



F-CDM-RtB

 CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD” (Version 01.1) <i>(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)</i>	
Name of the stakeholder ¹ submitting this form (individual/organisation):	Project Developer Forum
Address and Contact details of the individual submitting this Letter:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail Address: office@pd-forum.net
Title/Subject (give a short title or specify the subject of your submission)	Draft voluntary tool for highlighting sustainable development co-benefits of CDM project activities and programme of activities
Please mention whether the Submitter of the Form is:	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other Stakeholder, please specify PD Forum
Specify whether you want the Letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Purpose of the Letter to the Board: Please use the space below to describe the purpose for submitting Letter to the Board. (Please tick only one of the four types in each submission)	
<input checked="" type="checkbox"/> Type I: <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;"><input type="checkbox"/> Request Clarification</div> <div style="border: 1px solid black; padding: 2px;"><input checked="" type="checkbox"/> Revision of Existing Rules</div> </div> <ul style="list-style-type: none"> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input checked="" type="checkbox"/> Others. Please specify reference Comment on SD benefit tool <input type="checkbox"/> Type II: Request for Introduction of New Rules <input type="checkbox"/> Type III: Provision of Information and Suggestions on Policy Issues	

¹ Note that DNAs and DOEs shall not use this form to submit letter to the Board.

² Note that the Board may decide to make this Letter and the Response publicly available



Please use the space below to describe in detail the issue that needs to be clarified/revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).

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To cdm-info@unfccc.int
From office@pd-forum.net
Date 08/08/2012
Subject

Dear Mr. Maosheng Duan,
Honorable Members of the CDM Executive Board,
Members of the SD tool implementation team

Thank you for inviting us to respond to this paper. PD Forum members have substantial experience of implementing CDM projects, and we have witnessed the sustainable development impact of our emissions reduction projects first hand. From providing clean energy, reducing GHG emissions to creating green jobs in developing countries, the CDM has already had substantial sustainable development benefits.

Our members also have a deep understanding of the complexities of measuring and defining sustainable development issues. All 10,000 projects in the CDM pipeline describe how stakeholder consultation has been carried out, and each project must detail the project's environmental impact. This is an unprecedented achievement in international environmental policy. Moreover many of our members have been involved in other standards that require co-benefit monitoring, most notably the Gold Standard. Through these experiences we know the difficulty in monitoring co-benefits, particularly when many benefits can be considered highly subjective.

Overall comments

- We remain convinced that sustainable development is best defined and enforced at the national level by governments. It should be consensus that developing countries need to focus on achieving sustainable economic growth and poverty alleviation. However sometimes difficult trade-offs need to be made in achieving this goals. Defining one criteria of an activity as 'sustainable' or not, often does not adequately reflect these difficulty. Rather, a project should be viewed in a macro context. We are pleased that this tool is voluntary, but would be concerned if this tool would become compulsory.
- Monitoring and verifying sustainable development criteria adds costs to the already expensive CDM registration process. For small scale projects, it would make most projects



unaffordable if compulsory.

- Several criteria suggested by the secretariat in the voluntary tool are highly subjective and impossible to verify stringently.
- Our members have an overall positive experience with the Gold Standard, and feel that this already provides an adequate option for those participants wishing to voluntarily monitor sustainability. The Gold Standard has improved and refined its methodology of measuring co-benefits over the last 8 years, and has benefited from considerable learning-by-doing. It is questionable whether this additional workflow is needed for the UNFCCC secretariat, given other priorities, especially ensuring a future for the CDM as a continuing mechanism.
- The CDM does contribute to sustainable development, through green jobs, increased investment, supplying clean energy and creating wealth. However it cannot be considered a 'cure-all' medicine for all of societies' ills. For example, a wind farm in the desert has a relatively small number of co-benefits, as there are few people in the vicinity. However this does not make it a bad project, and it plays its own small contribution to sustainable development.

We have a number of specific comments regarding the tool:

15. 'No harm' matrix

- *The activity is complicit in involuntary resettlement* – In all countries, developed and undeveloped, infrastructure projects can involve involuntary resettlement. If a new train line, hydropower plant or airport is built in the European Union or the United States, there will still be stakeholders who will be moved without their full consent. However if the resettlement complies with local regulations, stakeholders are consulted and adequate compensation is paid, the project still goes ahead. We suggest changing this criterion to *'the activity is complicit in illegal resettlement'*.
- *The activity employs a precautionary approach to avoid negative impacts on ecosystems, communities and vulnerable groups* – this sentence is extremely vague, and we suggest removal of this sentence as this cannot be validated clearly without ambiguity.

It should be noted that most of the criteria will already be illegal in the host country, and we believe national governments are best placed to investigate these issues. The UNFCCC is not mandated and does not have the knowledge of each and every legislation to be a global police force deciding whether an activity is illegal or not. This should be a matter for national governments, police forces and judiciaries or the mandated international UN bodies.

18. Stakeholder consultation

'Local DNA representatives' already issue the letter of approval. We suggest removal of this column.

19. Conformity to legal requirements

We do not believe this criteria is necessary. To receive a host country letter of approval, activities must already conform with local laws and regulations. So the option does not add value to assessing sustainable development.



20. Third party assessment

Third party assessment is almost impossible for many of these criteria, as they are highly subjective, and difficult to monitor. For example verifying that a project has reduced crime, or decreased the risk of political conflicts is hard for an auditor to assess conclusively. Moreover, a third party verifier would require a set of guidance and rules by which to judge each criteria (similar to the current validation and verification manual), which would take a significant amount of time resources from the UNFCCC to establish.

We look forward to a continuing dialogue on this matter; please feel free to contact us with any questions.

Kind regards,

Co-Vice Chair Project Developer Forum

Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).

[replace this bracket with text, the field will expand automatically with size of text]

If necessary, list attached files containing relevant information (if any)

- [replace this bracket with text, the field will expand automatically with size of text]

Section below to be filled in by UNFCCC secretariat

Date when the form was received at UNFCCC secretariat

History of document

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