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Hamburg Institute of
International Economics

PROGRAMME INTERNATIONAL CLIMATE POLICY

HWWA, Neuer Jungfernstieg 21, 20347 Hamburg, Germany
United Nations Framework Convention
on Climate Change (UNFCCC)
Secretariat
Postfach 260124

D-53153 Bonn

Neuer Jungfernstieg 21
20347 Hamburg
Germany

Phone + 49 40 428 34 - 0
Fax + 49 40 428 34 - 451

http://www.hwwa.de
e-mail: michael.dutschke@hwwa.de

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Joint submission by UNFCCC accredited observers on rules for small-scale afforestation and reforestation under the Clean Development Mechanism (CDM)

Dear Sir / Madame;

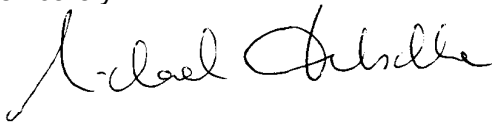
As requested in the preamble of COP 9 decision on definitions and modalities for including afforestation and reforestation activities under Article 12 of the Kyoto Protocol, we hereby submit a proposal on simplified modalities and procedures for small-scale afforestation project activities under the Clean Development Mechanism (CDM). The proposal text is written *mutatis mutandis* based on Appendix B of the Simplified Modalities and Procedures for (non-sinks) Small-Scale CDM project activities.

The following institutions are supporting this submission:

- B,S,S. Economic Consultants, Switzerland
- Centro Tecnico Forestal (CETEFOR), Bolivia
- FACE-Foundation, Netherlands
- Forest Investment Services (FIS), Uganda
- Forest Reseach Institute Malaysia, Malaysia
- GFA Terra Systems envest, Germany
- Hamburg Institute of International Economics (HWWA), Germany
- Joanneum Research, Austria
- Laboratory for Forest, Nature and Landscape Research, KU Leuven, Belgium
- Programma Face de Forestacion (PROFAFOR), Ecuador
- Unique Forestry Consultants, Germany
- World Agroforestry Centre, Kenya

We gratefully acknowledge the useful comments received by renown experts who have peer-reviewed this submission.

Sincerely



Joint Submission to the UNFCCC Secretariat

Indicative Simplified Baseline and Monitoring Methodologies for Selected Small-Scale CDM Project Activity Categories

General Guidance

1. This appendix contains indicative simplified baseline and monitoring methodologies for selected small-scale afforestation and reforestation CDM project activity categories, including recommendations for determining the project boundary, leakage, baseline and monitoring.
2. Project participants involved in small-scale CDM project activities may propose changes to the simplified baseline and monitoring methodologies specified in this appendix or propose additional project categories for consideration by the Executive Board. Project participants willing to submit a new small-scale project activity category or revisions to a methodology shall make a request in writing to the Board providing information about the technology/activity and proposals on how a simplified baseline and monitoring methodology would be applied to this category. The Board may draw on expertise, as appropriate, in considering new project activity categories and/or revisions of and amendments to simplified methodologies. The Executive Board shall expeditiously, if possible at its next meeting, review the proposed methodology. Once approved, the Executive Board shall amend appendix B.
3. The appendix reflects the following guidance regarding type of measure, project boundary, biomass projects, leakage and monitoring.
4. Project boundary: The project boundary shall be limited to the physical project activity, including transport emissions between discrete land areas that compose the overall project area.
5. In the cases where leakage is to be considered, it shall be considered only within the boundaries of non-Annex I Parties.
6. In the case of project participants using IPCC default values for emission coefficients, these shall be the most up-to-date values available in the “IPCC Good

Hamburg Institute of International Economics, Programme International Climate Policy
Neuer Jungfernstieg 21, DE 22339 Hamburg, www.HWWA.de/climate
Corresponding author: michael.dutschke@hwwa.de

Practice and Guidance for Land Use, Land-Use Change and Forestry" and the "Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories".

7. Accounting: Long-term CERs (lCERs) carrying over 60 years do not need to be replaced after their regular expiration. In case of a loss in net anthropogenic greenhouse gas removals by sinks during the underlying project's crediting period, lCER replacement is due in any case.

Contents

I Rotation forestry

This category includes all types of commercial forest operations, where there is a control of species and regular harvesting, be it in clear-cut or in cohorts.

Technology/Measure

This category is likely to produce a large amount of timber over short rotation periods or high-value timber under controlled growth conditions. It may be combined with energy production, which is to be accounted for under a separate methodology.

Hamburg Institute of International Economics, Programme International Climate Policy
Neuer Jungfernstieg 21, DE 22339 Hamburg, www.HWWA.de/climate
Corresponding author: michael.dutschke@hwwa.de

Boundary

The physical, geographical site of the afforestation or reforestation delineates the project boundary, including project practices such as the emissions from fuel uses related to the activity.

Baseline

The baseline is the afforestation and reforestation rate (in terms of annual area) determined by the historic, actual, or economically most attractive afforestation and reforestation rates within a control group within the project region. This control group is composed by managed lands of comparable geomorphologic, soil conditions, [management] and ownership structure in a control area of five to ten times the project size, excluding other CDM afforestation or reforestation activities. The control group need not be contiguous with the project area, but could be formed by patches of land within the region where the project occurs. The determination of the area that is afforested or reforested annually in the control group is done through on-the-ground assessments. Next, the annual rate of afforestation and reforestation in the control group is used to calculate the hypothetical annual afforestation and reforestation on the project site, assuming that the same “intensity” of afforestation and reforestation takes place there. This is the “baseline” afforestation / reforestation rate that later will be subtracted from the actual reforestation rate.

NOTE: the difference from the baseline methodology for regular projects is that here only the area rate of afforestation and reforestation in the baseline are considered, but not the stock changes and non-CO_2 GHG emissions on these lands.

Paragraphs 20 (b) to (e) of Decision -/CP.9 need to be taken into due consideration.

Leakage

No leakage calculation is required.

Monitoring

The project area needs to be measured through GPS. Growth tables may be used if available for the specific biome. In the absence of specific allometric equations, a

conservative estimate can be taken from literature, to be verified on every harvesting. The use of fuels and fertilizers related to the activity is monitored. The total fuel carbon content is deducted from the project benefits. The estimation of N_2O emissions resulting from synthetic and organic fertilizer application based on default IPCC emission factors is considered adequate. Soil carbon may be excluded as a pool provided the water regime is not changed as part of the activity and stumps are not removed between plantation cycles. In case soil carbon measurement is carried out, verification every ten years is sufficient.

II Restoration forestry

Forest restoration aims to establish a semi-natural forest, including re-vegetation of non forest land, or where a forest cover was removed before December 31st, 1989. Wood production is only one purpose of this category, besides environmental services, like watershed protection, biodiversity conservation, wildlife habitats or recreational value.

II.a Domestic species with selective cutting

Technology/Measure

Carbon benefits accrue in the first years / decase of operation until maturity of the ecosystem, where carbon stocks stabilize. Low-impact management practices are a precondition for this category. If more than 50 percent of the species planted are harvested for commercial uses, the activity belongs to category I.

In some situations, native trees do not have a chance to survive in open areas. For this purpose, fast-growing pioneer species or mulch crops are planted with enough spacing to allow understory to grow. There is no weeding in between the plantation lines. The pioneer trees are harvested once and not replanted.

Boundary

The physical, geographical site of the afforestation or reforestation delineates the project boundary, including project practices such as the emissions from fuel uses related to the activity.

Baseline

The baseline is the afforestation and reforestation rate (in terms of annual area) determined by the historic, actual, or economically most attractive afforestation and reforestation rates within a control group within the project region. This control group is composed by managed lands of comparable geomorphologic, soil conditions, [management] and ownership structure in a control area of five to ten times the project size, excluding other CDM afforestation or reforestation activities. The control group need not be contiguous with the project area, but could be formed by patches of land within the region where the project occurs. The determination of the area that is afforested or reforested annually in the control group is done through on-the-ground assessments. Next, the annual rate of afforestation and reforestation in the control group is used to calculate the hypothetical annual afforestation and reforestation on the project site, assuming that the same “intensity” of afforestation and reforestation takes place there. This is the “baseline” afforestation / reforestation rate that later will be subtracted from the actual reforestation rate.

NOTE: the difference from the baseline methodology for regular projects is that here only the area rate of afforestation and reforestation in the baseline are considered, but not the stock changes and non-CO_2 GHG emissions on these lands.

Paragraphs 20 (b) to (e) of Decision -/CP.9 need to be taken into due consideration.

Leakage

No leakage calculation is required, unless the validating DOE concludes from the stakeholder consultation that there are irrefutable indications for measurable and attributable leakage.

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Neuer Jungfernstieg 21, DE 22339 Hamburg, www.HWWA.de/climate
Corresponding author: michael.dutschke@hwwa.de

Monitoring

The project area needs to be measured through GPS. Monitoring shall consist of regular growth measurements on permanent sample plots. Carbon content estimations may be taken from literature if existing for the specific biome. For pioneer species, monitoring may rely on carbon expansion factors from literature if existing for the specific biome. The carbon content of trees harvested is deducted, while growth of replanted trees may be taken from expansion tables or monitored individually. For other woody vegetation, regular stock measurements on sample plots are required. The use of fuels and fertilizers related to the activity is monitored. The total fuel carbon content is deducted from the project benefits. The estimation of N2O emissions resulting from synthetic and organic fertilizer application based on default IPCC emission factors is considered adequate. Soil carbon may be excluded as a pool provided the water regime is not changed as part of the activity and stumps are not removed. In case soil carbon measurement is carried out, verification every ten years is sufficient.

II.b Native species without harvesting

Technology/Measure

This activity is aimed at restoring a nature-near forest biome.

In some situations, native trees do not have a chance to survive in open areas. For this purpose, fast-growing pioneer species or mulch crops are planted with enough spacing to allow understory to grow. There is no weeding in between the plantation lines. The pioneer trees are harvested once and not replanted.

Boundary

The physical, geographical site of the afforestation or reforestation delineates the project boundary, including project practices such as the emissions from fuel uses related to the activity.

Baseline

The baseline is the afforestation and reforestation rate (in terms of annual area) determined by the historic, actual, or economically most attractive afforestation and reforestation rates within a control group within the project region. This control group is composed by unmanaged lands of comparable geomorphologic, soil conditions and ownership structure in a control area of five to ten times the project size, excluding areas protected by law and other CDM afforestation or reforestation activities. The control group need not be contiguous with the project area, but could be formed by patches of land within the region where the project occurs. The determination of the area that is afforested or reforested annually in the control group is done through on-the-ground assessments. Next, the annual rate of afforestation and reforestation in the control group is used to calculate the hypothetical annual afforestation and reforestation on the project site, assuming that the same "intensity" of afforestation and reforestation takes place there. This is the "baseline" afforestation / reforestation rate that later will be subtracted from the actual reforestation rate.

NOTE: the difference from the baseline methodology for regular projects is that here only the area rate of afforestation and reforestation in the baseline are considered, but not the stock changes and non-CO_2 GHG emissions on these lands.

Paragraphs 20 (b) to (e) of Decision -/CP.9 need to be taken into due consideration.

Leakage

No leakage calculation is required.

Monitoring

The project area needs to be measured through GPS. Monitoring shall consist of regular growth measurements on fixed sample plots. For pioneer species, monitoring may rely on carbon expansion factors from literature if existing for the specific biome. The carbon content of the pioneer species harvested is deducted. For other woody vegetation, carbon content estimations may be taken from literature if existing for the specific biome. In the absence of reliable estimates, regular stock measurements on sample plots are required. The use of fuels and fertilizers related to the activity is monitored. The total fuel carbon content is deducted from the project benefits. The

estimation of N2O emissions resulting from synthetic and organic fertilizer application based on default IPCC emission factors is considered adequate. Soil carbon may be excluded as a pool. In case soil carbon measurement is carried out, verification every ten years is sufficient.

Hamburg Institute of International Economics, Programme International Climate Policy
Neuer Jungfernstieg 21, DE 22339 Hamburg, www.HWWA.de/climate
Corresponding author: michael.dutschke@hwwa.de

III Annex: Determining the occurrence of debundling

1. Debundling is defined as the fragmentation of a large project activity into smaller parts. A small-scale project activity that is part of one large project activity is not eligible to use the simplified modalities and procedures for small-scale CDM project activities. The full project activity or any component of the full project activity shall follow the regular CDM modalities and procedures.

2. A proposed small-scale project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:

- With the same project participants;
- With the same landowner;
- In the same project category and technology/measure; and
- Registered within the previous 2 years; and
- Whose project boundary is within 10 km of the project boundary of the proposed small-scale activity at the closest point.

3. If a proposed small-scale project activity is deemed to be a debundled component in accordance with paragraph 2 above, but total size of such an activity combined with the previously registered small-scale CDM project activity does not exceed the limits for small-scale CDM project activities as set in paragraph 1 (i) of the decision xx/CP.9 (SBSTA/2003/L.27), the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities. In the opposite case, the land use activities taken together cannot generate more than 8 kilotons CO_2 equivalents per year of certified emission reductions.

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