WG II: Permanence – liability. Criteria for assessing.

- ‘Liabilities’ are key to ensuring the environmental integrity of sequestration activities.
- Review of options.
- Options to be compared by different criteria.

Permanence and liability: who and when?

	Liability during 'control period'	Liability after 'control period'
Seller liability	S	S
Buyer liability	B	B
insurance	I	I
Colombian / rental (with options)	S	B
Jackson proposal	S (pool)	S (stocks owner)
Ton year type	none	none

Further options for rental of tCERs

- (French), fixed time period (5-years) in line with commitment periods.
- Colombian/rental, fixed time period (5-yrs).
- Non-fixed time period (down to project planning or buyer/seller negotiations).
- Rental (any of above) with a minimum guaranteed project lifetime.

Key Questions

- What is the crediting period for LULUCF projects? …it should be longer than presently proposed for energy projects.

- How long does the liability need to last for? …ongoing.

Reporting and accounting at the Annex 1 country level

Commitment period 1	1 tCER	→	1 AAU 1 ‘L-unit’ with 5-yr expiry date
Commitment period 2	1 ‘L-unit’ expires 1 new tCER	→	 1 AAU 1 ‘L-unit’ with expiry date

Additional issues:

- If you plant trees what impact does ithave on the carbon cycle - albedo, hydrological cycle etc.
- Climate change impacts on forests,
- Additionality,
- Leakage etc.

Criteria to evaluate the methodology regarding permanence issue

- Initial screen is based on the 8 principles, extracted from the Marrakech accords.
- Further analysis and comparison of methods to be based on 9 factors – phrased as a question, with positive or negative answers.
- Presented in table format with some discussion of keys issues.

Criteria:

1. Complementary approach
2. Country-level approach
3. Incentive for action
4. Sustainable development
5. Cost effectiveness
6. Simplicity
7. Flexibility – land use systems and fungibility
8. Environmental integrity
9. Risk management