THE GOLD STANDARD:
QUALITY STANDARDS FOR CDM AND JI PROJECTS

DRAFT TECHNICAL APPENDICES

December 2002

INTRODUCTION

The Technical Appendices included in this document are designed both as an integral part and to facilitate the understanding and eventual application of the Gold Standard: Quality Standards for CDM and JI projects. The definitions and procedures described should be understood to complement those approved by the CDM Executive Board, and subsequently by the JI Supervisory Committee, building on them to ensure the environmental integrity of CDM and JI projects. The relevant specific UNFCCC official documents are noted in the text of each Appendix.

Like the main Powerpoint presentation that sets out the Gold Standard, these Appendices are the basis for a final round of consultation, and have been endorsed for this purpose by the Gold Standard Advisory Board. All feedback and further inputs from interested stakeholders are welcome and will be reviewed by the project team and the Standards Advisory Board in the preparation of the final published version.

The questionnaire that accompanies the two documents indicates the main areas on which we are particularly keen to receive comments. As stated, we intend to include further Appendices listing accepted best practices for Environmental Impact Assessment, Public Participation and Stakeholder Consultation, and Monitoring Reporting and Verification methodologies. The intention is not to design new methodologies, but rather to make use of the considerable high quality work that already exists in these fields. Suggestions on best practice would be very welcome.

Please send your comments and any queries to:

thegoldstandard2002@yahoo.co.uk

APPENDIX A: DEFINITIONS OF TECHNOLOGIES

Unless otherwise stated below, applicable definitions are the relevant ones adopted by UNFCCC COP8 (FCCC/2002/CP/L.5) for small-scale project activities under the CDM. These can be found in the documents:

http://unfccc.int/cdm/Panels/ssc/cmandp.pdf
http://unfccc.int/cdm/Panels/sscdsmandp.pdf

Except where specific limits are mentioned in this text, the size restrictions referred to in these UNFCCC documents are not applicable under the Gold Standard, except where projects wish to make use of the fast-track procedures for small-scale projects under the CDM.

A1. RENEWABLE ENERGY

The eligible project types correspond to categories A-D of those qualifying for small-scale project status under the CDM.

A1.1 BIOMASS

For biomass projects, only emission reduction credits derived from electricity generation (including cogeneration) are eligible under the Gold Standard (thus excluding carbon sequestration). The standards outlined by the EUGENE Working group on Biomass apply. For material sourced from further than 40 Km, evidence of sustainability of transport is required to be eligible for the Gold Standard. The following categories of biomass projects are included in the Gold Standard if EUGENE standards are met:

Energy crops (SRC)

Dedicated energy crops used in new generation plants will be from FSC (Forest Stewardship Council[1]) certified sources. A generation plant is "new" if it has entered in operation after January 1, 2002. For existing generation plants using wood (from dedicated energy crops, forestry and arboricultural material), the plant will have to gain FSC certification for the fuel sources to meet the Gold Standard. Environmental impacts shall be minimised. Both the energy crops and generation plant shall be located where no adverse effects on conservation may occur. Material shall not be sourced further than 40km from generation site

Forestry

Dedicated energy crops used in new generation plants will be from FSC (Forest Stewardship Council) certified sources. A generation plant is "new" if it has entered in operation after January 1, 2002. For existing generation plants using wood (from dedicated energy crops, forestry and arboricultural material), the plant will have to gain FSC certification for the fuel sources to meet the Gold Standard. Environmental impacts minimised. Both woodlots and

[1] The Forest Stewardship Council (FSC) is an internationally recognised body accrediting the certification of forests and forest products that are sustainably managed. FSC is the only worldwide organisation offering an independent, credible timber certification scheme for all forest types and plantations, and as such has already received endorsement and active commitment from a wide range of NGOs, including WWF, Friends of the Earth, Greenpeace, Fauna & Flora International, and the RSPB. The FSC is based on a number of international Principles and Criteria that are reflected in more detailed national and local FSC standards.

generation plant shall be located where no adverse effects on conservation may occur. Material shall not be sourced further than 40km from generation site. Relevant national and/or local guidelines for wood plantation shall be followed if stricter than FSC standards.

Agro-processing and other residues

Categories include: bagasse, mustard crop residues, rice and coffee husks, etc; woody waste from industry and vegetable processing biomass residues. As above, material shall not be sourced further than 40km from the generation site.

A1.2 BIOGAS

This category includes landfill gas (LFG) and gas from agro-processing and other residues.

Landfill gas

For LFG projects electricity and heat generation are eligible. With regards to the GHG methane emission reduction component the following applies: eligibility is limited to projects reducing methane emissions at existing sites that are not covered by existing legislation. Eligibility will be limited in time when future legislation comes into force. Only new sites that are in compliance with the EC Landfill Directive 1999/31/EC or equivalent are acceptable.

Agro-processing and other residues

The following project categories are included:

→ Food-processing water treatment (e.g. from brewing) and animal slurries (sewage gas).
→ Waste water treatment projects, including heat and power generation and methane emissions savings.
→ Fertiliser production.

Material must not be sourced further than 40km from the generation site; for greater distances, evidence of the sustainability of the transport used is required to meet the Gold Standard.

A1.3 SMALL, LOW IMPACT HYDRO

The following criteria apply for hydroelectric projects:

→ Run-of-river hydropower plants < 1MW are eligible.
→ Storage plants < 1MW; hydropower plants > 1MW may be eligible if they operate in such a way as to protect the environment.

The hydropower plant must fulfil basic ecological requirements at local scale, so that the river system's principal ecological functions are preserved. At the local level the rivers, which are stored, diverted and pressed through turbines, represent important habitats for ecosystems and are "the backbone" of many endangered landscapes and terrestrial ecosystems. Among the local environmental impacts that should be considered are: disruption of migration paths for fish and benthic organisms, killing of fish by turbines and by sudden changes in the water level, drying out of water courses and flood plain ecosystems, impacts on ground water levels, conversion of river habitats to lake-like habitats, etc.

For the purpose of the Gold Standard, the criteria for green-hydro standard laid out by the Swiss EAWAG apply. All World Commission on Dams recommendations should also be complied with. Criteria marked by (R) apply to run-of river plants, (S) to storage plants and (RS) to both, equally. They include the following basic requirements:

Mangmt. domain	Basic requirements
Minimum Flow	• Goal is a dynamic flow regime, which qualitatively simulates the natural hydrological regime (RS) • Minimum flow which guarantees habitat quality and prevents critical oxygen and chemical concentrations (RS) • No disconnection of lateral rivers (RS) • Minimum water depth for fish migration during critical periods (RS) • Lateral and vertical connectivity (flood plains and groundwater) shall not be substantially disturbed (RS) • Provides sufficient transport capacity for sediments (RS) • Landscape compartments shall not be destroyed (RS) • Flood plain ecosystems shall not be endangered (RS) • Conservation of locally adapted species and ecosystems (RS)
Hydropeaking	• Rate of change of water level should not impair fish and benthic populations (RS) • Reduction in water level should not lead to drying of the water course. (RS) • Protective measures if flood plain ecosystems are impaired. (RS) • No excessive temperature changes due to release of stored water (S) • No isolation of fish and benthic organisms when water level decreases (RS) • No impairment of spawning habitat for fish (RS)
Reservoir management	• Are there feasible alternatives to reservoir flushing? (RS) • Flushing of water intakes only in times of high discharge. (S) • Changes in reservoir levels should not impair lateral ecosystems (flood plains, river shores, …) (R) • Connectivity with lateral rivers should not be impaired (R) • Flushing without compacting the river bed (S) • Sediment accumulation areas should be used as valuable habitats, where feasible. (R) • Special protection of flood plain ecosystems if they are impaired (R) • Flushing in times which are not critical for reproduction (S) • Survival of fish has to be guaranteed before complete draining of reservoirs (S)
Sediment management	• Sediments have to pass through the power plant (RS) • No erosion and no accumulation in the river bed below storage dams and water intakes because of a deficit in sediments. (RS) • Sediment transport should sustain morphological structures, which are typical for the river (RS) • No accumulation of sediments below dams (R) • Riverine habitats have to be established (RS)

Power plant design	• Free fish migration upwards and downwards (as far as technologically feasible) (RS) • Protection of animals against injury and death stemming from power plant operations (turbines, canals, water intakes, …) (RS)

A2. ENERGY EFFICIENCY

The eligible project types correspond to categories G-I of those qualifying for small-scale project status under the CDM, with exception of fossil-fuel switching activities included in categories H and I. Other categories are not acceptable under the Gold Standard.

APPENDIX B: ADDITIONALITY AND BASELINES

This appendix gives further detail on the additionality and baseline requirements laid out in the main Powerpoint presentation. These comprise Questions 1 and 2 and the ODA requirement.

B1. QUESTION 1: ADDITIONALITY – WOULD THE PROJECT HAVE OCCURRED IN THE ABSENCE OF THE CDM?

B1.1 ADDITIONALITY SCREEN 1

In order for a project to meet the Gold Standard:

It must be additional from a technological point of view. This means that the project proposed must go beyond "commercially viable" projects or "normal practice" in terms of technologies employed.

A project is considered to be commercially viable if:

→ The technology is installed and currently operating (at a commercial scale, not pilot scale);
→ It has received funding from external commercial lenders;
→ It is financially viable without research or technology support grants.

A project is considered to be 'normal practice' if more than 5 similar projects have been implemented in the region in the last 5 years.

The definition of 'region' depends on the type of project. For a rural electrification project, the region can be defined as the same county, state or country, depending on its size. For a demand side energy efficiency project in a large manufacturing plant, the region can be defined as the world. Initially, this needs to be assessed on a project-by-project basis by the validator. The definition of 'similar' covers the following elements:

→ Technology
→ Size
→ Process
→ Fuel

In practice the definition will consist of a combination of these elements; which and how many depends on the project type. The box below shows two examples.

Example 1: technology and size

A 10 MW wind park consisting of 1MW turbines is considered to use different technology than a 10 MW wind park consisting of 600kW turbines. This means the former is technologically additional in a region where only the latter has been implemented to date.

A 15 MW wind park consisting of 600kW turbines, however, is considered to use the same technology as a 10 MW wind park consisting of 600kW turbines, i.e. is not technologically additional.

Example 2: Technology, fuel and size

In the case of biomass plants in a given region, a technology is used in common practice with fuel X. A project using this technology with fuel X would be a 'similar' project, i.e. not be technologically additional. A project using the same technology with another fuel, e.g. mustard seed residues would not be a similar project and therefore be technologically additional.

A project using the same technology and fuel X, but of a different size than 'normal practice' would constitute a similar project, i.e. would not be technologically additional.

B1.2 ADDITIONALITY SCREEN 2

The project developer must also justify the additionality of the project through a number of means set out in column 1, which should be tested against the criteria set out in column 2. Where other more specific indicators exist these are presented in the final column. The onus on the project proponent is to provide information to the validator to make an informed judgement on whether the project would be implemented without the carbon finance intervention. This screen is to be applied by the validator / verifier. The validator / verifier will seek to ascertain the role of carbon finance by testing against one of the reasons below.

Reason	*Test*	*Verifiable indicator (where different from test)*
To offset country risk	Based on standard country risk numbers (IFIs/ratings agencies) to illustrate level of risk associated	For example, Standard and Poors, Moodys Investor service
To offer more competitive pricing	Must show the tariff calculation in business plan is reasonable in the local context	Evidence of how prices will be affected by the project
To improve project economics to meet internal hurdle rates	Does the resulting return seem reasonable for the project/technology/ country in question?	Use judgement and consultation with project developers, financial institutions. The project developer shall provide project financial information as evidence.
To improve project economics where there is lack of local credit	IFI references, other credit ratings to establish availability of credit	For example, Standard and Poors, Moodys Investor service, local independent investment analysis, project finance plan
To improve project economics where market distortions exist?	Must show from publicly available data on power/heat prices and financial analysis of the distortion.	Professional judgement may required from IFIs, local financial and research institutions.
To overcome internal institutional barriers.	Demonstrate through existing research and analysis.	Judgement of Validator in local context with assistance as necessary from local experts.
Other verifiable barriers to the investment that the carbon finance will be used to overcome?	If the first 7 are answered with NO, then the project developer should come with a clear justification for the additionality of his project	

B2. QUESTION 1: LOWER EMISSIONS – WILL THE PROJECT RESULT IN LOWER EMISSIONS THAN HAVE OCCURRED IN THE ABSENCE OF THE CDM?

B2.1 LOWER EMISSIONS 1

Baselines must be constructed in a conservative manner in order to reduce opportunities for artificially inflating the amount of emission reduction credits received by a project. In practical terms, where there is uncertainty over one or more numerical data sets (e.g. generator efficiencies, fuel types and resulting emissions factors, etc), the more conservative number should be used (i.e. that which produces the lowest baseline emissions). Similarly, where more than one methodology could equally be applied, the one resulting in fewer emissions reductions should be used. This includes the technical assumptions used to construct the baseline and should take into likely technological development.

Verifiers must be convinced that the methodology used and its application to a project minimise the risk of over-crediting. The Project Design Document must explain how this is the case. Where a convincing case has not been made the applicable methodology approved by the CDM Executive Board that results in the fewest CERs should be used.

B3. OFFICIAL DEVELOPMENT ASSISTANCE ISSUES

In order for the project to meet the Gold Standard the following requirement should be met:

The project financing cannot use Official Development Assistance (ODA) funds.

ODA <u>can</u> be used for any of the following aspects of the carbon project development cycle:

→ Capacity building
→ Project feasibility study and CDM component identification
→ CDM project component preparation (including baseline and Monitoring Plan)

ODA <u>cannot</u> be used to cover:

→ Purchase of new technology
→ Installation costs
→ Running costs
→ General project investments cost excluding CDM components
→ Monitoring and verification addition to normal practice
→ Validation and certification
→ Purchase of Certificate Emission Reductions (CERs)

APPENDIX C: SUSTAINABLE DEVELOPMENT

C1. ENVIRONMENTAL IMPACT ASSESSMENT

The project developer will conform to the requirements of the EB and/or the host country in matter of EIA. In addition, or in the absence of any host country or EB legal requirements, the project proponent will check his project against the Gold Standard. A full Environmental Impact Assessment is required by the Gold Standard if any of the following conditions apply:

→ The project is to be implemented in a location of critical environmental or social interest, as defined by the IUCN red list or the local environmental community.
→ The project fall does not fall within the size limitations for small-scale projects under the CDM.
→ The technology and processes involved are likely to cause an adverse environmental or social impact.
→ The results of public consultations held to discuss the project and its expected impacts on the community/ region/ country indicate the need for an EIA.
→ Public consultation or other equally comprehensive form of stakeholder participation has not been carried out.

In addition to meeting Host Country legal EIA requirements where these apply, EIAs must be carried out to the highest standards using one of the approved methodologies listed below. The assessment must explicitly take into account possible social impacts. If, for some reason, a project developer wishes to use an alternative methodology, he/she must justify this choice and demonstrate that the proposed methodology achieves the same level of environmental integrity as those on the approved list. A monitoring plan will be required for monitoring the project's performance on the most sensitive sustainable development indicators throughout the project's lifetime.

C2. SUSTAINABLE DEVELOPMENT MATRIX[2]

The methodology used to assess project sustainability is based on a matrix containing indicators of three broad components of sustainable development:

→ Local and global environmental sustainability;
→ Social sustainability and development;
→ Economic and technological development.

These indicators do not provide "yes" or "no" answers, but rather a rating of how the project performs against a series of parameters, based on quantitative and/or qualititative assessment.

The indicators are set out below. These indicators provide a rating of how projects score against each particular index. Ratings between –3 and +3 can be assigned, with +3 being a very positive contribution, 0 being no change in the index, and –3 very negative change

[2] Ref**: South***South*North *"Sustainable Development appraisal of CDM projects"* and UNDP (2001) "*Human Development Report*"

caused by the project. To meet the Gold Standard, the overall score must be positive and each component either neutral or positive.

This methodology is based on the work of Helio International (www.heliointernational.org) and members of the South South North network (www.southsouthnorth.org).

C2.1 Local/global environmental sustainability

Contribution to water availability - This indicator is used to evaluate the project's contribution to water availability and access locally and regionally. Number of people with access to water supply in comparison with the baseline.
Vector: 0 = No change in local and regional water availability.
+1 = Up to 25% more people with access to water compared with baseline.
+2 = Up to 75% more people with access to water compared with baseline.
+3 = Up to and more than doubled number of people with access to water compared with baseline.
-3 = No access to water at all compared with baseline.
-2 = Up to 75% reduced access to water compared with baseline.
-1 = Up to 25% reduced access to water compared with baseline.

Contribution to water quality - This indicator is used to evaluate the contribution of the project to water quality locally and regionally in the project's area in comparison with the baseline. Water quality will be measured using concentration of main pollutants (including BOD and others).
Vector: 0 = No change in water quality.
+1 = Up to 25% of less pollutants' concentration in all waters compared with baseline.
+2 = Up to 75% of less pollutants' concentration in all waters compared with baseline.
+3 = No polluted waters at all compared with baseline.
-3 = Up to double or more pollutants' concentration in all waters compared with baseline.
-2 = Up to 75% of more pollutants' concentration in all waters compared with baseline.
-1 = Up to 25% of more pollutants' concentration in all waters compared with baseline.

Contribution to air quality - This indicator is used to evaluate the contribution of the project to local air quality. Air quality will be measured by comparing the concentration of most relevant air pollutants (e.g.: SOx, NOx, particulate matters etc.) with the baseline.
Vector: 0 = No change in local air quality.
+1 = Up to 25% less air pollution compared with baseline.
+2 = Up to 75% less air pollution compared with baseline.
+3 = Complete elimination of air pollution compared with baseline.
-3 = Up to double or more air pollution compared with baseline.
-2 = Up to 75% more air pollution compared with baseline.
-1 = Up to 25% more air pollution compared with baseline.

Contribution to soil condition - This indicator is used to evaluate the contribution of the project to local soil condition. Soil condition will be measured by comparing the

concentration of most relevant soil pollutants, erosion and the extent of land use changes due to the project with the baseline.
Vector: 0 = No change in soil condition (both pollutants level and land use).
+1 = Up to 25% less soil pollution/erosion compared with baseline.
+2 = Up to 75% less soil pollution/erosion compared with baseline.
+3 = Total elimination of soil pollution/erosion compared with baseline.
-3 = Double or more soil pollution/erosion compared with baseline.
-2 = Up to 75% more soil pollution/erosion compared with baseline.
-1 = Up to 25% more soil pollution/erosion compared with baseline.

Contribution to biodiversity - This indicator is used to evaluate the contribution of the project to local biodiversity. The change in biodiversity is estimated on a qualitative basis considering any destruction or alteration of natural habitat compared to the without projects scenario. A positive change will be given by previously disappeared species re-colonising the area, a negative change will be given by species disappearing or by introduction of foreign species.
Vector: 0 = No change in local species number compared with baseline.
+1 = Protection of natural habitat within the project area.
+2 = Restoration and protection of natural habitat within the project area.
+3 = Significant restoration and protection of natural habitat within the project area.
-3 = Destruction or irreversible modification of over 10% of the natural habitat within the project area.
-2 = Destruction or irreversible modification of between 5% and 10% of the natural habitat within the project area.
-1 = Destruction or irreversible modification of up to 5% of the natural habitat within the project area.

C2.2 Social sustainability and development

Employment (quality) - This indicator is used to evaluate the qualitative value of employment, such as whether the jobs resulting from the project activity are highly or poorly qualified, temporary or permanent in comparison with BAU. Take temporary and permanent as qualifications for job quality.
Vector: 0 = No change in employment quality.
+1 = Up to 25% of jobs created are of better quality and long-term, the rest being comparable.
+2 = Up to 75% of jobs created are of better quality and long-term, the rest being comparable.
+3 = All new jobs created are long-term and of better quality than baseline.
-3 = All new jobs created are long-term and of poorer quality than baseline.
-2 = Up to 75% of jobs created are of poorer quality, the rest being comparable.
-1 = Up to 25% of jobs created are of poorer quality, the rest being comparable.

Livelihoods of the poor - This indicator comprises a number of sub-indicators. Where a sub-indicator is not relevant to the project, it should be ignored. After all the relevant variables have been considered, the total score should be non-negative.
Poverty alleviation - This indicator is used to evaluate the project contribution to poverty alleviation. Poverty alleviation will be evaluated by calculating the change in number of people living above income poverty line compared to baseline.
Vector: 0 = No change in poverty situation compared with baseline.
+1 = Up to 25% more people living above poverty line compared with baseline.

+2 = Up to 75% more people living above poverty line compared with baseline.
+3 = Up to double or more people living above poverty line compared with baseline.
-3 = Up to double or more people living below poverty line compared with baseline.
-2 = Up to 75% more people living below poverty line compared with baseline.
-1 = Up to 25% more people living below poverty line compared with baseline.

Contribution to equal distribution and additional opportunity for disadvantaged sectors - This indicator is used to evaluate contribution of the project to equal distribution of wealth and opportunity, in particular gender and excluded social groups. The indicator combines quantitative - changes in estimated earned income (normalised to the project's starting year) compared with the baseline – and qualititative assessment - improved opportunities.
Vector: 0 = No change in equity condition compared with baseline.
+1 = Small improvement in female earned income and/or opportunities.
+2 = Significant improvement in female earned income (over 50% increase) and/or opportunities.
+3 = Substantial improvement in both female earned income (over 100% increase) and opportunities.
-3 = Up to and more than halved female earned income compared with baseline.
-2 = Up to 75% decreased female earned income compared with baseline.
-1 = Up to 25% decreased female earned income compared with baseline.

Access to essential services (water, health, education, access to facilities, etc.) - Access to essential services will be taken as an indicator of social sustainability, measured by the number of additional people gaining access in comparison with the baseline. Access must be directly related to the service and not a-spin off.
Vector: 0 = No additional access
+1 = Increased access to 2 aspects
+2 = Increased access to 3 of the 5 aspects
+3 = Increased access to 4 or more aspects
-3 = Decreased access to 3 or more aspects.
-2 = Decreased access to 2 aspects.
-1 = Decreased access to 1 aspect.

Access to affordable energy services: The CDM and JI provide an important opportunity to improve the coverage of reliable and affordable clean energy services, especially to the poor and in rural areas. Where of a relevant scale, security of energy supply (an indicator of a country's ability to generate the power that is needed for services and the economy in comparison with the baseline), should be taken into account.
Vector: 0 = no change
1= up to 50 % improvement in coverage and quality of service
2 = 50 to 100 % improvement in coverage and quality of service
3 = 100 % or more improvement in coverage and quality of service
-1 = up to 50 % worsening in coverage and quality of service
-2 = 50 to 100 % worsening in coverage and quality of service
-3 = 100 % or more worsening in coverage and quality of service

C2.3 Economic and technological development

Employment (numbers) - Net employment generation will be taken as an indicator of economic sustainability, measured by the number of additional jobs directly created by the CDM project in comparison with the baseline.
Vector: 0 = No change in employment level.
+1 = Up to 25% more jobs created compared with baseline.
+2 = Up to 75% more jobs created compared with baseline.

+3 = Up to and more than doubled number of jobs compared with baseline.
-3 = Elimination of all jobs predicted in the baseline compared with baseline.
-2 = Up to 75% job loss compared with baseline.
-1 = Up to 25% job loss compared with baseline.

Sustainability of the balance of payments - Net foreign currency savings may result through a reduction of, for example, fossil fuel imports as a result of CDM projects. Any impact this has on the balance of payments of the recipient country may be compared with the baseline.
Vector: 0 = No change in foreign currency expenditure compared with baseline.
+1 = Up to 25% savings in foreign currency expenditure compared with baseline.
+2 = Up to 75% savings in foreign currency expenditure compared with baseline.
+3 = Total avoidance of foreign currency expenditures compared with baseline.
-3 = Doubled or more net foreign currency expenditures compared with baseline.
-2 = Up to 75% more net foreign currency expenditures compared with baseline.
-1 = Up to 25% more net foreign currency expenditures compared with baseline.

Hard currency expenditures on technology, replicability and contribution to technological self-reliance - As the amount of expenditure on technology changes between the host and foreign investors, a decrease of foreign currency investment may indicate an increase of technological sustainability. When CDM projects lead to a reduction of foreign expenditure via a greater contribution of domestically produced equipment, royalty payments and license fees, imported technical assistance should decrease in comparison with the baseline. Similarly a reduced need for subsidies and external technical support indicates increased self-reliance and technology transfer.
Vector: 0 = No change in foreign currency expenditures/subsidy with technology.
+1 = Up to 25% savings in foreign currency expenditure/subsidies with technology.
+2 = Up to 75% savings in foreign currency expenditure/subsidies with technology.
+3 = Total avoidance of foreign currency expenditures/subsidies with technology.
-3 = Doubled or more net foreign currency expenditures/subsidies with technology.
-2 = Up to 75% more net foreign currency expenditures/subsidies with technology.
-1 = Up to 25% more net foreign currency expenditures/subsidies with technology.

C3. PUBLIC CONSULTATION

In addition to the stakeholder consultation requirements contained in the CDM PDD, in order to improve the effectiveness at a minimum the following steps must be taken prior to validation:

→ Full documentation, including the project design document, a non-technical summary and supporting information (baselines, EIAs, etc.), must be made publicly available in a readily accessible form in the local language(s), at least two months prior to validation under the CDM. During this period the project developer should respond to comments and questions by interested stakeholders.
→ Comments must be actively invited, fully documented and disseminated.
→ At least one public oral hearing should be carried out in the local language, organised by the project developer in conjunction with a independent representative of the local environmental community. The results of the public hearing will be made available and any concern addressed.
→ Adequate publicity must be given to the project and hearings, including publication in the local media and other relevant communication channels.
→ The validator's report should be made publicly available before being submitted to the CDM Executive Board.

Specific guidelines on the procedures for stakeholder consultation will be developed on the basis of existing best-practice and included in the final version of these Appendices. This is likely to include hearings at the beginning and end of the consultation period, depending on the size and likely impact of the project. The Gold Standard requires that at least local policy makers, local people impacted by the project and local NGOs are involved in stakeholder consultation. If the host country does not require a stakeholder consultation, this does not indicate that no stakeholder consultation is required for the Gold Standard. A stakeholder consultation is always required.

BIBLIOGRAPHY

Discussions on assessment of SD available online https://www.cdm-connect.org/cdm-connect

EC (1999) “Landfill Directive” 1999/31/EC

EU (2002) “The EUGENE (European Green Electricity Network) standard” available online http://www.greenelectricitynetwork.org/english/4_2.html

La Rovere, E., Thorne, S. and Helio International (1999) “Criteria and Indicators for Appraising Clean Development Mechanism (CDM) Projects”.

SouthSouthNorth (2001) “Sustainable Development appraisal of CDM projects”, SSN, Cape Town.

Thomas, F., et al. (2001) “Ranking Methodologies for Sustainable Development and CDM Project Checklists” University of Stuttgart, Institute of Energy Economics and the Rational Use of Energy.

Thomas, F., et al. (2001) “Developing a methodology to evaluate CDM projects according to national sustainable development criteria” University of Stuttgart, IER and ESD Ltd. Available online https://www.cdm-connect.org/cdm-connect/Network/D0/D1/N305-1e72.pdf

UNDP (2001) “Human Development Indicators” as part of the “Human Development Report 2001”