



**CDM: Form for submission of queries from DOEs to the  
Afforestation and Reforestation Working Group regarding the  
application of approved A/R methodologies (version 01)**  
(To be used by DOEs for presenting questions / proposals / amendments  
related to the applicability of approved A/R methodologies)

<i>Name of the entity (DOE) submitting this form</i>	Det Norske Veritas Certification AS, on behalf of Rama Chandra Reddy, Carbon Finance Unit, The World Bank Group
<i>Reference number and title of the approved A/R methodologies</i>	Several AR Approved Methodologies
<i>Title/Subject (give a short title or specify the subject of your submission, maximum 200 characters):</i>	Project Boundary of CDM A/R Projects
<i>Attach CDM-AR-PDD example of project activity where applicability raises problem:</i>	<input type="checkbox"/> Yes, is attached.
<i>Date and signature for the DOE</i>	16.06.08, Mari Gross Viddal

**Submitted queries**

Please use the space below to substantiate the queries relating to the application of approved A/R methodologies. If the questions are related to a project activity under development or implementation, please describe the context in which they arose. If you are proposing amendments to approved A/R methodologies, please specify the text you want to change or introduce. If necessary, attach files or refer to sources of relevant information.

**If you have a question relating to the application of the approved A/R methodologies, please specify and provide reference to the exact project activity to which it applies.**

**If you propose an amendment to the approved A/R methodologies, please provide justification.**

&gt;&gt;

The CDM Executive Board (EB) at its 36<sup>th</sup> meeting approved guidance on application of project boundary to A/R project activities. The paragraph 38 of the EB 36 meeting requested further input from the A/R Working Group with a view to allow flexibility in the features of project boundary. In this context, we wish to seek guidance from the A/R Working Group on the application of project boundary to CDM afforestation and reforestation projects that are implemented on lands owned and managed by communities and farming households.

The current CDM rules on the boundary of A/R projects assume complete availability of data and information on all discrete areas on which project planting activity is scheduled and require detailed elaboration in the project design document submitted for validation. This assumption is pertinent to situations in which a single private entity or a public agency has ownership/tenure to project lands. However, on community or private lands, complete information with regard to planting on discrete areas is often not available as community and household decisions on planting are often taken at the planting stage instead of at the project design stage.

The current project boundary definition limits the participation of communities and small and marginal farmer households. For A/R projects with several thousand farmers and spread over many discrete parcels, it is difficult to know in advance exact discrete areas that would be planted in a given year, as planting decisions of communities/households are influenced by several factors such as weather, competing land use alternatives, and circumstances of farmers. As a consequence, complete information on planting status is only available at the time of planting.

As A/R project activities are sequenced over 2 to 5-year period, a major difficulty is the absence of advance information as to which discrete areas will be planted from among the eligible land parcels. The community and household planting activities occur through demonstration effect, i.e., positive experience of community/household land use decisions impact the land use on adjoining areas, especially with regard to a new land use such as A/R activity that expects a long term commitment of lands for the purpose. Therefore, project developers that support community or small farmer projects are not likely to know the actual number of discrete areas planted in each year until planting activity is completed.

The project boundary issue is expected to impact the A/R projects in the following ways:

- It creates bias against community and small landholder A/R projects
- For A/R projects that have several communities or households, validation is likely to be delayed until each discrete area and corresponding landowner is identified. This affects the sustainability of projects.
- Transaction costs of projects increase due to high costs of coordination needed to collect information on the exact discrete areas scheduled for planting. The increase in costs and time delay would affect the ability to raise finances for projects.
- The PoA may not be an appropriate approach to address the project boundary issue as implementation and regulatory requirements of PoAs will increase the transaction costs of A/R project.

#### **Suggestions to address project boundary issue in A/R projects**

To enhance clarity on project boundary issue, the A/R Working Group is requested to consider the following suggestions to enhance the operational and regulatory relevance of project boundary for A/R projects implemented on community or private lands.

- The project participants should identify the eligible lands for A/R activity in the PDD submitted for validation. The DOE is expected to consider the information on the eligibility of lands and planting schedule outlined in the PDD for validation. Upon successful validation, the project is expected to get registered as a CDM project.
- Subsequent to validation, the project boundary is verified at the first and subsequent verifications. The planted area assessed at first verification will be considered as the actual area of project for subsequent verifications.
- The eligible discrete areas validated as part of the project but not subjected to A/R activity subsequent to validation should be excluded from project boundary at the first verification. It is not required to assess the baseline GHG removals by sinks on lands excluded from the project boundary so as to ensure consistency in accounting of baseline GHG removals by sinks, actual GHG removals by sinks and project emissions and leakage emissions associated with the discrete areas included in the project.

We request suitable guidance on issues pertaining to project boundary of A/R projects.

**In case you propose the amendment to the approved A/R methodologies, please provide your draft below, if not included in an annex:**

&gt;&gt;

<i>Date of submission of contribution:</i>	June 9, 2008
<b>Information to be completed by the secretariat</b>	
Date when the form was received at UNFCCC secretariat	
Date of transmission to the AR WG and Executive Board	