



The Mexico Forest Project Protocol Workgroup

Meeting 2 Meeting Notes July 15, 2010	Remote Meeting Held via Go To Meeting
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The meeting held on July 15, 2010 started at approximately 8:30 AM and concluded at 11:00 AM (PDT).

The next meeting will take place on August 5th, 2010 at CONAFOR in Mexico City. Skype will be available for those unable to attend the meeting. An agenda will be sent out at least a week in advance of the meeting.

In attendance: Tim Kidman (Climate Action Reserve), Cheri Sugal (Terra Global Capital), Yougha Von Laer (South Pole Carbon Asset Management), Pablo Quiroga (Natura Proyectos Ambientales), Alejandra Salazar (Pronatura Mexico), Mariana Azaola (CONAFOR), David Ross (Alianza para la Conservacion Sierra Gorda), John Nickerson (Climate Action Reserve), Bryan Foster (EcoLogic)

Background:

Working Group members reviewed a matrix of requirements in the Climate Action Reserve's Forest Protocols that had been prepared by John. The matrix identified the requirements within the protocol by each section in the protocol. The matrix was placed as a Google Document and access was provided to Working Group members for editing. Working Group members suggested modifications/ comments/ concerns where members thought change was needed for the protocol to function in Mexico. John summarized these comments into one document that outlined:

- Further clarification on the requirement is needed
- Recommendations to modify the protocol requirements
- Concerns with the provisions in the existing protocols
- Justification, where provided for the comments raised.

The summary was circulated to Working Group members prior to the internet meeting.

Meeting Review:

The Working Group reviewed the summary of comments prepared by John. It was generally agreed that the summary reflected the comments received by Working Group members. It was requested that the summary document explicitly identify that public lands be eligible for avoided conversion projects. Some members wanted to review the comments that were submitted and ensure that their comments are reflected in the summary.

During the discussion, certain clear priority areas for further work emerged. The areas for further discussion and work generally fall into the following categories:

1. Crediting and Permanence

2. Land Tenure
3. Need for an Aggregation Methodology
4. Regulations and Business as Usual Regulatory Compliance
5. Technical Issues associated with definitions, biomass equations

The members voiced a desire to begin to articulate solutions to the issues raised and be prepared to initiate such discussions at the upcoming August 5th meeting in Mexico City. In order to begin developing the solutions it was decided that smaller subcommittees or focus groups would facilitate a more efficient pathway forward and could bring some proposals on how to address the issues forward to the next Working Group meeting. The following table presents the identified subcommittees, the subcommittee lead, and the members at the meeting that volunteered to be a part of the subcommittee and assist with the development of proposals for presentation at the broader Working Group meetings.

Subcommittee	Subcommittee Lead	Subcommittee Participants
Crediting Period/Permanence	Yougha	Bryan
Forest Owner/Aggregation Methodology	Alejandra Salazar	Pablo, David
Legal Issues	Juan Carlos Carrillo ?? suggested by Pablo to assist with legal issues. He has expressed an interest in participating with the group.	Alejandra (ProNatura)
Technical Issues (Biomass Equations and Definitions, etc.)	Cheri Sugal	

Working Group members who did not participate in the virtual meeting can sign on to a subcommittee. Also, members can serve on more than one subcommittee. All Working Group members will have the opportunity to express their thoughts at the broader Working Group meetings as they relate to any issue with the protocol.

Also discussed at the meeting:

1. John is meeting this week with the Air Resources Board in California and the Climate Action Reserve to discuss the major issues raised by the Working Group members. John will be in touch with the subcommittee leads to discuss any feedback from these groups that might affect the approach to developing alternative approaches to the issues in the protocol.
2. John explained to the Working Group that the Climate Action Reserve strives to develop standardized methodologies wherever possible, as opposed to project-specific interpretations of Greenhouse Gas (GHG) accounting themes. The following is from the Climate Action Reserve's program manual and summarizes the policy at the Climate Action Reserve with respect to the standardized approach to accounting¹:

¹ This was not discussed during the virtual meeting. It is added here as clarification of a concept that was discussed at the meeting.

The Reserve strives to develop protocols that are “standardized” in nature, meaning they apply standardized factors and eligibility rules to the extent possible while maintaining sufficient rigor and accuracy. Standardized offset crediting has two main elements:[1]

- 1. Determining the eligibility and additionality of projects using standard criteria, rather than project-specific assessments*
- 2. Quantifying GHG emission reductions using standard baseline assumptions, emission factors, and monitoring methods*

The main goal of standardized offset crediting is to minimize the subjective judgment required in evaluating whether a project should receive credit for emission reductions, and in determining how much credit it should receive. Compared to project-specific assessment and analysis, standardized crediting reduces transaction costs for project developers, alleviates uncertainties for investors, and increases the transparency of project approval and verification decisions. Furthermore, the Reserve believes that appropriately designed standardized protocols can be as rigorous as project-specific approaches in ensuring additionality and environmental integrity. Developing standardized methods for determining additionality and estimating baselines requires significant upfront research and analysis. In order to avoid the need for extensive data collection and analysis on a project-by-project basis, the Reserve invests significant time and resources to establish credible benchmarks and emission factors that can be applied to similar projects throughout an entire industry or sector.

In developing protocols, the Reserve frequently builds off existing project-specific methodologies, but in general will augment these methodologies with further analysis to establish standardized tests and metrics. Accordingly, the Reserve does not try to “reinvent the wheel”, but instead utilizes components of existing standards and methodologies to the extent possible and appropriate. Prior precedent does not exist for all issues, but when appropriate, the Reserve strives to be consistent with accepted methodology.