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To info@unfccc.int
From gareth.phillips@pd-forum.net
Date 5th August 2011
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Subject **Call for Public Inputs on Stakeholder Inputs**

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Mr Martin Hession.
Honorable Members of the CDM Executive Board,

As requested in EB 62, the PD Forum would like to take this opportunity to comment on the local and global stakeholder consultation procedures.

Local Stakeholder Consultation Procedures

Whilst developing projects in different jurisdictions, it is usual that local or national EIA or other approval processes involve a local stakeholder consultation process. These local stakeholder consultation processes are usually undertaken according to regulated criteria and developed with the purpose of ensuring the participation of a large number of local stakeholders. To avoid over-burdening local stakeholders, it is sometimes preferable to combine the CDM local stakeholder consultation with other such local consultation exercises. However, on occasions we find that DOEs are unwilling to accept such actions and insist that a specific CDM local stakeholder consultation process is required. We would request that the EB clarify that the key principle of the local stakeholder consultation is to provide local stakeholders with a chance to comment upon the project and that this does not necessarily mean that a CDM specific consultation is required.

Furthermore, on occasions DOEs are asked to consider stakeholder views which are not entirely aligned with local or national regulations. We would request that the EB clarify that in such cases, approved regulations must take precedence over stakeholder expectations and that CDM projects are only required to meet the relevant regulatory standards.

Global Stakeholder Consultation Procedures

Project Developers are increasingly receiving emailed comments of a dubious nature during the global stakeholder consultation process. We are finding that these comments

- Are being duplicated and submitted to many projects;
- Are often un-specific and contain many issues which may or may not be related to the project in question;
- Are not being sent from *bona fide* stakeholders;
- Are taking up an increasing amount of DOE time, thereby increasing the costs and transaction burden.

Whilst the PDF fully respects and supports the CDM's stakeholder consultation procedures, we are of the

opinion that these comments are not being submitted by genuine stakeholders, they are not raising genuine concerns and they are purposefully designed to slow down the validation process and increase the transaction burden.

Recalling the discussion at EB 61, we note that genuine comments should satisfy the following criteria:

- 1) That the stakeholder is a genuine person or legal entity who is impacted by the actions of the project. In order to preserve the transparency principle stated in the VVM, a DOE cannot engage in discussion of any comments if the entity does not exist, is anonymous, uses a false name etc. The DOE can protect a stakeholder's identity if required, in which case the submitting party should identify themselves to the DOE, but request that their identity remains confidential.
- 2) The comments are specific to the project in question. Comments can be derived from a generic statement such as "the project is not additional" but further detail must be given to explain why this particular project is not additional.
- 3) This information must be objectively verifiable. A statement such as "this project is not additional because the financial analysis is not correct" is not objectively verifiable. Stakeholders must present information which DOEs can use to challenge the statements made by the PP in the PDD.

Comments which fail to meet any of these criteria shall be discarded by DOEs.

Furthermore, the PD Forum recommends the following measures to improve the integrity of the Global Stakeholder Consultation:

The PD Forum has a number of proposals to increase the credibility of the Global Stakeholder Consultation procedures:

- 1) Under the current procedures, stakeholders who wish to submit comments by email should first register with the UNFCCC. The PD Forum proposes that this registration process is strengthened such that on applying for registrations as a bona fide stakeholder, applicants are requested to provide an email address, a postal address and a telephone number. In the event that the DOE wishes to verify the stakeholders identify, these details may be used. On completion of registration, a password is sent to the stakeholder which they can use to submit their comments via a web-interface. Stakeholders can, for the meantime, still continue to submit comments by fax and letter without registering.
- 2) Under the current procedures, comments are submitted via logging in with the username and password. We propose that this is strengthened by requiring comments to be submitted into a web-based form which is then stored as a part of a database in a searchable format. The benefits of this proposal are as follows:
 - a. Submitting duplicated comments will be slightly more burdensome for stakeholders and may help act to discourage cutting and pasting of comments
 - b. All comments submitted in the form will be searchable which means that DOEs can quickly check if the comments are duplicated. In the event that comments are found to be duplicated without justification, the DOE would have grounds to suspect that comment is not genuine.
- 3) A record of the comments submitted by each stakeholder will be available to the DOE and the UNFCCC. Comments submitted by stakeholders who have submitted two or more comments which are considered to be fake or non-genuine shall be automatically disregarded by DOEs and shall not take up any further time. DOEs shall notify the Secretariat if submitted comments are

considered, in the DOE's professional opinion, to be non-genuine based on an assessment of the comments against the criteria listed above.

- 4) DOEs are explicitly given the authority to:
- a. Contact stakeholders to ask for more information which needs to be supplied within a reasonable period of time. Failure to respond in time or to respond with adequate information would result in the comment being discarded;
 - b. Determine whether comments are genuine or not based on their experience of stakeholder comments and steps that they may take to verify the nature of comments against the criteria listed above. If necessary, DOEs may propose new criteria if they consider that stakeholders are continuing to submit non-genuine comments; and
 - c. Explain how they have taken due account of comments (as per paragraph 40 f of Decision 17 CP7) which includes the authority to state their opinion that:
 - i. comments are not genuine; or
 - ii. confirm that genuine comments have already been addressed in the validation process to date;
 - iii. confirm that genuine comments have already been addressed via existing host country environmental and social impact assessment procedures.

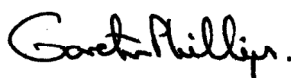
With regards to the submission and consideration of stakeholder comments post registration, PD-Forum considers that suitable procedures are already in place via the rights of host and non-host parties to trigger a request for review and ultimately, to suspend or withdraw a Letter of Approval or Authorisation issued to a Project Participant.

The PD Forum would like to emphasise that its members take the stakeholder consultation process extremely seriously. We strongly believe that current procedures, which follow the principles laid out in the Marrakech Accords, provide sufficient opportunity for stakeholders to give comments on the environmental and social impacts of the project. The proposals made above will strengthen the implementation of the current procedures.

Further, in our experience, the validation of both global and local stakeholder comments is rigorously undertaken by DOEs who may chose to invite additional comments from stakeholders during on-site inspections if they deem this necessary.

We do not therefore believe that any fundamental change in the procedures to gather comments from stakeholders is necessary.

Kind regards,



Gareth Phillips
Chairman, Project Developer Forum