

3 July 2011

CDM Executive Board  
UNFCCC Secretariat  
Martin-Luther-King-Strasse 8  
D 53153 Bonn  
Germany

Dear Mr. Hession,

I am writing to you in response to your call for public input on the identification of common issues in implementation of a registered A/R CDM project activity. IETA has filled out the questionnaire below and thanks you for your consideration of our comments.

Kind regards,



Henry Derwent  
President and CEO, IETA

Q.N.	Question	Response
1	<b>Project boundary</b>	
	Have you experienced the need for change in the project boundary as provided in the registered PDD?	<i>N/A</i>
	What was the extent of the change in area? (i.e. what percentage of total area was affected by such a change?)	<i>N/A</i>
	Was financial analysis used in demonstration of additionality of your project?	<i>N/A</i>
	If financial analysis was used in demonstration of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the change actually applied to the project area?	<i>N/A</i>
	What were the reasons for change in the project boundary?	<i>N/A</i>

**IETA - Climate Challenges, Market Solutions**

24, Rue Merle d'Aubigné  
Geneva, 1207, Switzerland  
Tel: +41 (22) 737 0500

Boite 27  
Rue de la Loi 235  
Brussels, 1040, Belgium  
Tel: +32 (0)22 30 11 60

1730 Rhode Island Ave., NW,  
Suite 802, Washington, DC  
20036 USA  
Tel: +1 (202) 629-5980

100 King Street West, Suite  
5700, Toronto, Ontario  
M5X 1C7, Canada  
Tel. +1 (416) 913 0135

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2	<b><i>Schedule of planting</i></b>	
Have you experienced the need for changing the schedule of planting as provided in the registered PDD?	<i>Yes</i>	
How much area (in percentage) was not planted on time as provided in the registered PDD?	<i>Approximately 20-30% of the project was not planted on time.</i>	
Was planting delayed or brought forward?	<i>Planting was both delayed and brought forward in particular years.</i>	
If financial analysis was used in demonstration of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the change actually applied to the schedule of planting?	<i>No</i>	
What were the reasons for not planting areas according to the schedule provided in the registered PDD?	<p><i>Seasonal variability means that planting seasons are rarely consistent in length. PPs may have a reduced planting season due to short rainy seasons or vice-versa. If extreme climatic variations are seen, such as drought, it could even mean that no planting is possible in that particular year.</i></p> <p><i>Other reasons include limitations with the availability of local labour and financial resources.</i></p>	
3	<b><i>Species composition</i></b>	
Have you experienced the need for changing the species composition as provided in the registered PDD?	<i>Yes</i>	
How much area (percentage) could not be planted with species composition as provided in the registered PDD?	<i>Approximately 20 – 30% of the area was not planted with species composition as provided in the registered PDD.</i>	
If species composition was taken into account while carrying out barrier analysis for demonstration of additionality, was the outcome of the demonstration dependent on the species composition?	<i>N/A</i>	
If species composition was taken into account while carrying out financial analysis for	<i>Species composition was taken into account; however, sensitivity analysis did not cover such</i>	

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	demonstration of additionality, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>changes.</i>
	Was planting done with species not provided in the registered PDD?	<i>In some cases the PPs have used different species of the same genus, including hybrids.</i>
	Was re-planting done with species not provided in the registered PDD?	<i>In some cases replanting for establishment (due to low survival rate) was done with different species to what was provided in the registered PDD.</i>
	What were the reasons for change of species composition?	<p><i>Lack of detailed site species matching has, in some cases, led to poor survival of species or very poor growth. In such cases, if the survival is too low, then replanting has often occurred with different species. The stand may not have been replanted but the lesson learnt may be applied to other areas of the project to be planted in future years.</i></p> <p><i>At the time of replanting/ future planting there may be other species available which are more suitable to the area/ grow faster. PPs want to maximise growth and minimize risk, thus have taken advantage of such opportunities.</i></p>
4	<b><i>Stocking density</i></b>	
	Have you experienced the need for changing stocking density (i.e. number of trees per hectare) provided in the registered PDD?	<i>Yes</i>
	How much area (percentage) could not be planted with the same stocking density as provided in the registered PDD?	<i>30-40%.</i>
	If stocking density was taken into account while carrying out financial analysis for demonstration of additionality, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>Sensitivity analysis did not look at variations of stocking density.</i>
	What were the reasons for change of stocking density?	<i>Changes in national guidelines recommending stocking densities. The development of new market opportunities – new products etc – mean that stocking density should be adjusted to maximise value.</i>
5	<b><i>Biomass estimation method</i></b>	

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	Have you experienced the need for changing the method of estimation of biomass from the method provided in the registered PDD? For example, the registered PDD provides for use of biomass expansion factor method, but in practice allometric equations were used, or vice versa? Or, the registered PDD provides for permanent sample plots but in practice temporary plots were used?	<i>N/A</i>
	What changes were made in this respect?	<i>N/A</i>
	Were any allometric equations deemed more suitable to your project found after registration of the PDD?	<i>N/A</i>
	Have you experienced, or do you foresee, a need to develop new allometric equations within your project because the equations provided in the registered PDD have been found unsuitable to for your project?	<i>N/A</i>
6	<b><i>Use of fire</i></b>	
	Have you experienced the need for using fire in site preparation even if use of fire was not provided for in the registered PDD?	<i>Yes</i>
	How much area (in percentage) was affected?	<i>50-60% of area.</i>
	Do you foresee a need to use fire for forest management in future?	<i>Yes</i>
	What were the reasons for using fire when this was not provided for in the registered PDD?	<i>Initially PP thought land preparation would be adequate through slashing and pitting; however, this turned out to be insufficient. Alternatives to remain in line with the PDD involved mechanized methods – mechanized slashing, for example – however, this would not be financially viable. Fire was therefore used. PPs which have had to change from non-fire to fire site preparation techniques would likely have done so at an early stage of the project; consequently the area affected could be large.</i>  <i>Rules on whether fire could be used.</i>
7	<b><i>Use of fertilizers</i></b>	
	Have you experienced the need for use of	<i>N/A</i>

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	fertilizers even if the registered PDD does not provide for use of fertilizers as a management practice, or vice versa?	
	How much area (in percentage) was affected?	<i>N/A</i>
	Did this change significantly affect the cash-flow of your project?	<i>N/A</i>
	What were the reasons for using fertilizers when the registered PDD does not provide for use of fertilizers?	<i>N/A</i>
8	<b><i>Use of mechanized planting operations</i></b>	
	Have you experienced the need for mechanized planting operations when the registered PDD provided for manual operations only?	<i>Yes. Strip ploughing has been used on small areas of the project.</i>
	How much area (in percentage) was affected?	<i>&lt;10%</i>
	Did this change significantly affect the cash-flow of your project?	<i>How is "significant" defined? The cash flow implication was minor due to only a very small area being affected: slight increase in cost of site preparation and increased growth rate, but since only a small area (&lt;10%), overall IRR impact would be negligible.</i>
	What were the reasons for changing to mechanized planting operations?	<i>Poor establishment of certain species, particularly Eucalyptus.</i>
9	<b><i>Timing of silvicultural operations</i></b>	
	Have you experienced the need for a different timing of silvicultural operations (e.g. pruning, cleaning, thinning, resin-tapping, harvesting, replanting) than the timing provided in the registered PDD?	<i>Yes</i>
	Was harvest delayed or brought forward?	<i>Examples of both have occurred.</i>
	Was re-planting delayed or brought forward?	<i>Re-planting following harvesting is yet to occur.</i>
	Was thinning delayed or brought forward?	<i>Examples of both have occurred.</i>
	How much area (in percentage) was affected?	<i>Estimate of 50-60% (though the majority of this would probably +/- one-two year of the planned thinning/ harvesting ages).</i>
	Did this change significantly affect the cash-flow of your project?	<i>How is "significant" defined?</i>
	If financial analysis was used in demonstration	<i>No, sensitivity analysis did not cover changes in</i>

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	of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>timing of silvicultural management.</i>
	What were the reasons for not carrying out silvicultural operations according to the timing provided in the registered PDD?	<i>Climatic variations/ growth conditions. Market could change – pole market improving may incentives more thinnings. Financial situation of company – if low on cash, then may bring forward thinning/ harvesting. Pest outbreak/ fire – remove straight away, and may remove additional planting to be on safe side.</i>
10	<b><i>Propagation methods</i></b>	
	Have you experienced the need for adopting propagation methods different from the ones provided in the registered PDD? For example, the registered PDD provides for planting of nursery-raised seedlings, but in practice plantations were raised by seed sowing or by assisted natural regeneration techniques?	<i>Propagation methods have been followed with regards to species being raised in PP's own nursery. However, some clone seedlings have been purchased directly from other nurseries – this was not covered in the PDD.</i>
	How much area (in percentage) was affected by this change?	<i>10-20%</i>
	Was the changed propagation technique employed in your project more cost-effective or less cost-effective?	<i>More cost-effective – additional cost of clone seedling offset by increased growth of trees.</i>
	If financial analysis was used in demonstration of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>No.</i>
	What were the reasons for changing the propagation technique?	<i>Failed establishment or poor growth of certain species led PP to look for better genetic material.</i>
11	<b><i>Area surveying methods</i></b>	
	Have you experienced the need for using a different method for surveying areas of various land parcels and strata, from the method provided in the registered PDD? For example, the registered PDD provides for use of GPS survey for determination of stratum areas, but in practice areas were determined by carrying out direct field survey?	<i>N/A</i>

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	How much area (in percentage) was affected by this change?	<i>N/A</i>
	Was the actual survey method used less precise or more precise compared to the method provided in the registered PDD?	<i>N/A</i>
	Was the actual survey method used less cost-effective or more cost-effective compared to the method provided in the registered PDD?	<i>N/A</i>
	Was this change applied in <i>ex ante</i> or <i>ex post</i> estimation of area?	<i>N/A</i>
	What were the reasons for change of survey method?	<i>N/A</i>
12	<b><i>Sources of finance</i></b>	
	Have you experienced the need for adopting a different project financing mechanism than the one provided in the registered PDD? For example, the registered PDD provides that half of the finance will be arranged as loan from commercial banks, but in practice all of the finance was made available by project participants, or vice versa?	<i>The PDD was based on equity financing; however, a blend of loan financing and equity is being used. Opportunities for additional ODA funding have also arisen.</i>
	To what extent was project finance changed (in percentage - if appropriate) from that provided in the registered PDD?	<i>10 – 20%</i>
	Did this change affect significantly the cash-flow of your project?	<i>How is “significant” defined? The cash flow through ODA was important due to limited early revenues; however, this had little affect on the overall IRR due to the relatively limited amount of funds compared to commercial thinnings/ harvests.</i>
	If financial analysis was used in demonstration of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>Sensitivity analysis in the PDD did not cover the applied change.</i>
	What were the reasons for change in project financing mechanism?	<i>New capital raised by the company was debt financing. Extension to ODA scheme meant more project area was eligible for financing.</i>
13	<b><i>Sources of revenue</i></b>	
	Have you experienced the need for generating	<i>N/A</i>

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	project revenues from any source not provided in the registered PDD? For example, according to the registered PDD fuelwood and fodder from the project area was to be distributed to local people free of cost, but in practice this produce was sold or auctioned? Or, no harvesting was provided for in the registered PDD, but in practice harvest was carried out?	
	What percentage of the project revenues were generated by using such sources?	<i>N/A</i>
	Did this change affect significantly the over-all cash-flow of your project?	<i>N/A</i>
	If financial analysis was used in demonstration of additionality of your project, was the range of changes included in the sensitivity analysis broad enough to cover the actually applied change?	<i>N/A</i>
	What were the reasons for generating revenue from new revenue sources?	<i>N/A</i>
14	<b><i>Unforeseen events</i></b>	
	Have you experienced unforeseen events, such as wildfire or outbreak of pests/disease?	<i>Yes</i>
	Were such events anticipated in the registered PDD?	<i>Yes</i>
	Were the necessary safeguards against such events, as provided in the registered PDD, put in place?	<i>Yes</i>
	If no, what were the reasons for not putting the safeguards in place?	<i>N/A</i>
	How much area (percentage) was affected by the events?	<i>~10%</i>

**Any other change:** If you have experienced need for any other type of change from the description provided in the registered PDD, please use the following question template to provide additional information:

**IETA has no comments for this portion.**