Afforestation Reforestation Review Session

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JICA Expert Team

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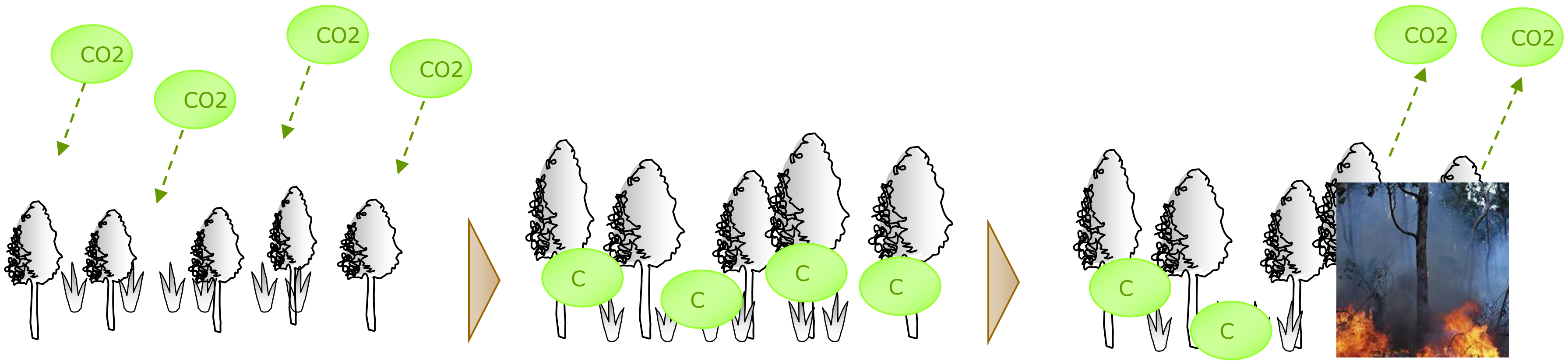
Objectives of the Seminar

- To review the concept of non-permanence
- To further understand the mechanism of l-CER and t-CER
- To review the concept of credit pooling approach
- To further understand the application of the credit pooling approach to forestry credit projects

Non-Permanence: Review

- Trees stocks carbon (thus it is a carbon sink).
- Once the tree is combusted or rotten, CO_2 and methane are released to the atmosphere.



Carbon credit generated from A/R CDM activities are different from the other CDM projects. **They are time limited credits.**

l-CER: expires at the end of the crediting period (end of project)

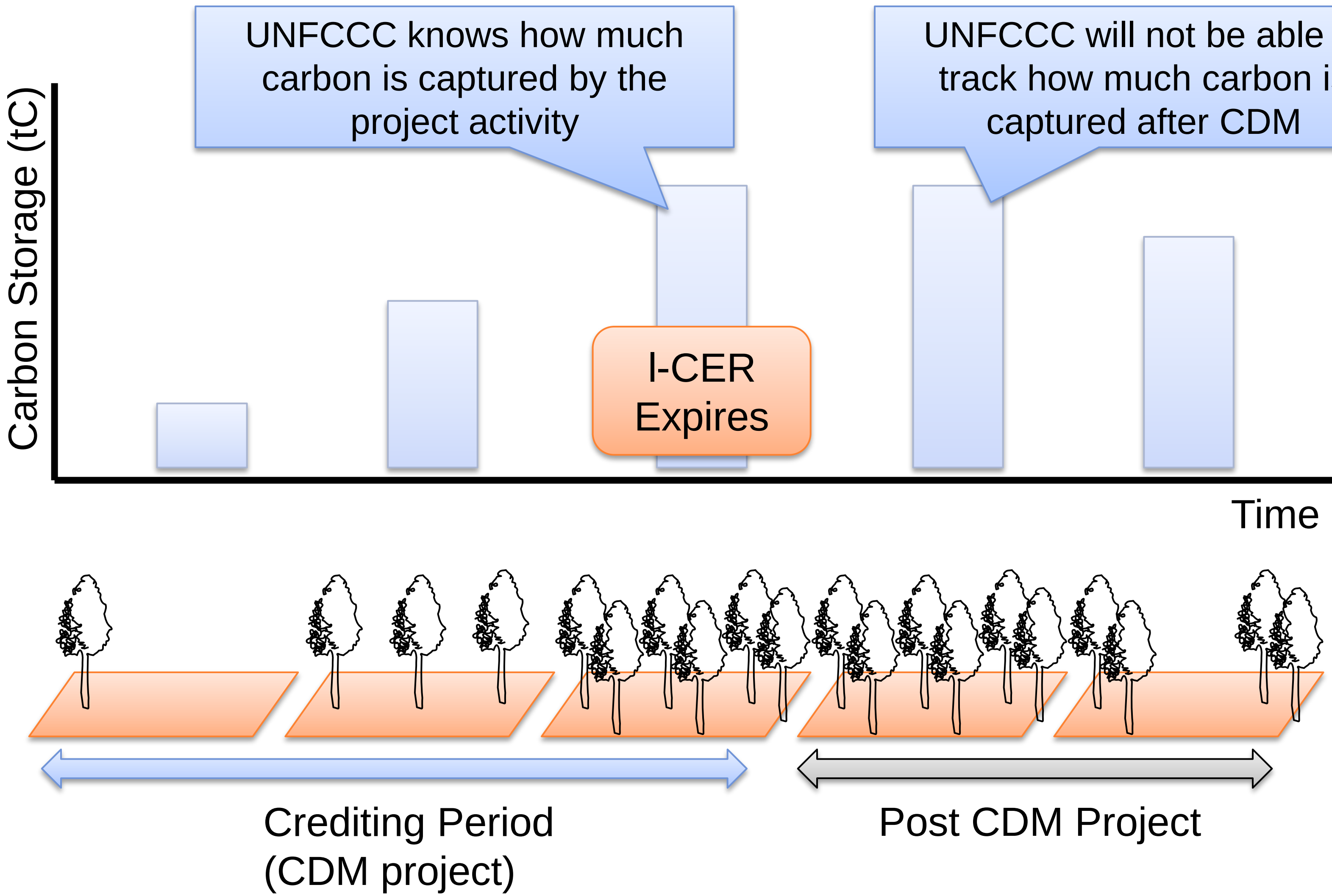
t-CER: expires during every commitment period (end of Kyoto Protocol)

I-CER in Detail

Due to the non-permanent nature of A/R CDM projects, the sequestered carbon may be released into the atmosphere during and after the CDM project activity. UNFCCC could monitor such activities only during the crediting period of the project and not after the end of the crediting period.

Unlike the conventional CERs, t-CER expires once the A/R CDM project ends.

I-CER in Detail



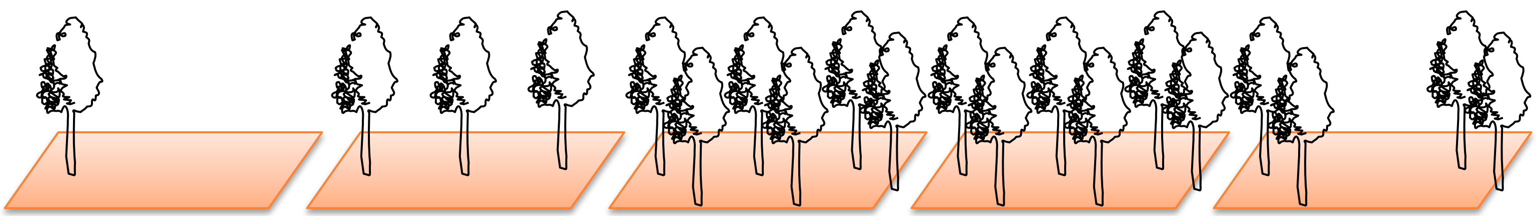
I-CER in Detail: Buyers Perspective

CER, l-CER or t-CER in the market

Buyer buys 1,000t of l-CER Which expires in year 2040

In year 2040, the buyer needs to obtain 1,000t CER to replace the expired l-CERs

Year 2010 | Year 2025 | Year 2040 | Year 2055 | Year 2070



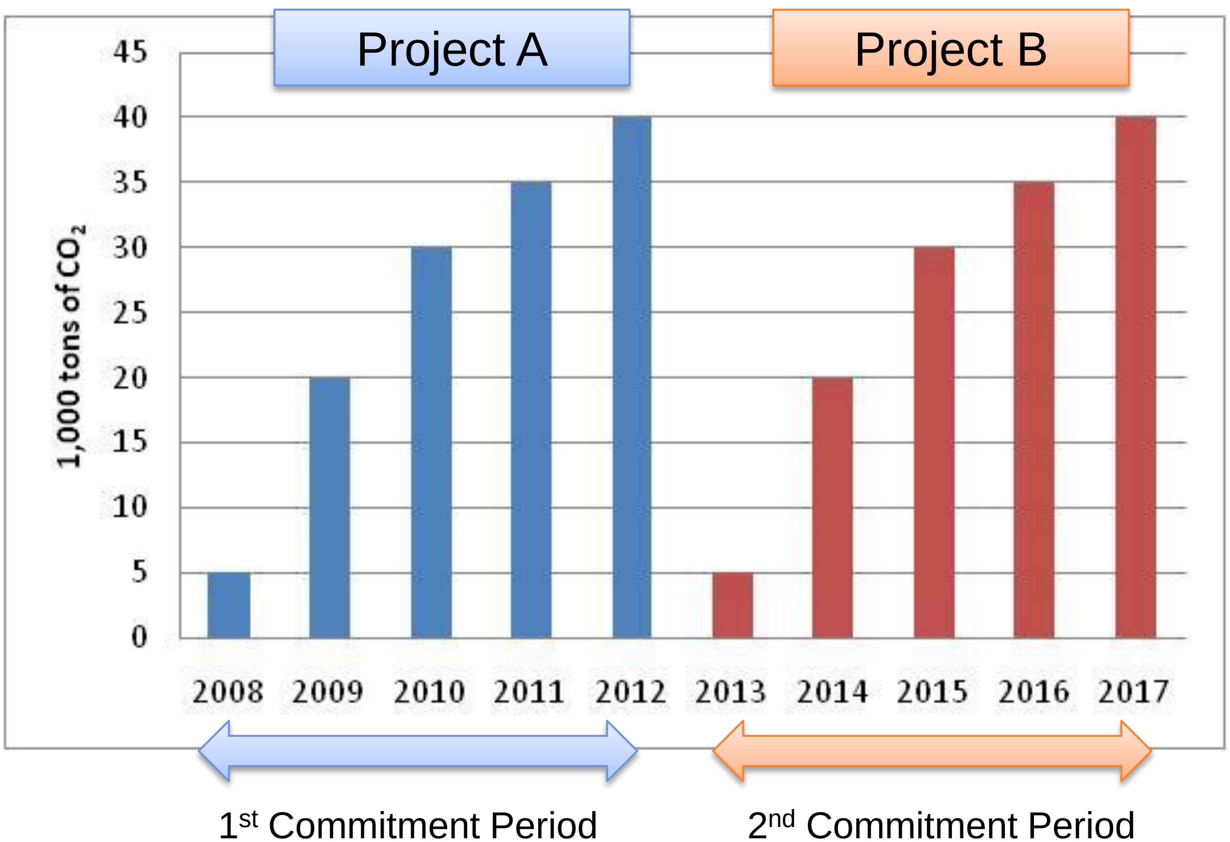
UNFCCC could assure that the 1,000t of CO_2 is captured by the project activity ONLY during the crediting period

Post CDM Project

t-CER

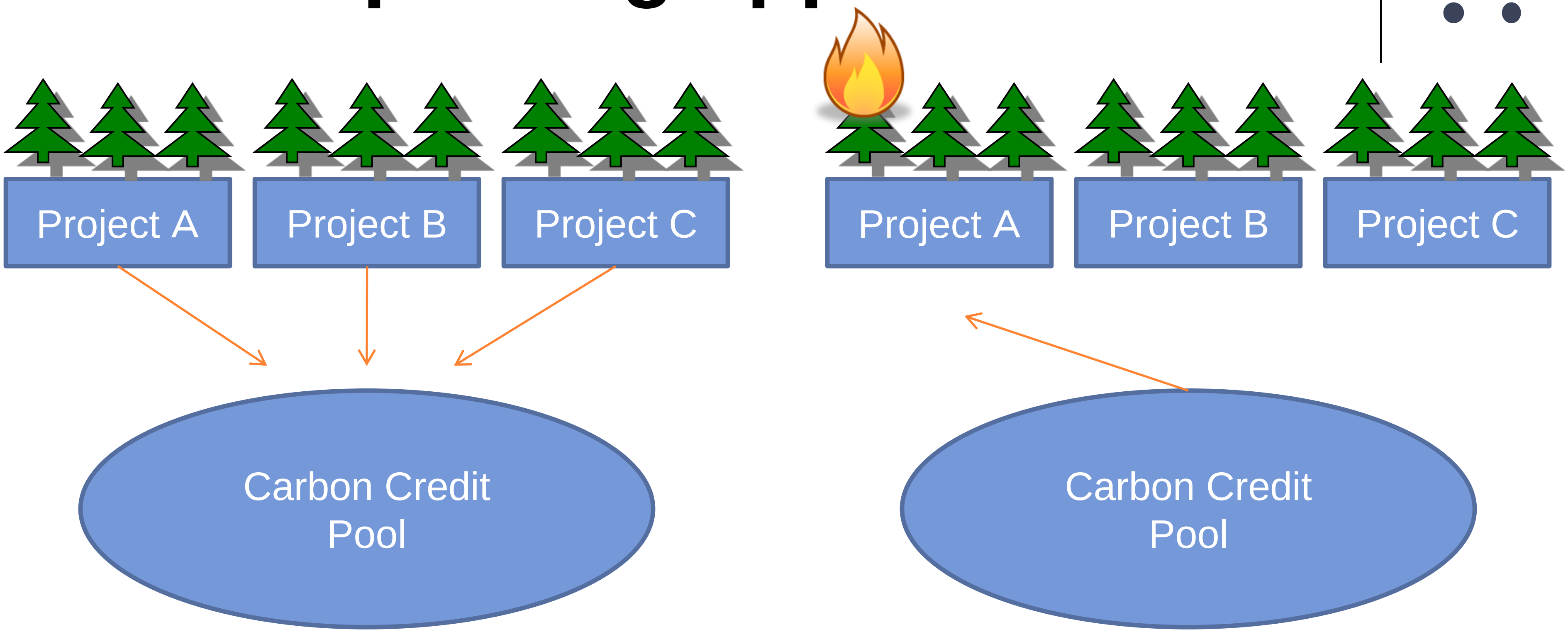
→l-CER expires during the end of the crediting period (end of CDM)

→t-CER will expire during the end of the commitment period



t-CER is effective only during the single commitment period

Credit pooling approach

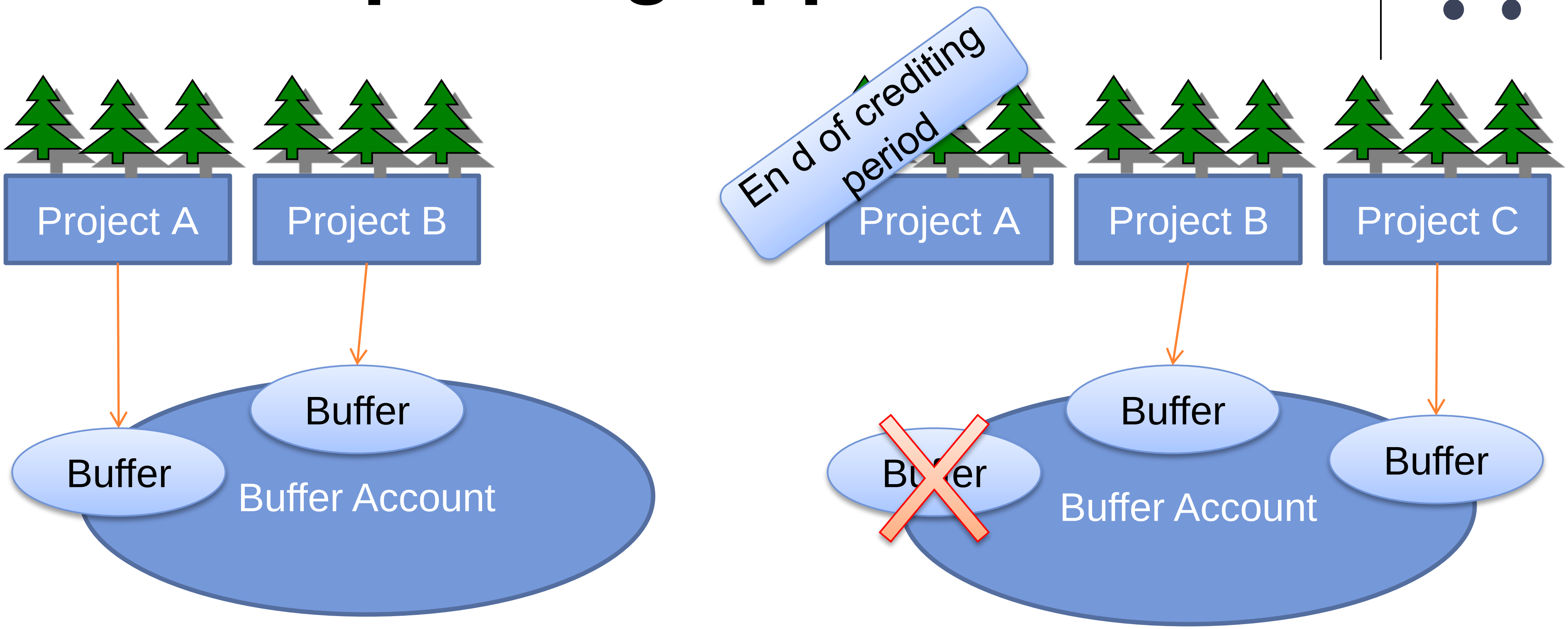


Portion of the carbon credit from each projects are pooled to a specific fund

If the CO_2 is emitted from one of the project the carbon credit from the pool could be utilized to offset the loss

As long as the carbon credit pool is managed correctly, the carbon credit from these projects, could be treated as "permanent ".

Credit pooling approach: VCS



Voluntary Carbon Standard use the Credit Pooling Approach:
"The VCS will periodically review the minimum buffer values to ensure that a positive and safe balance of buffer credits is held in the VCS registry at all times" (VCS Guidance for Agriculture, Forestry and Other Land Use Projects)
→**As long as there is a continuous flow of new projects the buffer account is maintained**