



# **Sustainable development and safeguards in UN climate policy**

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future climate politics  
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# Overview

- Role of Sustainable Development in UNFCCC's climate instruments
- Identification of SD benefits in REDD+, AF, GCF
- Lessons learnt from CDM
- Conclusions

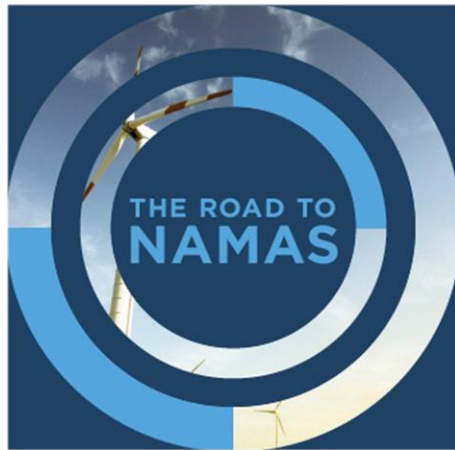
# CDM not the only mechanism with SD considerations



ADAPTATION FUND

**CDM**

**GCF**  
Green Climate Fund



**UN-REDD**  
PROGRAMME

# Objectives for sustainable development

Policy Framework	SD Objective	MRV requirement
<b>CDM</b>	Assist non-Annex I countries with the achievement of sustainable development	Letter of Approval by DNA; Voluntary SD Tool to describe co-benefits
<b>REDD+</b>	Promote and support REDD+ safeguards to enhance social and environmental benefits and avoid negative impacts	Safeguards Information System (SIS) to inform that all safeguards are addressed and respected (applying scaled risk-based approach)
<b>NAMAs</b>	Contribute to national sustainable development = key driver for NAMAs (GHG reductions represent a positive externality)	Currently no MRV guidelines; MRV for supported NAMAS likely to be in line with funding institutions' different requirements

# Objectives for sustainable development

Policy Framework	SD Objective	MRV requirement
<b>Adaptation Fund (AF)</b>	Environmental and social policy to bring the Fund in line with the practice of other leading financing institutions	Environmental and social management plan in annual performance reports to ensure that projects do not result in unnecessary environmental and social harms
<b>Green Climate Fund (GCF)</b>	International Finance Corporation's Performance Standard (IFC PS) in the interim until own policy is developed	Mandatory reporting on 1 co-benefit Accreditation and safeguards framework to assess whether entities requesting funds have the capability to implement safeguards and capacity to manage env. & social risks

# REDD+ Safeguards (selection)

- a) **Actions complement or are consistent** with the objectives of national programmes and **relevant international conventions and agreements**;
- b) **Respect for the knowledge and rights of indigenous peoples and members of local communities**, by taking into account relevant international obligations, national circumstances and laws, and noting that the General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- c) **Full and effective participation of relevant stakeholders**, including, in particular, indigenous peoples and local communities;

## Warsaw Framework on REDD+

- requires that countries provide periodic summaries in national communications about how safeguards are being addressed and respected
- obliges countries to provide summaries about how safeguards have been addressed and respected before they can receive results-based payments

# AF Environmental & Social Principles

- Compliance with the Law
- Access and Equity
- Marginalized and Vulnerable Groups
- Human Rights
- Gender Equity and Women's Empowerment
- Core Labour Rights
- Indigenous Peoples
- Involuntary Resettlement
- Protection of Natural Habitats
- Conservation of Biological Diversity
- Climate Change
- Pollution Prevention and Resource Efficiency
- Public Health
- Physical and Cultural Heritage
- Lands and Soil Conservation

## **All implementing entities are required to :**

- have an environmental and social management system
- adopt measures to avoid or minimize/mitigate risks during implementation
- monitor and report on the status of measures
- ensure adequate opportunities for stakeholder participation

# GCF's environmental and social safeguards

- **Interim environmental and social safeguards of the Fund** (adopted at 7<sup>th</sup> Board meeting, June 19, 2014) based on IFC:
  - Assessment and management of environmental and social risks and impacts (including stakeholder engagement and grievance mechanism)
  - Labour and working conditions
  - Resource efficiency and pollution prevention
  - Community health, safety and security
  - Land acquisition and involuntary resettlement
  - Biodiversity conservation
  - Ensure full respect for indigenous peoples
  - Cultural heritage
- GCF aims to develop own ESS, built on evolving best practices, within the period of three years
  - **GCF accreditation and safeguards framework will assess whether entities requesting funds *have the capacity to implement safeguards and capacity to manage env. & social risks***



# CDM SD reporting tool

Online tool for describing following co-benefits:

- Extent of environmental co-benefits
- Extent of social co-benefits
- Extent of economic co-benefits
- Further information

→ Provides good guiding tools for describing positive impacts

→ The use of the tool is voluntary

→ Third party assessment is optional

→ No assessment of do-not harm safeguards and no options for stakeholder engagement

# CDM SD reporting tool

The new SD tool is an important step in the right direction but there are shortcomings:

	REDD+	GCF	AF	CDM
Co-benefits	Yes	Yes	Yes	Yes (but voluntary)
No-harm safeguards	Yes	Yes	Yes	No
Stakeholder involvement	Yes	Yes	Yes	No

# Case study: Santa Rita

- Santa Rita Hydroelectric Plant, Icbolay River, Alta Verapaz, Guatemala (implementation initiated in 2009) - Estimated amount of annual average GHG emission reductions : 52,131 tCO<sub>2</sub>
- **Registered in June 2014** despite repeated concerns and continued letters providing substantial concerns about violations of indigenous peoples rights:
  - 7 people killed, including two children 11 and 13 years of age
  - 30 houses burned to the ground
  - 70 civilians injured, 30 illegally arrested, over 40 people with warrant restricting their rights
  - Intimidation of local families with machetes and firearms
  - State aggression through tear gas bombs fired at children, women and the elderly
  - Persecution of community leaders and Q'eqchi' farmers
  - Invasion and occupation of communities' lands, forcing families to seek refuge in the mountains

# Case study: Santa Rita

- Outcry by the local community followed by **3 letters sent to CDM Board** from Peoples' Council of Tezulutlán
- The **UN High Commissioner for Human Rights** noted the murders of two children from the community opposed to the Santa Rita project in Annual report (January 2014)
- **IACHR's Rapporteur on indigenous peoples' rights** recognized "that the current licenses for mining and hydroelectric plants were granted without the State having implemented prior, free, and informed consultation with affected indigenous communities, as it is obligated to do under international treaties signed by Guatemala" (September 2013)
- **first project to have been formally reviewed by the CDM Board** on the grounds that local stakeholder consultations were not carried out in the proper way

→ **Despite all the raised concerns by the community, organizations and international HR bodies, CDM board registered the projects in June 2014**



# Conclusions

- **New financing sources** for the CDM, e.g. Green Climate Fund require **assessment and management of social risks and impacts** (including stakeholder engagement and grievance mechanism)
- **CDM policy framework needs to catch up** with other mechanisms to be able to access additional financial sources
- Various **MRV frameworks for SD are currently being developed** (e.g. guidance for REDD+ SIS, MRV for supported NAMAs)
- **Lack of common guidance may result in variations** in the scope, size and content of countries' MRV systems
- **A comprehensive “umbrella” guidance on the monitoring of co-benefits** and safeguards would provide a framework that can consistently be used by funding agencies to avoid double efforts, save costs and facilitate ability to access results-based finance
- **Public participation processes** are crucial in all developments

# CDM fit for GCF?



- **Lack of safeguard system** threatens social integrity of affected communities can lead to HR violation
- **Absence of grievance mechanism**

→ Green Climate Fund requires assessment and management of social risks and impacts (including stakeholder engagement and grievance mechanism)

# Recommendations to improve the CDM SD Tool:

- 1. Do-not harm safeguards:** In addition to the positive assessment of co-benefits, an assessment of how environmental and social risks and impacts are managed is needed;
- 2. Enable full and effective participation of relevant stakeholders:** Engage local communities in data collection and monitoring of co-benefits and assess stakeholder engagement throughout the project cycle;
- 3. Require mandatory monitoring:** to comply with safeguard requirements of various sources of finance for CDM projects, such as the GCF but also other bilateral and contractual commitments;
- 4. Require validation and verification** via third party assessment: a SD monitoring plan shall be included in the PDD (several countries already mandate this at national level)

# Recommendations for increased transparency at national levels :

- Process and **criteria for approval/authorization** of project activities and PoAs and for participation of civil society in this process;
- **Criteria used by the DNA** to assess the contribution of a project activity or PoA to sustainable development;
- **The relevant laws, regulations and guidelines that apply to the national approval processes**, including elements such as the applicable rules relating to environmental impact assessment and local stakeholder consultation;
- Reports about the **sustainable development action plans** of CDM projects as required by national legislation;
- The **national Grievance Resolution Mechanisms** available for people affected by CDM projects;
- The **communication channels available** between local stakeholders and the DNA;





Thank you

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