



for a living planet®

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CCS in the CDM?

presently no option for low-carbon sustainable development

WWF commissioned a report by the Institute for European Environmental Policy (IEEP) to look into and inform WWF on the various aspects of carbon capture and storage (CCS) in the CDM. This report (“CO₂ Capture and Storage in Developing Countries and the Role of the Clean Development mechanism”) is attached and forms the basis of our policy decisions as to whether and how CCS should be dealt with in context of the CDM.

Without any doubt, from WWF’s view CCS if proven to be ‘safe’ needs to be implemented both in developed and developing nations as soon as possible to reduce CO₂ emissions – but this is distinctively different from CCS in the CDM. Also, CCS particularly in coal-rich developing nations, has many non-climate benefits such as reducing air pollution and negative health impacts as well as acid rain – but again, is this addressed adequately by allowing CCS into the CDM?

Although WWF is principally supportive of CCS being a ‘necessary evil’ to help the globe stay below 2 degree global warming for a transitional period of a few decades until sustainable renewable energies will run the economy we still lack the convincing evidence that CCS is best dealt with by including it in the CDM. Obviously, the unresolved issues of including CCS in the CDM pose higher risks to the environmental integrity and effectiveness of the Kyoto compliance and post-2012 climate regime than the perceived advantages of including CCS.

Therefore, WWF remains opposed to CCS in the CDM for a variety of reasons that are bulleted below. In case all these concerns are being resolved, WWF will certainly revisit the issue. Nevertheless, we like to stress the point that WWF is strongly favouring other more effective means to introduce CCS in developing countries’ energy- and carbon-intensive sectors such as the coal-based power sector.

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1. Before developing CCS in the CDM in developing countries, it is of utmost urgency to show in developed countries that this technology works. So far, this has not been the case on a large scale.
 2. CDM timelines of maximum 21 years are not enough to address potential leakage or seepage from stored CO₂.
 3. There needs to be a strong legislation in place, covering liability, monitoring and verification requirements for stored carbon underground. Also, civil society needs to be involved substantively for acceptance and sustainable development implementation of any CDM project. Unfortunately this is not what we see developing in most if not all potential CCS-candidate countries in the developing world.

4. Mandatory Environmental Impact Assessment is strongly needed for CCS projects. However, this was critical when the CDM was created and had been dropped by governments.
5. CCS in the CDM in the proposed projects has not shown [yet] that sustainable development benefits can be created. Although this is also not the case in many other and unfortunately non-additional CDM projects approved so far, the lack of SD components speaks against the inclusion of CCS in the CDM.
6. In principal, CCS could be very effective in bringing emissions down rather speedily in coal-rich emerging economies. However, the potentially large size of emission credits may strongly mitigate any technological innovation or substantive carbon reduction in power sector in OECD countries – regions where emissions need to be cut first.
7. The CDM may undergo fundamental changes in a post-2012 agreement. Sectoral agreements in and for carbon-intensive sectors in developing countries may replace narrow project-by-project CDM credits. In this respect CCS and other low-carbon technologies may play a role in a much broader strategy to decarbonise the specific sector, but there would be no role left for CCS as a single technology in the CDM.
8. A much better, environmentally more effective and less bureaucratic way of helping CCS work in developing countries – and independent of any carbon credits – may be i) the creation of joint West/East/South Public Private Partnerships (PPP) on CCS funding, ii) bilateral joint ventures between governments and/or industries.