Nature Code
Our planet is not for sale

ANNUAL REPORT 2013

NATURE CODE ANNUAL REPORT 2013

Nature Code Annual Report 2013
Date of publication: November 2013

Nature Code – Centre of Development & Environment

Rue d'Albanie 117
B-1060 Brussels, Belgium

Website: www.naturecode.org
Email: info@naturecode.org
Twitter: @nature_code

Graphic design: Pietro Bruni

OUR MISSION

Nature Code's mission is to ensure that the protection and welfare of all living beings and ecosystems lie at the heart of environmental policy making.

We champion policy solutions that promote environmental integrity, transparency, good governance and sustainable development.
We support civil society groups around the world in building networks, gaining access to information and holding the powerful to account.
We dialogue with decision makers to find solutions at national, regional and international levels.

FOREWORD

2013 was another busy and eventful year for Nature Code and its associated project Carbon Market Watch. With new developments in international carbon markets continuing to flow thick and fast, we paused only briefly to celebrate our official launch in July before getting our noses back to the grindstone!

Despite plummeting carbon prices, plans for emissions trading and crediting schemes continued to gather apace. The world's most developed carbon market, the EU Emissions Trading Scheme (EU ETS), still bedeviled by massive oversupply of allowances, was the focus of attention throughout the year as legislators debated ways of cutting the surplus, both through the temporary fix of "backloading" and long-term structural measures. Throughout the year, European policymakers debated plans to postpone the auctioning of 900 million EU ETS allowances until 2019-2020 to allow demand to pick up in the short-term but, sadly, this temporary fix will do nothing to resolve the huge structural flaws in the overarching framework. In international talks, the EU also bowed to pressure from the aviation lobby to give airlines an easy ride by upholding an exemption from the EU ETS for intercontinental air travel.

But there was good news as well. In 2013, investor interest in funding coal power through the UN Clean Development Mechanism (CDM) continued to shrivel. Our international network expanded to welcome new members from Papua New Guinea and Taiwan, bringing our global presence to 70 countries.

2015 is the date on everyone's minds now, as we look ahead to the conclusion of a global deal on a new climate regime post-2020. Will the new agreement mean business-as-usual or herald a novel and exciting chapter in the international community's attempts to rein in dangerous man-made climate change? Will countries agree to take on binding and genuinely ambitious emissions reduction targets or stick with the increasingly unsafe status quo? These are crucial questions with a significant bearing on the future of global carbon markets.

As this report highlights, ambitious emissions reduction targets are a sine qua non condition for access to markets. As things currently stand, the global carbon market – such that it is - is an empty shell. Supply has far outpaced demand at both the regional and international level. It's a moot point whether politicians will be able to rise to the challenge of fixing the mammoth flaws in the system so that the carbon market is able to achieve its core objective, which is to provide a tool for making cost-effective reductions in CO_2 emissions on a planetary scale. The very real concerns that civil society organisations around the world continue to raise, both regarding environmental and social integrity as well as overall sustainable development are simply going unaddressed.
With many countries unwavering in their determination to develop carbon markets, it is imperative that climate negotiators get it right.

Natasha Hurley
Vice - Chair of Nature Code

CONTENT

"It's a travesty that countries spend billions on international offset credits instead of investing in energy efficiency measures and renewable energies on the home front."

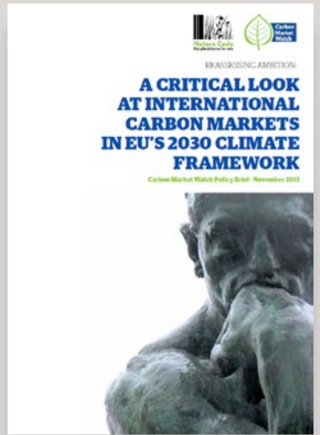
Carbon Market Watch RTCC, October 2013.

Removing international offsets from the EU's climate legislation

Carbon Market Watch has taken centre stage in the successful fight for policy changes at EU level against allowing more international offsets in EU climate legislation post-2020 . Through our targeted outreach and strong ties with affected communities on the ground the case for limiting the use of international offsets in the EU grew stronger and stronger. Carbon Market Watch has used its expertise and findings on the ground to lobby the EU institutions and offset buyers regarding the adverse social and environmental impacts that offset projects can have for local communities and indigenous peoples. Furthermore, by underlining the lack of political willingness to reform rules at UN level, Carbon Market Watch has successfully pressured the EU to take a step forward and reconsider offset use pre- 2020 and banning altogether the use of international offsets post- 2020.

The hard won fight against international offsets in EU climate legislation is not over yet. Depending on what EU Member States decide, there is still the possibility that some Member States would like to preserve the access to international offsets post-2020. While the EU carbon market is forecast to be heavily oversupplied and continue to remain so post-2020, access to offsets is still granted up to 2020. Working to ensure that international offsets no longer have a role to play in EU's 2030 climate legislation, Carbon Market Watch will continue to scrutinize offset projects and advocate for strict quality and quantity restrictions in the EU.

European Parliament Event, 6 November 2013



A CRITICAL LOOK AT INTERNATIONAL CARBON MARKETS IN EU'S 2030 CLIMATE FRAMEWORK

EU climate policy sign-on letter; press release; policy brief

DID YOU KNOW ?

Studies estimate that only 40% of all offset credits sold actually represent real emissions reductions. This is a serious problem and implies that the use of international offsets undermined the EU's climate goal by 840 million tonnes under the first Kyoto commitment period. Eliminating access to international credits after 2020 will help ensure a stronger focus on domestic abatement and spur investment in low-carbon technologies in Europe.

SOURCE: http://www.cdmpolicydialogue.org/

CAMPAIGN PAGE: http://carbonmarketwatch.org/eu-2030-climate-and-energy/

"Exceptional macro-economic developments and the fact that emissions have been substantially lower than the cap rendered the quantity limit of international credits in the period 2008 to 2020 too generous (...) The use of UN offsets will represent nearly two-thirds of the market's surplus by 2020 "

Carbon Market Watch- Bloomberg, March 2013.

European Emissions Trading

The European Union Emissions Trading Scheme (EU ETS) is the largest cap-and-trade scheme in the world and Europe's flagship instrument to cut greenhouse gases from industrial polluters. The EU ETS regulates about half of the EU's CO_2 emissions. A deep economic recession and the heavy inflow of cheap international offsets have negatively impacted the functioning of the EU ETS and brought down the price of carbon allowances to record low levels of around 3 Euros in March 2013.

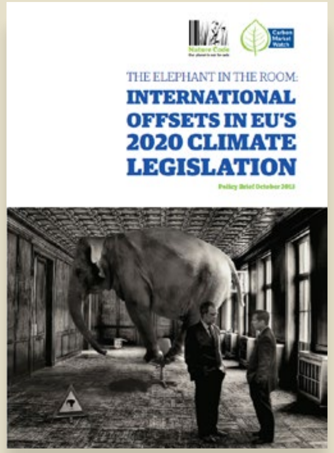
By underlining the dangerous consequences that the large inflow of international offsets entering the EU ETS has had on the functioning of the market, Carbon Market Watch has been a prominent leader amongst NGOs asking for a deep overhaul of the EU ETS. The debate around structural reform was discussed throughout 2013 with the release of proposals expected in early 2014.

Following submission to the EC Consultation green paper on options for structural reform to the EU ETS and the 2030 climate and energy package, Carbon Market Watch has been in close cooperation with MEPs, stakeholders and NGOs drawing attention to the dangers a low carbon price and dysfunctional ETS has on EU's long term international climate commitments as well as the EU's plans for decarbonisation its economy by 2050.

We have ensured that our messages calling for major policy changes in the EU ETS reach all stakeholders involved in EU climate policy. The debate aimed at reforming Europe's compliance market is expected to resume in EU Parliament next year.

Backload to the future...

Back-loading would withhold 900 million allowances from auctioning progressively. They would then be added back to the market through 2020 to ensure that oversupply levels don't aggressively bring down the price of allowances. But a structural reform to the ETS is needed to ensure that the price of carbon allowances is adequate to attract renewable energy shift amongst largest polluters and also ensure that the EU respects its international commitment of limiting global temperature rise of 2 degrees Celsius by 2050.



EU Policy Briefings, November 2013

DID YOU KNOW ?

By 2020, the EU emissions trading scheme (EU ETS) will be oversupplied by around 2.6 billion allowances while, at the same time, cheap and low quality 1.6 billion international offsets have and will still continue to flood the market by 2020 (approximately 550 million offsets can still be used in the EU ETS until 2020). International offsets can also be used in the ESD sectors (transport, buildings, agriculture) where, most worryingly, quality standards applicable under the ETS are not mandatory for ESD sectors.

SOURCE: http://www.bloomberg.com/news/2013-03-04/environmental-lobby-urges-eu-to-ban-un-carbon-offsets-after-2020.html

CAMPAIGN PAGE: http://carbonmarketwatch.org/category/eu-climate-policy/eu-ets/

“Only a cap-and-trade scheme with a stringent cap and a limit on the use of offsets will create sufficient incentives for essential emission reductions”

Carbon Market Watch - Reuters Point Carbon, June 2013.

Bumpy take-off for EU aviation emissions regulation

In 1997, the Kyoto Protocol required states to find solutions through the UN aviation body, the International Civil Aviation Organization (ICAO). However, ICAO failed to move for years to agree binding mitigation measures and as a response the EU decided to include all emissions from flights to and from EU airports in the EU ETS starting in 2012. This unilateral decision has been very controversial, triggering fierce international opposition and threats of trade war by many countries including the US, Russia, China and India. As a sign of compromise and in order to give ICAO enough time to negotiate a global aviation agreement, the EU decided to exclude international flights from its ETS for the 2012 period. This was agreed in September 2012 but as the derogation was set to expire in one year, the debate resumed once again in 2013. Recently, the EU backed down again, extending once more the derogation until 2016, hoping that progress will be made at ICAO’s triennial Assembly in 2016.

Carbon Market Watch has been active in the debate around regulating aviation emissions. Through our research and advocacy efforts, we supported EU efforts to regulate emissions from international aviation albeit with a maximum degree of environmental integrity. Covering only partly the emissions from EU airspace was a political compromise at the expense of international pressure. While some MEPs were highly vocal against extending the derogation, overall support from the EU Parliament was not enough.

Carbon Market Watch has actively lobbied that the EU should not extend its initial 2012 derogation and increase pressure in ICAO for a global deal with high environmental integrity.

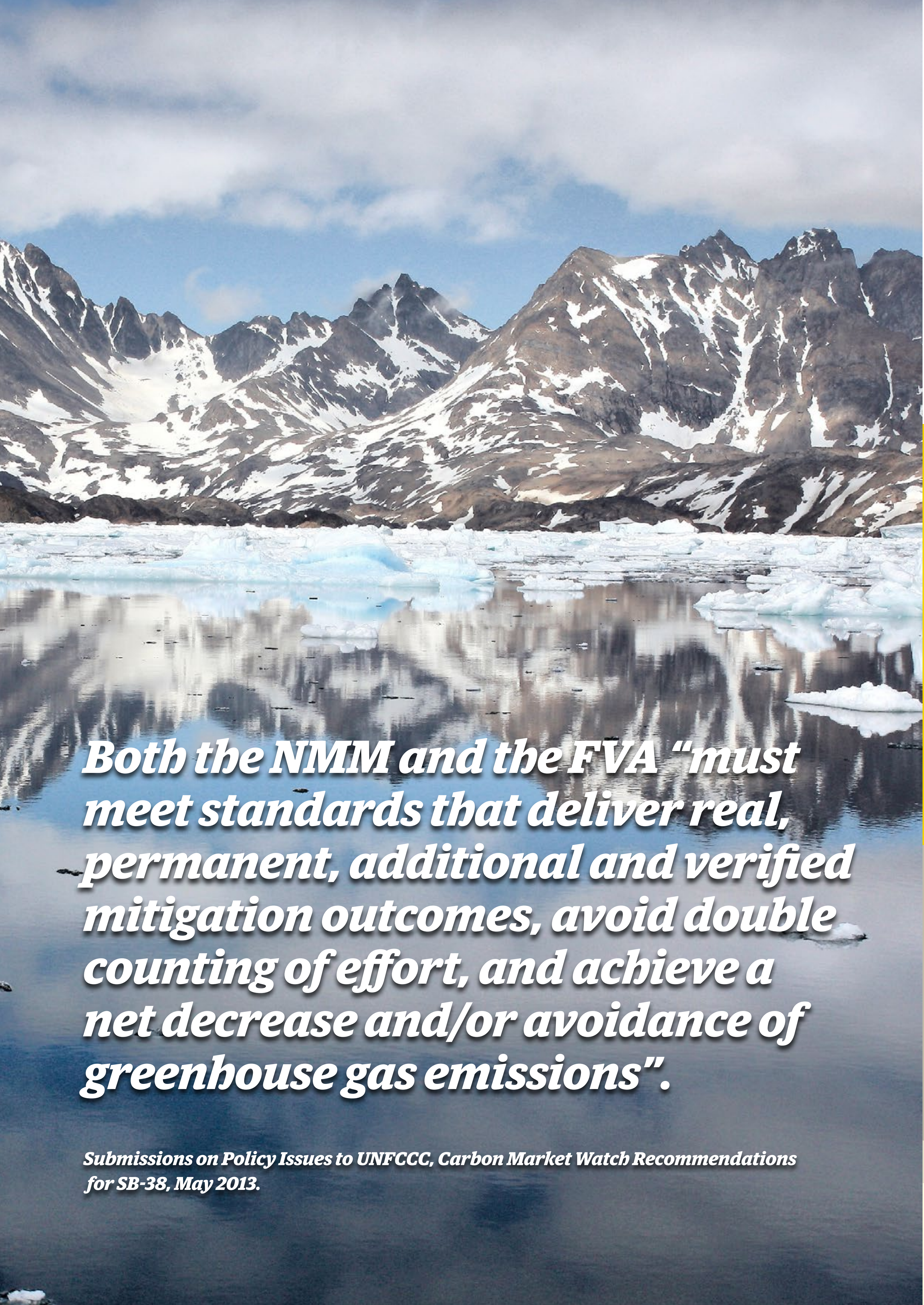
We will continue to stay focused on ICAO negotiations that are meant to steer a global market based mechanisms in 2016.

Aviation Policy Briefing and UNFCCC side event invitation, June 2013

DID YOU KNOW ?

Greenhouse gas emissions from international aviation make up 5% of global emissions. At the same time, aviation is the most carbon intensive mode of transport. If aviation emissions would represent a country, this would be the 7th most polluting country in the world. Future projections foresee a steep growth of emissions from international aviation.

CAMPAIGN PAGE: http://carbonmarketwatch.org/category/aviation-shipping/



Both the NMM and the FVA "must meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions".

Submissions on Policy Issues to UNFCCC, Carbon Market Watch Recommendations for SB-38, May 2013.

The global carbon market

New national and regional emissions trading schemes and offsetting programmes have been established and are being developed in many countries, including Japan, California, China, South Korea, Kazakhstan. A crucial question is to what extent such market mechanisms should follow a common framework of rules under the UNFCCC and play a role in a post-2020 framework.

Parties also decided to establish a New Market Mechanism (NMM). But the political appetite for such a new mechanism is low. Again many Parties were rightfully concerned that to establish a new market mechanism would preempt the discussion on a new climate deal. So far the negotiations on both items have not moved forward.

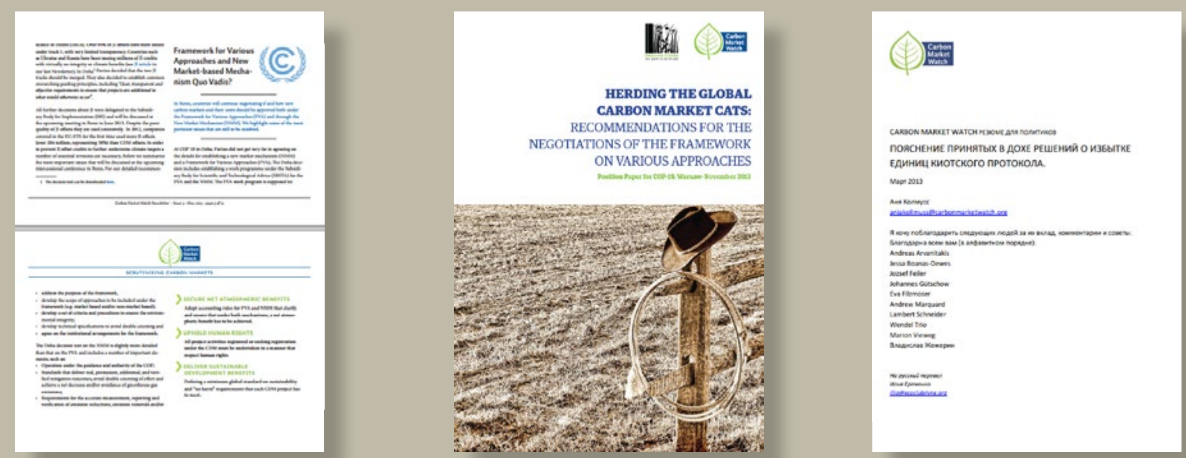
We have spent much time in 2013, providing evidence to policy makers that they must establish sound rules for accounting and to coordinate any decisions with the negotiations on the new climate deal before rushing into operationalizing new markets.

In Warsaw we engaged with decision makers and publically campaigned on the Framework for Various Approaches (FVA) negotiations taking place there to outline our positions in the policy brief (see below) also published in November. Parties remain divided as to how this framework should look. Carbon Market Watch along with a handful of other NGOs following the technicalities have continued to highlight oversight, transparency and double counting concerns as the talks roll on to the next round in Lima next year.

Framework of Virtually Anything

Under the UNFCCC, Parties decided in 2012 to establish an international framework - called Framework for Various Approaches (FVA) - that would have rules for such market mechanisms that function outside the Kyoto Protocol. Parties, such as Australia, Japan, New Zealand and the US, would like to see such a framework be largely country-driven without much international oversight and rules. Other Parties such as the members of the Alliance of Small Island States (AOSIS) have been calling for comprehensive rules and centralised international oversight.

An FVA may also negatively influence the discussions about a new climate deal that would start in 2020. One of the main arguments in favour of market mechanisms has been that they create an incentive for countries to take on higher targets than they would otherwise. But to date carbon markets have not incentivised countries to take on adequate commitments. Actually, carbon markets seem to have done little to incentivise climate action. It is therefore premature to establish new rules for a market framework before it is clear what kind of commitments countries are willing to agree to under the new climate deal.



FVA newsletter article; policy brief, Russian submission, 2013

CAMPAIGN PAGE: http://carbonmarketwatch.org/category/new-market-mechanisms/

> ***New coal power plants, no matter how efficient, undermine climate mitigation goals by locking in millions of tons of CO_2 emissions over decades to come.***
>
> ***Recommendations for the CDM Reform: End Climate Finance for Coal Power, November 2013 .***

Rocky times for the CDM

The UN's Clean Development Mechanism is one of the two Kyoto offsetting mechanism. Almost 7,500 CDM projects will have been registered by the end of 2013 and 1.4 billion offsets issued. However, the CDM is in crisis. Prices have dropped by over 90% in the last two years and are still less than half a Euro. This is not only because countries have such weak climate targets that there is little demand for offsets but also because the market has been swamped with low quality offsets. Researchers estimate less than 40% of CDM offsets represent new emission reductions.

Throughout 2013 we advocated for strengthening CDM rules and provided detailed recommendations to the CDM Executive Board at the UNFCCC negotiations. This has led to significant progress, with Parties directing the secretariat to draw up sustainability guidelines for CDM host countries to follow when requested. We also advocated to improve CDM stakeholder consultation rules and enabled local community representatives to present their experiences first hand to a high level panel at COP19. This was a valuable lesson for both sides to see how far the debate has actually moved forward.

The CDM would need to be fundamentally reformed, if it is to survive and become a mechanism with integrity that delivers on both its goals to support sustainable development and deliver genuine emissions reductions. But the political willingness for such reforms is very low.

Our intense lobbying efforts against coal power projects in the CDM paid dividends, as no new projects were registered in 2012. Further to this, in 2013 EDF Trading, backed away from one of the 6 already registered CDM projects, the controversial Adani Mundra CDM coal power project, in India.

Local Concerns

The CDM Executive Board rejected Bonyic Hydroelectric Project in Panama in light of alleged violations of CDM requirements and human rights standards. The site is part of the traditional territories of the Naso indigenous people. Numbering around 3,500 people, the Naso face serious threats to their cultural survival due to lack of legal recognition of their territories and other factors.

Local protests on Barro Blanco Hydro-dam Panama.

DID YOU KNOW ?

Norway was the first country to announce in 2013 to transition away from wind and hydro projects after research carried out under the CDM Policy Dialogue showed that large-scale CDM power projects are unlikely to lead to real emission reductions.

CAMPAIGN PAGE: http://carbonmarketwatch.org/issues-in-the-cdm/

Countries with a large surplus of Kyoto allowances (AAUs) – a result of insufficient ambition – issued hundreds of millions of JI credits without any international oversight.

Submissions on Policy Issues to UNFCCC, Herding the Global Carbon Market Cats: Recommendations for the Negotiations of the FVA, November 2013.

A future for Joint Implementation?

Joint Implementation (JI) is the other offsetting mechanism under the Kyoto Protocol. Although JI has 15 times fewer registered projects than the CDM, these 500 projects received over 830 million offsets. This is well over a third of all offsets issued to date. JI has been marred by a lack of transparency and a glut of credits with very questionable environmental integrity.

Similar to the reform of the CDM, countries were also scheduled in the COP19 negotiations in Warsaw to reform the Joint Implementation (JI) guidelines but could not agree on the details and the discussion was postponed to SBI40.

Countries also discussed separately whether it should be possible to issue ERUs before countries will get their respective Assigned Amount Units (AAUs) for the second commitment period of the Kyoto Protocol (CP2). This discussion is significant because each ERU is shadowed by an AAU but AAUs for CP2 have not yet been issued. The discussion was also postponed to until the June SBI meeting in Bonn.

JI would need to be substantially reformed if it was to have sufficient integrity. Parties to the Kyoto Protocol are discussing revisions of the rules for JI. But the new draft rules contain only limited improvements that do not sufficiently address the significant flaws of the current rules. Throughout 2013 we advocated for strengthening JI rules and provided detailed recommendations to the negotiators.

Carbon Market Watch has raise concerns over issues surrounding transparency and oversight in Track 1 projects and the potential difficulties the negotiation face, dealing with the issue of AAUs. We will continue to urge greater reform in the current mechanisms while advocating for future agreements to fully take into account the lessons learned from past.

DID YOU KNOW ?

Over 92% (730 million!) JI credits have been issued from projects in Ukraine and Russia. These are the countries with the largest surplus of Kyoto allowances, which countries can use to convert to JI offsets. The vast majority of these JI offsets have little if any environmental integrity.

CAMPAIGN PAGE: http://carbonmarketwatch.org/category/additionality-and-baselines/joint-implementation/

"Carbon Market Watch's experience has shown that the environmental and social integrity of carbon markets can be enhanced by setting up the right governance structure."

Diego Martinez Schütt Policy Officer at Carbon Market Watch, 2013.

China's carbon market

Between May and August 2013, we participated in the first China-EU exchange Fellowship on Climate Change and Low-Carbon Urban Development in China. The fellowship was supported by the German Stiftung Merkator and coordinated by the Chinese Association for NGOs (CANGO).

Together with the Chinese partner Green Zhejiang, Carbon Market Watch conducted a project that looked specifically at the role of Chinese NGOs in the development of pilot emissions trading systems currently implemented in 5 cities and 2 provinces in China. The interest in carbon markets in China proved to be huge. Through media interviews, public presentations and participation in conferences and roundtable debates in Beijing, Shanghai and Hangzhou we shared our experience and capacities with Chinese NGOs, academia, charities, media, policy-makers and the private sector. Because there is little public scrutiny of China's carbon market developments, Carbon Market Watch's work was highly valued across many sectors. Such interest comes at a time when Chinese society becomes increasingly concerned about the environmental and climate crises and demands rapid and effective action from their authorities.

Carbon Market Watch's experience has shown that the environmental and social integrity of carbon markets can be enhanced by setting up the right governance structure. While legal requirements are desirable, also voluntary guidelines and measures can be helpful in a future Chinese ETS. Therefore, early and continuous dialogue between Chinese non-profit organisations and policy makers is necessary for constructive and substantive feedback and input. Increased awareness by all, NGOs, policy makers and market actors will not only improve the quality of carbon markets but can be applied to a variety of climate mitigation projects across China.

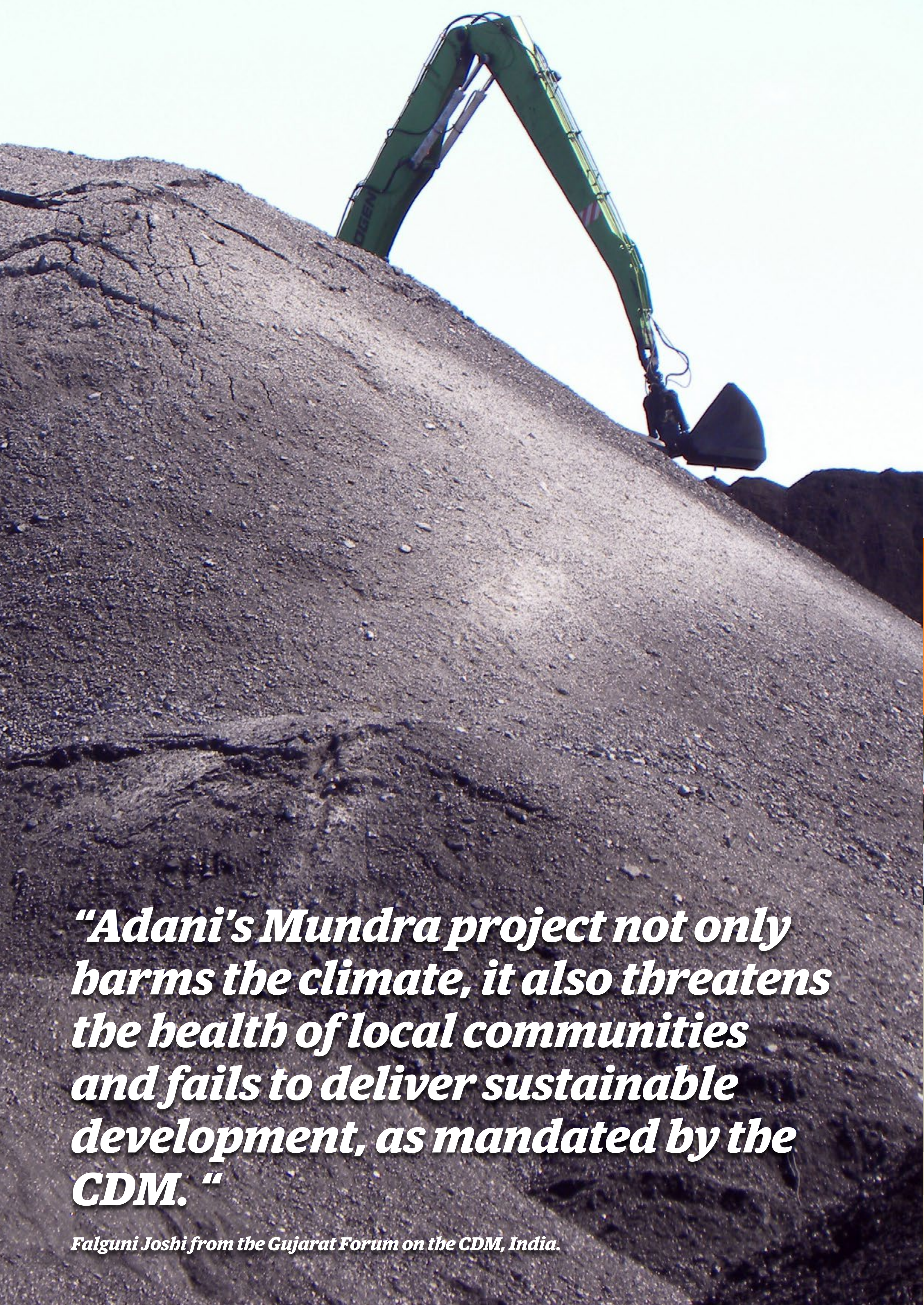
Dragon's Cap

Throughout 2013 and 2014, China is implementing 7 pilot emissions trading systems (ETS) expected to serve as a testing ground for a national ETS. The 7 pilots will regulate between 0.8 -1 billion tonnes of CO_2. If those trading schemes were to be linked, they would become the second largest cap-and-trade programme aside from the EU-ETS (which is about twice as big).

DID YOU KNOW ?

Carbon trading is a key element of China's national plan to reduce greenhouse gas emissions per unit of GDP by 40-45% in 2020 compared to 2005 levels as pledged in 2009 in Copenhagen at COP15. The seven ETS pilots will serve to test waters for a future national carbon market assumed to be included in China's next Five-Year-Plan (2016-2020). If implemented, it would become the largest carbon market in the world.

CAMPAIGN PAGE: http://carbonmarketwatch.org/read-our-blog/



“Adani’s Mundra project not only harms the climate, it also threatens the health of local communities and fails to deliver sustainable development, as mandated by the CDM. “

Falguni Joshi from the Gujarat Forum on the CDM, India.

Fighting climate finance for coal power

Although CDM projects are set to deliver the dual goal of sustainable and a genuinely additional mitigation, they undermine climate objectives by supporting coal power. These projects, eligible for carbon credits, do not only fail to present real emission reductions, but have negative environmental and human health impacts and lock in billions of tons of CO_2 emissions over decades to come instead of investing in renewable energies and a low-carbon development path. Carbon Market Watch is advocating strongly to stop climate finance for these projects and exclude coal as a project type from the CDM.

As a part of our campaign, we have intensified political pressure on climate finance for coal projects under the CDM by bringing together a large number of civil society actors in India and Europe and exposing buyers of coal credits. We particularly targeted EDF Trading, which was involved in Adani Mundra CDM coal power project in India and succeeded in EDF Trading backing away from purchasing carbon credits from this project, amounting to several hundred thousand US dollars. This accomplishment was highly successful in raising awareness on coal projects within the CDM and received a lot of attention in the media.

On the policy level, Carbon Market Watch achieved to put the issue of coal power on the international policy agenda. Our side event on negative impacts of coal power projects set a precedent for the first high level panel discussions between CDM Executive Chairs and civil society members about coal power in the CDM.

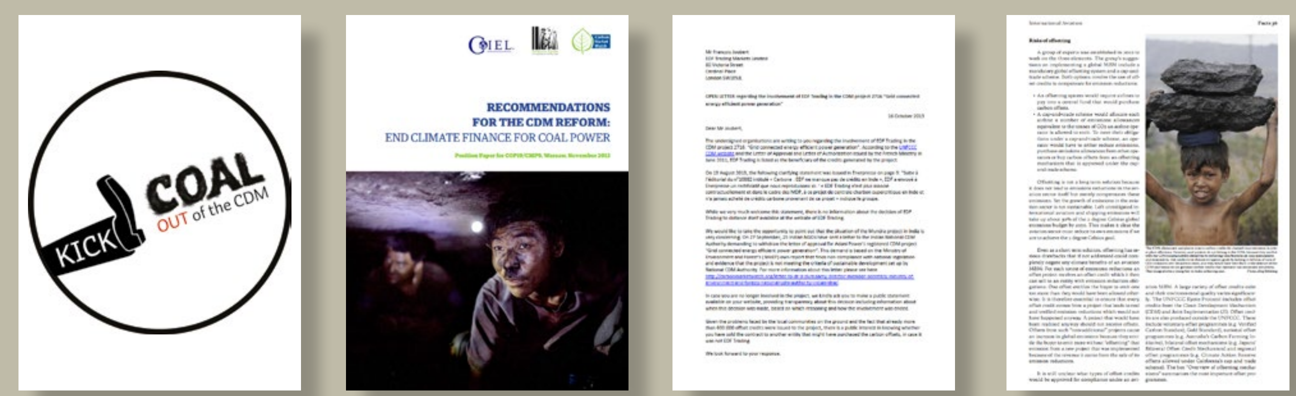
Ongoing CDM support for coal could lavish billions of Euros on an already largely profitable fossil fuel industry, when there is a great need to divert finance towards new renewable energy. Putting the issue on the table was a good kick-off for further decisions. Yet, COP20 in Peru is to reveal potential progress in this area.

Kick coal out of climate change mechanisms!

Located in the state of Gujarat, India, is the world’s first supercritical technology based thermal power project to have received CDM project certification from UNFCCC. This Ultra Mega Power Project provides power for the port and associated industrial park, spanning over 100 square kilometres in India. The project did not only fail to consult affected stakeholders consulted before the implementation of the project but brought upon severe environmental impacts, such as depletion of groundwater and the destruction of mangroves, which challenge the livelihood of the local population.

Kicking the coal Action - Warsaw! November 2013

Falguni Joshi addressing the main UNFCCC COP19 plenary, November 2013



Coal campaign publications and material 2013

CAMPAIGN PAGE: http://carbonmarketwatch.org/category/coal-power/

"Although stakeholder consultation is a key requirement in the CDM registration process, project participants lack clear criteria or guidance on how to conduct and validate stakeholder consultations. In many cases, civil society, people and communities that are directly affected by CDM projects are not adequately informed about them and their potential on-the-ground impacts beforehand."

Juliane Voigt, Carbon Market Watch, November 2013.

Local realities and capacity building

Capacity building is one of the corner stones of Carbon Market Watch's work. Our capacity building work focuses on two levels. Firstly to build the understanding and capacity among civil society on carbon markets to discuss and identifying with other civil society the potential impacts of climate mitigation projects on local communities. It is also important for us to feed this information back to future climate negotiations. Secondly, we focus on strengthening the voice of civil society, to create a strong and effective network that can raise awareness on the local realities of international policy.

With more than 7000 CDM projects registered to date, Carbon Market Watch aims to highlight CDM shortcomings and best practices. We then provide activists and NGOs in developing countries with the opportunity they require to make their voices heard at international level.

At our side event at COP 19 in Warsaw, a case study compilation and report of selected CDM projects and their impacts on the local population and the environment was presented showing the local realities of these projects. Awareness on human rights protection in CDM projects and the need to implement effective monitoring systems was underlined. Most importantly, the side event created a dialogue between local representatives from the Global South and experts from the UNFCCC as well as representatives of industry. Pressing these issues at these time is crucial to ensure that issues raised, like local stakeholder consultation procedures and human rights impacts are featured in the discussions at the next UNFCCC talks. This is a great success as the CDM will be reformed in 2014.

For Immediate Release

Press Release: CDM Executive Board rejects Bonyic Hydroelectric Project in light of alleged violations of CDM requirements and human rights standards

Warsaw, Panama City - Last week, the Clean Development Mechanism's Executive Board rejected the request for registration of the Bonyic Hydroelectric Project in the Naso indigenous territory in Panama. This decision demonstrates that the Board has the authority to exclude projects that fail to meet CDM requirements, including rules on local stakeholder consultation.

The Bonyic Hydroelectric Project is a 31.8 MW hydroelectric power plant currently being constructed on the Bonyic River in Panama. The project's location site has remarkable biological and cultural values. The site is within the Bosque Protector Palo Seco Protected Area and buffer zone for the Talamanca Range-La Amistad Reserves/La Amistad National Park, a World Heritage site and protected area in Panama and Costa Rica. In addition, the site is part of the traditional territories of the Naso indigenous people. Numbering around 3,500 people, the Naso face serious threats to their cultural survival due to lack of legal recognition of their territories and other factors.

Several organizations made submissions to the CDM Executive Board requesting that the Board reject the project. In addition to the fact that the project is non-additional, the validator recommending registration failed to address concerns raised by local stakeholders as required under the CDM. Significantly, the NGO submissions allege that the Bonyic project would violate international law, specifically Panama's obligations to protect indigenous rights among others.

Joana Abrego from the Environmental Advocacy Center-Panama (CIAM) said *"The construction of the Bonyic project is affecting essential ecosystems and vulnerable communities. We commend the Executive Board for rejecting this project and upholding CDM rules for the rights of local stakeholder engagement."*

"However, the positive recommendation by the validator raises doubts over the qualitative assessment of validators. Given that there are no liability rules for validators in place, we expect the CDM Executive Board to investigate the reasons and hold the validator to account for their inappropriate validation" commented Eva Filzmoser from Carbon Market Watch.

"This decision is a positive step in the right direction, particularly now as we await the SBI's recommendations on reform of the CDM's Modalities and Procedures review here in Warsaw. It is critical that the CDM establish an institutional safeguards system that effectively prevents social and environmental harm, promotes greater accountability.

HUMAN RIGHTS:
HOW LESSONS LEARNT FROM THE CDM
CAN INFORM THE DESIGN OF NEW MARKET MECHANISMS

FRIDAY, 15 NOVEMBER 2013, 11:30 -13:00
THE NATIONAL STADIUM | WARSAW, ROOM CRACOW (LEVEL 2, ZONE B2)

SPEAKERS:

- Local realities of coal power projects in India, Falguni Joshi, Gujarat Forum on the CDM
- Challenges for indigenous peoples in the CDM: The Barro Blanco experience, Joana Abrego, Centro de Incidencia Ambiental
- Experience with REDD+ participation rights, Juan Carlos Carrillo, Centro Mexicano de Derecho Ambiental
- Role of safeguards, grievance processes and stakeholder consultation rules, Alyssa Johl, Center for International Environmental Law

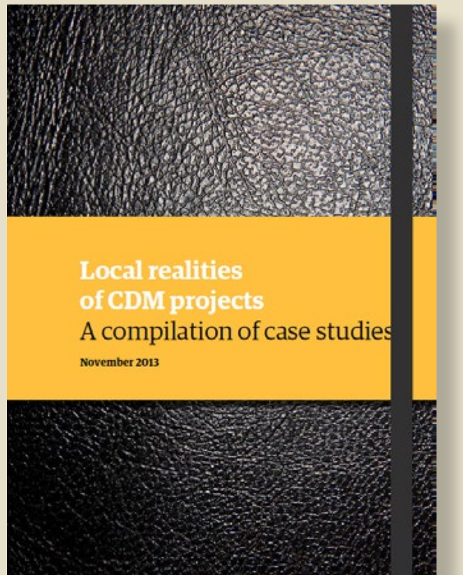
PANEL DEBATE WITH:

- Representative of the UNFCCC Secretariat (tbc)
- Peer Stiansen, Chair of the CDM Executive Board (tbc)
- Clifford Mahlung, Head of the Meteorological Service, Jamaica
- Gareth Philips, Project Developer Forum

The CDM has come under criticism for failing to protect human rights, including rights to lands and resources. At this event, experiences with CDM projects will be presented and discussed with a panel of experts. Speakers and panelists will discuss the role of safeguards, grievance processes and robust stakeholder consultation rules in the CDM and other mechanisms, such as REDD+.

At the occasion of the event, the research study *'Glimpse from the ground: analysis of selected CDM projects in India'* and case studies from projects in Honduras, Guatemala and Panama will be published.

For more information and an updated programme, visit http://carbonmarketwatch.org/category/climate-negotiations/carbon-market-watch-at-cop19/.
If you have any questions, please contact Eva Filzmoser, Director Carbon Market Watch at eva.filzmoser@carbonmarketwatch.org or +48 724 02 96 71.



Local realities of CDM projects
A compilation of case studies
November 2013

Capacity Building material and event invitation, 2013

DID YOU KNOW ?

Promoters of soil carbon sequestration have touted soil carbon sequestration as a triple win solution to address agricultural emissions, food security, and enhanced income for farmers. Some pilot projects in Kenya, Ghana, Uganda, Ethiopia etc have fared poorly. Financial benefits to individual farmers have been meager (US$ 4 per ha per year) and they have also failed to manifest emission reduction and enhanced food security benefits.

CAMPAIGN PAGE: http://carbonmarketwatch.org/carbon-market-watch-network/

Communications

Watch This!
NGO Voices on Carbon Markets

The Watch This! Newsletter is published four times a year in English, Spanish and Hindi with campaign updates about carbon market developments and opinion pieces from around the world. Watch This! aims to inform, raise awareness about problems, and strengthen the voice of civil society in carbon markets.

Carbon Market Watch Newsletter

The Carbon Market Watch Newsletter is published quarterly. It includes articles on UNFCCC and EU policy issues and guest articles and commentaries by NGOs. It is distributed to more than 4,500 subscribers.

Digital communications

Carbon Market Watch Website continued to grow in popularity and usability in 2013. The core pages and sections of the website are translated into French, Spanish and Mandarin Chinese.

Website Traffic:

Unique visits - 81,000

Total hits - 3.2 Million

Facebook:

This year the Carbon Market Watch Facebook page introduced a broader mix of climate change content to an increasing readership.

Twitter:

We added an additional 400 followers to our twitter account, bringing the total just under 2000 followers.

Carbon Market Watch Network

Our network connects NGOs and academics around the world to share views and concerns about carbon markets. With over 800 members in 70 countries, its aim is to strengthen public scrutiny of carbon markets and to ensure more effective and fair climate policies for all.

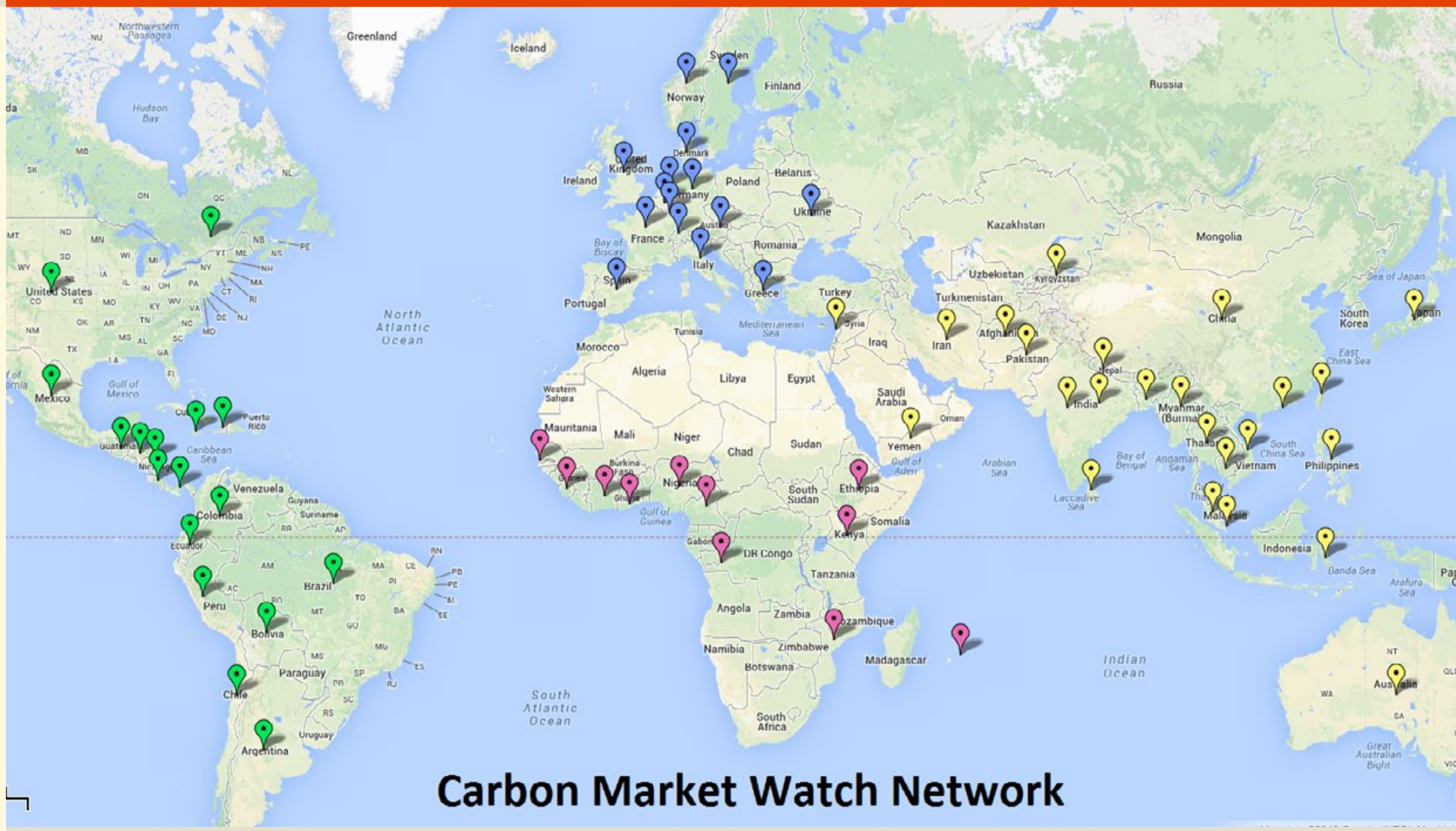
Information shared within the Network includes campaign and policy news as well as media coverage of relevant topics, alerts on opportunities for public input and discussions on technical and political issues. Members also use the Network as a resource to seek critical information from other members and to share advocacy practices and messaging.

In 2013 the Carbon Market Watch India Network has developed into a vital source of information on Carbon Market related topics for our Indian partners. We have been encouraged by the content and information shared specifically on offset project developments in states such as Gujarat that host a high concentration of Clean Development Mechanism projects.

Now in its 4th year our global network is widely recognised as the central reference for civil society and academia wishing to access categorical evidence and opinion on issues relating to Carbon Markets and other global and regional mitigation mechanisms. Membership is free and open to individuals and groups independent of government and commercial interests. Information on how to join the network can be found at http://bit.ly/12xdKSi

Welcome To Our Network

We would like to warmly welcome two new civil society partners from Papua New Guinea and Taiwan to our network community. May it go from strength to strength..!



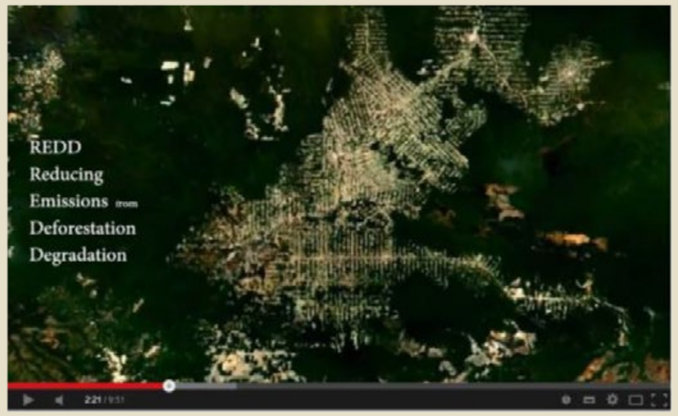
CAMPAIGN PAGE: http://carbonmarketwatch.org/carbon-market-watch-network/

Media Exposure and Coverage

Video

Recode - Short Documentary

In 2013 Nature Code released its first film, which addresses forest carbon and the application of mitigation mechanisms like the CDM and REDD to try and improve the carbon sequestration potential of heavily forested host countries, and issues in developed countries that drive deforestation. The film was showcased at the 2013 General Assembly and distributed freely on our websites via YouTube.



You can view Recode
http://youtu.be/ZaNPz76fu-Y

See no Evil - Campaign Action video

At COP19 in Warsaw, Carbon Market Watch staged a short public action, ahead of our Human Rights side event in an attempt to raise awareness to the protection local rights of communities directly affected by climate mitigation programs in their countries. The action was designed and acted out by the YOUNGOs group of climate activists in Warsaw.

You can view See no Evil
http://youtu.be/12VgQtmYmZY

http://carbonmarketwatch.org/cdm-watch-in-the-news/#2013

Climate TV - COP19 Update

During the COP19 in Warsaw, RTCC interviewed policy assistant Adela Putinelu outlined the work of Carbon Market Watch at the negotiations and the issues that we were focusing on. While elaborating on some of our positions, she underlined some of our demands for parties at the talks and how carbon markets were developing. You can view the interview

http://climatechange-tv.rtcc.org/2013/11/25/cop19-adela-putinelu-policy-assistant-carbon-market-watch/

Radio - Offsetting and carbon markets

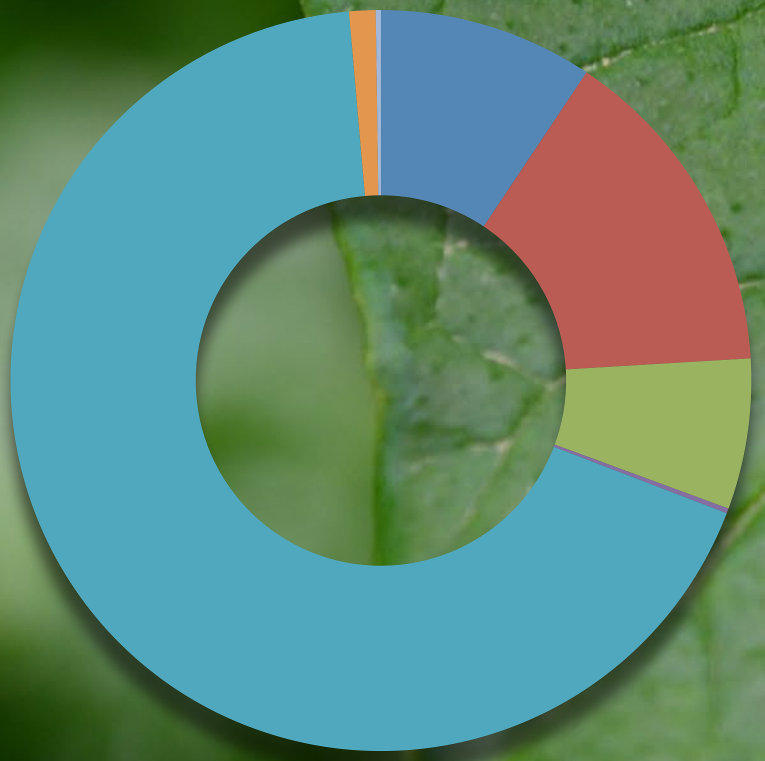
In April this year the BBC World Service recorded a 30 minute interview show on the European carbon market and the impact it has on global emission reduction projects around the world. Giving input on the debate, Carbon Market Watch director Eva Filzmoser responded to questions in from the Brussels studio.

Coverage

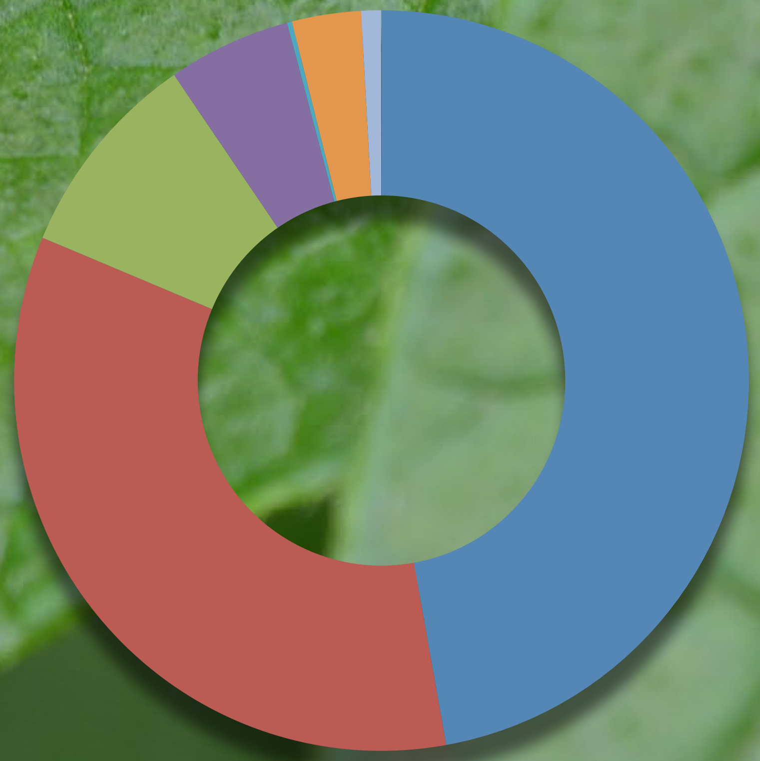
Finances & Funders

EXPENDITURES	ACTUAL 2013
Office and communication costs	32,596.49
Subcontracting	51,097.74
Travel and subsistence	22,871.69
Events & Workshops	745.58
Remunerations	235,941.19
Depreciation equipment	4,177.73
Other costs	781.00
Financial charges	867.63
TOTAL EXPENDITURE	349,079.05

INCOME	ACTUAL 2013
European Climate Foundation	177,900.52
Misereor	128,650.00
Bread for the World	34,500.00
Other grants	20,400.00
Membership fees	810.00
Support contributions & travel reimbursements	14,723.46
Exceptional & financial income	68.21
TOTAL INCOME	377,053,79
TOTAL EXPENDITURE	349,079.05
RESULT	**27,974.74**



Expenditures



Income 2013

Meet our Staff Members

Eva Filzmoser
Director

Anja Kollmuss
Senior Policy Researcher

Diego Martinez Schütt
Policy Officer

Andrew Coiley
Project Officer

Adela Putinelu
Policy Assistant

Antonia Vorner
Finance Manager

Christina Reinards
Communications
and Outreach Officer

Juliane Voigt
Intern

Overview of steering committee members

Mr Tomas Wyns

Mr Andrew Coiley

Ms Anja Kollmuss

Mr Diego Martinez-Schuett

Ms Antonia Vorner

Ms Eva Filzmoser

Mr Juergen Maier

Ms Natasha Hurley

Mr Richard Brand

Ms Weng Bolinas

Mr Peter Bosshard

Ms Barbara Haya

Mr Wael Hmaiden

Ms NinaJamal

Ms Alyssa Johl

Ms Falguni Joshi

Mr Michael Lazarus

Mr Axel Michaelowa

Ms Sabine Minninger

Mr Mahesh Pandya

Mr Neil Tangri

Mr Peter Newell

Mr Wendel Trio

Ms Nusa Urbancic

Ms Mariel Vilella

Mr Naoyuki Yamagishi

Mr Samir Mehta

Mr Tim Gore

Mr Patrick Schroeder

Nature Code
Our planet is not for sale

Carbon Market Watch

About Nature Code
Our mission is to ensure that the protection and welfare of all living beings becomes the guiding principle of policy making.

For more information see **www.naturecode.org**

Carbon Market Watch is a project of
Nature Code – Centre of Development & Environment.
For more information see www.carbonmarketwatch.org

Contact information:
Eva Filzmoser, Nature Code Chair
Eva.Filzmoser@naturecode.org

Natasha Hurley, Nature Code Vice-Chair
Natasha.s.Hurley@gmail.com

Jurgen Maier, Nature Code Treasurer
chef@forumue.de