

# 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. Unsustainable economic development and inequitable growth have led to a sharp rise in carbon emissions, far beyond levels that can ensure a safe climate. This growth has exacerbated economic and political inequalities that lie at the very core of global warming. Yet countries have not yet agreed on the necessary legally binding reduction commitments to guarantee a safe climate, and the CDM has further weakened commitments to achieve the existing (and inadequate) targets established under the Kyoto Protocol by allowing the use of offsets through the CDM.

Experience shows that the CDM in its current form has not achieved its dual objectives of reducing emissions and achieving sustainable development. Weak additionality rules have allowed for registration of many business-as-usual projects, thus failing to reduce global emissions. As for sustainable development, the benefits are meagre at best – 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**

## **ADDITIONALITY**

Projects that are non-additional (*i.e.*, they are business-as-usual and would have been built even if not registered under the CDM) undermine mitigation goals. The CDM's additionality rules have long been criticised as ineffective and merely a formality of the CDM process. An estimated 40-70% of CDM projects are non-additional. Despite the fact that experts and policy makers have acknowledged that the current assessment and monitoring of CDM additionality is insufficient, the final CMP.7 decision text from Durban does not mandate the CDM Executive Board to prepare a new way to test additionality. The Parties must create effective ways to revise current CDM rules on additionality to strengthen the environmental integrity of the CDM and to help ensure that non-additional credits generated by CDM

projects are eliminated. In particular, large infrastructure CDM projects which are clearly non-additional (*e.g.*, coal power projects and large hydro-power projects) must be excluded from the CDM.

#### **ELIGIBILITY OF PROJECT TYPES**

Project types that use or promote the use of fossil fuels are currently eligible under the CDM. Given the urgent need for action in the face of climate change and the mitigation gap, it makes little sense to support inherently climate-dangerous technologies and practices, even if those practices are deemed to be slightly more efficient than business-as-usual. We are no longer in a situation where we can afford to support small changes at the margin. The CDM should categorically exclude project types that lead to technological lock-in of very large amounts of emissions, and those that lead to loss of ecosystems and biodiversity, such as fossil fuel power plants, large hydro-power projects, incinerators, and monoculture plantations.

#### **SUSTAINABLE DEVELOPMENT**

The CDM has two principal objectives – achieving cost-effective emissions reductions and achieving sustainable development in the host countries. Nonetheless, many CDM projects have caused environmental and social harm. Unlike other provisions under the CDM, the assessment of whether a CDM project contributes to sustainable development is left to the prerogative of the host country government; the CDM Executive Board does not supervise compliance with sustainable development criteria. The CDM must be revised to ensure increased transparency and to allow for the assessment of sustainable development criteria at the international level. Of particular importance, CDM projects must adhere to sustainable development co-benefit indicators and conduct a ‘do no harm’ assessment to avoid negative impacts of CDM projects. The local communities should have a role in certifying a project’s contribution to sustainable development, and giving a significant part of benefits of the CDM credits directly to the local communities should be explored.

#### **HUMAN RIGHTS**

In 2011, the CDM Executive Board registered two projects despite evidence of human rights abuses. Several other cases of abuses directly linked to CDM projects have been reported. The CDM must not support projects that cause human harm, including rights violations. It must be clarified that CDM projects that violate or threaten to violate human rights, including labour rights, are ineligible for registration or will be suspended.

#### **PUBLIC PARTICIPATION IN THE CDM PROCESS**

Although it is a key requirement in the CDM process cycle, as established in the CDM modalities and procedures, the stakeholder consultation process has so far been only a mere formality. It is common practice that communities impacted by CDM projects are not informed about CDM projects or given an accurate account of expected impacts. Moreover, civil society is not informed about the short 30-day public commenting period that is only announced online and only allows submissions in English. Current requirements clearly do not ensure adequate means of communication with stakeholders or meaningful opportunities for stakeholders to participate in the design and implementation of CDM projects.

As more than 5,000 projects are currently in the pipeline and will be operational for many years to come, effective means for stakeholder involvement during the implementation of a CDM project activity

need to be introduced. Multiple meaningful opportunities (*i.e.*, in accessible languages) for local and global stakeholders need to be created to enable them to effectively raise concerns throughout the design and implementation of the CDM project and to have them addressed in a timely manner.

#### GRIEVANCE MECHANISMS

Currently, there is no opportunity for civil society to raise concerns once a project is operational. Yet, as demonstrated by a number of CDM projects to date, CDM projects may result in adverse effects to local communities. Project-affected peoples and communities, as well as civil society groups, must have the right to appeal decisions by the CDM Executive Board. More broadly, they must also have the right to seek recourse when CDM project activities cause harm to communities or the environment at any point during the project cycle, and if claims by project developers prove to be fraudulent.

**Only if the CDM is reformed in a way that it can deliver actual climate and sustainability benefits first and foremost to the local communities will it be a “mechanism for the future.” We urge the panel to make specific recommendations on how to address the highlighted shortcomings on all governance levels.**

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Signatures:

Khazer Ecological and Cultural NGO	Armenia
Australian Youth Climate Coalition	Australia
Sustainable Population Australia	Australia
ESHO JATI GORHI (EJAG)	Bangladesh
Participatory Research & Action Network- PRAN	Bangladesh
Deepti Bhuban	Bangladesh
SHELTER	Bangladesh
CDM Watch	Belgium
Groupe One	Belgium
11.11.11 -coalition of the Flemish North-South Movement	Belgium
Instituto de Valorização Ambiental e Humana - IVAH	Brasil
Asociacion ANDES	Cusco, Peru
HELIO International	France
Klima ohne Grenzen gemeinnützige GmbH	Germany
Climate Concept Foundation	Germany
Lernen - Helfen - Leben e.V.	Germany
Urgewald	Germany
AusgeCO2hlt	Germany
FIAN International	Germany
Abibimman Foundation	Ghana
NEERI	India
SKG Sangha	India
Water Initiatives Odisha	India
Manipur Nature Society	India

Gujarat Forum on CDM	India
ECONET	India
Regional Centre for Development Cooperation (RCDC)	India
Guru Arjan Dev Institute of Development Studies	India
Paryavaran Mitra	India
Stree Mukti Sanghatana	India
MASS	India
South Asia Network on Dams, Rivers & People	India
GRAM Abhyudaya Mandali	India
Regional Centre for Development Cooperation (RCDC)	India
Centre for Environment Education	India
READ CENTRE	India
Care for Environment & Prakruti Nature Club	India
Uttarakhand Save The Rivers Campaign	India
Himal Prakriti	India
Gori Ganga Jan Sangharsh Morcha	India
REDS	India
Centre for Science and Environment	India
READ Centre	India
Smt. Nandini Satpathy Memorial Trust (SNSMT)	India
Society for Direct Initiative for Social and Health Action (DISHA)	India
SPWD, New Delhi	India
Kalpavalli cooperative	India
South Asia Peace Alliance	India
Institute for Essential Services Reform (IESR)	Indonesia
International Rivers	International
Transparency International	International
Horizon Vert	Mali
Universidad Nacional Autonoma de Mexico	Mexico
Revetla Verde/Rising Tide Mexico	Mexico
Unión Popular Valle Gómez	México
Entornos Educativos A.C.	México
Maderas del Pueblo del Sureste, AC	México
NCAD- Foundation	Nepal
Water Safety Initiative Foundation	Nigeria
Labour,Health and Human Rights Development Centre	Nigeria
Movimiento 10 de Abril para Defensa del Tabasara	Panama
Asociacion Ambientalista de Chiriqui	Panama
Alianza Ambiental Pro Desarrollo Integral Unidos por Panama (AAPRODIUPA)	Panama
Alianza ProPanamá	Panamá
Alianza ProCiudad	Panamá
Aksyon Klima Pilipinas	Philippines
WISE	Philippines
Asia-Pacific Network for Food Sovereignty	Philippines

Asian Peasant Coalition (APC)	Philippines
ENDA Tiers Monde	Senegal
Organization of Indigenous Peoples in Suriname (OIS)	Suriname
Johann Dupuis, Individual	Switzerland
Taiwan Environmental Protection Union	Taiwan
Both ENDS	The Netherlands
Ecological Christian Organisation (ECO)	Uganda
Pro-biodiversity Conservationists in Uganda	Uganda
Kyoto2	United Kingdom
Viresh V Patel, Independent Academic Researcher	United Kingdom
Gatun Lake Defense Committee	United States & Panamá
Center for International Environmental Law (CIEL)	USA
International Rivers Network	USA
Earth Justice	USA
People and Nature Reconciliation	Vietnam
CSDM - Center for Sustainable Development in Mountainous Areas	Vietnam