

## **Response to public comments received on the Draft Second Edition Version 2.0 of the CCB Standards**

6 December 2008

Version 2.0 of the Second Edition of the Climate, Community & Biodiversity (CCB) Standards was posted for public comment on [www.climate-standards.org](http://www.climate-standards.org) for 30 days from October 9 to November 8, 2008. This response has been prepared by the Climate, Community & Biodiversity Alliance to comments received on Version 2.0, including the 21 comments submitted via the public comment submission forms.

### **General criteria and general comments**

***Comment:** CCB Standards should require project proponents to identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost and to identify ways to ensure the project continues long term and that knowledge is not lost. These are things that frequently go wrong with project implementation and continuation.*

**Response:** Requirements for adaptive management and training for new workers were included in the optional criterion ‘G7. Adaptive Management for Sustainability’ in the First Edition that was dropped from the Second Edition due to the lack of clear indicators and the difficulty of demonstrating conformance. Ensuring that the project continues long term is covered in G3.7 ‘Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits through and beyond the project lifetime.’ We agree that training of new workers in the event of staff turnover is important and have integrated them into the Second Edition as follows.

**Action:** ‘Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost’ has been added to G4.3.

***Comment:** It has been mentioned that geo-referenced boundaries of the project zones and additional surrounding locations that are predicted to be impacted by project activities should be provided apart from the project areas themselves. It is not realistic that the project proponents have any control over land outside the project areas themselves. In such circumstances demarcation (by geo-referencing) of areas outside their control for whatever reasons can lead to unforeseen and unnecessary misunderstandings with the local community, government and others who are the actual owners of the land which fall within the project zones. It may also lead to acts of unintentional trespassing during the process of geo-referencing, whose legal implications may harm the project itself.*

**Response:** G1.3 requires project proponents to identify ‘The boundaries of the project area and the project zone.’ This does not necessarily require a physical presence on these boundaries since they could just be located on a map.

**Action:** No change in the final Second Edition.

***Comment:** CCB Standards should require projects to itemize the expenditures being made for socio-economic initiatives of the project under international accounting standards, making them publicly available after being audited by a third party.*

**Response:** Projects are required to demonstrate positive benefits for communities and we believe that it is not necessary to require that these benefits are demonstrated by financial audits showing the expenditures on socio-economic initiatives, since benefits can be achieved in many ways, not necessarily through financial expenditures.

**Action:** No change in the final Second Edition.

**Comment:** *The CCBA should avoid problematic incentives that could potentially compromise verifier independence by considering implementation of any of the following, without taking a position on which of the following would be the best mechanism: (a) prohibiting a project developer from using the same auditor for validation and verification (as the UNFCCC does for all but small-scale projects) or for verification twice in a row (as the California Climate Action Registry protocols do); (b) requiring project developers to pay validation/verification fees into a CCBA-managed fund that then pays verifiers on a fee-for-service basis, with the fund choosing the verifier; (c) having a clear process for accreditation of validators/verifiers, with training and interpretation guidance to ensure consistency and independence; and/or (d) including some mechanism for independent review of validation/verification reports, e.g. by a second auditor that conducts a desk review (as in the VCS).*

**Response:** These are important issues, however, they are not addressed in the Standards but in the guidance for the use of the standards which is a separate document. This document is in development (as of December 2008).

**Action:** No change in the final Second Edition.

**Comment:** *The Standards should ensure that a single project proponent and management entity are identified, to clarify responsibility and accountability.*

**Response:** Accepted.

**Action:** G4.1 has become ‘Identify a single project proponent which is responsible for the project’s design and implementation. If multiple organizations or individuals are involved in the project’s development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.’

**Comment:** *The CCB Standards should require project proponents to identify and submit a list of all applicable host country social and environmental laws, regulations and permit.*

**Response:** This is a good suggestion, since it ensures that the project proponents are aware of all relevant laws.

**Action:** A requirement to ‘submit a list of all relevant laws and regulations covering worker’s rights in the host country’ has been added to G4.5 and a similar phrase has been added to G5.1.

**Comment:** *The CCB Standards should require project proponents to covenant in any financing documents (debt or equity) for the project to comply in all material respects with all relevant host country social and environmental laws, regulations and covenants. These are common contractual provisions. Moreover, the Equator Principles adopted by financial institutions to minimize social and environmental risk in project finance require this, and CCBA should as well. Material breach of host country labor laws would then trigger a breach of debt or equity covenants, enabling project financiers to exercise any contractual remedies available to them should they see fit. This may not be an important check on projects that are wholly financed and controlled by one entity, but in other circumstances these standard covenants could provide an important incentive for continued compliance with local laws.*

**Response:** While supporting the strengthening of incentives to encourage the respect of labor laws, it does not seem appropriate for CCB Standards to require conditionalities in financing agreements.

**Action:** No change in the final Second Edition.

**Comment:** *With respect to lands held or occupied by indigenous peoples only, we suggest that CCB Standards should not allow projects that transfer land title in full fee simple to a project developer. Many land tenure forms are available to ensure adequate long-term access to a project site (e.g. ground lease or long-term easements for access and management) without full transfer of fee title to the land. We agree that such a restriction against fee simple title transfer is*

*not appropriate in all circumstances. However, we suggest that transactions with indigenous groups have a higher potential to be characterized by significant differences in cultural conceptions of land tenure and significant barriers to communication. In these circumstances, a precautionary approach would constrain the choices of project developers and indigenous communities to land rights transfers that are not permanent in character. The CCB Standards adopt the precautionary principle elsewhere, and it should in this case as well.*

**Response:** As observed in this comment, it would not be appropriate to exclude fee simple title transfer in all circumstances. It would be hard to define which groups should be denied this option, since the same argument could be made to protect many forest dependent communities who are not technically indigenous people and these groups may be even harder to define. They may also object to a limitation on their sovereignty denying their right to decide the nature of the transaction with a third party. It should be sufficient to require that there is free, prior and informed consent for all agreements affecting the rights of communities.

**Action:** No change in the final Second Edition.

*Comment: We suggest that the CCBA indicate that it is best practice (recommended, but not required) to employ a suitably qualified professional as a consultant to research and draft this baseline community analysis, someone with at least 5-10 years of experience in the project region working on social/community-related work or with comparable academic/vocational training.*

**Response:** This type of recommendation is not appropriate within the text of the standard, which should be restricted to requirements for project proponents. It also seems inappropriate to provide recommendations on the levels of skills and competence of project developers in the Appendix on Potential Tools and Strategies.

**Action:** No change in the final version of the Second Edition.

*Comment: We suggest that: 1) The phrase “(including community property)” should be included in G1.6 after “property rights”, as common property rights are more easily misidentified or overlooked; and 2) The CCB Standards should require project developers to also identify and describe resolved conflicts or disputes over land tenure in the recent past (e.g. 30 years). It is often difficult in practice to distinguish between “resolved” and “unresolved” land tenure conflicts, and requiring project proponents to identify resolved land tenure conflicts will at least ensure that they are not blindsided by conflicts that suddenly become unresolved.*

**Response:** Accepted. However, we think that the period for which any resolved disputes should be described should be ten years, in the expectation that disputes resolved in the more distant past that have not resurfaced as disputes in the last ten years are less likely to cause on-going problems.

**Action:** G1.6 has been changed to become ‘A description of current land use and customary and legal property rights including community property in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing and disputes over land tenure that were resolved during the last ten years (see also G5).’

*Comment: We suggest that CCBA add an indicator to the section on “Legal Status and Property Rights” stating that it is best practice (recommended, but not required) to engage in community-based participatory mapping to maximize the likelihood of identifying local customary and community land rights in the project zone. GPS and GIS technologies are commonly used in participatory mapping exercises. For more information on community-based participatory mapping, see <http://www.iapad.org/>.*

**Response:** This type of recommendation is appropriate within the Appendix on Potential Tools and Strategies.

**Action:** This recommendation and resource have been added to Appendix A Potential Tools and Strategies.

**Comment:** We suggest that project developers may wish under certain circumstances to encumber their carbon rights: for example, they may wish to use their carbon rights as security for secured credit to help finance the project. CCBA's intent in this section seems to be to avoid projects with controversy over title to the carbon; perhaps that intent might be better accomplished through language such as "clear, uncontested title to the carbon rights." CCBA could also prohibit validation of projects in which the carbon rights are subject to a judgment lien.

**Response:** Accepted.

**Action:** G5.6 has been changed to 'Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent.'

**Comment:** Local or national conditions (high cost of updating land title or lack of legal framework for carbon rights) may make it impossible to establish clear carbon ownership at the time of validation. Project proponents should be able to provide evidence that they are likely to establish ownership before they enter into any transaction concerning the carbon rights, such as sale of carbon credits.

**Response:** Accepted.

**Action:** A sentence has been added to G5.6 'Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets'.

## Climate Criteria

**Comment:** Please provide a reference for calculation of the emissions from N-fixing species in CL1. 3. We note that emissions from all N-fixing species may not be understood scientifically with any accuracy at this point. (Must the project proponent estimate the GHG emissions of mycorrhizae endemic to an area?)

**Response:** It is not appropriate to add a qualification that the estimation should be made 'to the extent scientifically possible' since this could provide an excuse for the project proponent to avoid the estimations.

**Action:** No change to the Final Second Edition.

**Comment:** CL1.2 requires project proponents to estimate net change in non-CO<sub>2</sub> GHG emissions for baseline and project scenarios "if those gases are likely to account for more than 5% (in terms of CO<sub>2</sub>-eq.) of the project's overall GHG impact, or provide evidence that they will not account for more than 5% of the total project emissions reductions over each monitoring period." This language is imprecise: "impact" could be read to mean "gross emissions reductions", and this language would not specifically address situations in which non-CO<sub>2</sub> GHG emissions actually increase significantly.

**Response:** Accepted.

**Action:** CL1.2 has been changed to 'Estimate the net change in the emissions of non-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O in the *with* and *without* project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO<sub>2</sub>-equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.' CL2.4 has been changed to 'Non-CO<sub>2</sub> gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO<sub>2</sub>-equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.'

**Comment:** *The CCB Standards should recognize the need for simplified baseline and monitoring methodologies for small-scale projects, such as those recognized by the CDM.*

**Response:** We agree that it is important to facilitate small-scale projects and believe that this should be covered by application of simplified methodologies accepted by CDM or other carbon accounting standards. It is not necessary to mention this specifically in the CCB Standards.

**Action:** No change to final Second Edition.

## **Community Criteria**

**Comment:** *The term sustainable livelihoods is not mentioned in GL2. Exceptional Community Benefits.*

**Response:** Accepted.

**Action:** The phrase ‘enhancing sustainable livelihoods’ has been added to the concept of GL3.

**Comment:** *CM1.1 requires a developer to estimate impacts on communities from planned project activities but only mentions water and soil resources, whereas this should refer to all resources identified as important by the communities.*

**Response:** Accepted.

**Action:** The relevant sentence in CM1.1 has been changed to ‘This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project.’

**Comment:** *There should be an outer threshold for a timeline to develop a full monitoring plan regarding community impacts, as there is for climate impact monitoring (e.g. within 12 months of validation).*

**Response:** Accepted.

**Action:** CM3.3 has been changed to ‘Commit to developing a full monitoring plan within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to communities and other stakeholders. Similar changes have also been made to B.3.

## **Biodiversity Criteria**

**Comment:** *A resource for site-level biodiversity assessment and monitoring is the publication: "Guidelines for Biodiversity Assessment and Monitoring for Protected Areas". The concepts and procedures in the Guidelines would also usually be suitable for CCB projects. The Guidelines are available as a pdf from <http://www.unep-wcmc.org/collaborations/BCBMAN/publication.htm> or printed copies can be requested from philip.bubb@unep-wcmc.org*

**Response:** Accepted.

**Action:** Included in the final Second Edition

**Comment:** *We appreciate the CCB's concern about the threat posed by invasive species to local biodiversity and do support the attempt of providing a guideline in this regard in the form of Global Invasive Species DataBase. The Database is very comprehensive but we believe that the entire list is very misleading as some species which may be invasive to one tropical country (and*

*even in a part of it) may not be invasive to another country (or a part of it) due to different edaphic and other prevailing conditions of the project zone.*

**Response:** We agree that the Global Invasive Species DataBase should be treated as an indicative list with additional identification of potential invasive species in the project zones based on published scientific literature addressing locally potential invasive species.

**Action:** The footnote on invasive species in B1 has been changed to ‘Invasive species’ are defined as non-native species that threaten ecosystems, habitats or species in the project zone as identified in the Global Invasive Species Database: <http://www.issg.org/database>, from scientific literature, and from local knowledge’.

**Comment:** *The CCB Standards should require a monitoring plan for invasive species by including the phrase “invasive species” in B3.1 and require action to reduce invasive species abundance if the invasive species was accidentally introduced as a direct result of project activities.*

**Response:** Project proponents are required to monitor any potential negative impacts on biodiversity in B3.1 as follows ‘Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project’s biodiversity objectives and to anticipated impacts (positive and negative).<sup>1</sup> Biodiversity variables at risk of being negatively impacted by project activities must be monitored.’ We don’t think that it is justified to single out invasive species when there are many other potential negative impacts.

**Action:** No change in the final Second Edition.

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<sup>1</sup> Potential variables include: species abundance; population size, range, trends and diversity; habitat area, quality and diversity; landscape connectivity; and forest fragmentation.