

Submission to public call for input to NCDMA:

Specific criteria for the assessment of the sustainable development / monitoring plan for sharing of 2% CERs

31 May 2012

The Centre for International Environmental Law (CIEL) and CDM Watch welcome the opportunity to provide comments to the public call for input launched by NCDMA. Specifically, we would like to provide the following comments on the new PCN template:

Section 7: Details of Local stakeholders consultation

The new section contains considerable improvements to the previous template. Yet, guidance on how stakeholder meetings should be conducted can be strengthened and include at least the following elements:

- Communications with local stakeholders should be **translated into the local language(s)** and written in an **accessible (non-technical) manner**
- Communications and notice should be clear, detailed, and distributed by **appropriate and effective means** (*e.g.*, in community centers, churches, libraries, schools and media)
- If a significant part of the population is **illiterate**, then the information must be provided **orally** (*e.g.*, through in-person meetings and radio)
- Project participants must give **timely notice (minimum of 2 weeks)** of opportunities for local stakeholders to participate in the consultation process
- A non-technical summary of the project produced in the local language must be provided in advance of the meeting to those in a position to disseminate it widely in the local community to ensure that participants are well-informed of what is being proposed
- Rules should require a minimum of **two rounds of stakeholder consultations**, including at least one physical meeting and early and effective notice, organization, and timing thereof
- **Timing:** The first stakeholder consultation must be undertaken at the design-stage of the project, allowing for the project developer to make changes to the project
- Local stakeholders who should be invited to participate in the consultation process include among others:
 - Local people impacted by the project and their local or community 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
- A full written record and video or other recording should be kept of the meeting to demonstrate that it took place and that all relevant issues were adequately explained and addressed
- The PCN should be displayed on the website of the respective project proponent and on the website of NCDMA.

Moreover, the new PCN template contains no information about the person or authority responsible for addressing concerns raised by local communities. A recourse mechanism needs to be put in place for stakeholders who feel they have not been adequately consulted or who feel that agreed actions

have not been carried out as promised by the Project Proponent. This would enhance the accountability and, ultimately, the integrity of the validation standards and processes.

To conclude, Section 7 should require provision of the following information/documents/materials:

- A summary of the environmental impact assessment, prediction and management plan should be compulsory in PCN
- Documents that were provided during the stakeholder meeting
- Information and reference regarding notice of the stakeholder meeting, i.e. how and when the meeting was announced
- Clear identification of those stakeholders who were invited to participate and those stakeholders who participated in the stakeholder meeting
- Information and related documents about whether stakeholder consultation meetings related to the project, but not specifically related to the CDM, had been organized before
- Reference to where the report/recording of the stakeholder meeting can be acquired
- Information about the local/national/international entity responsible for addressing concerns or challenges raised about the conduct of the SC by local communities

Section 8: Commitment of sharing 2% of the Certified Emission Reduction (CERs) for the development of the local communities (exclusively for large scale projects)

We very much welcome the initiative to monitor whether the CER share will be transferred and used for the development of local communities. In addition to monitoring, incentives should be put in place that reward positive action while measures are needed that dis-incentivise non-compliance, such as withholding CER issuance.

Moreover, given that one of the two primary objectives of the CDM is sustainable development, an extension of the 2% share of projects CERs' sales revenues should be considered to reflect the considerable value host communities bring to CDM projects. This could operate as a minimum fixed percentage (such as 10%) with the possibility to increase this on a case-by-case basis. A case-to-case approach could be adopted for assessing an additional percentage of revenues where communities are making a significant contribution to the project.

Finally, an option should be added to involve local NGOs and Community organizations for developing plans and implementation.

Section 9: Sustainable Development associated with the project

The above also applies to specific criteria for the assessment of sustainable development. For credible and meaningful sustainable development criteria, the selected criteria should clearly state that they are mandatory. Moreover, a monitoring system – similar to the monitoring system described in section 8 should be implemented. The monitoring of the sustainable development criteria should be carried out in parallel to monitoring emission reductions and monitoring the distribution of the 2% share of CERs. Monitoring plans should be established that contain following elements:

- The monitoring plan should cover compliance with all sustainable development criteria
- The monitoring report should be submitted to the stakeholders that were involved in the ex-ante stakeholder consultation for their approval

- Sustainable development monitoring reports should be validated and verified by independent auditors

To incentivize compliance with the criteria, the following incentives should be introduced:

- List of expected sustainable development benefits as stated in the PDD, and a strategy for monitoring them, initially assessed at the validation stage by a DOE
- Sustainable development monitoring report as a pre-requirement for CER issuance
- Suspension of issuance in case sustainable development benefits are not met
- Withdrawal of letters of approvals by Parties involved if national and/or international requirements are violated
- Ineligibility of project types that do not contribute to SD (e.g. fossil fuels)

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