



Durban, 28 November 2011

Open letter to Environment Ministers: Integrity of carbon markets at COP 17

Dear Ministers,

We, more than hundred civil society organisations from 35 countries across all continents, call on Parties to acknowledge the urgency with which climate change needs to be addressed and to agree to ambitious and immediate emissions reduction targets that are in line with the Cancun Agreement to prevent global warming beyond two degrees Celsius. Kyoto Protocol parties must commit to a second commitment period at Durban. The legal and governance structure of the Kyoto Protocol is crucial to ensuring that mitigation commitments are legally binding and have environmental integrity.

We call on Environment Ministers to establish a mandate to agree to an **equitable effort sharing approach** between all countries by COP18. This mandate should be consistent with the equity principles of the UNFCCC, the historical responsibility of developed countries, and the right to sustainable development of developing countries. Particularly, developed countries should commit to binding targets of at least 40% below 1990 levels by 2020.

Moreover, **loopholes must be closed** so as not to undermine already weak targets. Damage from hot air (surplus AAUs) and non-additional carbon credits from Joint Implementation (JI) and the Clean Development Mechanism (CDM) must be addressed. Double counting for new market and non-market mechanisms must absolutely be avoided and accountability for LULUCF needs to be strengthened.

Any market-based mechanism, including the CDM, must be part of a legal mechanism based on ambitious and binding emission reduction commitments. Without such targets, market-based mechanisms are rendered meaningless.

To address the integrity of carbon markets under the UNFCCC, following important policy changes are needed at COP17:

Human rights: Over the past months, CDM projects related to human rights violations have increased pressure on international policy makers to clarify the mandate to safeguards human rights under the UNFCCC. During Durban, Parties must acknowledge that the United Nations, including all its bodies, are required by the UN Charter to not allow human rights violations, which means that it will investigate any claims or evidence about emission reduction projects linked to human rights violations and that emission reduction projects that violate or risk violating human rights are prevented from earning carbon credits.

Appeals procedure: In Durban, Parties will agree on procedures, mechanisms and institutional arrangements for appeals against decisions of the CDM Executive Board. An appeals procedure in the CDM project approval process presents a critical opportunity to introduce coherence and quality control into the EB decision-making process. The right of stakeholders to appeal must be implemented as broadly as possible to address the rights of peoples and communities affected by CDM projects, and the wider impacts that flawed CDM projects have on global climate change and sustainable development.

Carbon Capture and Storage (CCS) in the CDM: The eligibility of CCS projects in the CDM will be discussed in Durban. CCS in the CDM means exporting unproven and risky technologies to developing countries and allowing oil companies to generate millions of carbon credits from enhanced oil production. CCS must remain ineligible until all of the environmental, legal and safety conditions for CDM inclusion have been properly addressed and resolved.

Industrial gases: In Durban, Parties will again discuss if new HCFC-22 facilities should be eligible under the CDM to destroy their HFC-23. However, the high profits of industrial gases offset projects, such as HFCs have been shown to create perverse incentives in the context of the CDM and JI, and should be addressed through non-market-based mechanisms, such as the Montreal Protocol. Ultimately, HFC emissions must be quickly and effectively reduced.

New market mechanisms: In Durban, Parties may agree on a framework for new non-market based and market based mechanisms. New market mechanisms must create a net decrease of emissions. Any framework must include a core set of principles that governs the overall interaction of different mechanisms. These include stringent and binding rules to ensure uniform quality criteria and no double counting, as well as strong safeguards that ensure sustainable development, uphold environmental treaties and the Declaration of Human Rights.

CDM reform: Although the future of the CDM should depend on the future of the second commitment period of the KP, Parties will continue their work on reforming the CDM in Durban. Following changes are needed to address serious shortcomings:

- **Additionality:** Additionality rules must be strengthened to limit the number of free-riders. In particular, large infrastructure CDM projects which are clearly non-additional (e.g. coal power projects and large hydro projects) must be excluded from the CDM.
- **Human rights:** It must be clarified that CDM projects that violate or risk violating human rights are ineligible for registration or will be suspended. Designated National Authorities must be allowed to withdraw letters of approval in case of violations of any of the UN principles or of national legislation.
- **Sustainable development:** Sustainable development co-benefit indicators and a 'do no harm' assessment must be established for CDM projects to avoid negative impacts of CDM projects.
- **Monitoring:** The revised reporting and verification standard must include clear criteria to monitor and verify sustainable development claims made in the PDD, to ensure such claims are actually realised.
- **Stakeholder consultation:** The revised validation and verification standard and project standard must include strong guidelines for improved stakeholder involvement at local and global levels, including rules and guidelines on how stakeholders can raise issues during the implementation of CDM projects.
- **Appeals procedure:** A strong grievance mechanism must be implemented swiftly to give civil society organisations the possibility to appeal against decisions by the CDM Executive Board.

Sincerely,

International:

Earthjustice

Helio International

International Rivers

Transparency International

WWF International

Africa:

DR Congo: MEROU Developpement

Ghana: Christian Aid

Mauritius: Maudesco Friends of the Earth Mauritius

Nigeria: Climate Change Network Nigeria (CCN-Nigeria),

Uganda: Nature Palace Foundation (NPF)

Uganda Network on Toxic Free Malaria Control

Youth Watch

Environment Teachers' Association

Yemen: Al-ajyaal for Sustainable Projects

Americas:

Argentina: Red Nuestras Ciudades

Chile: Ecosistemas

Coalicion Ciudadana por Aisen Reserva de Vida

Colombia: Mujeres del Común

Movimiento Social en Defensa del Río Sogamoso

Dominican Republic: Brigada Cimarrona

El Salvador: La Unidad Ecologica Salvadoreña, UNES

Guatemala: Mesa Nacional de Cambio Climático

Honduras: Fundación Popol Nah Tun

Organización Fraternal Negra Hondureña (OFRANEH)

Mexico: Centro de Estudios de la region Cuicateca Alianza

Mexicana por la Autodeterminacion de los Pueblos (AMAP)

Centro Mexicano de Derecho Ambiental (CEMDA)

Servicios de Apoyo Intercultural. A.C.

Rising Tide Mexico, Revuelta Verde

Jubileo Sur Mexico

UNAM - Instituto de Matemáticas

Maderas del Pueblo del Sureste, A.C.

Entornos Educativos A.C.

Union de Comunidades Indigenas de la Zona Norte del Istmo

Lucero de Lourdes Espindola De la Vega

Movimiento Agrario Indigena Zapatista (MAIZ)

Movimiento Ambientalista Prosalud Apaxco-Atotonilco,

Instituto Mexicano de Gobernanza Medioambiental A.C.,

La Unión Popular Valle Gómez de México

Panama: Centro de Incidencia Ambiental (CIAM)

Asociacion Ambientalista de Chiriqui (ASAMCHI)

Alianza para la Conservacion y el Desarrollo (ACD)

Coordinadora Para La Defensa de Tierras y Aguas

Alianza Ambiental Pro-Desarrollo Integral Unidos por Panama

(AAPRODIUPA)

Paraguay: SOBREVIVENCIA, Amigos de la Tierra Paraguay

Peru: Red Regional Agua y Desarrollo Piura

USA: Sierra Club

Center for International Environmental Law (CIEL)

International Accountability Project

Dr. Michael Dorsey, Dartmouth College (in his own capacity)

Asia:

Bangladesh: Aid Organization

Bangladesh NGOs Network for Radio and Communication

Participatory Research & Action Network (PRAN)

Shelter

Solidarity Workshop

India: Agricultural Development & Training Society (ADATS)

Fair Climate Network, Bangalore

CECOEDECON, Jaipur

LAYA, Vishakapatnam

Paryavaran Mitra, Gujarat

Smt.Nandini Satpathy Memorial Trust, Odisha

Accion Fraternal – RDT Ecology Centre, Anantapur

Social Education Development Society, Penukonda (SEDS)

SACRED, Bidadi; BEST, Pudukotai; SAMUHA, Koppal; JSMBT,

Raichur; iSquareD, Bangalore; Integra Microsystems, Bangalore;

Tristle Technologies Pvt. Ltd.; Falguni Joshi, Gujarat

CPSW, Odisha; RCDRC, Raipur; CeFHA, Vishakapatnam; WASSAN,

Rangareddi; GRAM, Nizamabad; IIMF, Adilabad

Bagepalli Coolie Sangha; PWDS - CART, Tirunelveli

Indira Gandhi Institute of Development; Living Farms

Initiative for Social & Economic Transformation (InSET)

Guru Arjan Dev Institute of Development Studies

Indonesia: CAPP – Ecological Justice, Indonesia

Nepal: Water and Energy Users' Federation (WAFED)

Phillipines: Women's Initiatives for Society, Culture and

Environment (WISE)

Taiwan: Taiwan Environmental Protection Union

Europe:

CDM Watch, Belgium

Climate Concept Foundation, Germany

Evangelischer Entwicklungsdienst (EED), Germany

German Forum Environment and Development, Germany

Lernen – Helfen – Leben e.V., Germany

Misereor, Germany

Klimaverhalten.de, Germany

ASTM, Luxemburg

Ecologistas en Acción, Spain

Eurasia, Middle East and Australia:

Armenia: "Khazer" Ecological and Cultural NGO

Belarus: Green Alliance, Belarus

Afghanistan: Initiatives for Development (IDO)

Australia: Climate Justice Programme (ACJP), Australia

Iran: Iran Sustainable Development Academy

Para Management Sustainable Development Group

Lebanon: IndyACT - The League of Independent Activists