

28 September 2007

ENGLISH ONLY

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Twenty-seventh session

Bali, 3–11 December 2007

Item 9 (c) of the provisional agenda

Methodological issues under the Kyoto Protocol

**Carbon dioxide capture and storage in geological formations as
clean development mechanism project activities**

Consideration of carbon dioxide capture and storage as clean development mechanism project activities

Submissions from Parties

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, by its decision 1/CMP.2, paragraph 22, had invited Parties to submit information to the secretariat, by 21 September 2007, on carbon dioxide capture and storage in geological formations as clean development mechanism project activities, addressing the issues identified in decision 1/CMP.2, paragraph 21, taking into consideration the submissions referred to in the same paragraph.
2. The secretariat has received two such submissions. In accordance with the procedure for miscellaneous documents, the submissions are attached and reproduced* in the language in which they were received and without formal editing.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

CONTENTS

	<i>Page</i>
1. JAPAN (Submission received 21 September 2007)	3
2. SAUDI ARABIA (Submission received 21 September 2007)	5

PAPER NO. 1: JAPAN

Submission by the Government of Japan

CCS technology has a large potential for GHG emission reduction in a portfolio of mitigation plans. As well as to the ANNEX-I countries, CCS is also applicable to non-ANNEX-I countries where GHG emissions have considerably increased recently. Development of legal and social systems and the accumulation of issues which would be found through technical and operational experience of implementing CCS under the CDM would contribute to the development of availability of CCS as a project-based climate-change mitigation measure in the mid and long term. Japan, therefore, would like to recommend that parties would make efforts to study in a profound manner the implementation of CCS, including its methodologies, under the CDM.

In terms of technical and scientific viewpoints, the IPCC Special Report on CCS (2005) and the 2006 IPCC Inventory Guidelines represent the well balanced latest inputs from a broad range of stakeholders such as governments, NGOs, academia and industry both in developed and developing countries. The identified issues of CCS-CDM listed in the decisions of CMP2 have, in essence, broad aspects. Some of these are regarded as scientific issues for which we could see more plausible solutions such as the development of scientific research: some of the scientific issues have been already addressed in the IPCC reports. Considering the timeframe for our discussion until COP/MOP4, parties should focus on the issues related to the CDM itself to make the point clear. Based on this assumption, we should start the discussions with CDM related issues, that is, issues c) and d) set out in Decision 1/CMP.2.

Issues c) and d) are commonly related to long-term liability. Since there is no clear understanding for this, we need some arrangements to clarify liabilities and to ensure them, which would be basically prepared by agreements between ANNEX-I countries (investing countries) and host countries.

The CCS-CDM has a different aspect from other CDM projects in the necessity for reservoir monitoring after the crediting period for leakage and safety. Japan is interested in the IEA report, "Carbon Dioxide Capture and Storage Projects under the CDM", introducing the concept that the liability for monitoring the reservoir after CDM projects ultimately should go to the Sovereign State within whose territory the storage takes place and host countries are expected to accept liabilities by issues of approval for CDM projects. In these processes, the feasibility of monitoring should be assured. Regarding to what extent the monitoring should be conducted and its length, these should be kept at practical level not to discourage project proponents. Monitoring should be conducted appropriately, including the use of seismic exploration methods for detecting leakage. The time when injected CO₂ becomes statically stable within the reservoir could be the end of the required monitoring period for CCS-CDM projects.

In order to assure the fulfillment of liabilities, some of the possible solutions are to use insurance or establish funds. With those solutions it is possible to conduct remediation plans when leakage is observed. The leakage amount should be estimated in appropriate ways according to the instructions of the 2006 IPCC Inventory guidelines. Although it is necessary to conduct further consideration, preexisting arrangements could be a good reference. Once these arrangements are put into practice empirically, other CCS-CDM projects would be facilitated by using those replicable models. Parties should note that not-existing such arrangements at this moment should not necessarily be the reason to exclude the possibility of CCS-CDM projects. Because these issues are not scientific but institutional, they would be solved through those arrangements prepared by countries concerned.

SUBMISSION BY SAUDI ARABIA

Further Guidance relating to the Clean Development Mechanism

The CMP.2 at its 2nd session held in Nairobi, invited parties to submit to the secretariat, by 21 September 2007, views on Carbon dioxide capture and storage in geological formation as CDM project activities under decision 1/CMP.2, paragraphs 21 and 22 (Document FCCC/KP/CMP/2006/10/Add.1, paragraph 27).

Saudi Arabia welcomes the opportunity to submit its views on consideration of carbon dioxide capture and storage as a CDM project activity.

Saudi Arabia strongly supports the consideration of CCS projects under CDM. All studies and the latest IPCC Assessment on CCS have shown that CCS provides great potential on mitigating greenhouse gases in the short term. Delaying a decision on this matter is impacting our commitment to achieve the objective of the convention. Particularly, many developing countries that have great opportunities to contribute in this area will have no incentives in implementing such actions if this technology is not eligible under CDM.

Saudi Arabia is closely monitoring progress under CCS, and believes that CCS is the most promising and effective win-win (win to reducing emissions and win for reducing impacts on developing countries) technology for combating greenhouse gas emissions and welcomes all initiatives to promote and deploy this technology under the CDM.
