monitoring registered projects."*

Under fire were a number of technologies that would neither create real emission reductions nor contribute to sustainable development. On top of the list were large hydro power projects which account for the majority of non-additional "hot air" credits in the CDM. *"Our governments and corporations are using CDM projects to greenwash existing environment violations. Hydropower projects do not reduce any emissions"* said Manshi Asher from the Indian Environment, Research & Action Collective *"on the contrary, when looking at their cumulative impact, they are causing massive damage to the fragile ecological systems of the Himalayan regions"*.

Several experts accused a number of project activities for undermining the goals of the CDM. Dr Sreedhar Ramamurthi from the Indian NGO mines, minerals & People criticised *"CDM projects for improving the performance of coal based energy subsidize coal and enable significant emissions of CO₂ and methane from coal mining and combustion. Allowing this as CDM project is absurd."*

Amongst the participants were neighbouring residents of the Timarpur-Okhla waste incinerator project, located in a residential area in the northeast of New Delhi. *"The central problem with the Timarpur project is that burning waste is not a source of renewable energy. Not only are incinerators a major source of greenhouse gases, but there are far better uses for waste, such as recycling. Moreover, incinerators have a severely negative impact on the health of communities both nearby and far away"* said independent environmental health researcher Gopal Krishna, *"this illustrates that disassociation with carbon trade is also a must because benefits from it are suspect. It is part of the problem and not the solution to climate crisis."*

Also projects that flood the market with carbon credits for the destruction of the gases HFC-23 and N₂O, causing wind fall profits and carbon leakage, were heavily criticised.

Numerous participants demanded stronger sanctions for CDM verifiers, so called Designated Operational Entities, especially if comments submitted during the 30-day public commenting period were being ignored. Under fire were also members of the CDM Executive Board for having failed to adopt a credible code of conduct and instead, continue to aggressively promote projects that benefit their home countries.

Chebet Maikut from the Ugandan Ministry of Water and Environment's Climate Change Unit, which coordinates and approves CDM projects, welcomed the constructive debate "*when scaling up CDM projects in Africa, it is of utmost importance to take into account lessons learnt by grass-root organisations of popular CDM countries like India*".

The conclusions of this all-day workshop were assembled into a joint statement.

Note to journalists:

About the CDM

The Clean Development Mechanism (CDM) is a project-based flexible offset mechanism under the Kyoto Protocol that allows the crediting of emission reductions from greenhouse gas abatement projects in developing countries. The CDM has two purposes: it should assist developing countries in achieving sustainable development and help industrialised countries to reduce the costs of greenhouse gas abatement. Countries with a commitment under the Kyoto Protocol can use CERs to meet a part of their obligations under the Protocol. There are currently more than 1890 registered CDM projects in 58 countries, and about another 2300 projects in the project validation/registration pipeline. Based on estimates in submitted project design documents, the CDM could generate more than 2.9 billion certified emission reductions by the end of the first commitment period of the Kyoto Protocol in 2012, each equivalent to one tonne of carbon dioxide.

About CDM Watch

CDM Watch is an initiative of international NGOs and was re-established in April 2009 to provide an independent perspective on CDM projects, methodologies and the work of the CDM Executive Board. The ultimate goal is to help ensure the current CDM as well as a reformed mechanism post-2012 are effectively verified, and to contribute to sustainable development in CDM host countries.

For more information contact:

Eva Filzmoser (CDM Watch)
+91 9654318314 (until 17 November)
+32 499 21 20 81 (as of 18 November)
eva.filzmoser@cdm-watch.org
CDM Watch / German Forum Environment & Development
Koblenzer Str. 65. 53173 Bonn. Germany

See also www.cdm-watch.org