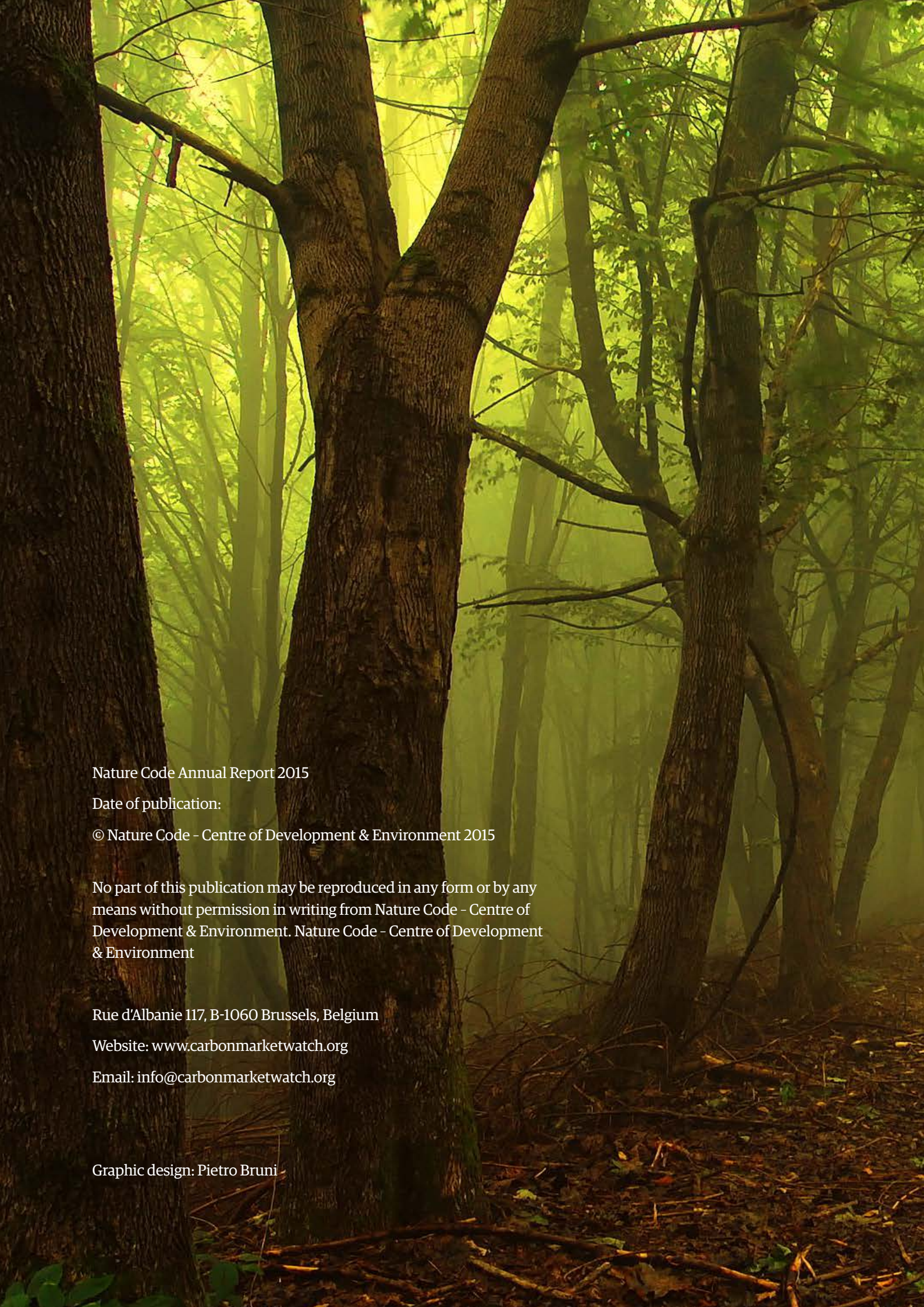




# AR2015

ANNUAL REPORT 2015





Nature Code Annual Report 2015

Date of publication:

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Rue d'Albanie 117, B-1060 Brussels, Belgium

Website: [www.carbonmarketwatch.org](http://www.carbonmarketwatch.org)

Email: [info@carbonmarketwatch.org](mailto:info@carbonmarketwatch.org)

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

2015 was a watershed moment in the global fight against irreversible climate change. Ever since the industrial revolution and the carbon surge that followed, time has not been on our side. With consequences of global warming on our planet already changing our weather systems, predictions suggest our output of CO<sub>2</sub> into the atmosphere will not peak until well into the next decade.

Tackling what many regard as 'humanity's greatest threat' has never been straightforward. Ambitious climate action has struggled over the years to come to terms with the development gaps between countries negotiating under the UNFCCC. In Paris however COP21 was a moment where the collectiveness of the UN process rose above the pessimism that has surrounded many of the previous climate negotiations.

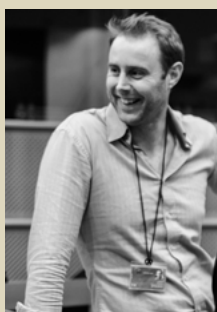
Negotiations at COP21 were long and packed with intense debate, but Parties found consensus on the final text. Carbon Market Watch was particularly active in the market mechanism negotiations (article 6). The team's hard work was rewarded with reference to several campaign goals in the final Paris Agreement text including: the avoidance of 'double counting' of reduction efforts; the recognition of human rights in climate change in the Preamble. We successfully communicated our hot air campaign using a climate action videogame CAPMAN that was launched at the EU pavilion during COP21.

European decision makers in 2015 took steps to establish a stability mechanism for the EU Emission Trading System that has suffered from years of chronic over-supply. Carbon Market Watch's input at crucial times in EU climate policy discussions have been welcomed as a necessary and reliable counter-weight to carbon intensive lobbies.

Emissions from aviation have, throughout the sector's history, been able to increase without questioning the impacts on our climate. 2015 saw the penultimate year of negotiations on the global market based measure (GMBM) -an offsetting scheme that International Civil Aviation Organisation hope to finalise in October, 2016. Many climate activists fear, without a bold agreement, these negotiation will amount to little more than window dressing for an industry aiming high on reputational gain but falling short on genuine emission cuts.

Our global, Indian, and Latin American networks continue to be an integral part of our connectivity as an organisation. Carbon Market Watch continues to reach out to partners around the world, disseminating and channelling climate change policy to civil society colleagues with newsletter articles & blogs, policy breakdowns and social media outreach. We are greatly encouraged by our international partners taking an active role in the fight against climate change, by contributing to open letters, national advocacy strategies or participating in our online webinars.

2015 was the year the world carved out a new direction in climate change history, but success in achieving a 1.5°C pathway will be for future generations to judge.



**Andrew Coiley**

Member of the Board (2012-16)

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***“Paris has enshrined the core principles for using carbon markets, though much work remains. The challenge is now to learn from past mistakes that led to billions of hot air credits when elaborating guidance for markets over the next years”.***

***Carbon Market Watch, Scoop, December 2015***



# Carbon Market Watch at COP21

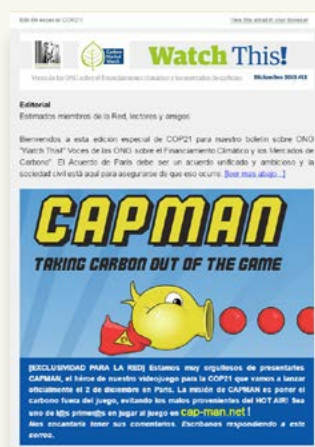
2015 was a pivotal year for climate change policy with the adoption of the Paris Agreement in December. Carbon Market Watch worked tirelessly before, during, and after the climate negotiations in Paris to advocate for higher ambition in the final agreement and for specific inclusions in the text across a range of issues.

Carbon Market Watch's advocacy and capacity building activities focused on the following issues: The role of carbon markets; the dangers of "hot air" (non-additional carbon credits that don't represent emission reductions) in carbon markets; options to tackle land-use emissions; what Paris must deliver to address aviation emissions; human rights accountability of climate action and sustainable development & NAMAs. We ran and facilitated four very successful and well attended side events during the negotiations and organised over seven direct actions within the venue, pushing our campaigning points across a variety of mediums, utilising a myriad of media and avenues for communicating our messages and working in unison with other NGOs to push for a successful outcome at COP21.

## CAPMAN: Taking carbon out the game

Play CAPMAN [here](#)

To promote and support our campaign on "Hot Air" in carbon markets at COP21, Carbon Market Watch launched a free online computer game. The game focused on the problems of carbon markets and market mechanisms and the various means by which they generate "Hot Air" that undermines the mitigation potential of these climate tools and slows down real climate action. The game was a real success, with over 3000 people playing the game over the course of the negotiations. Carbon Market Watch takes pride in developing innovative tools to better communicate the complex and often technical details of climate policies, and our online game 'CAPMAN: taking carbon out the game' was a fruitful means of raising the profile of our work and disseminating the important messages we brought to COP21.



Analysis of the outcomes of Paris available [here](#)



## Highlight of the year

The adoption of the Paris Agreement at COP21 was a momentous moment for the world, environmental protection, and, in no small way, our organisation. Carbon Market Watch campaigned vigorously on a number of issues and we were rewarded with a final text that made explicit reference to these campaign points. In particular, the inclusion of explicit reference to "obligations to human rights" in the preamble was a hard fought victory and one Carbon Market Watch will build on over the coming years.



## Did You Know ?

The amount of "Hot Air" generated under the Kyoto Protocol, namely 11 gigatonnes of CO<sub>2</sub>, is equivalent to the annual emissions of over 3000 coal power plants!



## Source

[http://carbonmarketwatch.org/wp-content/uploads/2015/11/International-hot-air\\_final.pdf](http://carbonmarketwatch.org/wp-content/uploads/2015/11/International-hot-air_final.pdf)





IDEAcarbon<sup>1</sup>@IDEAcarbon 6 May 2015  
Switzerland today, China tomorrow? We need to  
talk about impact of EU carbon market links, says @  
CarbonMrktWatch: [http://www.rtcc.org/2015/05/05/  
eu-swiss-carbon-market-link-raises-fears-of-diluted-climate-ambition/](http://www.rtcc.org/2015/05/05/eu-swiss-carbon-market-link-raises-fears-of-diluted-climate-ambition/) ...

***"There is no future for carbon offsetting in the post-2020 world: there is just no space in the remaining global carbon budget to not be acting to reduce emissions,"***

***Carbon Market Watch, Carbon Pulse, December 2015***



# A global carbon market

Leading up to the Paris Agreement, Carbon Market Watch advocated for a robust international accounting framework for carbon markets and market mechanisms, while placing pressure on EU policymakers to take a credible position at international negotiations that put ambitious climate targets at the forefront and ensure the environmental integrity of carbon markets. Carbon Market Watch also had a leading role in coordinating the Climate Action Network working group on flexible mechanisms, driving the advocacy work necessary to keep environmental integrity and high ambition in the political discussion.

Since the adoption of the Paris Agreement, Carbon Market Watch continued analysing the impacts the agreement will have on carbon markets globally, the Cooperative Approaches and the Sustainable Development Mechanism subarticles, how they relate to each other and the existing Clean Development Mechanism. Furthermore, we have consistently highlighted the risks and potentials of linking carbon markets around the world – a task that has heightened importance after COP21.

## Problems with linking carbon markets

The number of regions and countries that are putting a price on carbon pollution is growing fast. Nearly 40 countries already price carbon or plan to do so, including China, which will roll out a national carbon market from 2016 onwards. Several European policymakers promote linking these different carbon markets. The main benefits of linking are cost-efficiency as a result of increasing the pool of cheap emissions reductions available, which theoretically could enable countries to increase their climate ambition. However, if not designed carefully, these lower costs may contribute to fossil fuel lock-in, come at the price of reduced overall emissions abatement, lower domestic investments the loss of local/domestic co-benefits as well as a loss of public funds.



Linking policy brief and report available [here](#) and [here](#)



### Highlight of the year

Article 6:2 of the Paris Agreement made explicit reference to Carbon Market Watch's campaign points, stating that Parties engaging in mitigation on a voluntary basis shall “promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting”.



### Did You Know ?

Australian project developers have actually suggested a methodology to kill camels to stop them from farting? Meanwhile, while its too theoretical for offsets, scientists think that feeding cows curry may help them fart less. Maybe instead of killing poor camels we can just give them some tikka masala....



### Source

<http://www.cbsnews.com/news/killing-camels-and-the-business-of-carbon-offsets/>



***"After more than a decade, the EU's main climate instrument still lacks the teeth to make the polluter pay,"***

*Carbon Market Watch, Climate Change News, July 2015*



**ENDSEurope** @ENDSEurope 22 Jun 2015

#climate: Report warns using #EUETS credits in other sectors could water down 2030 emissions cuts @CarbonMrktWatch

***"Postponing necessary reforms until 2019 is simply irresponsible in times of a climate crisis,"***

*Carbon Market Watch, Guardian, February 2015*



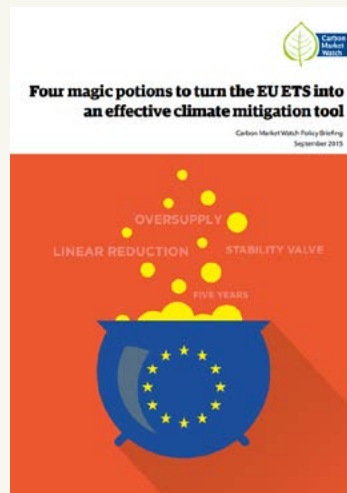
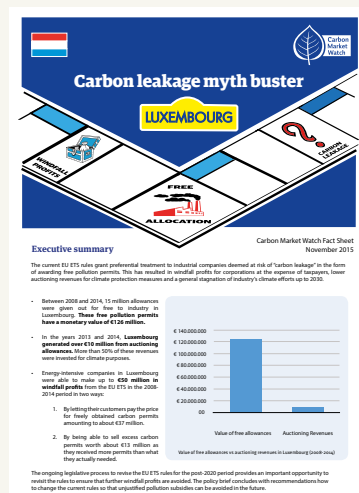
# Decarbonising the power sector & energy intensive industries

The European Union Emissions Trading System (EU ETS) is the world's biggest international carbon market and Europe's flagship instrument to cut greenhouse gases from power stations, industrial installations and aircraft operators.

In July 2015, the European Commission presented a legislative proposal to revise the EU ETS in order to implement the EU's 2030 target of at least 40% domestic emission reductions. Although the proposal suggests a few improvements, it fails to introduce much needed provisions to drive innovation and become an effective mechanism for reducing emissions. Carbon Market Watch has been a prominent leader amongst NGOs asking for more ambitious reforms including the permanent cancellation of surplus pollution permits, incentives for early mitigation action through a steeper reduction pathway, and revision of the EU's climate targets every five years. This has been done in close cooperation with Members of the European Parliament, the Commission, Member States and NGOs by drawing attention to the dangers of the low carbon price and the excess pollution permits on EU's future climate targets.

## Moving beyond industry profits from the EU ETS

The current EU ETS rules have granted preferential treatment to industrial companies deemed at risk of “carbon leakage” in the form of awarding free pollution permits. Carbon Market Watch has been particularly vocal in the legislative process to revise the instrument by shedding light on false claims and the profits of industry and providing solutions on how the EU ETS can be transformed into an ambitious, climate-conscious instrument.



all EU ETS policy briefs available [here](http://carbonmarketwatch.org/wp-content/uploads/2015/10/CMW-Carbon-leakage-myth-buster-WEB-single-final1.pdf):



## Highlight of the year

Carbon Market Watch has influenced the legislation for the new Market Stability Reserve that will ensure that pollution permits will be gradually withdrawn from the oversupplied carbon market and placed into the Reserve. This will include backloaded and unused allowances that were due to come back into the market by 2020, meaning that in total around 2 billion surplus emission allowances will be prohibited from flooding the EU ETS up to 2020.



## Did You Know ?

Between 2013 and 2020, 6.6 billion allowances will be given out for free to industry. These free pollution permits have a monetary value of €50 billion. Free allowances deprive governments of much needed revenues that would be generated if they were auctioned and means less money is available to invest in the transition to a low-carbon economy in Europe.



## Source

<http://carbonmarketwatch.org/wp-content/uploads/2015/10/CMW-Carbon-leakage-myth-buster-WEB-single-final1.pdf>



***"By avoiding a decision to treat emissions and removals from the land use sector separately and on top of the EU's 'at least' 40% domestic target, the EU wastes important political capital to set incentives for other countries to be transparent on the amount of emission reductions they will achieve"***

***Carbon Market Watch, Ecosystem Marketplace, March 2015***





# Driving CO<sub>2</sub> reductions in the transport & building sectors

The Effort Sharing Decision (ESD) is a centrepiece of Europe's climate legislation. It sets annual emission reduction targets for each Member State for the transport, buildings, agriculture, small industry, waste and other smaller sectors not covered by the EU ETS. These sectors account for almost 60% of the EU's greenhouse gas emissions. To implement the newly agreed 2030 climate target, the European Commission is expected to present a new legislative proposal to reduce emissions from ESD sectors in the 2021-2030 period in the first half of 2016. Compared to the existing legislation, a number of key factors surrounding the EU's post-2020 targets have changed. A higher 2030 climate ambition and the decision not to make use of international carbon offsets have resulted in a search for new options to reduce emissions cost-efficiently – so called flexibilities. A key challenge will be to design these flexibilities in a way that helps reduce emissions cost-effectively while upholding the integrity of the climate target and subsequently driving emissions abatement in the ESD sectors.

Carbon Market Watch has been at the forefront of the NGO community providing information to policymakers and stakeholders about the legislative framework of the Effort Sharing Decision and how it has been implemented in Member States so far. We have consistently pushed for coherent additional policy measures in the non-ETS sectors to bring the ESD in line with Europe's 2050 objective of reducing greenhouse gas emissions by 80% to 95%.

## Solidifying a vision of flexibilities

EU leaders have decided that the availability and use of existing flexibility instruments will be “significantly enhanced”. It is yet to be seen what type of flexibilities will be allowed and how they will be designed. It is important to make sure that loopholes are avoided that would undermine EU's 2030 climate ambition. For the ESD to be effective, all EU countries will need to take ownership of the transition to climate-friendly societies. While a number of potential flexibilities can offer a degree of resilience for Member States struggling to meet their ESD targets, introducing ETS allowances or forestry offsets should be seen as unhelpful loopholes that will undermine effective climate action.



ESD analysis available [here](#)

## ★ Highlight of the year

Carbon Market Watch has worked in 2015 to raise awareness about how the ESD can be brought in line with EU's 2°C pathway. Working closely with other expert NGOs to engage with key Commission officials has allowed us to manoeuvre the debate towards the EU realising higher ambition in the ESD.

## ⚙ Did You Know ?

The EU needs to find additional, domestic emissions abatement in the order of 1,500-2,500 Mt CO<sub>2</sub> -eq in the 2021- 2030 period to meet the -30% target. This means that new EU and national measures for the transport, buildings, agriculture and waste sector are critical to support the reduction of greenhouse gas emissions in these sectors.

## 📄 Source

[http://carbonmarketwatch.org/wp-content/uploads/2015/06/Flexibilities-in-the-EU%E2%80%99s-2030-Effort-Sharing-Decision\\_Poicy-Brief\\_final-June-2015.pdf](http://carbonmarketwatch.org/wp-content/uploads/2015/06/Flexibilities-in-the-EU%E2%80%99s-2030-Effort-Sharing-Decision_Poicy-Brief_final-June-2015.pdf)



***“The world’s diminishing carbon budget requires immediate action from these sectors. 1.5°C places an obligation on all sectors to act, and aviation and shipping are no exceptions.”***

***Carbon Market Watch, Hellenic Shipping News, December 2015***



**AEF** | @The\_AEF Feb 5

'Direction of aviation's market based mechanism still up in the air' says @CarbonMrktWatch blog on work at @icao <http://carbonmarketwatch.org/much-still-to-prepare-on-icaos-market-based-measure-in-2016/> ...

# Emissions from aviation

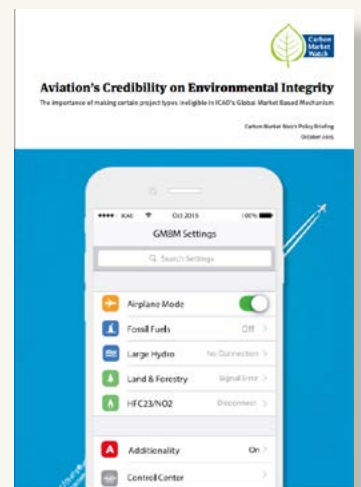
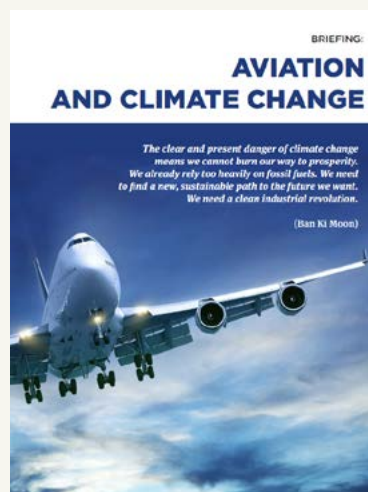
For the last two years Carbon Market Watch has been advocating for fair and effective climate protection in the aviation sector. Our work is focused on the market mechanism that the aviation sector is currently debating and will decide on in October 2016. The sector is growing rapidly at 3% per year. In 1997 International Civil Aviation Organisation ICAO was tasked under the Kyoto Protocol to limit greenhouse gas emissions of aviation but sufficient climate action has yet to follow.

ICAO has proposed a 2020 carbon neutral growth plan to offset the growth in emissions from 2020 onwards. A market mechanism should be established to address the gap between in-sector measures and the carbon neutral goal.

As a member of the International Coalition for Sustainable Aviation (ICSA), we advocate for the highest level of environmental integrity, including a ban on substandard carbon offset credits and a goal to increase the aviation climate goal to be in line with the 1.5 objective agreed in the Paris Agreement.

## Engaging the landing gear for aviation

Carbon Market Watch has been advocating for ICAO to introduce a negative list of eligible offset project types. This would mean ICAO adopting, then operationalising core principles like those agreed under the UNFCCC in Durban 2011 that emissions credits should be: real, permanent, additional and verified. They should avoid double counting of effort, and achieve a net decrease of greenhouse gas emissions.



Read our aviation policy briefs [here](#) and [here](#)



## Highlight of the year

Carbon Market Watch has produced a briefing, Aviation's Credibility on Environmental Integrity, on the importance of excluding certain offset project types in ICAO's global MBM. This, along with a commissioned study by the Oeko institute on the sufficient supply of high quality offset credits, raised the profile of the need for stricter quality criteria beyond programme approval, to avoid the inclusion of environmentally dubious activities generating credits for the global MBM.



## Did You Know ?

Aviation currently accounts for 5% of global warming and is the most carbon intensive and fastest growing mode of transport. Its current CO<sub>2</sub> emissions are approximately equal to those of Germany and are predicted to grow by up to 270% between 2010 and 2050.



## Source

<http://carbonmarketwatch.org/wp-content/uploads/2016/05/NC-Climate-Action-for-the-jet-set-INFOGRAPHIC-WEB.pdf>





RoyalForestrySociety<sup>1</sup>@royal\_forestry 15 Apr 2015  
via @CarbonMktWatch To tree or not to tree: Can#-  
Norway improve #EU 's land accounting rules? [http://  
ow.ly/LwuSQ](http://ow.ly/LwuSQ)

***"Land use activities don't provide a permanent store  
of carbon: they are susceptible to climate impacts that  
can reverse the storage,"***

***Carbon Market Watch, Scoop, December 2015***



# Agriculture & land use emissions

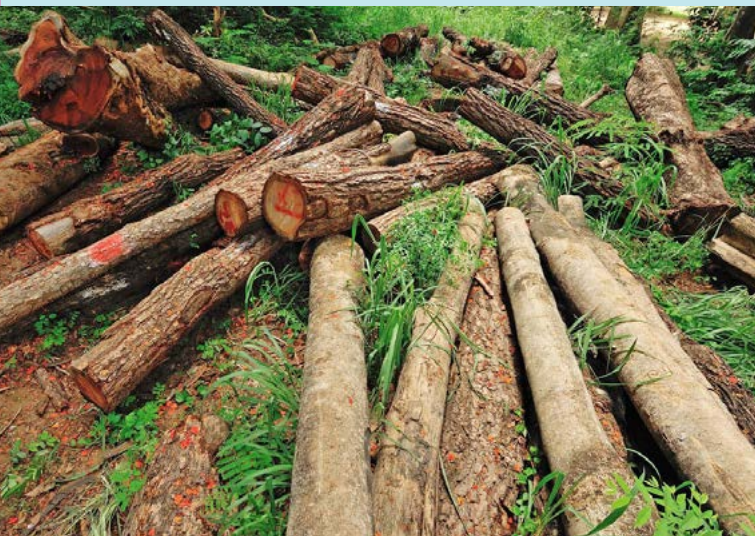
Farmlands, wetlands and forests are responsible for around one quarter of greenhouse gas emissions mainly from deforestation and agriculture. However, land represents more than a storage site for carbon, as our forests, wetlands and grasslands provide food and other resources, have a social and recreational value and provide an important biodiversity function. The nature of the sector, as both a source of emissions and a source of emission reductions (as a carbon sink and source of alternative fuel in the form of biomass), make climate solutions particularly tricky.

Carbon Market Watch advocates on both the UN and EU level for tackling land use emissions in conjunction with decreasing fossil fuel emissions. The carbon stored in trees is inherently non-permanent. Therefore using land use credits to compensate for continued fossil fuel use prevents decarbonisation globally and can result in an overall increase in emissions if faulty accounting rules are used. The pitfalls around accuracy of accounting and necessary co-benefits that point to the need to address LULUCF outside of carbon markets.

## Rooting out the problems in the European LULUCF sector

The European Commission is expected to publish legislation on how to include the land use, land use change and forestry (LULUCF) sector into the EU's 2030 climate framework in the summer of 2016. The land use, land use change and forestry (LULUCF) sector in Europe absorbs more emissions than it emits and is therefore a net carbon sink.

Three options presented by the Commission on how to do this suggest various levels of integration with other sectors, from keeping LULUCF in a separate pillar, combining the sector with methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) agriculture emissions, or adding the sector into the Effort Sharing Decision (ESD). Regardless of what option is chosen, there is a potential risk that the LULUCF sector will be used to reduce the climate efforts of other sectors such as transport and manufacturing.



Our LULUCF papers are available [here](#) and [here](#)



## Highlight of the year

Carbon Market Watch has, with other NGOs, developed joint principles and recommendations on how to include LULUCF in the EU's 2030 climate framework in order to push for an effective separate legal pillar for the LULUCF sector.



## Did You Know ?


LULUCF emissions in the EU-28 amounted to approximately 150 Mt CO<sub>2</sub>eq in 2012, while absorptions were over 400 Mt CO<sub>2</sub>eq<sub>1</sub>, making LULUCF a net carbon sink. The majority of GHG removals come from forests absorbing CO<sub>2</sub> while the majority of emissions come from croplands.



## Source

<http://carbonmarketwatch.org/wp-content/uploads/2016/02/NC-Rooting-out-the-problem-WEB-single-page.pdf>



A person is holding a large white sign with blue handwritten text. The person is wearing a pink and white striped long-sleeved shirt and a green and blue patterned shawl. They are standing on a bridge with a metal truss structure in the background. Other people are visible in the distance on the bridge.

AYUDANOS  
A SALVAR  
EL TABASARA



CIDSE @CIDSE 9 Apr 2015

Climate deal should respect human rights,  
interview with Maximu Ba Tiul #climatejustice @  
CarbonMktWatch

***"To date, the CDM does not have a grievance mechanism, something that we hope will change as part of the CDM reform as part of the upcoming UNFCCC negotiations"***

***Carbon Market Watch, Mongabay, May 2015***

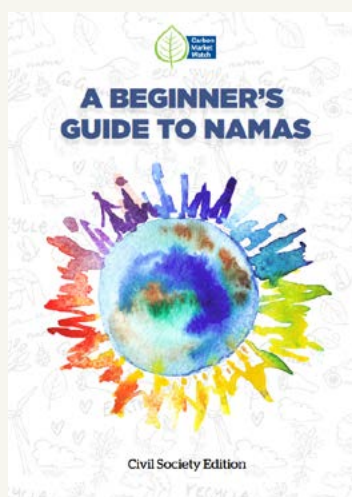
# Sustainable development in climate change policies

With melting glaciers, rising sea levels, and stronger and more frequent storms, droughts, and floods, it has become clear that climate change is interfering with people's enjoyment of their human rights. Perhaps less immediately obvious, but unfortunately also clear from recent examples, is the effect that climate change mitigation actions can have on human rights. This pressing issue is intertwined with climate finance and the prospects of fostering beneficial investments that promote sustainable development while upholding the rights of all.

Carbon Market Watch has been a leading force in tracking progress on the policy developments related to climate finance and sustainable development, including the implementation of the Sustainable Development Goals, the role of the Green Climate Fund, Nationally Appropriate Mitigation Actions and the Clean Development Mechanism.

Due to our ongoing efforts and capacity building, civil society has become better equipped to engage at policy developments on the local, national as well as the international levels. In respect of human rights, Carbon Market Watch has advocated for strong language in the Paris Agreement, pushing policy makers to recognise the interconnectedness of climate change and human rights.

Carbon Market Watch continues to closely follow developments of climate mechanisms inside the UNFCCC but also other climate finance approaches to ensuring sustainable development co-benefits. The modalities and procedures of the SDM will be discussed in the upcoming meetings of the parties, starting with the next conference of the parties (COP) in Morocco in November 2016. The Green Climate Fund's own safeguards are to be designed within three years.



Our workshops are available [here](#)



## Highlight of the year

Carbon Market Watch with other NGOs, was successful in pushing for detailed language in the Paris Agreement that specified, “that parties, when taking action to address climate change, have to respect, promote and consider respective human rights obligations.” This strengthens the existing human rights obligations that apply in the context of climate change and sets the foundation to make the newly established Sustainable Development Mechanism (SDM) and other climate mechanisms accountable to human rights.



## Did You Know ?

The Clean Development Mechanism has, up until now, issued just under 1.7 billion carbon credits from 7716 registered projects!



## Source

<http://cdm.unfccc.int/>



***"We respectfully request that you use your mandate as the UN Special Rapporteur on the Rights of Indigenous Peoples to support the indigenous peoples threatened with imminent and serious harm by this project (Santa Rita)."***

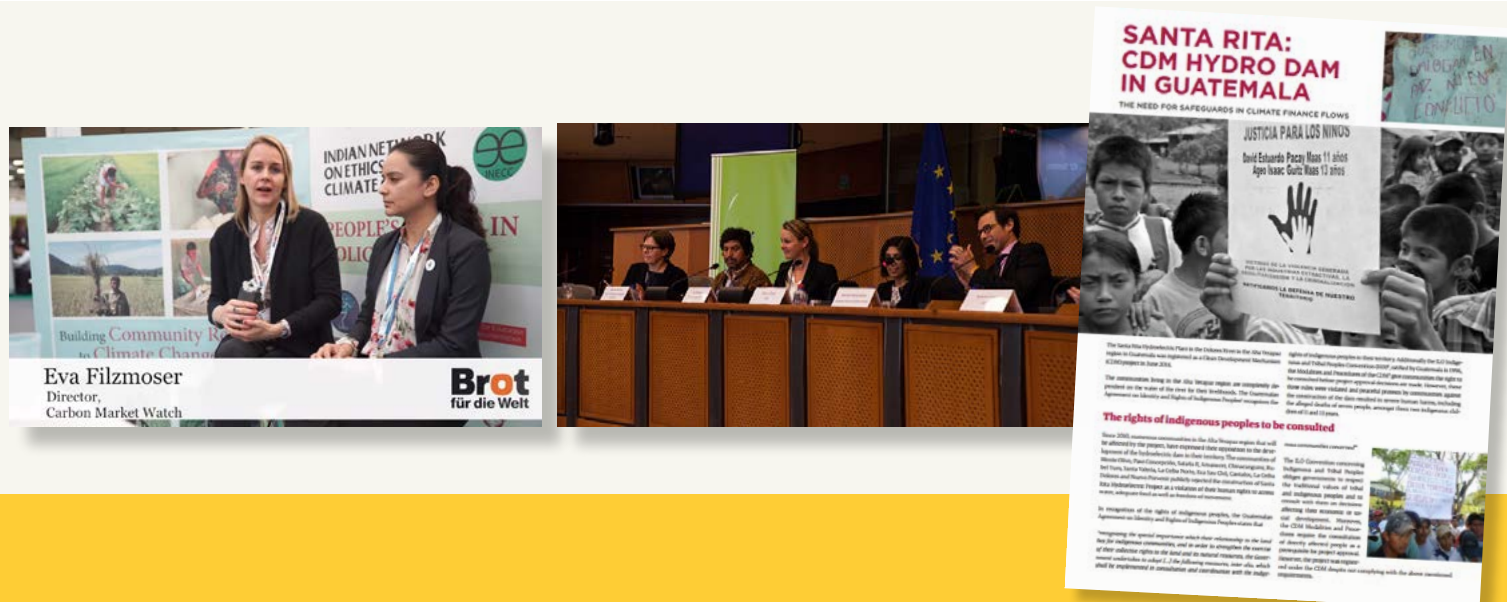
***Letter to UN Special Rapporteur on the Rights of Indigenous People, 2015***



**Ben Garside** @BenJGarside 4 Jun 2015  
#Panama's #Ngobe may be 9 days from losing their homes to a #CDM dam, warning 4 #climatefinance say @CarbonMktWatch

# Capacity-building and outreach

Capacity building is a core mission of our organisation. Our capacity building work focusses on bridging the gap between grassroots groups to the international policy agenda. Our aim is to build capacity of civil society organisations on topics related to market based measures and sustainable development aspects of climate politics, so that they can advocate at the national and international level for fair and effective climate action. In this regard, we also provide advocacy opportunities, such as events, so that our partners can then share their experience regarding specific policies or projects with top policy makers and other civil society organisations. In the same logic, we also bring support to and help spreading the experience of local civil society groups affected by the negative impacts of climate mitigation projects, focusing particularly on projects registered under the Clean Development Mechanism.



## Capacity building activities

Carbon Market Watch has organised capacity building events on specific issues, in conjunction with UNFCCC conferences in the intersessional UNFCCC negotiations in June 2015 and during COP21 in December 2015. During COP21, we organised two side events specifically dedicated to the civil society where partners from India, Chile and México shared their experience from the ground.

Likewise, in addition to our capacity building publications, we organised webinars and participated remotely in a workshop in Cameroon.

In 2015, our capacity building activities mostly focused on Nationally Appropriate Mitigation Actions (NAMAs), the accountability of climate finance and carbon markets.

## Support to local communities

We continued our collaboration with network members on specific CDM projects that are continuing to pose a threat to local populations and the environment. In this regard, Carbon Market Watch has worked to highlight the developing issues with two hydro dam projects in Central America: Barro Blanco in Panama, and Santa Rita in Guatemala.

We organised an event at the European Parliament on the “Accountability of EU’s Climate Finance Contributions” to showcase the reality behind Santa Rita. Maximo Ba Tiul, a very close partner representing the affected indigenous communities, travelled specifically to be a speaker to this event. He also took advantage of this event to meet with the European leaders of the project.



## Did You Know ?

You can catch up with our Network Members through our quarterly Watch This! publication which highlights the activities or one of our partner organisations from around the world.



## Source

<http://carbonmarketwatch.org/publication-types/watch-this/>



# Action Board



## #BEWARE HOT AIR

**THE ROLE OF AMBITION UNDER THE PARIS CLIMATE TREATY AND THE IMPACT OF HOT AIR ON THE EU'S CLIMATE POLICIES**

**Wednesday, 2 December**  
Official COP venue, EU Pavilion, Luxembourg room  
Time: 18:45 - 19:00

**Programme:**

- Lambert Schneider, Stockholm Environment Institute, Has Joint Implementation reduced global GHG emissions?
- Femke de Jong, Carbon Market Watch, The impact of hot air on the EU's climate policies
- Danield Madsen, European Commission, Position of the EU on achieving 2030 reductions

**Moderator:**  
Ben Garrido, Carbon Pulse

A key consideration for the Paris treaty is how to incentivize real additional climate action while avoiding the build-up of "hot air". The lack of environmental integrity of market mechanisms under the Kyoto Protocol - such as the Joint Implementation - has undermined the viability of this international climate treaty.

Similarly, experience with emissions trading systems to date shows that they are severely oversupplied and have accumulated a large amount of hot air permits. How can we avoid the problems of the past and keep hot air out of the Paris climate treaty - the EU's climate policies?

**FOR MORE INFORMATION CONTACT:** Femke de Jong, +31 6 85 88 75 63 - femke.dejong@carbonmarketwatch.org

## ENVIRONMENTAL AND SOCIAL ACCOUNTABILITY FOR RESULTS BASED FINANCE LESSONS LEARNT AND WAY FORWARD

**MONDAY, 1 JUN 2015, 16:45 - 18:15**  
**KAMINZIMMER (113), WORLD CONFERENCE**

The need for safeguards and accountability mechanisms is widely recognised in international financial institutions (IFIs). This event will discuss how lessons from IFIs can inform the design and operation of appropriate redress mechanisms for the GCF and other private and public climate finance flows.

High standards of accountability and safeguards are required at all levels to ensure that climate finance meets the needs of current and future generations and the planet. Numerous climate-financing mechanisms provide ways for people to be consulted in the planning and implementation of environmental projects and programmes. Many also offer support and protection for people who experience or witness problems to voice and resolve their grievances. Yet, in the complex and evolving landscape of climate finance, with an ever increasing focus on leveraging private investment, there is a need to strive for ambitious accountability and compliance to ensure that integrity and human rights are safeguarded in all efforts to tackle climate change. Challenges remain with the devolution of accountability through a myriad of downstream actors and there is a need to strengthen the confidence and capacities of local communities and stakeholders to pursue upstream accountability. This session will discuss the challenges, best practices, enhance accountability mechanisms, with a view to existing climate funds and the UNFCCC on enhanced and more integrated climate finance by

## ACCOUNTABILITY OF RESULTS BASED FINANCE BUILD ON THE BEST AND LEARN WHEN THINGS GO WRONG

Paris will set the framework for a wave of climate adaptation and mitigation activities to be implemented in developing countries. These activities are expected to be financed through various public and private finance flows. The need for accountability mechanisms to ensure that climate finance meets the needs of future generations and does not conflict with human rights is widely recognized in international financial institutions (IFIs). However, it is unclear how the complex and evolving landscape of climate finance will meet the challenges to mitigate possible environmental or social risks.

This event will draw on lessons learned from existing climate finance instruments and IFIs and discuss the design of effective redress mechanisms for the variety of climate finance instruments expected post-2020.

**Friday, 4 December**  
Official Venue Observer room 1  
Time: 16:45-18:15

**Speakers:**

- Leeween Leent from the Clean Development Mechanism, Eva Fitzmaurice, Director at Carbon Market Watch
- Corruption Risks in National Climate Finance: The Bangladesh Experience, Dr. Sumalya Khair, Deputy Executive Director at Transparency International Bangladesh
- Ensuring that the GCF Meets Society's Expectations Regarding Accountability and Sustainability, Paul Wolvenkamp, Deputy Director at Both Ends

### High level panelists:

- Zaher Fakir, GFC Board member
- Diana Harutyunyan, COM Board member
- Michael Kracht, Adaptation Fund Board Member
- Bram Schim van der Loeff, European Investment Bank

### Moderator:

Alyssa Johl, Senior Attorney at Center for International Environmental Law

**FOR MORE INFORMATION CONTACT:**  
Juliane Voigt, +31 6 85 88 64 64  
juliane.voigt@carbonmarketwatch.org




## A REALITY CHECK: CLIMATE CHANGE AND IMPACTS ON THE GROUND

**Sunday, 6 December**  
People's Summit - Climate Forum  
Lycée Jean Jaurès, Room 308 - Time: 14:00 - 16:00  
Lycée Jean Jaurès 1 Rue Dembade, 91100 Montreuil

**Programme:**

- The role of human rights in the Paris climate treaty, Juliane Voigt, Policy researcher at Carbon Market Watch
- A case study: the Olkaria geothermal powerplant in Kenya, Joseph Sined, Director of the human rights at Matinyoito Pastoralist Integrated Development
- Is CDM sustainable? - Experiences from Ground, Mahesh Pandya, Director at Paryavaran Mitra
- Indo Monte Dam, its impact on the Xingba, its people and the planet, Maria Jose Vesemendi, Senior Attorney at the Interamerican Association for Environmental
- "There is no time left": Climate change, environmental threats and human rights in Turkana County, Kenya, Katharina Hall, Research Fellow at the Health and Human Rights Division at Human Rights Watch

**Moderator:**  
Abby Robinson, Independent Consultant

Climate change is one of the biggest human rights threats of our time. For one, climate change has significant effects on several... another, certain actions to address even though they are well intended result in adverse human rights... will showcase realities from the most marginalized group and also reflect on case studies

projects, such as the UN's Clean Development Mechanism (CDM).

**FOR MORE INFORMATION CONTACT:**







## WHAT ARE NAMAS AND HOW IS CIVIL SOCIETY ENGAGEMENT IMPORTANT FOR THEIR SUCCESS

**Wednesday, 9 December**

Climate generations areas - official civil society space - Room 8  
Time: 11.15 - 12.45

### Programme:

- **Urška Trunk**, policy researcher at Carbon Market Watch: Introduction to NAMAs
- **Magdalena Donoso**, Latin America coordinator at GAIA: Ordinary Solid Waste NAMA in Costa Rica, a wasted opportunity?
- **Kabir Arora**, national coordinator of Indian waste pickers: Plastics Informal Waste Economy in NAMAs
- **Christof Arens**, Project Co-ordinator at Wuppertal Institute: Do no harm Sustainable Development Aspect Stakeholder Participation in NAMAs

Nationally Appropriate Mitigation Actions (NAMAs) were established as a vehicle to help developing countries pursue their development and mitigation goals. However, owing to the absence of regulations on stakeholder engagement and lack of environmental criteria, NAMAs face several challenges.

At this event the speakers will provide a comprehensive introduction to NAMAs, opportunities and challenges for engagement on the ground and share resulting co-benefits for communities.

## SANTA RITA: CDM HYDRO DAM IN GUATEMALA

THE NEED FOR SAFEGUARDS IN CLIMATE FINANCE FLOWS

**JUSTICIA PARA LOS NIÑOS**  
David Estuardo Pacay Maas 11 años  
Ageo Isaac Guitz Maas 13 años

ÚLTIMA DE LA VIOLENCIA GENERADA POR LAS MINERÍAS EXTRACTIVAS, LA CONTAMINACIÓN Y LA CRIMINALIZACIÓN SATIFICAMOS LA DEFENSA DE NUESTRO TERRITORIO

GUERREMOS DIABLO EN PAZ NO EN CONFLICTO

The Santa Rita Hydroelectric Plant in the Criberos lives in the Alta Verapaz region in Guatemala was registered as a Clean Development Mechanism (CDM) project in June 2004.

The communities living in the Alta Verapaz region have been severely affected by the construction of the dam. The project has led to the displacement of communities, the destruction of forests, and the contamination of water sources. The project has also led to the deaths of several people, including the alleged deaths of seven people, amongst them two indigenous children of 11 and 13 years.

rights of indigenous peoples in their territory. Additionally the ILO Indigenous and Tribal Peoples Convention (ILO 107), ratified by Guatemala in 1996, the Moduler and Pre-consultation the CDM gave communities the right to be consulted before project approval decisions are made. However, these three rules were violated and peaceful protests by communities against the construction of the dam resulted in severe human losses, including the alleged deaths of seven people, amongst them two indigenous children of 11 and 13 years.

to be consulted

that will the development of the project, the La Caba of Santa and indigenous people and to consult with them on decisions affecting their economic or social development. Moreover, the CDM Moduler and Pre-consultation require the consultation of directly affected people as a prerequisite for project approval. However, the project was registered under the CDM despite not complying with the above mentioned requirements.

communities concerned"

The ILO Convention concerning Indigenous and Tribal Peoples obliges governments to respect the traditional values of tribal and indigenous people and to consult with them on decisions affecting their economic or social development. Moreover, the CDM Moduler and Pre-consultation require the consultation of directly affected people as a prerequisite for project approval. However, the project was registered under the CDM despite not complying with the above mentioned requirements.



**INVITATION:**  
A Human Rights Based Approach To Climate Action

## What Accountability For EU's Climate Finance Contributions?

AN EVENT KINDLY HOSTED BY:  
Heidi HAUTALA, Greens/EFA  
Jo LEINEN, SRD  
Eleonora EVI, EFDD Group  
Ignazio CORRAO, EFDD Group

**Tuesday 24 March 2015 from 12:00 to 14:30**  
European Parliament - Room 3 E2



**Effective stakeholder engagement in NAMA development and implementation**

IN VITATION:

**Wednesday, 10 Jun 2015, 18:30-20:00**

Programme:

- **NAMAs and civil society**  
Urška Trunk, Carbon Market Watch
- **Measuring sustainable development in NAMAs**  
Karen Holm Olsen, UNEP DTU
- **Challenges and opportunities of NAMAs in the waste sector**  
Marcel Vilella, Zero Waste Europe
- **Gender sensitive and community driven NAMA in Georgia**  
Sabine Rock, Women in Europe for a Common Future (WECF)

**Bonn Climate Change Conference, Room Bonn III (72)**

Effective stakeholder engagement is widely recognized as a key success factor for Nationally Appropriate Mitigation Actions (NAMAs). In this event, experts from the civil society, business and the NAMA facility will discuss the role of civil society in development and implementation of NAMAs and share experiences and best practices.

# #BEWARE HOT AIR



# Communications and Exposure



## HTML News Digest:

The news digest is sent across the world once a month to our extensive group of news contacts, that includes policy makers, academics and civil society organisations as well as our global network. With an interactive style the news content has been improved to increase readability and impact. 2015 saw us produce a record 64 News Articles, all with the aim of keeping our subscribers abreast with developments in carbon markets and carbon finance globally.



## Watch This! NGO Newsletter

In 2015 our Watch This! NGO newsletter reached new heights of exposure reaching over 1000 civil society organisations with an additional 300 electronic opens. Furthermore, over 400 print copies of our special COP21 edition were distributed at the Paris climate negotiations. The success of this newsletter is largely due to the important local perspectives contributed by grassroots NGOs around the world that are on the frontlines of climate change and mitigation actions designed to reduce our carbon impact. Giving local activists the opportunity to speak out on carbon market (non-market) related activities around the world remains an essential element for Carbon Market Watch's work.



## Digital Communications

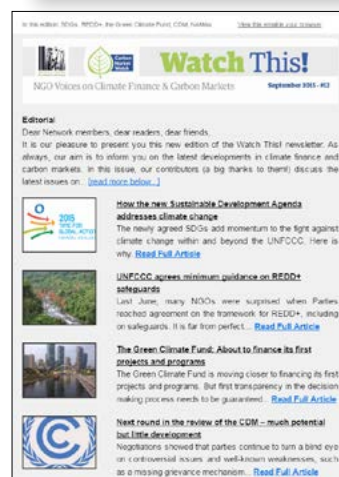
Website: Unique Visitors - 151,248 - Hits - 5,519,982

As the Carbon Market Watch website grows in content and impression so too does our annual readership. With an approximate increase of 30 thousand unique visitor's year on year since 2013 the Carbon Market Watch website is drawing many more visitors due to improved functionality and high quality policy analysis and content



## Twitter:

1100+ new followers to our Twitter account. We had a very busy year with Twitter, using our social media along with many other organisations and individuals to successfully our work on "carbon leakage" in the EU ETS, highlighting the windfall profits made by heavy industry from Europe's flagship carbon market.



## Facebook

Carbon Market Watch pushed over 1000 unique page likes in 2015 as has we have utilised the social media platform to push our campaign issues further and wider. It has also proven a particularly useful tool for maintaining and developing our Network connections allowing us to reach



## BOOKKEEPING Publications by numbers:

Media statements	23	
Reports/Studies	2	
Policy Briefings	18	
Submissions/Letters	10	
News Articles	64	
Watch This! Articles	27	
Webseminars	2	
Policy Events	6	



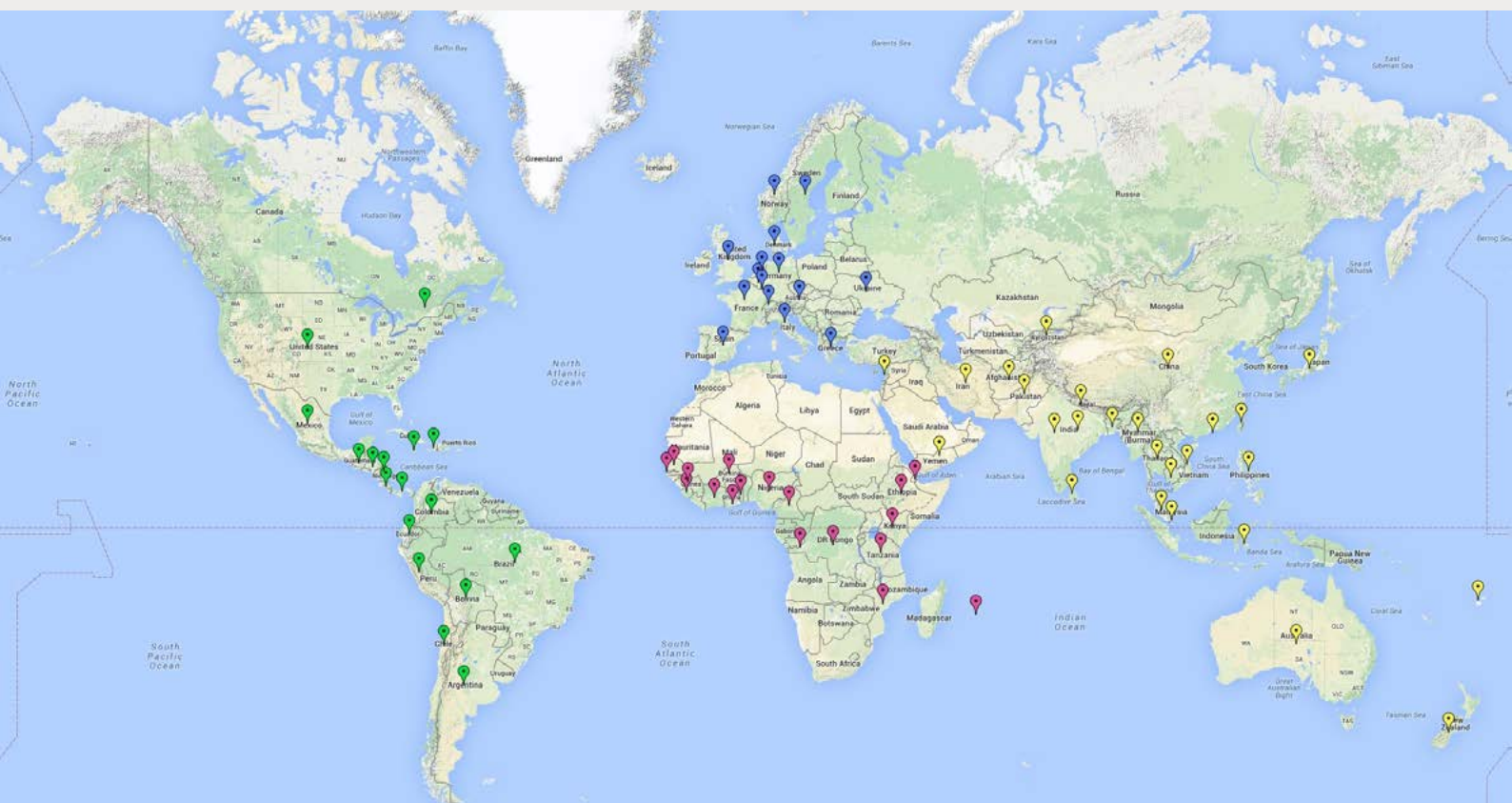
# Carbon Market Watch Network

Our network connects NGOs and academics around the world to share views and concerns about carbon markets, in three working languages: English, French and Spanish. 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.

## The Carbon Market Watch Network provides:

- Access to information about carbon market policies and climate finance via campaign news, policy updates as well as media coverage of relevant topics.
- A platform for peer support and knowledge sharing on project campaigns and advocacy efforts through lists and a quarterly member newsletter.
- Opportunities to participate in advocacy actions such as open letters, global internet campaigns and policy submissions.
- Capacity building activities on key international climate policy issues through workshops and webinars.



**Interested in joining our network:**

<http://carbonmarketwatch.org/join-the-carbon-market-watch-network/>





Advocacy with a smile



Crunch time at the Commission



Messaging with style



Directing the discussion



reporting on reality



COP21 meet & greet



Even heroes use the Metro



Human Rights at COP21



Taking carbon out the game



punching above our weight



Solidarity in Paris



Welcome to COP21



Lobbying our leaders

Pulling for progress

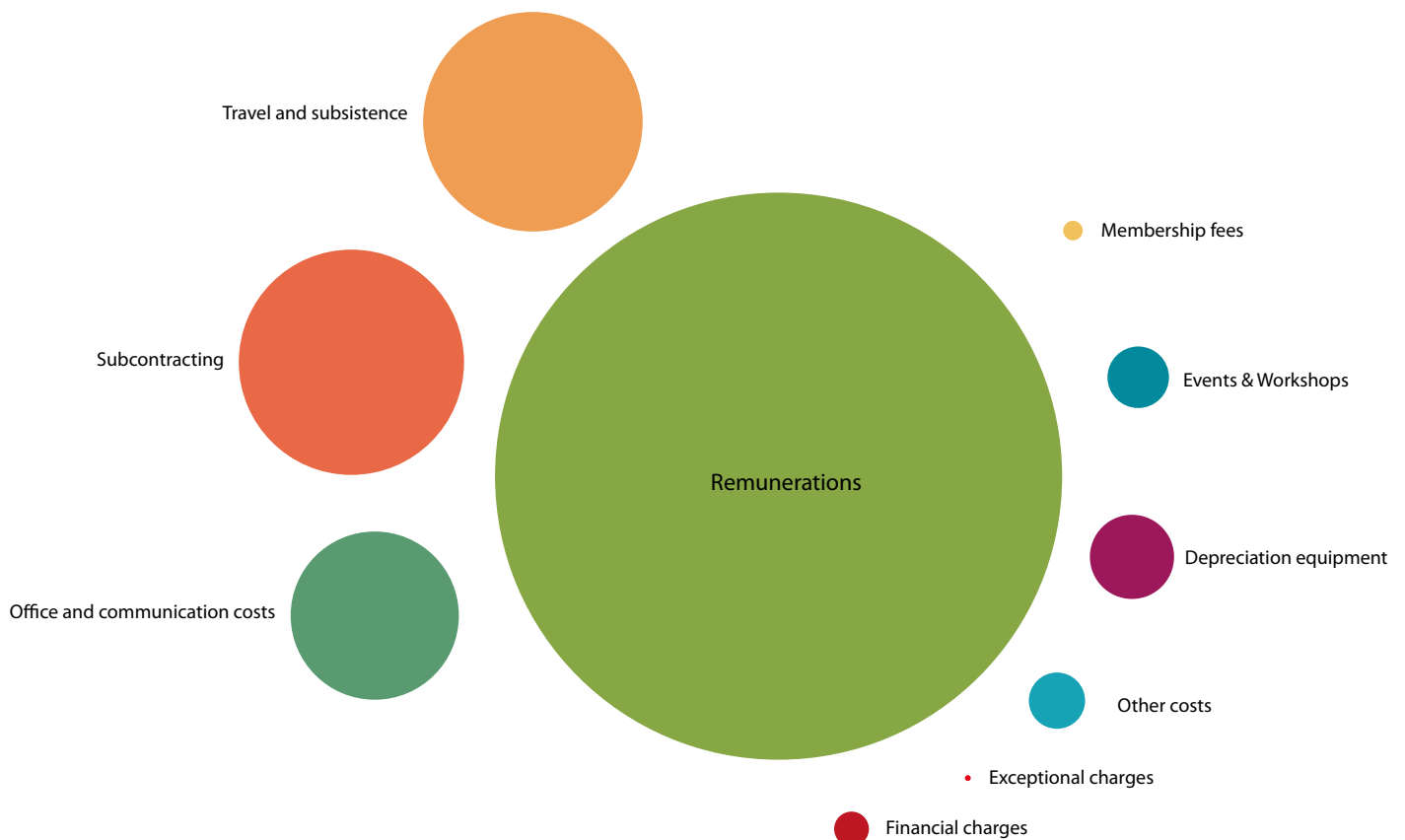




# Finances & Funders

EXPENDITURES	ACTUAL 2015
Office and communication costs	36,929.63
Subcontracting	66,238.53
Travel and subsistence	62,918.38
Membership fees	500.00
Events & Workshops	4,939.43
Remunerations	497,430.73
Depreciation equipment	8,978.37
Other costs	4,005.84
Exceptional charges	1.00
Financial charges	1,530.64
<b>TOTAL EXPENDITURE</b>	<b>683,472.55</b>

*"We would like to express sincere gratitude to our funders for providing the financial support that allows us to realise our goals." Nature Code*



INCOME	ACTUAL 2015
European Climate Foundation	174,668.00
Misereor	152,775.00
Bread for the World	67,400.00
Climate Works Foundation	83,353.19
LIFE NGO – European Commission	205,425.00
Services performed	4,723.15
Support contributions	3,161.48
Travel reimbursements	1,305.92
Other income	404.41
Exceptional Income	-83.65
Financial income	36.83
TOTAL INCOME	693,169.33
<b>RESULT</b>	<b>9,696.78</b>





# Meet our Staff

**Eva Filzmoser**  
Executive Director



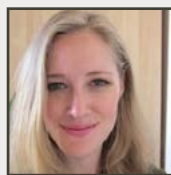
Every year sees Carbon Market Watch go from strength to strength and 2015 has been no different. The Paris Agreement is a major step forward in tackling climate change and we are proud to say our work has influenced the outcome of the negotiations. While much work lies ahead for us all, the Paris Agreement has laid the foundation for new collaborative endeavors towards a low-carbon future.

**Andrew Coiley**  
Communications  
Director



2015 has been a busy year for communications at Carbon Market Watch and we have expanded our reach in media outlets and into new forms of media. I was particularly proud of the engagement with our COP21 flagship campaign on “Hot Air” and the success of our CAPMAN online computer game that was really effective in raising awareness amongst delegates at the Paris negotiations.

**Urška Trunk**  
Policy Researcher  
Climate Finance



The year 2015 was an exciting year in which our team grew, flourished, and tackled new challenges on the road to Paris. I was happy to be a part of the Carbon Market Watch’s efforts of demonstrating the need for transparent and accountable climate finance that moves away from supporting unsustainable technology choices and is based on environmental and social safeguards.

**Pierre-Jean Brasier**  
Network Coordinator



2015 has been a great first year for me. As the new network coordinator, I got to meet and talk with very inspiring people who have been long lasting partners of our NGO. In 2015, Carbon Market Watch increased its links with French Speaking Africa and continued its work with grassroots organisations, showcasing how climate mitigation projects and the CDM can have very negative social and environment impacts.

**Femke de Jong**  
EU Policy Director



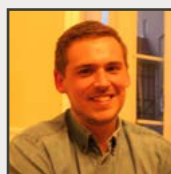
Our work on EU policy has expanded greatly in 2015. We began our “carbon leakage” campaign and had great media coverage as we exposed the profits heavy industry made from the EU ETS. I am looking forward to turning this work into positive, collaborative engagement with all stakeholders in the EU ETS reform debate to make the climate tools we use in Europe as effective as possible.

**Juliane Voigt**  
Policy Researcher  
Sustainable Development  
and Human Rights



2015 was quite a decisive year for human rights in climate change. Many voices came together on this issue and ensure that human rights are now included in the Paris Agreement- this is clearly the success of a strong coalition that so closely worked together. It was a great feeling to work with these diverse and passionate people

**Tom Boyle**  
Communications Trainee



Having joined Carbon Market Watch in 2015 it was a real pleasure to experience the highs and lows of COP21 in a dynamic and dedicated team. We had a lot of successes and I look forward to being part of many more.

**Léa Teheux**  
Finance Officer



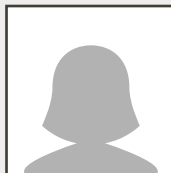
2015 was pretty intense with the COP21 and full of challenges on a financial level like consolidating funding relationships with some of the financing partners. Also, in 2015, Nature Code structure and staff grew which lead to an expansion of the scope of its work, I was really happy to be able to contribute to this evolution and handle the finances and human resources of such a dynamic organisation!

**Kelsey Perlman**  
Policy Researcher  
Land Use & Aviation



It has been an exciting juggling act defending land use climate policy wherever it may pop up in the climate discussion. 2016 looks to demand the same flexibility and energy on land use topics but also aviation where we will continue our advocacy for a solid solution to tackle aviation emissions within ICAO and under the EU ETS.

**Katherine Watts**  
Senior Policy Officer  
Aviation



2015 saw Carbon Market Watch again be a David to industrial giants, this time from the aviation industry. We made some progress in bringing forward the idea that certain project types should not be eligible for use in the ICAO offset scheme, such as those that support fossil fuel combustion and extraction, large hydro and impermanent land use projects. Eligibility restrictions at the project types level is now EU position and something mainstreamed into the ICAO discussions.

# Nature Code Board and General Assembly Members

## Board Members

Mr Tomas Wyns  
Mr Andrew Coiley  
Ms Anja Kollmuss  
Mr Diego Martinez-Schuett  
Ms Eva Filzmoser  
Mr Jürgen Maier  
Ms Natasha Hurley  
Mr Stephen Boucher  
Ms Emilie Johann  
Mr Rob Elsworth

## General Assembly Members

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  
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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





### **About Nature Code**

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

Carbon Market Watch is a programme of Nature Code – Centre of Development & Environment.

**For more information see:** [www.carbonmarketwatch.org](http://www.carbonmarketwatch.org)

### **Contact information:**

Eva Filzmoser, Nature Code Chair [Eva.Filzmoser@naturecode.org](mailto:Eva.Filzmoser@naturecode.org)

Natasha Hurley, Nature Code Vice-Chair [Natasha.s.Hurley@gmail.com](mailto:Natasha.s.Hurley@gmail.com)

Jurgen Maier, Nature Code Treasurer [chef@forumue.de](mailto:chef@forumue.de)



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