

Civil Society Opportunities for engagement in the CDM project cycle...



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18 April 2012 – Ahmedabad, India

www.cdm-watch.org

What I am here today to talk about...

About CDM Watch

Public Participation in the CDM

Identified shortcomings

Recommendations



We provide an **independent critical perspective on the CDM** and wider carbon market developments.

We work to **empower civil society** around the world to have a strong voice in the CDM by exposing weak governance rules and practices and organising capacity building workshops and providing tools.

New CDM Discussion Forum to foster dialogue between civil society and other CDM stakeholders, such as project developers, auditors, national governments and other policy makers.

<http://forum.cdm-watch.org>

Our Objectives are:

Improving the CDM's effectiveness in reducing GHG emissions

- Preventing the generation of carbon credits when emissions are not actually reduced

Improving the social and environmental impacts of CDM projects

- Preventing projects with negative impacts from generating CDM credits

Improving access for those affected by CDM projects

- Support CSOs around the world with CDM project campaigns and inform about public input opportunities

Our Activities include:

Coordinating project campaigns, policy positions and analysing harmful projects

Providing guidance to CSOs on how to influence CDM project approval process

Putting pressure on potential buyers not to purchase credits from harmful projects

Two principle aims of the CDM:



Reducing
emissions where
it is cheapest



Contributing to
sustainable
development

... and public participation?



Public participation & stakeholder consultation officially recognized (climate change)

UN Conference on Environment and Development, Rio Declaration on Environment and Development, princ. 10; Agenda 21, section III (“Strengthening the Role of Major Groups”);

UN Economic Commission for Europe, Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters, arts. 6-8 (legally binding on 44 parties to the UNFCCC);

UN Declaration on the Rights of Indigenous Peoples, art. 19; International Labor Organization,

Public participation rules & opportunities in the CDM Project Cycle

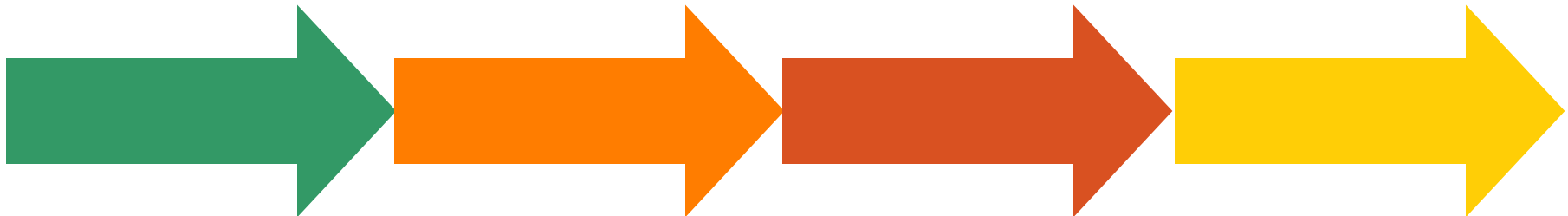
1. Validation

2. Registration

3. Verification

4. Issuance

**Stakeholder
Input in
yellow boxes**



Project Design Document (PDD)
written by the developer or a hired consultant



Before the project is submitted to the UN and validated, the developer must consult you on the design of the project.

CDM Rules on Local Stakeholder Consultation

- Rules are vague: some exist but do not specify *how* local stakeholder consultations should be undertaken.
- The lack of specificity creates the **risk** that CDM project developers undertake **superficial** local SC
- Lack of validation guidelines for DOEs risk that projects with **inadequate** stakeholder consultation get registered

Project Design Document (PDD)
written by the developer or a hired consultant

Host country approval of CDM Project
by country's Designated National Authority (DNA)

Before the project is validated, the developer must consult you on the design of the project.

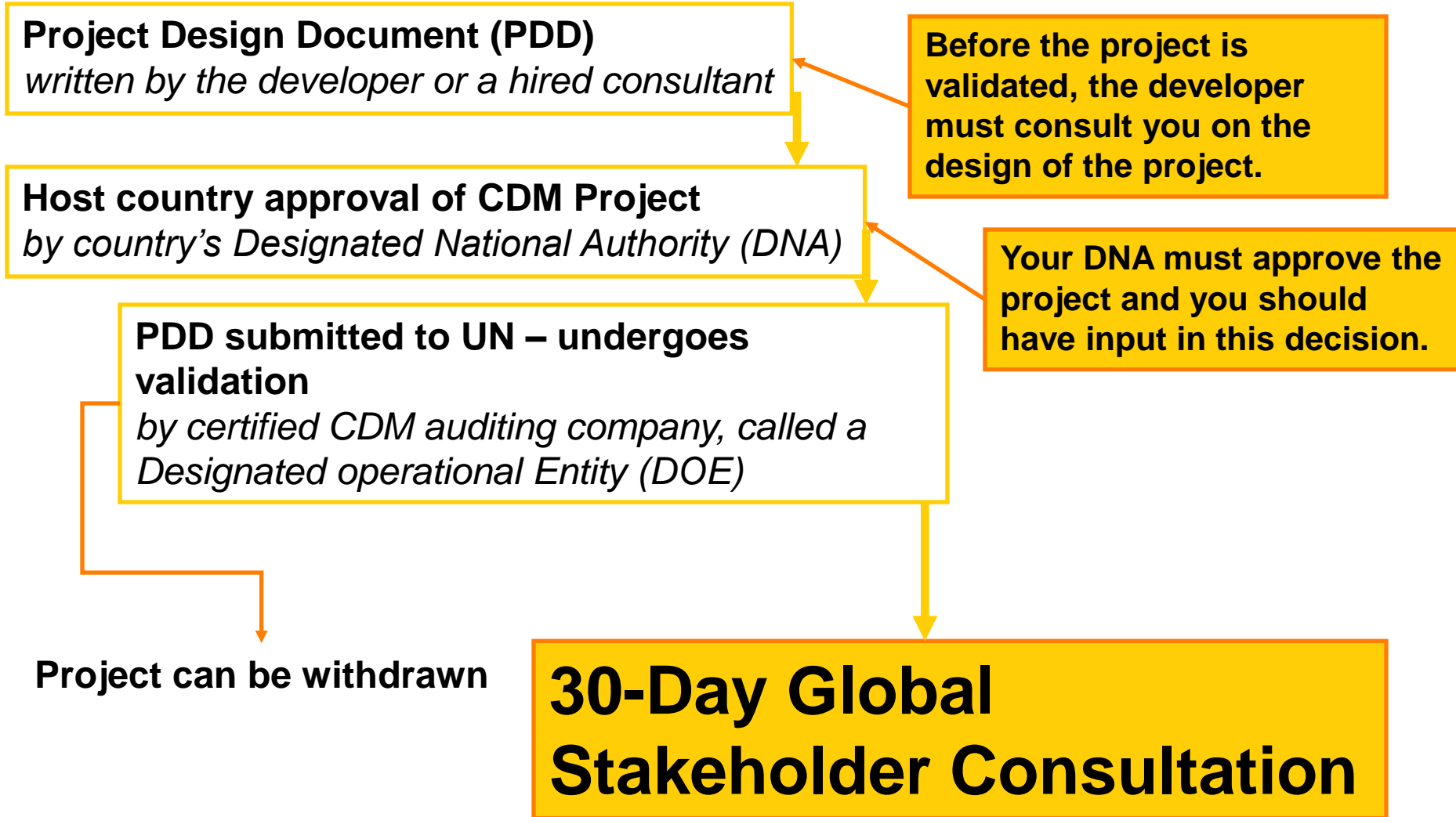
Your DNA must approve the project and you should have input in this decision.



Ministry of Environment and
Forests, Government of India
Room No. 505, Paryavaran Bhawan
C.G.O Complex, Lodhi Road
New Delhi - 110 003, INDIA

National and local requirements for stakeholder consultation and EIA - Mahesh





Important opportunity because:

1. Last opportunity to raise problems e.g. about local stakeholder consultation to the auditor and project developer
2. Submitted comments are public and **MUST** be adequately addressed by auditor and project developer
3. Termination of CDM projects is significantly higher when project comments were submitted



Encountered problems with Global SC process

- Often, stakeholders are not aware of the public commenting period because of lack of notice
- Often carefully prepared comments are not being submitted because of intransparency of UN website; unclarity about closing time etc.
- Comments not accepted in any other language (not even UN languages) than English
- Difficult to submit concerns after the 30 day period
- New procedure: direct communication with CDM EB
http://cdm.unfccc.int/Reference/PDDs_Forms/EB/eb_for_m01.pdf

Screen Shot: Global Stakeholder Consultation

CDM: Validation

cdm.unfccc.int/Projects/Validation/index.html

Manzhouli Shenneng North Lingquan Windfarm Project	China	ACM0002 ver. 12	101,150	19 Mar 12 - 17 Apr 12
Jiaozuo Biogas Power Generation and the Recycling Utilization of Biomass	China	ACM0010 ver. 5	237,199	20 Mar 12 - 18 Apr 12
Xim Vang 2 Hydroelectric Power Plant	Viet Nam	ACM0002 ver. 12	41,190	20 Mar 12 - 18 Apr 12
BIOVEA Renewable Biomass-to-energy project at Aboisso	Côte d'Ivoire	ACM0018 ver. 2	159,734	20 Mar 12 - 18 Apr 12
Yunnan Diaojiangyan 30MW Hydropower Project	China	ACM0002 ver. 12	86,456	20 Mar 12 - 18 Apr 12
Power generation from biogas in Windhoek, Namibia	Namibia	AMS-III.H. ver. 16 AMS-I.C. ver. 19	9,082	20 Mar 12 - 18 Apr 12
Ningxia Jingneng Taiyangshan Grid-connected 10MWp Solar PV Power Generation Phase I Project	China	AMS-I.D. ver. 17	13,210	20 Mar 12 - 18 Apr 12
Papel Misionero Cogeneration Project Activity with biomass	Argentina	ACM0006 ver. 12	67,956	21 Mar 12 - 19 Apr 12
Sichuan Luding Feishuigou 8MW Hydropower Project	China	AMS-I.D. ver. 17	24,655	21 Mar 12 - 19 Apr 12
Guohua Dongying Hekou Wind Farm Phase V Project	China	ACM0002 ver. 12	95,756	21 Mar 12 - 19 Apr 12
Guohua Dongying Hekou Wind Farm Phase VI Project	China	ACM0002 ver. 12	96,142	21 Mar 12 - 19 Apr 12
Ani - 1 Hydro-Electric Project (5 MW)	India	AMS-I.D. ver. 17	22,985	21 Mar 12 - 19 Apr 12
Hailin Dayangmu Hydropower Project	China	AMS-I.D. ver. 17	28,154	21 Mar 12 - 19 Apr 12

Project Design Document (PDD)
written by the developer or a hired consultant

Before the project is validated, the developer must consult you on the design of the project.

Host country approval of CDM Project
by country's Designated National Authority (DNA)

Your DNA must approve the project and you should have input in this decision.

PDD submitted to UN – Project begins validation phase

*by certified CDM auditing company, called a Designated Operational Entity (DOE) to check compliance with CDM rules (e.g. *additionality*)*

30-Day Global Stakeholder Consultation

In theory: Current CDM Validation Rules for AUDITING local stakeholder consultation

- 1) On the basis of the PDD: *“The DOE shall, by means of document review and interviews with local stakeholders as appropriate, determine whether the project participants have taken due account of any comments received and have described this process in the PDD”*.
- 2) In the validation report the DOE shall *“Describe the steps taken to assess the adequacy of the local stakeholder consultation”*.

In practice: PDD of SASAN Power Ltd (registered CDM supercritical Coal Power Project)

E.2. Summary of the comments received:

>>

At the end of the presentation, stakeholders have expressed keenness in the construction of Sasan Power Ltd. While appreciating the environmental benefits offered by the super-critical technology vis-à-vis sub-critical technology which is prevalent in the country, stakeholders have also expressed their keenness to understand CDM registered projects and the role India is playing. On understanding India is a major player in the CDM arena, stakeholders appreciated the efforts undertaken by the Designated National Authority for making India a leading player. While lauding efforts undertaken by the Reliance Power to commission the project activity, stakeholders requested another such project implemented by Reliance Power deploying super-critical technology as it would be environmental friendly and create several livelihood opportunities.

In practice: Validation Report of SASAN Power Ltd (registered CDM supercritical Coal Power Project)

Checklist Item (incl. guidance for the validation team)	Validation Team Comments (justification and substantiation of information, data and evidences)	Ref.	Draft Concl.	Final Concl.
<p>E.1. Have relevant local stakeholders been invited to consultation prior to the publication of the PDD?</p> <p>(EB 51 Annex 3, § 127)</p> <p><i>Check by means of document review and interviews with local stakeholders if and when a local stakeholder consultation process has been carried out.</i></p>	<p><i>Description:</i></p> <p>The stakeholders consultation was carried on 28/04/2008 at Samudayak Bhavan in the village of Sasan and is prior to the web-hosting.</p> <p><i>Justification of evidences:</i></p> <p>LSC documents have been checked and found to be OK</p> <p><i>Conclusion:</i></p> <p>Relevant stakeholders are invited and consultation is prior to web-hosting of the project.</p>	<p>/LSC/ /PDD/</p>	<p>OK</p>	<p>OK</p>
<p>E.2. Can the local stakeholder consultation process be assessed as adequate?</p> <p>(EB 51 Annex 3, § 128 (a) – 128 (c))</p> <p><i>Describe what assessment steps have been undertaken to assess the adequacy of the stakeholder consultation process. Give a final opinion on the adequacy.</i></p> <p><i>Please consider the following requirements in this context:</i></p> <p>(a) <i>Comments by local stakeholders that can reasonably be considered relevant for the proposed CDM project activity, have been invited;</i></p> <p>(b) <i>The summary of the comments received as provided in the PDD is complete;</i></p> <p>(c) <i>The project participants have taken due account of any comments received and have described this process in the</i></p>	<p><i>Description:</i></p> <p>The local stakeholder consultation is also an official requirement as per the EIA guidelines of the host country.</p> <p>The stakeholder consists of district magistrate officials, local villagers, EPC contractors and media. The Local stakeholder consultation report has been cross-checked with the EIA report submitted for Government approvals and is acceptable.</p> <p><i>Justification of evidences:</i></p> <p>LSC reports have been checked for the comments received during the local stake holders which also addressed appropriately and found to be OK. The summary of the are described in the PDD and assessed that no adverse comments were received.</p> <p><i>Conclusion:</i></p>	<p>/EIA/ /EPC/ /LSC/</p>	<p>OK</p>	<p>OK</p>

Request for registration

The PDD and validation report are submitted to the CDM Secretariat

**Review by CDM Secretariat
& Registration and Issuance Team (RIT)**

Request a review:

- Governments involved
- Three members of the CDM Executive Board

Review may be requested

Project is rejected

Project is registered

CDM Executive Board

- 10 Members & 10 Alternate Members
- Currently no Indian Member
- (before R. Kumar Sethi)



Monitoring

The project developer must monitor all the data required by the PDD monitoring plan to calculate the number of credits that were generated by the project

Monitoring Report

*written by the developer or a hired consultant;
developer decides how often*

When verifying that the project is reducing emissions, the DOE doing the verification may interview you. Tell the DOE if the project is not performing well.

**Verification of monitoring report
by the DOE**

Request for Issuance of Credits

Monitoring and Verification & Certification reports are submitted to the CDM Secretariat

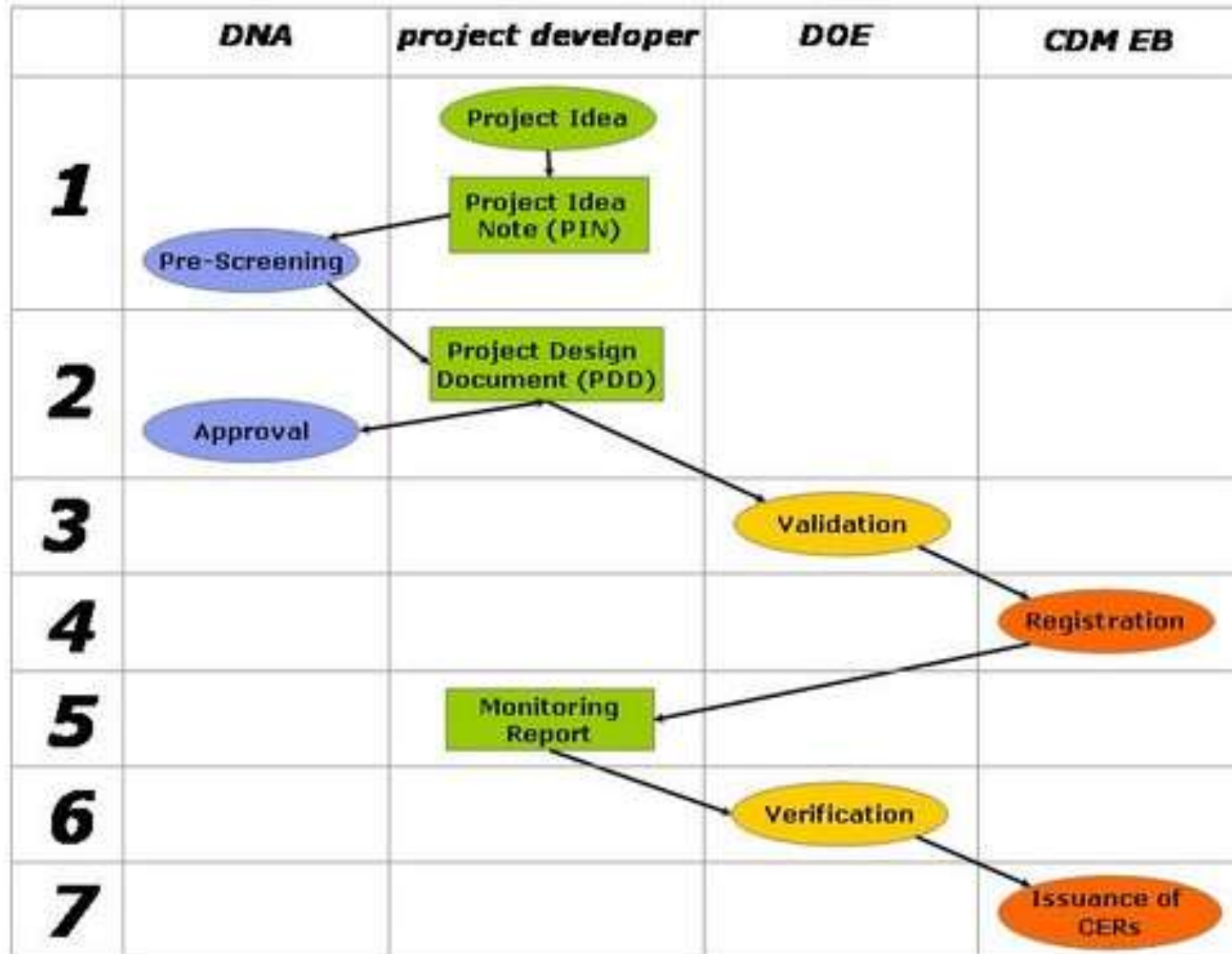


**Review by CDM Secretariat
& Registration and Issuance Team (RIT)**

Request a review of issuance:

- Governments involved
- Three members of the CDM Executive Board

CDM Executive Board approves or rejects issuance request



Summary of opportunities for input in the CDM project cycle

Pre-Validation

- Local stakeholder consultation

National Level: EIA

- Usually, national stakeholder consultation

Host country approval

- Possibly, input whether the project contributes to sustainable development

New crediting rules (methodology)

- 15-day public comment period

Start of Validation

- 30-day public comment period.

When requesting registration

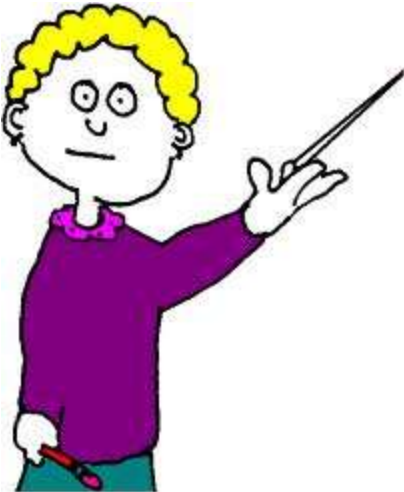
- Trigger a request for review

During verification and monitoring period

- Contact with DOE is possible anytime

Wait, there is a problem:

Many shortcomings
about local stakeholder
consultation reported by
CDM Watch Network



“Only local authorities are being invited!”

“The information provided at the local consultation does not reflect the realities of the project!”

“Critical stakeholders are being threatened and forced to sign blank approval documents!”

NEED FOR CHANGE!!!!

Recommendations:



Translation into local languages:

Communications with local stakeholders should be translated into the local language(s) and written in non-technical terms



Effective Notice

- Communications and notice should be clear, detailed, and distributed by **appropriate and effective means** (e.g., in community centers, churches, libraries, schools and media)



Oral communication if needed

- If a significant part of the population is **illiterate**, then the information must be provided **orally** (e.g., through in-person meetings and radio)



Timely notice

- Project participants must give **timely notice** of opportunities for local stakeholders to participate in the consultation process



Two rounds of stakeholder consultations

- Rules should require a minimum of **two rounds of stakeholder** consultations, including at least one physical meeting and notice, organization, and timing thereof



Who to invite?

- Local people impacted by the project or their official representatives
- Local policy makers and representatives of local authorities
- An official representative of the DNA of the host country of the project
- Local NGOs working on topics relevant to the project
- The DOE selected to validate the project



Need for clear audit rules:

Who the stakeholders are: e.g. rules on the minimum number and types of stakeholders that need to be consulted

How stakeholders need to be contacted and involved: e.g. at least two rounds of consultations, at least one physical meeting, how and when the two consultation rounds should be announced and organized, criteria for local contexts (local languages spoken and understood etc)

What information needs to be provided: e.g. non-technical description of the project; translated versions of EIA into local language(s)

How feedback is to be documented: e.g. publicly available lists of participants invited and actual participation

How feedback is to be analysed: e.g. guidelines on how DOEs can assess the validity of the stakeholder consultations and if comments have been taken into account

Need for change for global stakeholder consultation:

- Set up **email notification systems** for all public participation procedures that are time sensitive
- Translate the UNFCCC CDM **website** into **all official UN working languages**
- Ensure that **all supporting documents** (PDD & EIA and calculation spread sheets) **are uploaded** prior to the start of the public commenting period
- Allow submissions of comments through **locally feasible means and in the language(s)** of the host country and in real time
- Increase the duration of the public commenting period on new projects to at least **60 days for all projects**

Need for grievance mechanism for affected people:

- At present, the CDM does not provide an appeals process for stakeholders who are not afforded adequate, timely and effective notice and/or meaningful opportunities to participate in the local stakeholder consultation process.
- As such, a grievance mechanism must be established to provide accountability and recourse in the event that the consultation requirements are not met.
- This would enhance the accountability and, ultimately, the integrity of the validation standards and processes.

To sum up:

- Current CDM rules for public participation are insufficient
- Fundamental change for local and global stakeholder consultation is needed
- Join CDM Watch Network and help us fight bad CDM projects!
- Report your experiences at the CDM Watch Discussion Forum
<http://forum.cdm-watch.org>



Thank you!

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