



Brussels, 14 March 2023

## **CMW inputs on the grievance process in Article 6.4, in response to the invitation for observer comments**

Carbon Market Watch (CMW) welcomes the opportunity to comment on the independent grievance process in Article 6.4 (Decision3/CMA3, annex, chapter V.L, [paragraph 62](#)), following the invitation for observers to do so in the [Article 6.4 Decision at COP27](#): *"Invites Parties and admitted observer organizations to submit, via the submission portal, by 15 March 2023, their views on [...] in addition to the activities referred to in chapter V of the rules, modalities, and procedures [Decision3/CMA3]"*.

We encourage Parties, SBSTA and the 6.4 Supervisory Body to continue inviting stakeholders to submit views on a range of topics. CMW also looks forward to learning more about the "structured consultation process" ([para 22, 6.4 decision at COP27](#)), which we are keen to participate in. This structured consultation process would logically cover the independent appeals and grievance processes, in addition to removals, the activity cycle and other subjects covered in Chapter V of the Article 6.4 Rules Modalities and Procedures.

Regarding our comments on the independent grievance process, CMW would like to first reiterate our [submission on this subject last year](#) and also express our alignment with [a submission made by Human Rights Watch ahead of the 6.4SB's 4th meeting](#). While no timeline was mandated at COP26 for setting up the grievance mechanism, work should begin on it urgently since it should be completed before any carbon crediting projects are registered. This is essential to ensure that key stakeholders that might be involved in or impacted by projects, such as indigenous peoples and local communities, have a right to redress.

In the current submission, we further complement our previous views with [a policy briefing on grievance mechanisms with recommendations for the 6.4SB \(also in annex\)](#). The briefing is based on [a review of the grievance mechanisms of most of the main voluntary carbon market standards written by Perspectives Climate Research](#). This review found major flaws in these

mechanisms based on an analysis of six key criteria: accessibility, transparency, predictability, independence, adequacy, and safeguards.

The review found that only the Gold Standard has an appropriate grievance mechanism in place of the assessed voluntary carbon market grievance mechanisms. Beyond that, the mechanisms of Verra, Climate Action Reserve, and American Carbon Registry are inadequate, while the Global Carbon Council does not even currently have one. In addition, although the [UN's Green Climate Fund](#) is not involved in carbon markets, it has a good quality grievance mechanism for the mitigation and adaptation projects it finances.

The findings of this review provide key lessons and recommendations for the Article 6.4 Supervisory Body. Below are a set of recommendations along 7 key areas, which we urge the SB to consider:

#### Recommendations on [procedural matters](#):

- Setting up the grievance mechanism under the SB needs to start soon and must be a top priority on the SB's agenda. The design of a grievance mechanism may be lengthy, and it is of the utmost importance that a mechanism be up and running before any Article 6.4 activities are registered or credits are issued.
- Further studies must be undertaken regarding the mechanisms' institutional arrangements, such as identifying where the mechanism should be institutionally situated and how it should be governed, clarifying the scope of grievances and remedies to be provided, and the interplay with other grievance mechanisms. It should be independent from the SB (and CMA).
- The SB's mandate also includes a provision for stakeholders to "appeal decisions of the Supervisory Body" (Decision 3/CMA.3, Annex, §62). CMW views an appeals process as distinct from a grievance process, since the former would be used to specifically appeal SB decisions. This is a matter of urgency as SB decisions are already being made without the possibility of stakeholders to appeal them if desired. An independent appeals process hence should be set up in parallel to a grievance process, recognising that the latter will justifiably take more time to properly develop.

#### Recommendations to ensure [accessibility](#)

- Users worldwide must be able to rapidly and easily access the grievance mechanism (both online and offline), including its related information, and be fully capable of lodging a grievance with no or minimal support by experts.
- Promotion, awareness raising and outcomes/remedies of the grievance mechanism must be gender-responsive and culturally appropriate.
- The grievance mechanism needs to be actively promoted to create awareness among potential users.

#### Recommendations to ensure **transparency**

- Transparency must be guaranteed on the operation of the mechanism and its rules, as well as the grievances filed and the remedies provided (except where confidentiality has been requested or is required to protect vulnerable actors).
- A public grievance repository should be developed (confidentiality to be ensured when requested by the person(s) lodging a grievance). It should include summary statistics such as number of total grievances filed, types of grievance (e.g. project-/methodology-/SB- level), country of complainants, specific activities/methodologies on which grievances were filed (when not confidential), number of resolutions in favour/against complainants.

#### Recommendations to ensure **predictability**

- Clear rules and procedures, an easily understandable step-wise description of the process with indicative timeframes, and regular communication with the complainant are all essential to ensure the predictability of the mechanism.

#### Recommendations to ensure **independence**

- The Article 6.4 grievance mechanism must be fully independent. An independent and impartial team should be appointed to manage the grievance process, and while it should notify the A6.4SB about grievances, the A6.4SB should not have any interference in the remedies to be provided.

#### Recommendations to ensure **adequacy**

- The Article 6.4 grievance mechanism remedies need to have “teeth” and be able to challenge/overturn decisions made by the Article 6.4SB if necessary.
- Projects under investigation due to a grievance should be flagged on the Article 6.4 registry. This flag serves to transparently show that an investigation is underway and can note that fault should not be presumed.

#### Recommendations to ensure **safeguards**

- Confidentiality for complainants should be ensured, and retaliation safeguards need to be developed.
- The grievance mechanism needs to be a “living mechanism”, whereby experiences in managing the process should be used to constantly improve it and to prevent or eliminate the root causes leading to grievances.

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Further detailed findings and recommendations of relevance to the Article 6.4 Supervisory Body when setting up its own independent grievance process, including a table of good practices, can be seen in the below annex.

**Enclosed annex: CMW briefing on grievance mechanisms with recommendations for 6.4 SB**



**CARBON  
MARKET  
WATCH**



# **BLOCKED AVENUES FOR REDRESS: SHEDDING LIGHT ON CARBON MARKET GRIEVANCE MECHANISMS**

**How to fix the inadequate protections  
for local and indigenous communities**

MARCH 2023

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# SUMMARY

The standards bodies operating in the voluntary carbon market must ensure that climate projects take the rights and concerns of local and indigenous communities into account and offer them avenues for redress.

A review conducted on behalf of Carbon Market Watch found that only one standard body, Gold Standard, provides appropriate recourse to file grievances to communities affected by climate projects. The remaining assessed standards have inadequate or non-existent grievance mechanisms. This situation leaves local communities and indigenous peoples vulnerable and infringes on their access to justice.

To address this inadequacy, this document provides detailed recommendations of general action and specific action for each standard. It also provides recommendations to the Paris Agreement's Article 6.4 Supervisory Body, which will soon set up its own grievance mechanism.



# INTRODUCTION

Carbon crediting projects can deliver benefits on the ground but they can also fuel tension with local communities and indigenous peoples, mislead them or even cause harm, such as by infringing on their rights.<sup>1</sup> Carbon market projects can also overstate or exaggerate their climate benefits.<sup>2</sup>

What recourse is available when such problems arise?

To limit these risks from materialising and to find remedies if they do, voluntary carbon market standards usually have in place grievance, complaint or redress mechanisms. These processes allow stakeholders to formally flag problems for independent review and possible remediation. Carbon market standards' grievance mechanisms vary in terms of scope and quality.

[A Carbon Market Watch-commissioned review](#), which was carried out on our behalf by Perspectives Climate Research found major flaws in the grievance mechanisms of most of the main voluntary carbon market standards. This conclusion was based on an assessment of six key criteria: accessibility, transparency, predictability, independence, adequacy, and safeguards.

The review ascertained that only the Gold Standard has an appropriate grievance mechanism in place. Beyond that, the grievance mechanisms of Verra, Climate Action Reserve, and American Carbon Registry are inadequate, while the Global Carbon Council does not even currently have one. Although the [UN's Green Climate Fund](#) is not involved in carbon markets, it has a good quality grievance mechanism for the mitigation and adaptation projects it finances that can act as a guide for the voluntary market standards.

The assessment results are summarised below along with recommendations for urgent improvement that voluntary market standards should implement. Recommendations are also given to the [Supervisory Body under Article 6.4 of the Paris Agreement](#), which should review these findings when setting up its own grievance mechanism.

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- 1 Liévano (2022), [The Yuruparí Jaguars' Territory Divided by a Carbon Credit Project](#), Pulitzer Center; Pallares (2022), [Revealed: Timber giant quietly converts Congo logging sites to carbon schemes](#), Mongabay; de Haldevang (2022), [BP paid Rural Mexicans a "Pittance" for Wall Street's Favorite Climate Solution](#), Bloomberg Green; CIEL (2021), [Rights, carbon, caution: Upholding Human Rights under Art 6 of the Paris Agreement](#).
  - 2 West et al. (2020), [Overstated carbon emission reductions from voluntary REDD+ projects in the Brazilian Amazon](#), PNAS; Carbon Market Watch (2021), ["Two Shades of Green: How hot air forest credits are being used to avoid carbon taxes in Colombia"](#); The Guardian (2023), ["Revealed: more than 90% of rainforest carbon offsets by biggest provider are worthless, analysis shows"](#).

# KEY FINDINGS AND RECOMMENDATIONS FOR VOLUNTARY STANDARDS

The assessed voluntary carbon market standards have grievance mechanisms in place – with the exception of the Global Carbon Council – but most are opaque and do not properly describe their procedures. Key findings and recommendations from the study are briefly described below, by standard. The findings are summarised in [Table 1](#), and full details can be consulted in [the study](#).

The assessment of the mechanisms resulted in three scoring categories:

- level 1, no grievance mechanism: Global Carbon Council
- level 2, inadequate grievance mechanism: Verra, Climate Action Reserve, American Carbon Registry
- level 3, good grievance mechanism: Gold Standard and Green Climate Fund's Independent Redress Mechanism

## Global Carbon Council (GCC)

[GCC](#), headquartered in Qatar, has registered [18 predominantly renewable energy carbon crediting projects](#) and has [issued 543,389 credits](#) as of 3 March 2023. GCC does not currently have a grievance mechanism in place, despite registering projects and issuing credits, which is clearly inappropriate.

GCC must develop a grievance mechanism as a matter of priority. GCC should take into account the findings in [Table 1](#) as well as the summary of good practices in [Table 2](#) when developing its grievance mechanism.



# Verra, Climate Action Reserve (CAR) and American Carbon Registry (ACR)

[Verra](#), headquartered in the United States, has 3,336 listed carbon crediting projects and has issued just over 1 billion carbon credits, including 45% from the forestry and land use sector (mainly REDD+) and 41% from the renewable energy sector. [American Carbon Registry](#), headquartered in the United States, has 584 listed projects and has issued 208 million credits, of which 60% are from the forestry and land use sector (mainly improved forest management). [Climate Action Reserve](#), also headquartered in the United States, has 806 listed projects and has issued 169 million carbon credits, including 45% from the forestry and land use sector (mainly improved forest management).<sup>3</sup>

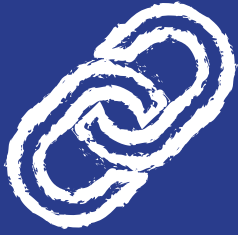
Verra, CAR, and ACR have grievance mechanisms in place, but these suffer from serious shortcomings, not only procedurally but also when assessed against six core criteria: accessibility, transparency, predictability, independence, adequacy, and safeguards.<sup>4</sup> Key findings and recommendations for each of the standards are outlined below. For nearly all these recommendations, Verra, CAR and ACR should look to good practices already implemented by Gold Standard and GCF's Independent Redress Mechanism as summarised in [Table 2](#).

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3 Ivy S. So, Barbara K. Haya, Micah Elias (2023, January), [Voluntary Registry Offsets Database](#), Berkeley Carbon Trading Project, University of California, Berkeley.

4 These criteria were drawn from the UN Guiding Principles on Business and Human Rights, further expanded upon and complemented with 37 indicators. [Full details are in the study](#).





## Procedural matters

### Key findings:

Neither Verra, CAR, nor ACR can be considered to have properly institutionalised their grievance process from the perspective of a potential complainant, since the information about their mechanism is neither easily accessible nor sufficiently detailed.

Verra has a two-page description of its grievance process with basic information, accessible via a paragraph-long webpage. ACR has slightly over one page in its standard manual and no separate webpage. CAR has a half-page in its standard manual and no separate webpage. None appear to publicly provide any further information about their mechanisms elsewhere, which is clearly inadequate.

For all three standards, grievances can be filed on a range of issues and are open to stakeholders, which is positive, but further clarity is missing regarding possible outcomes of the grievance process (such as invalidating a violating project).

### Recommendations:

- CAR and ACR should create a direct access point linking to a detailed standalone section about their grievance mechanism, and Verra should provide more details. It is insufficient to only have either a few basic paragraphs about their mechanism in a programme manual (CAR, ACR) or a webpage paragraph linking to a two-page document (Verra), without any additional information or visibility.
- The standards must also make major improvements to their mechanisms in terms of accessibility, transparency, predictability, independence, adequacy, and safeguards.



## Accessibility

### Key findings:

Verra, CAR and ACR were found to have very poor accessibility. There is no public information available, except for basic details that are not easy to find (as detailed above) and are exclusively in English. There is no direct access point webpage to the grievance mechanism for CAR and ACR, which is also not promoted for all three. It is thus difficult for stakeholders to find out how to file a grievance and what the steps will entail. This lack of transparency also means that some communities may not even be aware of the fact that they have the right to air their grievances.

Verra unacceptably requires complainants to cover all expenses associated with Verra's handling of a grievance (and potential subsequent appeal). These costs are only paid back if the grievance is decided in favour of the complainant, which is a clear deterrent to filing grievances.

### Recommendations:

- As recommended above, Verra, CAR and ACR should create a detailed standalone web section about their mechanism, which should be clearly visible to external stakeholders and promoted more generally to raise awareness about its existence.
- Verra, CAR and ACR must proactively raise awareness about the existence of their grievance mechanism (see GCF's IRM for good practice). This also includes requiring project developers to provide adequate offline information, translated when necessary, to indigenous peoples and local communities alerting them to their rights, which must be verified by auditors, if not already done.
- Verra must stop requiring those who file a grievance to cover expenses related to Verra's handling of it, since this is a clear deterrent.



## Transparency

### Key findings:

Verra, CAR and ACR do not have a public grievance repository documenting the type and number of grievances received, including details and outcomes of past cases when the complainant has not requested confidentiality. Perhaps the standards have not yet received grievances via their formal mechanism. If this is the case, it suggests a lack of due diligence and may be tied to the lack of accessibility and visibility of their grievance mechanisms.

Some information is provided regarding the type of staff reviewing the grievance, but there is no detailed description of the process they follow (e.g. review followed by development of investigative team and plan, timeline for resolution).

### Recommendations:

- Verra, CAR and ACR should develop a public grievance repository (however, confidentiality must be upheld when it has been requested by complainants).
- It should also include summary statistics including the number of total grievances filed, whether these are project-specific or methodology-specific, the country of complainants and specific activities/ methodologies on which grievances have been filed (when not confidential), number of decisions/resolutions in favour or against complainants.
- The standards should provide transparent information about the staff assigned to working on grievances as well as more on the steps of the grievance process.



## Predictability

### Key findings:

CAR does not provide a detailed stepwise description of the process of reviewing a grievance. Verra and ACR provide a general description of internal steps, but neither they nor CAR give indicative timelines for each step from start to finish. Their documentation does not indicate how regularly complainants are updated throughout the grievance process.

Lack of clarity on the predictability of the process may discourage some complainants from filing a grievance and can cause misunderstanding and frustration for those who have but are not sufficiently informed as it progresses.

### Recommendations:

- The standards should publish detailed step-by-step descriptions of how grievances are addressed in a clear and reader-friendly manner with indicative time frames.



## Independence

### Key findings:

Verra, CAR and ACR do not appear to have adequate provisions for an independent and dedicated team or person to handle grievances: Verra appoints an “appropriate person”, who may convene external experts, but no details are provided on their or the overall process’ independence and on avoidance of conflicts of interest; ACR appoints a representative who will not have been involved in the subject of the grievance, which is positive, but there is insufficient detail about the independence of the representative and the overall process; CAR does not address this issue.

Verra and ACR allow complainants to appeal decisions if they are not satisfied with the outcome, which is good practice. CAR does not mention appeals.

### Recommendations:

- Verra, CAR and ACR should take more steps to ensure the independence and impartiality of their process, including through assigning independent staff specifically dedicated to grievances. Verra and CAR should draw up, or make public, conflict of interest provisions regarding grievances.
- CAR must incorporate an appeals process within its mechanism.



## Adequacy

### Key findings:

Verra, CAR and ACR do not provide detailed information on the potential remedies they provide as outcomes to the grievance process. Verra indicates an earlier decision can be overturned, but it is not clear what scope this covers (i.e. project registration, issuance, a methodological rule, other issues?).

CAR suggests that if over-issuance of carbon credits from a project were determined, then the remedy would be to cancel or withhold credits accordingly - this is a good and clear example, but no additional examples of possible remedies are provided. ACR gives no examples.

The three standards allow grievances to be filed at any time, which is positive. In addition, senior management is made aware of grievances. No mention is made about whether projects that are the subject of a grievance are flagged on the standard’s registry and project page.

### Recommendations:

- Verra and CAR should provide more specific examples of possible remedies a complainant can seek when filing a grievance. These should include but not be limited to: deregistration of a project, revision to a methodology or programme rule, cancellation of credits to account for over-crediting, monetary or other compensation. ACR does not provide any examples, and should.
- Verra, CAR and ACR should flag projects that are the subject of a grievance on the registry and project page (this flag serves to transparently showcase that an investigation is underway and can note that fault should not be presumed).



## Safeguards

### Key findings:

Verra and ACR give the option of confidentiality to those who file grievances, which is good practice. CAR does not cover this, which gives the impression to a possible complainant that this may not be possible and hence acts as a deterrent.

The standards do not detail whether and how they aim to use past experience to improve their grievance processes, such as by: analysing past complaints and appeals to identify improvements in their review process and to address underlying root causes leading to grievances in the first place.

### Recommendations:

- Verra, CAR and ACR should formalise an approach to continually improve their grievance process based on past experiences (or they should communicate about it in their grievance documentation if this approach exists but isn't public).
- CAR must provide the option of confidentiality to those who file grievances, and this should be made clear in its documentation.

# Gold Standard

[Gold Standard](#), headquartered in Switzerland, has 2,740 listed projects and has issued 238.3 million carbon credits, with 45% from renewable energy sector and 40% related to household and community devices such as improved cookstoves.<sup>5</sup>

The Gold Standard grievance mechanism is clearly the frontrunner among voluntary carbon market standards. Its procedure, which has undergone previous revisions, is considerably more detailed than those of Verra, CAR and ACR. It nearly fully satisfies the six criteria of accessibility, transparency, predictability, independence, adequacy and safeguards.

Gold Standard has a dedicated webpage for its grievance mechanism. It contains a clear 10-step process with indicative timelines; a public repository detailing information about past grievances and their outcomes, including projects that have been invalidated; and a link to the full grievance mechanism documentation.

The standard also is required to develop an investigation plan for each grievance and appoint a dedicated team for its management, with a provision to avoid conflict of interest. Gold Standard also translates the investigation plan, outcomes and decisions to the language of the complainants upon request. Moreover, crediting projects that are the subject of grievances are flagged on the Gold Standard website to show that an investigation is underway.

[Table 2](#) provides an overview of good practices especially from Gold Standard and GCF's IRM.

The main recommendations for improvement for Gold Standard concern enhancing accessibility by:

- Translating the dedicated webpage on the grievance mechanism into other languages, for example the official UN languages at a minimum
- Providing direct information on how to submit grievances on the dedicated webpage, i.e. adding the grievance submission e-mail address and related submission requirements. Currently, there is a hyperlink to the grievance documentation where information about how to file a grievance can ultimately be found, but this could be communicated directly on the webpage
- Clarifying the links and differences between grievances filed to Gold Standard versus to SustainCERT, which are not evident at a first glance.

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<sup>5</sup> Ivy S. So, Barbara K. Haya, Micah Elias (2023, January), Voluntary Registry Offsets Database, Berkeley Carbon Trading Project, University of California, Berkeley.

# Green Climate Fund's Independent Redress Mechanism

Even the Gold Standard does not reach the level of the Green Climate Fund (GCF) Independent Redress Mechanism (IRM). The IRM effectively serves as a standalone institution that is independent from the GCF secretariat and that reports directly to the GCF's board.

The IRM satisfies the six assessment criteria as illustrated in summary ([Table 1](#)) and the good practices ([Table 2](#)), with the exception that it does not grant complainants a right to appeal the final report it submits to the GCF board. The IRM has made particular efforts to enhance accessibility, such as by adopting a proactive approach to raising awareness and providing information about the IRM to its stakeholders through meetings and the dissemination of publications, including a brochure in 14 languages explaining how to file a complaint.









Overall, GCF's Independent Redress Mechanism and the Gold Standard are the two clear frontrunners from this assessment in terms of the quality of their grievance mechanisms. Their approaches provide clear guidance and lessons to other VCM standards for improvement and to the Article 6.4 Supervisory Body for the future development of its own mechanism.

Key findings across the assessed mechanisms are summarised in [Table 1](#), and good practices are summarised in [Table 2](#).



**Table 1. Study’s summary assessment of grievance mechanisms against six key criteria**

Criteria	Level 1: Carbon market standards with no grievance mechanism in place	Level 2: Carbon market standards with grievance mechanisms in place, but low level of detail and where a significant improvement is required			Level 3: Entities with grievance mechanisms regulated with a good level of detail	
	Global Carbon Council	Verra	American Carbon Registry	Climate Action Reserve	Gold Standard	Green Climate Fund’s Independent Redress Mechanism
<b>Accessibility</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>All expenses must be covered by complainant unless final decision is favourable to their grievance</li> <li>Only internet submissions</li> <li>Information exclusively in English and not presented in a user-friendly manner</li> </ul>	<ul style="list-style-type: none"> <li>No direct access point or standalone webpage</li> <li>Only internet submissions</li> <li>Information exclusively in English and not presented in a user-friendly manner</li> </ul>	<ul style="list-style-type: none"> <li>No direct access point or standalone webpage</li> <li>Only internet submissions</li> <li>Information exclusively in English and not presented in a user-friendly manner</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated grievance mechanism website and detailed guidance explaining the procedure to be followed</li> <li>Resolutions of the grievances can be translated to other languages upon request</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated website that provides easy-to-digest information on the mechanism, visible point access to file a grievance, and access to resources, news, and multimedia for users to increase understanding of the mechanism</li> <li>Proactive approach to raising awareness about the mechanism (e.g., through meetings, publications, 14-language brochure)</li> <li>Communication and translation into complainants’ language possible</li> </ul>
<b>Transparency</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>No grievance repository available</li> </ul>	<ul style="list-style-type: none"> <li>No grievance repository available</li> </ul>	<ul style="list-style-type: none"> <li>No grievance repository available</li> </ul>	<ul style="list-style-type: none"> <li>Grievance repository available</li> <li>Detailed description of the process to be undertaken (e.g., development of investigation plan, the timeline for resolution)</li> </ul>	<ul style="list-style-type: none"> <li>Grievance repository available</li> <li>Detailed description of the process to be undertaken</li> <li>Full disclosure of current IRM staff members, and past staff members</li> </ul>
<b>Predictability</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>General description of the process, but no indicative time frames provided</li> </ul>	<ul style="list-style-type: none"> <li>General description of the process, but no indicative time frames provided</li> </ul>	<ul style="list-style-type: none"> <li>General description of the process, but no step-wise description nor indicative time frames provided</li> </ul>	<ul style="list-style-type: none"> <li>Step-wise description (10 steps) and timeframe for each step provided in a very clear and reader-friendly manner</li> <li>Regular updates given to complainants</li> </ul>	<ul style="list-style-type: none"> <li>Step-wise description and timeframe for each step provided in a very clear and reader-friendly manner</li> <li>Regular updates given to complainants</li> </ul>
<b>Independence</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>No detailed description of how the complaint will be managed within the standard (it only says that an “appropriate person” will be appointed)</li> <li>External experts can be appointed</li> <li>Right to appeal regulated</li> </ul>	<ul style="list-style-type: none"> <li>ACR representative appointed should not have been involved in the issue</li> <li>Right to appeal regulated</li> </ul>	<ul style="list-style-type: none"> <li>No clear provisions on independence of mechanism</li> <li>Right to appeal is not regulated</li> </ul>	<ul style="list-style-type: none"> <li>In-house independent team to be appointed for the management of grievances</li> <li>Staff involved in the investigation to declare any potential conflict of interests and when necessary, disqualify themselves accordingly</li> <li>External experts can be appointed</li> <li>Right to appeal regulated</li> </ul>	<ul style="list-style-type: none"> <li>IRM team is independent from the GCF staff, has access to GCF records, reports directly to GCF Board</li> <li>Complainants have no right to appeal the final compliance report submitted by the IRM to the Board</li> </ul>
<b>Adequacy</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Submission can be made at any time</li> <li>No clarity on specific potential remedies, but previous Verra decisions can be overturned (unclear what the scope of ‘decisions’ is)</li> <li>Senior management aware of grievances (final decision brought to CEO’s attention) and appeals (addressed to CEO)</li> </ul>	<ul style="list-style-type: none"> <li>Submission can be made at any time</li> <li>No clarity on potential remedies</li> <li>Senior management aware of grievances and appeals</li> </ul>	<ul style="list-style-type: none"> <li>Submission can be made at any time</li> <li>Potential remedies include correcting for over-issuance; no other examples</li> <li>Senior management aware of grievances</li> </ul>	<ul style="list-style-type: none"> <li>Submission can be made at any time</li> <li>Carbon crediting projects subject to an ongoing grievance are flagged on the GS project registry webpage (transparently showcases an investigation is underway while noting fault should not be presumed)</li> <li>Senior management (board) aware of grievances</li> </ul>	<ul style="list-style-type: none"> <li>Submission can be made at any time, but will not be considered if made either two years after the date the complainant became aware of adverse impacts or two years after closure of GCF-funded project</li> <li>Higher authorities are aware of grievances related to GCF projects</li> <li>Two types of approaches to address complaints regulated: a problem-solving approach (voluntary) and compliance review</li> </ul>
<b>Safeguards</b> 	<ul style="list-style-type: none"> <li>No grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Option to file grievances confidentially (not anonymously)</li> <li>No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation</li> </ul>	<ul style="list-style-type: none"> <li>Option to file grievances confidentially</li> <li>No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation</li> </ul>	<ul style="list-style-type: none"> <li>Option to file grievances confidentially and/or anonymously not regulated</li> <li>No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation</li> </ul>	<ul style="list-style-type: none"> <li>Option to file grievances confidentially</li> <li>Anonymous complaints are accepted but not encouraged</li> <li>Reprisals against complainants are prohibited, although it is not specified how this will be enforced</li> <li>Improvements of the mechanism based on past experiences are regulated</li> </ul>	<ul style="list-style-type: none"> <li>Confidentiality is provided upon request but anonymous complaints are not allowed</li> <li>Detailed guidance on operationalizing the retaliation safeguards</li> <li>Guidance on cooperation between the IRM and other grievance mechanisms</li> <li>Improvements of the mechanism based on past experiences are regulated</li> </ul>



# Recommendations for the Article 6.4 Supervisory Body

The findings [of this study](#) give important lessons to the [Article 6.4 Supervisory Body](#) (SB), which is required to set up its own independent grievance procedure following the UN decision at COP26: “Stakeholders, activity participants and participating Parties may appeal decisions of the [Article 6.4] Supervisory Body or request that a grievance be addressed by an independent grievance process” ([Decision 3/CMA.3, annex, paragraph 62](#)).

While no timeline was mandated at COP26 for setting up the grievance mechanism, work should begin on it urgently since it should be completed before any carbon crediting projects are registered. This is essential to ensure that key stakeholders that might be involved in or impacted by projects, such as indigenous peoples and local communities, have a right to redress.

Carbon Market Watch urges SB members, the UNFCCC secretariat, and external experts involved in the development of the SB’s grievance mechanism to consider the below recommendations. These are complemented by a collection of good practices from the grievance mechanisms assessed in the aforementioned study, summarised in [Table 2](#).

## Recommendations on procedural matters:

- Setting up the grievance mechanism under the SB needs to start soon and must be a top priority on the SB’s agenda. The design of a grievance mechanism may be lengthy, and it is of the utmost importance that a mechanism be up and running before any Article 6.4 activities are registered or credits are issued.
- Further studies must be undertaken regarding the mechanisms’ institutional arrangements, such as identifying where the mechanism should be institutionally situated and how it should be governed, clarifying the scope of grievances and remedies to be provided, and the interplay with other grievance mechanisms.
- The SB’s mandate also includes a provision for stakeholders to “appeal decisions of the Supervisory Body” ([Decision 3/CMA.3, Annex, §62](#)). CMW views an appeals process as distinct from a grievance process, since the former would be used to specifically appeal SB decisions, which are already being made without the possibility of stakeholders to appeal them if desired. An independent appeals process hence should be set up, which can be done quickly compared to a grievance process that will justifiably take more time to properly develop.

## Recommendations to ensure accessibility

- Users worldwide must be able to rapidly and easily access the grievance mechanism (both online and offline), including its related information, and be fully capable of lodging a grievance with no or minimal support by experts.
- Promotion, awareness raising and outcomes/ remedies of the grievance mechanism must be gender-responsive and culturally appropriate.
- The grievance mechanism needs to be actively promoted to create awareness among potential users.

## Recommendations to ensure transparency

- Transparency must be guaranteed on the operation of the mechanism and its rules, as well as the grievances filed and the remedies provided (except where confidentiality has been requested or is required to protect vulnerable actors).
- A public grievance repository should be developed (confidentiality to be ensured when requested). It should include summary statistics such as number of total grievances filed, types of grievance (e.g. project-/methodology-/SB- level), country of complainants, specific activities/methodologies on which grievances were filed (when not confidential), number of resolutions in favour/ against complainants.

### **Recommendations to ensure predictability**

- Clear rules and procedures, an easily understandable step-wise description of the process with indicative timeframes, and regular communication with the complainant are all essential to ensure the predictability of the mechanism.

### **Recommendations to ensure independence**

- The Article 6.4 grievance mechanism must be fully independent. An independent and impartial team should be appointed to manage the grievance process, and while it should notify the A6.4SB about grievances, the A6.4SB should not have any interference in the remedies to be provided.

### **Recommendations to ensure adequacy**

- The Article 6.4 grievance mechanism remedies need to have “teeth” and be able to challenge/overturn decisions made by the Article 6.4SB if necessary.
- Projects under investigation due to a grievance should be flagged on the Article 6.4 registry. This flag serves to transparently show that an investigation is underway and can note that fault should not be presumed.

### **Recommendations to ensure safeguards**

- Confidentiality for complainants should be ensured, and retaliation safeguards need to be developed.
- The grievance mechanism needs to be a “living mechanism”, whereby experiences in managing the process should be used to constantly improve it and to prevent or eliminate the root causes leading to grievances.





The below table provides a summary of good practices from the grievance mechanisms assessed in the aforementioned study, which can serve as a reference guide for voluntary carbon market standards, such as Verra, ACR and CAR in urgently improving their grievance mechanisms (and GCC in developing one), as well as for the SB in designing its own mechanism.



## Table 2. Summary of good practices from the assessed grievance mechanisms

Note: Gold Standard (GS), Green Climate Fund's Independent Redress Mechanism (IRM), Verra, American Carbon Registry (ACR), Climate Action Reserve (CAR)

<p><b>Accessibility</b></p> 	<ul style="list-style-type: none"> <li>• Access point to grievance mechanism included on the home webpage (GS, IRM)</li> <li>• Dedicated website for the grievance mechanism (GS, IRM)</li> <li>• Submissions of grievances at any time (all mechanisms) and in any language (IRM)</li> <li>• Wide range of options and no formal requirements for grievance submissions (online complaints form, mail, Whatsapp, email, voice or video recording, or by calling a toll-free hotline, in-person meeting at the place where the complainant or the project/programme is located) (IRM)</li> <li>• Different forms of evidence are accepted (e.g. media reports, testimonials in original language, photographs, research studies, letters of support from stakeholders) (GS, IRM)</li> <li>• Requirement that the grievance mechanism is explained by the project developer during the stakeholder consultation through adequate means (during meeting with the community and through media widely used by the community) (IRM)</li> <li>• Translation of outcomes and decisions to the language of the complainants (GS, IRM)</li> </ul>
<p><b>Transparency</b></p> 	<ul style="list-style-type: none"> <li>• Grievance repository made publicly available online by the responsible entity with all decisions on past grievances filed and all documents included in the original language throughout the process, as well as summary statistics, while respecting confidentiality when needed (GS, IRM)</li> <li>• Possibility for stakeholders lacking access to the online version to request paper version of documents at nominal fee (IRM)</li> <li>• Publication of examples of potential grievances that the grievance mechanism accepts and rejects (GS, IRM)</li> <li>• Publicly available information on staff responsible to work on grievances (IRM)</li> <li>• Appointment of grievance investigation team (GS) and independent third-party reviewer when needed (Verra, GS)</li> <li>• Development of an investigation plan on how grievance will be addressed that can be translated upon request (GS)</li> <li>• If grievance submission is ineligible, an explanation and recommendation on how to file grievance correctly is provided if possible (GS)</li> </ul>
<p><b>Predictability</b></p> 	<ul style="list-style-type: none"> <li>• Detailed stepwise description of the process of dealing with a grievance with timeframe for each step specified (GS, IRM)</li> <li>• Regular updates to the complainants regarding the status of their grievances (GS, IRM)</li> <li>• Notification of positive/negative outcome through written/oral means explaining the reasons (GS, IRM, ACR, Verra)</li> <li>• Procedures in place to monitor/follow-up implementation of corrective actions (GS, IRM)</li> <li>• Clarity on the potential outcomes/remedies (such as monetary compensations, the overturning of decisions made by certification body, the deregistration of a project, and the reversal of land evictions) (GS, IRM, partially Verra and CAR)</li> <li>• Clear procedures to follow up with project developers and stakeholders regarding the implementation of grievance mechanism decisions (IRM)</li> </ul>
<p><b>Independence</b></p> 	<ul style="list-style-type: none"> <li>• Distinctly separate or in-house independent team or person appointed to handle the grievances (IRM, GS)</li> <li>• Formal appeal process including options to escalate the grievance to other authorities within the entity if complainant is not satisfied with outcome (ACR, GS, Verra)</li> <li>• Policies in place to avoid conflict of interest regarding staff members of the entity (e.g., parties need to declare potential conflict of interest, staff member assigned to should not have been involved in the issue discussed) (GS, IRM, ACR)</li> </ul>
<p><b>Adequacy</b></p> 	<ul style="list-style-type: none"> <li>• Possibility to overturn a prior decision (Verra), to deregister a project (GS), to address over-crediting (CAR)</li> <li>• Crediting projects that are the subject of grievances are flagged on the registry website to show that an investigation is underway (GS)</li> <li>• Adequate and sufficient resources (staff, financial resources) to operate effectively (IRM)</li> <li>• Involvement of high-level decision-makers of the entity (e.g., Board, Executive Secretary, Presidents, etc) (all mechanisms)</li> <li>• Option of either a compliance review or a voluntary "problem-solving approach" to address grievances - latter approach does not seek to determine culpability but rather focuses on assisting parties (who must all agree to cooperate) to find an effective solution (IRM)</li> </ul>
<p><b>Safeguards</b></p> 	<ul style="list-style-type: none"> <li>• Option of confidentiality is provided (ACR, Verra, GS, IRM);</li> <li>• Option of anonymity is provided with explanation of potential downsides of this option (GS)</li> <li>• Safeguards to prevent potential retaliations and regulate how all affected parties can be given a fair say in the process to better understand the issues and the context (IRM)</li> <li>• Provisions on how the grievance mechanism relates to mechanisms of the project host country or other mechanisms of other entities and donors (such as grievances that relate to the laws, policies, and regulations of the host country are not deemed eligible) (IRM)</li> </ul>
<p><b>Source of continuous learning</b></p>	<ul style="list-style-type: none"> <li>• Approach to continually make improvements to mechanism based on past experiences (GS, IRM)</li> <li>• Identify recurrent issues and geographical areas that generate most of the complaints</li> <li>• Organise periodic meetings with senior representatives and boards to discuss lessons learned and insights from handling cases or good international practices (IRM)</li> </ul>



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