



## New Carbon Market Watch recommendations on CDM Reform

***Today, Carbon Market Watch submitted its views on what reforms are needed for the Clean Development Mechanism (CDM). These recommendations include for the first time a set of concrete proposals on how civil society participation should be regulated and what's needed to establish an effective grievance mechanism for CDM projects that are up and running. Recommendations also include inter alia on how the CDM could achieve net atmospheric benefits; how the concept of additionality needs to be improved; and what role national governments could have in strengthening the contribution of CDM projects to sustainable development. Read more...***

The underlying rules of the Clean Development Mechanism (CDM) were supposed to be reformed at last year's climate change conference however countries could not agree on the types of reform needed and postponed the necessary decisions to this year's conference taking place in Peru in November. Instead they commissioned a [technical paper](#) and launched a call for input from countries and observers requesting input on the key issues this reform process should address.

Carbon Market Watch and other expert NGO colleagues have prepared detailed recommendations on issues of particular importance. Key recommendations to revise the current modalities and procedures include inter alia:

**Net atmospheric benefits:** Include provisions for net atmospheric benefits through the CDM; and elaborate on the specifics of how such net benefits will be monitored and verified; not just on binding 2020 commitments but also on voluntary 2020 pledges and post-2020 contributions.

**Civil society participation in the CDM process:** Strengthen and clarify the requirements for stakeholder involvement including the incorporation of a best practiced guideline for local stakeholder consultation; and establish a communications channel for case specific matters, both before and after the registration of CDM project activities and PoAs;

**Effective Grievance Mechanism:** Introduce international safeguards similar as provided by the REDD+ framework to be applied when financing and undertaking CDM project activities and PoAs; introduce a procedure for the CDM Executive Board to forward concerns about social and environmental impacts of specific CDM project activities to the relevant DNAs for investigation and assessment; introduce best practice guidance for national effective grievance mechanisms; introduce reporting requirements for national level grievance processes to international bodies; and ensure that the appeals procedure under SBI is swiftly implemented and provides for broad legal standing;

**Role of host countries to improve the CDM's contribution to sustainable development:** Require that Designated National Authorities (DNAs) make their sustainable development benefit indicators publicly available at national and international levels; include mandatory requirements for monitoring, reporting, and verification of sustainability benefits; exclude project types that support technologies or practices with high GHG emissions and that are associated with other high environmental and social costs (e.g. projects that support the extraction and use of coal)

**Requirements for the demonstration of additionality:** Exclude project types with low likelihood of additionality or high risks of perverse incentives; exclude project types where baselines and additionality are intrinsically difficult to determine; additionality should also be reassessed at the renewal of the crediting period; include E- and E+ policies in the determination of additionality.



**Length of the crediting period:** Shorten the length of the crediting period and defined crediting periods individually per project type in the respective methodology taking into account, inter alia, the rate of innovation and change in the relevant sectors as well as relevant market and socio-economic developments.

**Membership and composition of the CDM Executive Board:** include a strengthened code of conduct; include eligibility criteria for Board members; if participation of civil society or the private sector at Board level is considered, ensure that sufficient funds are available for civil society to avoid an unfair advantage for private sector representation.

**Liability of auditors:** Require rules and procedures under which Designated Operational Entity (DOE) are assigned and paid by a UNFCCC body and where CDM project developers pay validation and verification fees to that body; Establish rules for dealing with significant deficiencies in validation, verification and certification reports; Establish a grievance mechanism for cases when there is probable cause that a DOE may not have performed its duties.

To read the full submission, click [here](#).