

## UNFCCC Side Event: Best Practices in Local Stakeholder Consultation in the CDM and other Climate Mitigation Mechanisms

On 11 June 2014, as a part of UNFCCC Climate Change Conference in Bonn, Carbon Market Watch co-organised the side event entitled “**Best Practices in Local Stakeholder Consultation in the CDM and other Climate Mitigation Mechanisms**” jointly with the Centre for International Environmental Law and the UNEP Risø Centre.

The side event was inspired by decisions taken in Warsaw that tasked the Executive Board of the Clean Development Mechanism (CDM) to collect and publish best practices for local stakeholder consultation (LSC) and to provide technical assistance for the development of guidelines for local stakeholder consultation upon the request of a government. Experts from the CDM, the Green Climate Fund (GCF) and REDD+ provided an update on the role of LSC in the various climate mitigation mechanisms and discussed their experiences with the chair of the CDM Executive Board Hugh Sealy who informed participants about the progress of the mandate.

The opening remarks for the side event were given by Carbon Market Watch Director Eva Filzmoser, who chaired the hour and half discussion. The speakers then presented their experience and views on; the role of LSC in various climate mitigation tools; main issues and challenges in implementing LSC; CMP mandate and progress to date. Furthermore a case study of a CDM project was presented with reference to consultation rules. The overall presentation underlined the deficient stringency of rules on stakeholder participation and the lack of common guidance. While certain climate mitigation tools, such as REDD+, GCF and Adaptation fund, provide a clearer set of safeguards, CDM applies vague rules or even disregards them in practice.

Below is a more detailed summary of the respective presentations:

**Karen Holmes from UNEP Risø** provided an overview about the current LSC rules in the CDM. She highlighted the role of LSC in providing key information on potential impacts of CDM projects for sustainable development and expressed concerns over the lack of clear guidance to conduct and validate stakeholder consultations. She also pointed at the absence of means for stakeholders to raise concerns during project implementation. She argued that despite important decisions in the right direction were made within CMP mandate, there is a need for more detailed LSC requirements to standardize and strengthen the process. To download the presentation, see [here](#).

On behalf of the People’s Council of, a case study about a CDM project that was reviewed on the grounds that the local stakeholder consultation was not carried out in the proper way, but was registered regardless. The presentation demonstrated how the current rules do not yet manage to filter out projects that violate community consultation rules. To download the presentation, see [here](#).

**Hugh Sealy, Chair of the CDM Executive Board**, provided an update on current work on LSC in three separate tracks: 1) Mandates by CMP (Warsaw) 2) Mandates by the CDM Executive Board 3) Review of the CDM Modalities and Procedures. He informed that as part of the CMP mandate, the Board is collaborating with the DNA Forum and will especially interact at the upcoming Carbon Forum Africa other events in the future. The Board is also expected to consider a concept note defining the work plan to assist DNAs shortly. With regards to the general mandate by the Board, he informed about the ongoing work to improve LSC, including the establishment of a grievance mechanism for stakeholders to channel their complaints to the DNA of the host country in case they are not satisfied on how their comments have been addressed by the PPs. Further work to define the minimum groups of

stakeholders to be consulted and to deal with stakeholder comments received after the registration of the project is currently in development. Other elements which are currently being discussed as part of the Review of the CDM Modalities and Procedures include a provision to allow the Board or the secretariat to receive information on complaints regarding issues that are not related to the emission reductions or removal enhancements of a registered CDM project activity or PoA for forwarding to the relevant DNA for investigation and assessment and the outcome of such investigation. To download the full presentation, click [here](#).

**Edwin Usang, from REDD Safeguards Working Group** presented his specific experience from local stakeholder consultations in REDD+ project. He identified forest as an important source of livelihood for millions of communities around the world, and as such, forest-related policies should be consulted broadly. With regard to this, he pointed out that REDD+ framework provides a useful set of established international safeguards, including effective means to access justice as a necessary component of implementing safeguards. He presented the obligations under Warsaw Framework on REDD+, which among other commits countries to provide summaries about how safeguards have been addressed and respected before they can receive results-based payments. Edwin also underlined the importance of grievance mechanism as a part of LSC to ensure that adverse impacts that occur during project implementation are addressed. Accordingly, he pointed out the importance to build on existing guidelines, such as Guidelines on Stakeholder Engagement in REDD+ readiness projects.

**Brandon Wu from ActionAid** and an active observer to the Green Climate Fund representing civil society from developed countries, provided an overview about the relevant GCF policy developments. He began by explaining how stakeholder consultation is a core part of the GCF design, with specific mandates for stakeholder engagement included in multiple parts of the GCF's Governing Instrument. He then went into details of recent GCF Board decisions with an eye towards implementation of these mandates, such as the inclusion of engagement with civil society and relevant stakeholders as a core investment guideline of the Fund. He also mentioned that a major focus of the GCF is strong country ownership, and stressed that this should be interpreted as "whole country" ownership, not just government ownership – implying that robust and inclusive multi-stakeholder engagement should be at the core of GCF operations. Finally, he mentioned that the GCF Board will consider (likely at its next meeting in October) best practices in multi-stakeholder engagement, so now is an appropriate time to share experience and expertise with the GCF Board and Secretariat on these issues.

**Alyssa Johl from Centre for International Environmental Law** provided an overview of safeguards in different climate mitigation tools. She stressed that international safeguards, which provide and scrutinize local stakeholder consultations, sustainable development benefits and no-harm principle are of key importance for a profitable mitigation project. She also noted that other mitigation tools, such as REDD+ provide a more established set of safeguards and are more stringent in applying those than the CDM. She concluded by proposing, inter alia: international safeguard policies; a monitoring system to make sure a meaningful and effective participation in all stages takes place; and an appeals procedure open to local stakeholders.