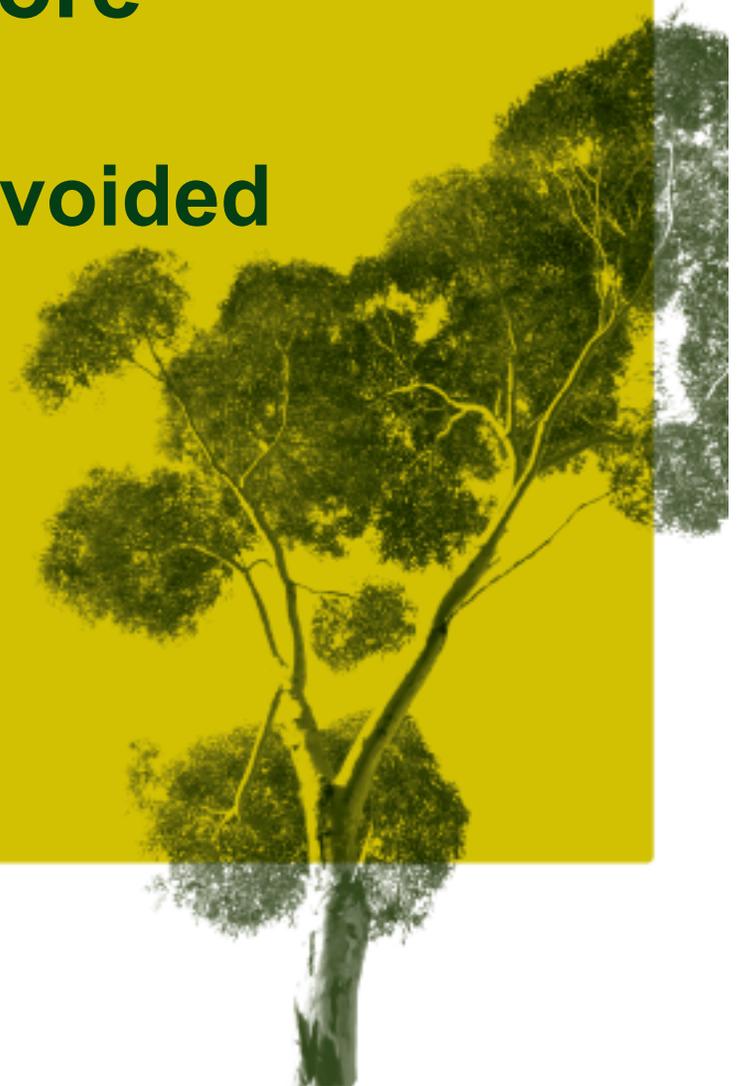


# **‘Minding the Carbon Store’**

**A global benchmark for avoided  
deforestation projects**





# Objectives

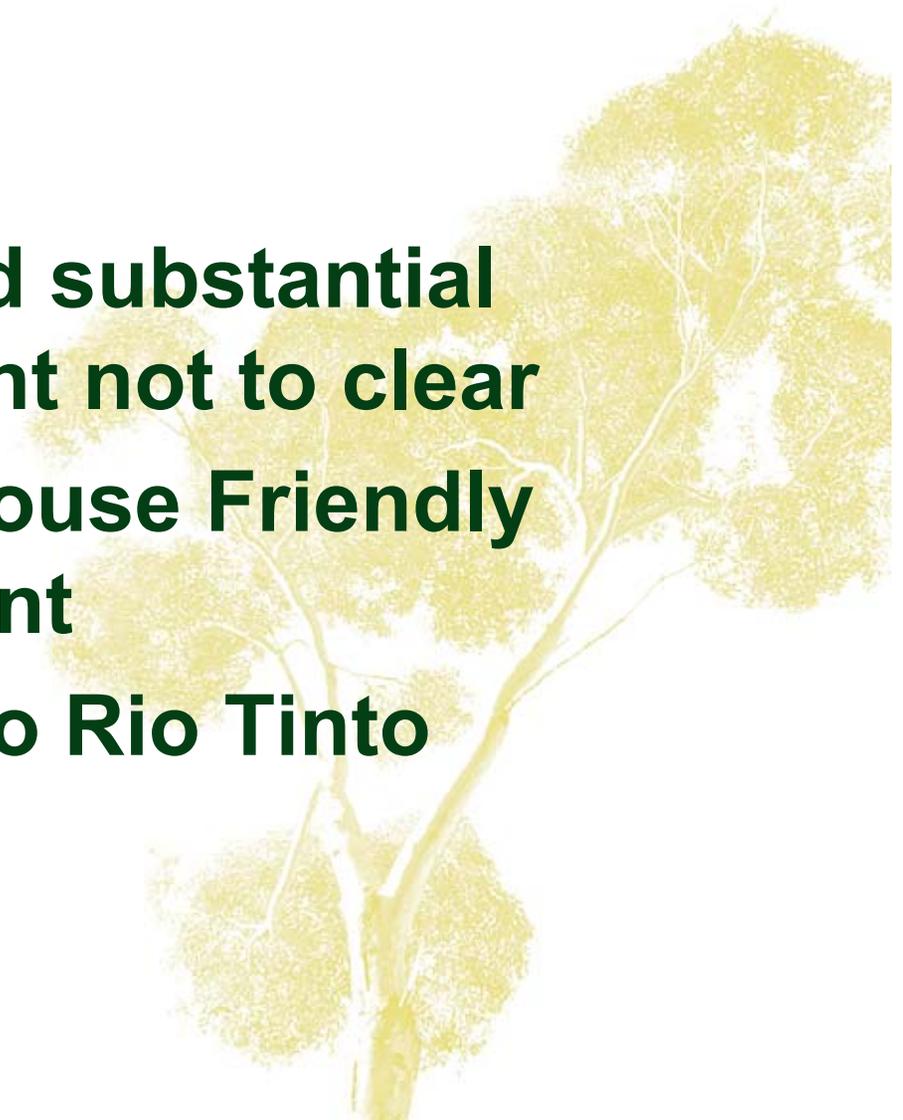
- **Reduce clearing of remnant native forest in Queensland**
- **Significant reductions in greenhouse gas emissions**
- **Significant biodiversity conservation outcomes**
- **Demonstrate and promote Avoided Deforestation as an emission reduction project type**





## Overview

- **Landowners offered substantial financial inducement not to clear**
- **Creation of Greenhouse Friendly Approved Abatement**
- **Abatement traded to Rio Tinto Aluminium**





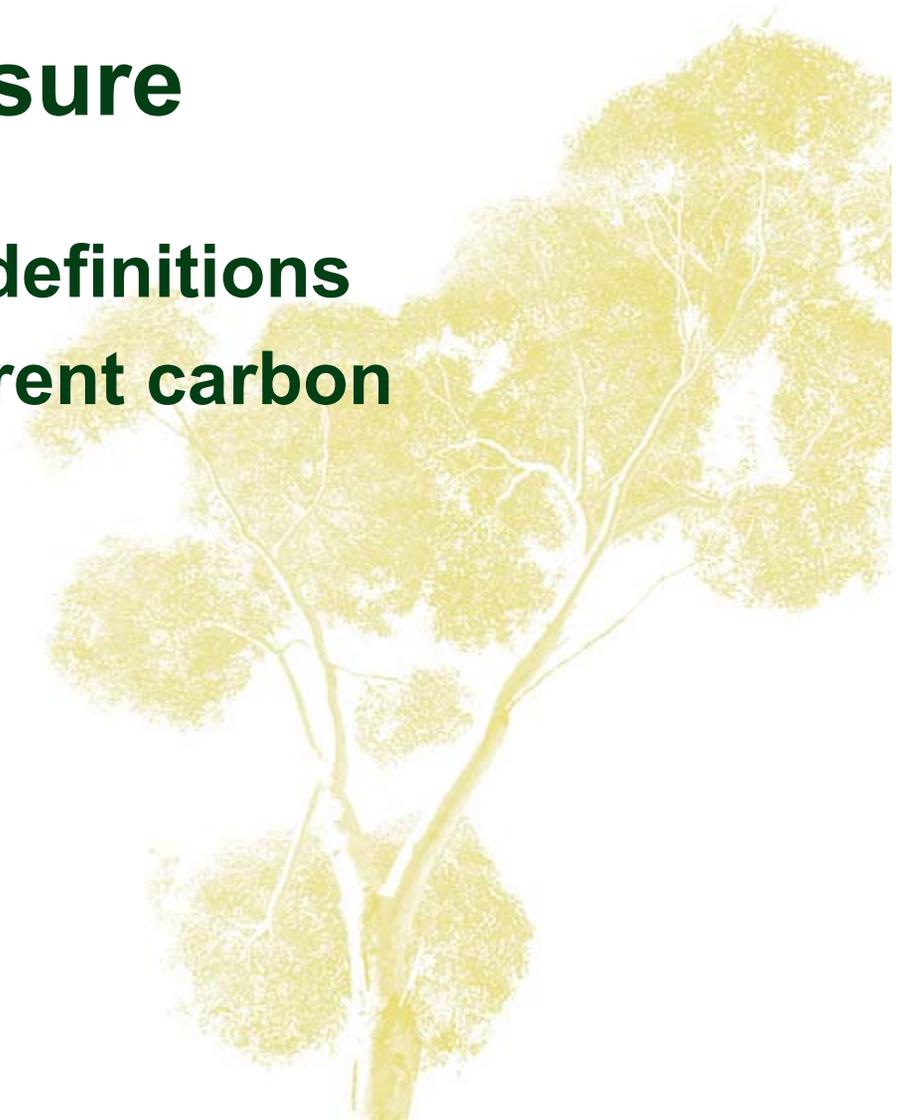
## Overview continued

- **Abatement secured under rigorous contractual arrangements**
- **Land is protected from being cleared for 120 years**
- **Used a carbon pooling approach with a risk management buffer**



## Project systems ensure

- Meeting Kyoto forest definitions
- Rigorous and transparent carbon accounting methods
- Additionality
- Permanence
- No leakage
- Single-use





## Articles 3.3 and 3.7 of the Kyoto Protocol

*Human-induced deforestation accounted within land units and vegetation that meet the definition of forest*

### Australia's current definition of forest

- a minimum of 20% crown cover
- vegetation with a minimum potential height of 2m
- covering areas of not less than 0.2ha



## Queensland Tree-Clearing Legislative Framework

- In 2003, the Queensland Government passed the *Vegetation Management and Other Legislation Amendment Act 2004*
- ended broad-scale clearing of remnant vegetation from the end of 2006
- a cap on the issue of new permits (500,000 hectares)
- All permits issued expired on or before midnight on 31st December 2006



## Carbon Rights Legislation in Queensland

- Legislative amendments through the *Forestry and Land Title Amendment Act 2001*.
- Owners of freehold land may agree to the registration of the interest of another party to carbon already stored in remnant vegetation as a Natural Resource Product of their land. This gives the other party a property right to the stored carbon in the form of a “profit a prendre”



# Project promotion

- **Communication through farmer organisations**
- **Articles and interviews in relevant media**
- **Communication through agribusiness consultants**
- **Existing professional networks**
- **Brochures**
- **A website**





## Project eligibility

***Land area must include vegetation eligible as forest under Kyoto definitions***

- **Vegetation can be demonstrated to have had minimum 20% canopy cover at the end of 1989**
- **The vegetation must have a potential height of at least two metres**
- **Vegetation must be in patches greater than 0.2 hectare in area**



***Landowners must be willing and able to transfer the “carbon rights”***

- **Land must be freehold**
- **Landowner must be willing to execute a Carbon Pooling Deed**
- **All proprietors of relevant registered interests in the land must give their consent**



## ***Landowner is able to provide evidence of actual intent to clear***

- Effort and expenditure to secure the clearing permit
- Financial analysis supporting the decision to clear
- Past history of action on clearing permits
- Communications and/or quotes from clearing contractors
- Financial preparations made for clearing activity
- Other preparations made for clearing activity including part or full payments to relevant equipment and/or service providers (e.g. equipment purchase or repair, bookings with clearing contractors etc)
- Documented decision making process e.g. company board minutes



# Carbon Pooling Deed

- The land will not be cleared for at least 120 years
- Tree-clearing permit must not be relinquished until expiry
- Landholders may include only part of the permit area
- The land will be reforested following any reduction in carbon stocks
- The Carbon Pool Pty Ltd also owns carbon sequestration by vegetation on the land (so that if carbon is lost from the land it can be replaced)
- Includes an agreed management plan for the land
- Land can be used for sustainable grazing



## Queensland Carbon Assurance Ltd

- **A buffer of 20% of approved abatement is reserved to cover possible losses from fire, pest attack, drought and climate change impacts**
- **Managed by Queensland Carbon Assurance Ltd**



# Queensland Carbon Assurance Ltd

- **Not for profit company limited by guarantee**
- **Established specifically to hold, account for and manage the buffer carbon**
- **Manages the risk that physical carbon stocks on the land become depleted**
- **Ensures to the extent possible that offsets are not invalidated**



# The Carbon Pool Pty Ltd

- **Managed the project**
- **Entered into Carbon Pooling Deeds with participating landowners**
- **Aggregated the Carbon Rights into a pool, and**
- **Undertakes carbon transactions on the demand side**





## **The Carbon Pool Pty Ltd also provided**

- **A Carbon Accounting Manual**
- **Geographical Information System**
- **Information and Records Management policies and procedures**
- **Use of Australian Greenhouse Office's FullCAM project level carbon accounting and modelling toolbox**



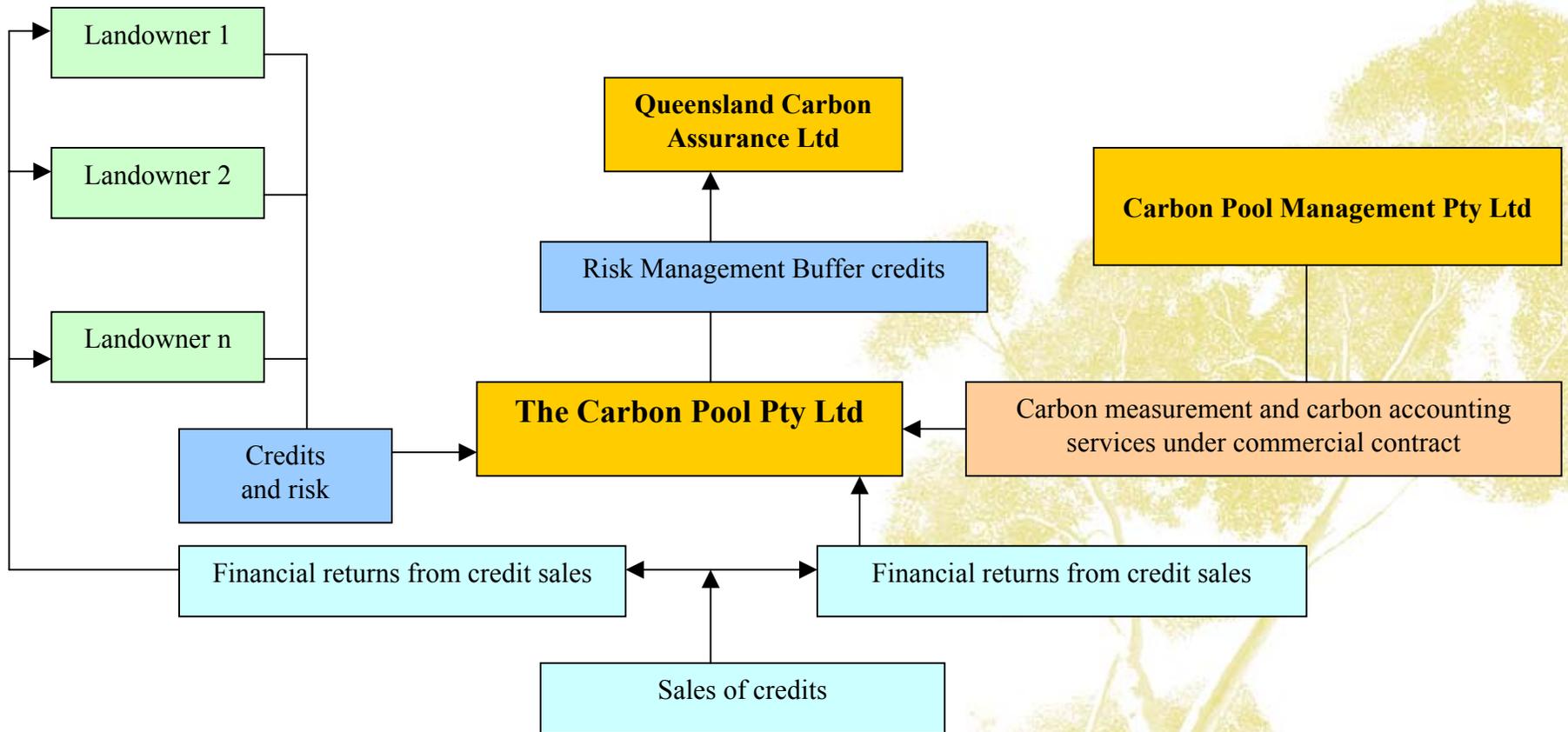
# Additionality and leakage

- **Legislated cap on clearing of 500,000 hectares**
- **Strong compliance system**
- **Stringent application requirements eliminated casual application**
- **A permit represented the final opportunity to clear remnant vegetation**
- **High beef prices and steeply increasing land values for cleared land drove intent to clear**
- **Clearing permits applied for without any likely financial reward for not exercising them**



## Permanency

- **Carbon Pooling Deed has a Term of 120 years**
- **Exceeds the minimum requirements (70 years) of Greenhouse Friendly**
- **Sustainable Forest and Land Management Plan**
- **20% Risk Management Buffer**





**Thank you**

**Mark Jackson**

**Managing Director**

**The Carbon Pool Pty Ltd**

**0412 558 790**

**mark@carbonpool.com**



