
 <p align="center"><b>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)</b>  <i>(To be used by DOEs for presenting questions / proposals / amendments related to the applicability of approved A/R methodologies)</i></p>	
Name of the entity (DOE) submitting this form	TUEV-SUED
Reference number and title of the approved A/R methodologies	AR-AM0004
Title/Subject (give a short title or specify the subject of your submission, maximum 200 characters):	Candidate areas and boundary definition
Attach CDM-AR-PDD example of project activity where applicability raises problem:	<input checked="" type="checkbox"/> Yes, is attached.
Date and signature for the DOE	18.10.2007 
<p><b>Submitted queries</b></p> <p>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.</p> <p><b>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.</b></p> <p>The question is relevant to the project Procuencia.</p> <p>A larger candidate area is defined which complies with eligibility criteria (aprox. 65.000 ha). Out of this pool of land only a fraction will be reforested as part of the project. It is not possible to define the actual geographic position for the reforestation within the candidate area a priori, as corresponding small holders opt into the project scheme successively (confirming their participation with a contract).</p> <p>The project participants provided evidence on (i) eligibility of the candidate areas and (ii) that the scheduled reforestation of 15.000 ha is in line with the technical capacities of the project.</p> <p>This approach would result in the (initial) inclusion of areas on which actually no reforestation activities occur. Throughout monitoring (III, section 1.3) the planted areas would be defined exactly with GPS and added to the project area under control (confirmed with monitoring / verification).</p> <p>Our question in this context is:</p> <p>Under the approved methodology, can the PDD determine the total potential candidate land area as the project boundary and have the flexibility to incrementally incorporate new parcels from within the candidate land area, parcels not yet under the control of the project participant at the start of the project activity, as land owners become convinced of the merits of joining the umbrella CDM project?</p> <p>The following has been provided by the project in this context:</p>	

The PROCUECA A/R project has been visited by the TUV DOE and an uncertainty was identified regarding the degree of flexibility permitted by UNFCCC approved methodology AR-AM0004 v1, regarding the candidate areas that can be brought under the control of an A/R project as it develops during the crediting period. In the great majority of conditions in developing countries, land tenure is atomized in regions that could comply with the methodology's eligibility and additionality requirements and that could be incorporated into CDM umbrella projects that fix atmospheric carbon in significant amounts. Within the context of atomized land tenure, few small landowners in the countryside are initially aware of or are initially confident in the CDM or the new international carbon markets. In order to apply the CDM to change land use in atomized areas from baseline uses such as extensive cattle grazing, to restore sensitive biological corridors, reforest eligible lands, provide desired social benefits, improve environmental services and sequester amounts of carbon that contribute significantly to the objectives of the Convention, the Kyoto Protocol and Article 12, consistent with the EB's objectives of promoting sectoral CDM, umbrella AR projects require the flexibility to be able to progressively incorporate additional small and medium sized landowners over time, as long as the incremental land plots have been previously identified and comply with the complete set of rules governing CDM, the applicability conditions and the eligibility and additionality requirements of methodology. Clearly, the exact number of eligible parcels incremental to those initially under control of the participants that would decide to take part in a nascent regional CDM watershed restoration project, their exact localities and exact size, and the total area of the parcels that would eventually come under control of the participants during a 20 year crediting period, is undefined at the writing of the PDD. In the opinion of the project team, approved methodology AR-AM0004 v1 provides the flexibility to progressively include a growing number of parcels over time whose owners wish to benefit from the generation and sale of CERs in regional umbrella CDM AR projects. The text in approved methodology AR-AM0004 v1 regarding this flexibility seems clear, both at the formulation stage and at the verification and monitoring stages. As the selected texts below show, the methodology is sufficiently rigorous to ensure that every ton of CO<sub>2</sub> that is fixed in project activities carried out on eligible lands within the boundary of the project will be precisely measured with respect to the baseline conditions established in the PDD. Specifically, the texts relating to the incorporation of a growing number of parcels in an umbrella projects state:

#### Section I.4., Baseline methodology steps:

- i. The project boundary is defined for all eligible discrete parcels of land to be afforested or reforested that are under the control of the project participants at the starting date of the project activity or expected to become under the control of the project participants during the implementation of the project activity during the crediting period.
- iii. The baseline scenario is determined by the following steps:
  - Step 1. Demonstration that the proposed AR CDM project activity meets the conditions under which the methodology is applicable and that baseline approach 22(a) can be used.
  - Step 2. Delineation of the project boundary.
  - Step 3. Analysis of historical land use, local and sectoral land-use policies or regulations and land use alternatives.
  - Step 4. Stratification of the AR CDM project area: Stratification according to pre-existing conditions and baseline projections; Stratification according to the planned AR CDM project activity; Final ex ante stratification;
  - Step 5. Determination of the baseline land-use / land-cover for each stratum.
  - Step 6. Determination of baseline carbon stock changes in each stratum.
- vi. The ex ante actual net GHG removal by sinks is estimated for each type of stand to be created with the AR CDM project activity. Stand types are represented by 'stand models' that are a description of the species planted or regenerated and the management prescribed (species, fertilization, thinning, harvesting, etc.). Carbon stock changes and the increase of GHG emissions resulting from fertilization, site preparation (biomass burning) and fossil fuel consumption are estimated using methods developed in IPCC GPGULUCF.

#### Section II: Baseline methodology description

The boundary of the proposed AR CDM project activity shall be defined as follows:

- a) The project boundary shall geographically delineate and encompass all anthropogenic GHG emissions by sources and removals by sinks on lands under the control of the project participants that are significant and reasonably attributable to the proposed AR CDM project activity.
- b) Discrete parcels of land not under the control of the project participants at the start date of the proposed AR CDM project activity but expected to come under the control of the project participants during the crediting period may be included within the project boundary if all of the following conditions are met:
  - The total area (hectares) of these parcels of land not yet under the control of the project participants is clearly defined in the CDM-AR-PDD; and
  - A justification of how these parcels of land will come under the control of the project participants is provided in the CDM-AR-PDD; and
  - The candidate land areas among which the particular parcels of land will be chosen have been identified and are unambiguously identified in the CDM-AR-PDD with GPS coordinates and maps; and
  - All candidate land areas have been included in the baseline assessment and it can be shown that they are not different from the land areas already under the control of the project participants at the start of the proposed AR CDM project activity in terms of land eligibility, baseline net greenhouse gas removal by sinks, actual net greenhouse gas removal by sinks, leakage, socio-economic and environmental impacts.

#### Section III: Monitoring methodology description

##### 1.1 Monitoring of the boundary of the proposed AR CDM project activity:

This is meant to demonstrate that the actual area afforested or reforested conforms with the afforestation or reforestation area outlined in the PDD. The following activities are foreseen: a) Field surveys concerning the project boundary within which the AR activity has occurred, site by site; b) Measuring geographical positions (latitude and longitude of each corner polygon sites) using GPS; c) Checking whether the afforested/reforested areas are consistent with the eligible areas as defined in the CDM-AR-PDD; d) If afforestation/reforestation activities fall outside of the project boundary as defined in the CDM-AR-PDD, these lands shall not be accounted as a part of the AR CDM project activity. e) Input the measured geographical positions into the GIS system and calculate the implemented area of each stratum and stand;

##### 2.1 Monitoring of strata:

Stratification of the project area into relatively homogeneous units can either increase the measuring precision without increasing the cost unduly, or reduce the cost without reducing measuring precision because of the lower variance within each homogeneous unit. Project participants should present in the AR-CDM-PDD an ex ante stratification of the project area using the methods outlined in section II.2 and build a geo-referenced spatial data base in a GIS platform for each parameter used for stratification of the project area under the baseline and the project

scenario. This geo-referenced spatial data base shall be updated periodically due to the following reasons:

- Unexpected disturbances occurring during the crediting period (e.g. due to fire, pests or disease outbreaks), affecting differently different parts of an originally homogeneous stratum or stand;
- Forest management (cleaning, planting, thinning, harvesting, coppicing, re-planting) may be implemented at different intensities, dates and spatial locations than originally planned in the PDD;
- Eligible land areas as defined in the AR-CDM-PDD not yet under the control of the project participant at the start of the project activity have become under the control of the project participants (see Section II.1, point c);

#### QUESTION REGARDING THE FLEXIBILITY OF INCORPORATING LANDS TO BE BROUGHT UNDER CONTROL OF THE PROJECT IN THE FUTURE:

Assuming the following conditions are met:

- a) the candidate land area which is desired to be included in the project activity as it grows over time has been delineated;
- b) the candidate land area conforms to all CDM rules, regulations, eligibility, and additionality conditions;
- c) the candidate land area conforms to all the methodology applicability conditions;
- d) the total candidate land area has been mapped, measured and documented in a GIS database;
- e) baseline conditions are clearly determined and mapped for all eligible parcels in the total candidate land area;
- f) all eligible parcels in the total candidate land area has been stratified and stand models for potential planting have been identified, and as such the total candidate land permits the establishment of the maximum potential project boundary equal to the candidate land area;
- g) the monitoring methodology of AR-AM0004 v1 is correctly applied prior to each verification.

Under the approved methodology, can the PDD determine the total potential candidate land area as the project boundary and have the flexibility to incrementally incorporate new parcels from within the candidate land area, parcels not yet under the control of the project participant at the start of the project activity, as land owners become convinced of the merits of joining the umbrella CDM project? This is the way the Procueca forestry project operates in practice.

<b>If you propose an amendment to the approved A/R methodologies, please provide justification.</b>	
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<b>In case you propose the amendment to the approved A/R methodologies, please provide your draft below, if not included in an annex:</b>	
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<i>Date of submission of contribution:</i>	18. October 2007
<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	