

To: UNFCCC Secretariat  
Small Scale Working Group

24 September 2014

**Re: Comments on draft version 04.0 of AMS-III.AU: “Methane emission reduction by adjusted water management practice in rice cultivation”**

Dear UNFCCC Secretariat,

First of all, allow me on behalf of the Philippine CDM DNA and its consultants to extend our gratitude for the provided opportunity to comment on the draft revision of AMS-III.AU. “Methane emission reduction by adjusted water management practice in rice cultivation”.

In 2013, the CDM DNA of the Philippines approached UNDP MDG Carbon Programme with a request to support the development of a standardized baseline for rice cultivation. Although the Philippines is a major rice producing country and a lot of research has been done on the methane emissions from the rice sector, there was no firmly established methodological framework to capture the effects of any related mitigation measures, thus virtually preventing the access to carbon financing for any related activities. UNDP, together with its consultant Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., developed a draft standardized baseline that aimed to fully reflect the conditions in the Philippine rice sector. They utilized the framework of version 3 of AMS-III.AU., while applying an approach implicitly used in previous revisions of the methodology, but not explicitly stated in the methodology. It was our understanding that this approach was the only way to utilize the already existing results of research activities related to methane emissions from rice cultivation and provide a more accurate assessment of the actual methane reduction potential not only in the Philippines, but also in other rice producing countries.

We welcomed the decision by the Secretariat and subsequently - the CDM Executive Board to conduct a top-down revision of AMS-III.AU. to incorporate the approach already contained in our submission. We and our consultants reviewed the proposed draft and, except for one editorial comment and one technical suggestion contained in the attached comment form, consider that it is fully in line with our proposed approach.

Once again, we would like to thank the UNFCCC Secretariat for its proactive approach and initiating the revision of the methodology. We hope that this work will spur more active mitigation project development in the rice sector and will allow bringing real transformation to a more-sustainable, low carbon path in the near future.

Sincerely yours,

Albert Magalang  
Head, Climate Change Office  
Philippine DNA for CDM Secretariat  
EMB – Department of Environment and Natural Resources

Alexandra Soezer  
Project Manager  
United Nations Development Programme  
MDG Carbon

Vladislav Arnaoudov  
Senior Consultant  
Clean Energy Finance Division  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

