

REFLECTING THE REQUIREMENTS IN MODALITIES AND PROCEDURES FOR CCS

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Workshop on modalities and procedures for CCS under the CDM

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Overall approach

- Translation of ideas into M&P
- Mutatis mutandis
 - Most general CDM provisions remain valid for CCS projects
 - Only add to or change provisions where warranted by CCS needs
- Structure of decision
 - Decision text (including requests to EB for action)
 - Annex (mostly procedural requirements)
 - Appendices (more detailed technical requirements)
- Executive Board also to develop implementation guidance
- INF.7 references are to the synthesis of submissions

Possible M&P structure

- Definitions
- Role of the CMP
- Executive Board
- Accreditation and designated operational entities
- designated operational entities
- Participation requirements
- Validation and registration
- Monitoring
- Verification and certification
- Issuance of certified emission reductions
- Appendix A: Standards for accreditation of operational entities
- Appendix B: Project design document
- Appendix C: TOR for guidelines on baselines and monitoring methodologies
- Appendix D: CDM registry requirements
- [Appendix E: Project requirements](#)

New appendix E: Project requirements

Additions/changes	Subsequent EB action needed
Site selection and characterization requirements (INF.7 paras 16, 20, 21)	Update standards and procedures
Requirements for risk, safety and socio-environmental impact assessment (INF.7 para. 46)	Update standards and procedures
Description of project boundary (INF.7 para. 25-28)	Approve methodologies with clear approaches to determining project boundaries and including all potential seepage pathways
Monitoring requirements (INF.7 paras 55-62)	Approve appropriate monitoring methodologies
Site management plan requirements (INF.7 para 20(d))	



New appendix E: Project requirements (continued)

Additions/changes	Subsequent EB action needed
Requirements for financial provisions to cover liability, monitoring, etc	Update standards and procedures
Governance arrangements for transboundary projects (INF.7 para 38)	
Allocation of liability (INF.7 para 73)	Approve methodologies which include seepage emissions as project emission
Conditions for transfer of liability to [host] [buyer] Party (INF.7 para 76 (a) and (b))	



Allocation of liability

	Civil liability	Global emission impacts
Short-term (injection phase)	Project participant obligation to compensate damages	Project participant obligation to account for any seepage as project emissions
Medium-term (formation closure until stabilization of the CO2 plume)	Project participant obligation to compensate damages	Project participant obligation to surrender “carbon assets” equivalent to seepage or otherwise ensure equivalent emission reductions Financial provisions to cover cases of insolvency
Long-term (stabilization of plume to perpetuity)	[Host] [buyer] government obligation to compensate damages	[Host] [buyer] government obligation to cancel “carbon assets” equivalent to seepage or otherwise ensure equivalent emission reductions

B. Role of the CMP

- Establish conflict resolution mechanism for transboundary disputes (INF.7 para 88b(vii))
- Establish and elaborate modalities for a compensation fund (INF.7 para 75(f))

F. Participation requirements

- Establishment by host Parties of national laws and regulations (INF.7 pars 96-102)

G. Validation and registration

- DOEs to ensure project requirements (annex E) are met
- Decide on crediting periods for CCS projects (INF.7 para 88b(vi))
- [Expert working group on guidance and project assessment]
- [Allow transboundary projects between non-Annex I Parties and apply approaches in 2006 IPCC Guidelines to seepage]