

## Agenda item 4.3

Paragraph 60 of the annotated agenda

# Sustainable Development Co-benefits and Negative Impacts of CDM Project Activities

**CDM EB 65**

Durban, South Africa, 21-25 November, 2011



# Background

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- The EB decided at its sixty-first meeting to launch a call for inputs from 3 June to 3 July 2011 to seek comments on the following issues:
  - a) How to include co-benefits and negative impacts in the documentation of CDM project activities, and
  - b) The role of the different actors and stakeholders in this process.
- This presentation summarizes comments received and highlight issues for consideration by the Executive Board
- Bracketed numbers in red [x] refers to number of submissions addressing the specific issue



## Submission received

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Ten submissions were received from the following stakeholders:

- 1) Project Developers Forum,
- 2) International Emissions Trading Association,
- 3) Institute for Global Environmental Strategies,
- 4) Gold Standard,
- 5) Wuppertal Institute,
- 6) CDM Watch,
- 7) Centre for International Environmental Law and Earth Justice,
- 8) Global Alliance for Incinerator Alternatives,
- 9) Beijing Wenhui Economic Consult Centre and
- 10) Regional Sustainable Energy Centre of Excellence.



## Aim of Submissions

- Three key objectives: [5]
  1. Enhance CDM's SD benefits
  2. Ensure that projects do not cause human or environmental harm
  3. Improve stakeholders participation to ensure accountability, fairness and transparency
- Increase visibility of co-benefits [1]
- No changes needed [2]
- Not addressed [2]

## Definition

1. Definition of Sustainable Development is lacking

## Dual need

1. Qualitative assessment of SD benefits
2. Quantitative assessment of SD benefits

### Options for SD Indicators and Safeguards

- Generic SD definition and matrix approach (type Gold Standard) [6]
- Project specific indicators included in methodologies or tailored for specific project types. [3]
- Negative list of unsustainable project types. [2]
- “Do no harm” assessments of projects based on Millennium Development Goals (refer to MDG signed by 189 UN member states and Cancun Agreement (1/16CP para 8 “...parties should...fully respect human rights”)) [4]

### Stakeholder Involvement

Two stakeholder consultations in design phase: [5]

- a) First stakeholder consultations
- b) Second stakeholder feedback round to reflect how comments in first consultations were taken into account

Global stakeholder consultation process [3]

- Increase comment period for projects and methodologies
- Improved on-line access to all relevant documents

### Means to address grievances [4]

- Process to allow affected stakeholders to raise complaints about negative impact from CDM.
- Three levels of addressing grievances, in escalating order:
  1. DOE
  2. DNA
  3. EB

### Declaration, Monitoring & Verification [5]

Compliance with SD indicators/safeguards to be monitored

1. PP to develop a sustainability monitoring plan as part of PDD:
  - Indicators
  - Means for monitoring
  - Measures to mitigate negative impact
2. Compliance and claims to be verified by DOE
3. Final determination of whether project is contributing to SD to be left to DNA

## Areas of possible further work:

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The submissions highlight the need to undertake further work as follows:

1. Define of SD indicators and “Do no harm” safeguards for CDM projects
2. Improve stakeholder involvement at local and global levels, including a process for grievances
3. Improve declaration of co-benefits, including monitoring and verification thereafter



## The EB may wish to request the Secretariat to:

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1. Prepare, for the consideration by the EB, a list of SD criteria and safeguards, including a simple SD tool or checklists to assist PP's to describe their project co-benefits in the PDD
2. Recommend to the EB enhancements in procedures for stakeholder involvement at local-global levels, including possible means to consider grievances
3. Prepare a draft reporting and verification standard to monitor and verify claims in the PDD, for the consideration by the EB.

