



Annex 6

**INFORMATION NOTE ON IMPROVEMENTS OF GUIDANCE REGARDING STAKEHOLDER
AND PUBLIC PARTICIPATION**

This annex contains a document submitted a member of the Board. The document is reproduced as submitted.

Issues related to

- a) the consideration of stakeholder comment**
- b) the timing of feedback to project proponents**

Pedro Martins Barata
Discussion note to Executive Board
EB 61

Problem definition

Over the last few years, the public perception of the Clean Development Mechanism has been shaped in part by criticism over the performance of the Mechanism, both in relation to its internal procedures (slowness, inadequacy of the regulator, lack of capacity in validators, among others) and in relation to its rules on public participation and responsiveness to external stakeholders.

Regardless of the contentions of these stakeholders and the merit of their opinions, which is in no way the object of this note, some criticism can be traced back to the experience of different stakeholders, affected communities on the level of responsiveness of the different modes for public participation in the CDM project cycle.

The Board, and all those interested in the development of the Clean Development Mechanism, should welcome the broadest possible level of public participation.

In that regard, it may be necessary for the Board to provide further guidance to the Designated Operational Entities on how to ensure effective public participation in the CDM process.

Current rules regarding stakeholder comment periods and public participation

There are several rules framing the requirement for public participation in the CDM. Decision 3/CMP.1 (Modalities and procedures for the Clean Development Mechanism):

- Para 1e) gives the definition of stakeholder in the CDM context:
- “Stakeholders” means the public, including individuals, groups or communities affected, or likely to be affected, by the proposed clean development mechanism project activity.
- Para 16 mentions that meetings of the Board are open to attendance by stakeholders.
- Para 37b) requires that DOE confirm that comments from stakeholders have been invited and taken into account.
- Para 40c) states that comments from stakeholders will be received by the DOE and these will be made publicly available.
- Para 62 states that the DOE may conduct on-site visits and interviews with local stakeholders.

This set of paragraphs, in particular paragraphs 37 and 40 on validation are translated in the Validation and Verification Manual as a set of validation and reporting requirements:

“128. Local stakeholders shall be invited by the PPs to comment on the proposed CDM project activity prior to the publication of the PDD on the UNFCCC website.

(ii) Means of validation

129. The DOE shall, by means of document review and interviews with local

stakeholders as

appropriate, determine whether:

- (a) Comments by local stakeholders that can reasonably be considered relevant for the proposed CDM project activity, have been invited;
- (b) The summary of the comments received as provided in the PDD is complete;
- (c) The project participants have taken due account of any comments received and have described this process in the PDD.

(iii) Reporting requirements

130. The validation report shall:

- (a) Describe the steps taken to assess the adequacy of the local stakeholder consultation;
- (b) State the DOE's opinion on the adequacy of the local stakeholder consultation."

A separate paragraph highlights the result of stakeholder consultation, as expressed in the validation report:

"173. The report shall:

- (a) State the DOE's conclusions regarding the proposed CDM project activity's conformity with applicable CDM requirements;
- (b) Give an overview of the validation activities carried out by the DOE in order to arrive at the final validation conclusions and opinion, including a general discussion of details captured by the validation protocol and conclusions related to CDM requirements;
- (c) **Reflect the results of the dialogue between the DOE and the project participants, as well as any adjustments made to the project design following stakeholder consultation.** It shall reflect the responses to CARs and CLs, and discussions on and revisions to project documentation."

Despite this level of guidance, it would seem, from an analysis of the current practice in the mechanism, that there is a lack of good practice guidance in relation to the promotion of public participation in the development of Clean Development Mechanism. In particular in relation to types of projects that may have unwanted side effects on local communities, it would be important to draw on existing experience in the application of the current rules. A more detailed specification on how the validation and reporting requirements are to be met would meet a demand for better and wider involvement from local communities and local stakeholders.

Review procedure

Furthermore, in the context of the recently revised review procedures, interaction with project proponents and other stakeholders is restricted to the step at which a decision to undertake a review is taken, without prior, more formal interaction with project proponents. A possibility for an early interaction with project proponents and DOEs, coupled with the possibility for other stakeholders to present data on the project in a more formal way might lead to an increased understanding by the Executive Board of the potential grounds for any review. It would also lead to early detection of minor mistakes and corrections in the request for review stage.

Proposal

With this background, it is proposed that:

- i) the Board open up a public consultation on the improvement and further specification of public participation requirements
- ii) that the Secretariat consider developing a listserve to inform potential

stakeholders of upcoming commenting periods for CDM projects, as well as other calls for input on different matters

- iii) that, following such process of public consultation, the Board draw further guidance on the local and global stakeholder consultation procedures, to be inserted as appropriate in future versions of the Validation and Verification Standard;
- iv) that the Board encourage the DOE Forum to address the issue of best practice in promotion of stakeholder involvement, by possibly publishing sets of examples or best practice guidance in validation of such requirement.
- v) That the Board consider, in a further revision to its review procedures, the possibility to open for an early period of potential consultation with project proponents and other stakeholders on the grounds for any review, based on the initial assessment by the secretariat

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