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# Decision 11/CP.7: LULUCF

- Decision 11/CP.7 included the following elements related to LULUCF:
  - 8 Principles that govern the treatment of LULUCF (e.g. permanence, biodiversity impacts).
  - A definition for forest and definitions for agreed selected activities.
  - Modalities, rules and guidelines for Articles 3.3, 3.4, 6 and 12

# LULUCF & CDM

- Eligibility of projects is limited to afforestation and reforestation. (Nature of projects to depend on the elaboration of definitions (e.g. agroforestry))
- A cap on demand of 1% of base year per country per year (49.8 Mt C/yr or 33.26 Mt C/yr without US)

# Further requests

- For SBSTA
  - Biome specific definitions
  - To develop definitions and modalities for including AR in the CDM
- For the IPCC
  - Methods to estimate, measure, monitor and report changes in carbon stocks
  - Good practice guidance
  - Forest degradation and devegetation
  - Methods to factor out indirect and natural effects

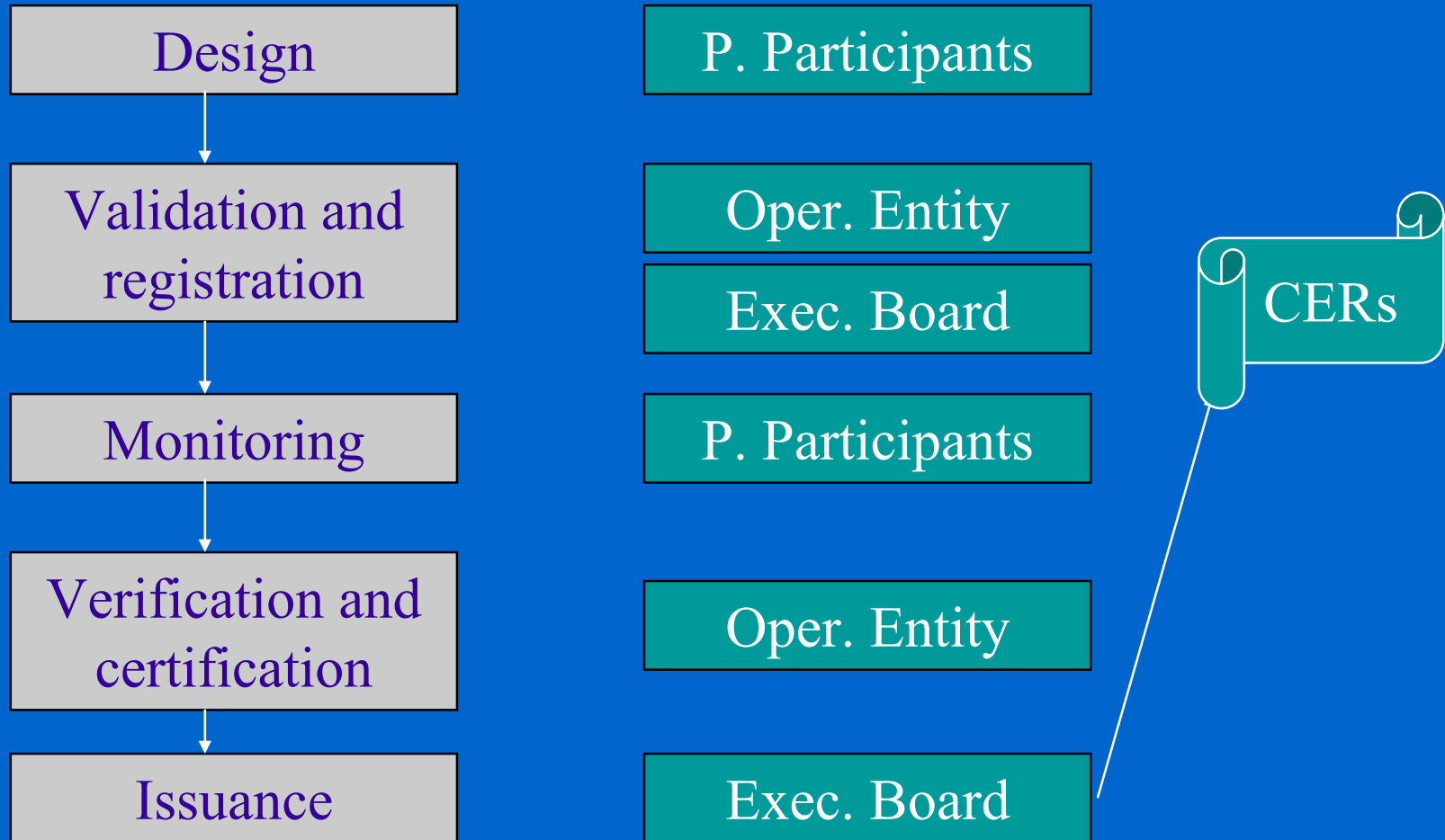
# Decision 17/CP.7: The CDM

- Modalities and procedures for the CDM included the following elements:
  - Definitions
  - The executive board
  - Aspects related to operational entities
  - Participation requirements
  - Validation and registration
  - Monitoring
  - Verification and certification
  - Issuance of CERs
  - Appendices (Project design document, TORs for baselines, CDM registry requirements)

# Further requests

- SBSTA to develop definitions and modalities for including AR under the CDM, taking into account the issues of:
  - Non-permanence
  - Additionality
  - Leakage
  - Uncertainties
  - Socio-economic and environmental impacts, including impacts on biodiversity
- Modalities < > methodologies
- Current modalities provide for “bottom up” methodologies (e.g. project specific) for additionality, baselines and leakage. Definitions are already agreed.

# The CDM project cycle





## Work to be done by SBSTA: The issues

- Permanence
  - Temporary characteristic of AR projects (problem of liability of an emission)
  - Associated problems
    - Emissions after project finishes
    - Equating projects of different lengths
    - Establishing minimum length for projects
    - Giving a value to a temporal sequestration of carbon vs. a reduction in carbon emissions
  - Current project duration for energy projects: 7 years + two renewals or 10 years, no renewal.

# The issues

- Cont. Permanence
- The issue has been treated by the LULUCF SR on LULUCF. Options being included:
  - Project length:
    - Perpetuity
    - 100 years (in accordance with GWP)
    - Equivalent based (until the effect of an equivalent amount of emissions is counteracted)
    - Variable (acknowledging specific characteristics of projects)
  - Liability (Full and proportional). The expiring CERs proposal is the most widely accepted among parties

# The issues

- Additionality and leakage
  - Related to the establishment of baselines
  - Defined by decision 17/CP.7:
  - Modalities in the context of the CDM are “bottom-up”
  - Executive board to work on baseline and monitoring methodologies

# The issues

- Cont. additionality and leakage
  - In the context of the SR on LULUCF
    - Baselines: Project vs. generic; fixed vs. adjustable; and simple vs. complex.
    - Additionality tests: technological, institutional and financial.
    - Options for leakage: monitoring by area vs. by key indicators.

# The issues

- Uncertainties
- Two sources: Estimation of benefits and long-term project risks.
- IPCC to work on GPG and uncertainty management (article 12 included)
- Strong relation with the verification and review processes (operational entities and the executive board)

# The issues

- Socio-economic and environmental impacts, including impacts on biodiversity
  - One of major concerns by developing countries
  - Socio-economic impacts includes displacement of people and lock up of land
  - Environmental impacts are related to impacts as a consequence of natural habitat replacement
- IPCC and CBD currently developing work on this issue.

# The issues

- Cont. impacts
- Current modalities include
  - Stakeholder participation: as a requirement for validation, comments by local stakeholders. The validation report must include these comments and the actions taken in this regard.
  - Environmental impacts: Project participants to submit an analysis of environmental impacts (design requirement that should be addressed in accordance with host Party's requirements). A monitoring plan shall also track and monitor the identified impacts and solutions.

# Latest developments

- The latest developments include:
  - Workshop and initial exchange of views
  - TORs and Agenda for work



# The workshop

- Issues that will be devoted more time:  
Permanence and impacts
- To agree on definitions by SBSTA 16
- The status of agroforestry
- Issues related to small scale
- Interactions between EB - SBSTA
- Combating land degradation was mentioned

# TOR's and agenda for work

- The workshop produced an agenda to be recommended to SBSTA, including:
- A deadline for COP 9
- Establishment of a contact group
- Submissions on the issues
- Options papers by the secretariat on non-permanence, baselines, additionality and leakage, and impacts.
- A workshop on 2003
- Technical and scientific input from relevant processes.