

# Create a simplified CDM for sustainable energy projects at household and community level

*Statement from Women in Europe for a Common Future (WECF) and atmosfair gGmbH to the delegates of the UNFCCC in Copenhagen, COP 15/ CMP 5*

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## **Currently the Clean Development Mechanism is not supporting pro-poor sustainable development**

Poor communities in developing and emerging countries have hardly been able to access funding via the Clean Development Mechanism (CDM) for climate change mitigation measures. Many low-income communities have limited access to sustainable energy which restricts their opportunities for economic development and education. Many poor communities rely on unsafe fuel for cooking, heating, light and productive activities which lead to negative health effects from exposure to indoor air pollution. The WHO estimates that a total of 1,5 million death each year are due to exposure to indoor air pollution from biomass burning and other unsafe fuels. One of the requirements for CDM projects is that they support "sustainable development". WECF and atmosfair believe that currently CDM projects have contributed little or not to pro-poor sustainable development, and that the instrument should be transformed to include a mechanism especially designed for measures to improve the livelihoods of the poor, as well as mitigating climate change.

## **First improvements for pro-poor CDM proposed by the CDM EB**

The Executive Board of the CDM is discussing possible measures to improve the regional distribution of CDM projects, - focussing on Africa, LDCs and SIDS (e.g. annex 54 of EB 50). Recommendations include, i.a., easier registration procedures by standardized

baselines and a funding mechanism paying validation and CDM development of selected projects.

WECF and atmosfair welcome the proposals of the CDM EB. We think however that the proposed changes should not be restricted only to the above mentioned countries – of course they should be a priority – but benefit poor members of the societies in all non-annex 1 countries. Household and community level projects directly address the needs of many poor people, may they live in LDCs or emerging economies.

## **We therefore ask the delegations to support measures to make the CDM**

accessible for a positive list of household and community based project categories dealing with energy supply and energy efficiency, such as efficient cook stoves, renewable-energy-based rural electrification or home insulation and community based waste management. Measures should include:

### **a) A funding mechanism for household and community level projects**

This mechanism should:

- Provide grants for CDM project development and transaction costs, e.g. validation
- Grant upfront funding for project implementation as a soft loan to be returned by Certified Emission Reductions (CERs)
- Buy CERs from such projects at fixed and high prices

### **b) Simplified approval procedures for household and community level projects**

Requirements for project registration should be highly simplified, by:

- Implementation of a specialised UNFCCC working group
- Establishment of specialised Designated Operational Entities (DOEs) to guarantee faster and cheaper validation procedures.
- Establishment of extremely simplified methodologies for household and community level projects, e.g. by defining standardised sectoral baselines.

Also following criteria should be in place: no significant other negative environmental impacts (e.g., toxics, endangered species, resource depletion, radiation), no human rights abuses (e.g., indigenous & forest community & women rights, reduced food security, access to water) and gender aspects have to be taken into account. Therefore all CDM projects should meet the social and environmental criteria defined in the Gold Standard.

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