



**CAN International Submission to Call for Public
Inputs on the draft procedure to demonstrate the
eligibility of lands for A/R project activities under
the CDM**

18 June 2007

The Climate Action Network International (CAN) is a coalition of more than 360 environment and development non-governmental organizations in 85 countries worldwide committed to limiting human-induced climate change to ecologically sustainable levels. CAN welcomes the opportunity to provide input to the Executive Board (EB) on our views and concerns related to the *Draft Procedures to Demonstrate Eligibility of Lands for Afforestation and Reforestation Project Activities* by the CDM Afforestation/Reforestation Working Group (CDM A/R WG, 13th Meeting, Annex 01, 22 March 2007).

Introduction

CAN is concerned that the current CDM EB's draft eligibility procedures for Afforestation and Reforestation project activities will create perverse incentives to deforest lands. Some Parties and stakeholders have stated their view to remove subparagraph 1(b) iii¹, (from Annex 18 EB26), however, CAN believes that removal of this paragraph could create the perception for landowners that deforestation will be rewarded at some point in the future. This would result in no benefits to the climate or biodiversity.

Removal of this paragraph could create the perception in landowners that deforestation will be rewarded at some point in the future if they clear-cut a forest today which then could be reforested to claim credits. Such eligibility would perpetuate an endless cycle of reforestation and deforestation resulting in no benefits to the climate or biodiversity. For example, nothing in the current proposal would prevent the clearing of secondary forest that had developed since 31 December 1989 to then establish thereafter a monoculture tree plantation that is credited under the CDM. In addition to risking negative social and environmental impacts and providing a subsidy to the plantations industry, allowing for such practise would also not result in emission reductions, since in the absence of the project the secondary forest would have continued to exist.

Proving lack of Intent

The latest EB's draft on eligibility procedures relies on countries to "provide transparent information that demonstrates that the land was not *intentionally* converted to non-forest land *for the purpose* of implementing an A/R CDM project activity"(emphasis added). This criteria could enable a forest to be illegally cleared and project developers would simply have to disprove intent.

¹ "The land has not been forest land at any time since 1 January 1990, that is, there is no time since 1 January 1990 at which woody vegetation on the land has met the thresholds adopted for the definition of forest by the host country."

CAN believes it would be difficult for the CDM Executive Board to effectively monitor and assess evidence provided by project participants to prove they did not intentionally clear the forest. Intent is difficult enough to prove in a criminal law case, let alone by the EB with its limited resources. Merely relying on other tools such as additionality or stakeholder input will not assist in assessing intent.

Additionality

The notion of additionality generally focuses on the question of whether CDM projects create real emission reductions or if they are rather business as usual projects. The definition set out in the Kyoto Protocol states: “*Reductions in emissions that are additional to any that would occur in the absence of the certified project activity*”. CAN believes this would be inadequate in assessing whether the land was forested after 31 December 1989 as the additionality criteria merely seeks to establish if a reforestation activity is economically viable without the CDM.

Definitions

This draft decision would introduce two different forest definitions for Annex I and non-Annex I countries in the first commitment period. This would set a concerning precedent particularly in light of the negotiations on the Review of the Kyoto Protocol and the future negotiations. Furthermore, if there is any change in the eligibility criteria date agreed to by the COP/MOP, then it should be referred back to the COP/MOP. It is not up to the EB to make a change to the COP/MOP decision.

Post-2012 Considerations

Some stakeholders have suggested that there could be a ‘rolling’ cut off date to allow land to be eligible if it did not have a forest for more than 10 years. The integrity and public perception of the CDM will be badly damaged if incentives to reduce GHG emissions are turned into a subsidy for socially and environmentally destructive practices.

Environmental NGOs have consistently opposed destructive land use and forest management practices, and will certainly oppose them if they occur as a result of CDM implementation.

We therefore urge you to reintroduce paragraph 1(b)iii in the *Draft Procedures to Demonstrate the Eligibility of Lands for Afforestation and Reforestation Project Activities* to ensure that any perverse incentives for deforestation are avoided.