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The logo for EcoSecurities, featuring the word "ECO" in white on a blue circular background, followed by "SECURITIES" in white on a dark blue rectangular background.

# **Should Temporary CERs be Included in the EU ETS Linking Directive? and other questions concerning the potential demand for CDM Forestry CERs**

**Results of a survey of demand-side actors  
by EcoSecurities Consult**

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## Abstract

In a survey conducted by EcoSecurities Consult, decision makers from carbon procurement funds and private-sector companies throughout Europe and Japan were interviewed about four topics concerning the market for CERs from CDM forestry projects. Questions asked included the interviewees' opinions and actions taken concerning the purchasing of temporary CERs, potential inclusion of forestry CERs from the EU ETS, demand for CCB-certified forestry projects, and a possible expansion of the CDM LULUCF sector to include additional land-use project categories post-2012.

40% of the respondents support the inclusion of forestry into the ETS, while only 13% oppose it. About 40% of the respondents stated that they would buy from CDM forestry projects if temporary CERs would be recognized under the EU ETS, while nearly 35% did not respond or gave an inconclusive answer. The temporary character of LULUCF CERs and lack of approved methodologies (which was the case when the survey was conducted) were seen as the main obstacles for buying from CDM forestry projects. Some fund managers stress the possible sustainable development and non-carbon benefits as advantages of such projects. 20% would be willing to pay a premium for CCB-certified projects; 33% would prefer such projects, yet would not be willing to pay a premium; and 40% had no preference for CCB-Projects. One third of respondents support the extension of the LULUCF sector in the CDM to include other forestry project categories, notably avoided deforestation, while only 10% oppose this.

The survey demonstrates that support from carbon buyers for the inclusion of temporary CERs into the EU ETS Linking Directive is significantly larger than opposition against it. It also shows that demand for temporary CERs would grow substantially if they were included in the Linking Directive, since a majority of ETS actors would purchase them. In addition, sentiments seem to dominate among those surveyed that the current restriction to afforestation and reforestation activities in the CDM LULUCF sector should be lifted, and that projects that demonstrate additional benefits for biodiversity and local communities, for example by being CCB certified, are preferred.

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## Glossary

CCBA	The Climate, Community & Biodiversity Alliance
CCB-Certified	Certified under the Climate, Community & Biodiversity Standards
CDM	Clean Development Mechanism
CERs	Certified Emission Reductions
CoP	Conference of the Parties to the Kyoto Protocol
EU ETS	European Union Emission Trading Scheme
JI	Joint Implementation
LULUCF	Land Use, Land-use Change and Forestry
LCERs	Long-term Certified Emission Removals
NAP	National Allocation Plan
NGO	Non governmental organization
TCERs	Short-term Certified Emission Removals
UNFCCC	United Nations Framework Convention on Climate Change

## 1. Introduction

The Kyoto Protocol recognizes land use and forestry activities, e.g., increasing terrestrial carbon stocks or avoiding their release into the atmosphere, as valid options for complying with the targets set by Annex I countries for reducing emissions of greenhouse gases. These activities may be implemented by Annex I countries domestically, or they may include project activities undertaken in other countries through carbon trading mechanisms. In this report the focus is primarily on Certified Emissions Reduction (CER) trading from forestry projects under the Clean Development Mechanism (CDM).

With a noticeable shortage of CERs in the market, the demand for forestry CERs is expected to be substantial. Potential buyers of forestry credits include, the private sector (companies and funds), Annex I governments and multilateral funds, such as the BioCarbon Fund. Yet there are substantial barriers that slow the development of the forestry sector in the CDM and that limit the potential for buyers to use forestry CERs for compliance.

In this report the results of a survey among demand-side carbon market actors are presented, with the aim to shed light on the expectations, perceptions and attitudes of these actors towards CDM forestry CERs. It is hoped this information will support discussions surrounding the 2006 review of the EU Emissions Trading Scheme (ETS) and the possible inclusion of forestry CERs via the Linking Directive, as well as for more general discussions about the role the Land Use, Land-Use Change and Forestry (LULUCF) sector might play in other emerging climate policy frameworks (including post 2012).

## 2. State of forestry in the CDM and EU ETS

The Marrakech Accords of November 2001 limit the use of LULUCF activities in the first commitment period of the CDM to afforestation and reforestation projects. The modalities and procedures for forestry projects in the CDM were agreed at CoP 9 in December 2003. The rules explicitly deal with the risk of the reversal of the CO<sub>2</sub> removals through their re-release to the atmosphere. In order to solve this problem, CDM forestry projects can either be issued temporary CERs (tCERs) or long-term CERs (ICERs). Both will be called 'temporary CERs' or 'forestry CERs' in this report.

The first type, tCERs, are issued every five years for the total standing carbon stock (measured in terms of CO<sub>2</sub> equivalent) that has been added as a result of the project activities. tCERs are only valid until the end of the commitment period following the one they were issued in, after which they will expire and have to be replaced. In effect, they can therefore only be counted towards a buyer's compliance for the commitment period they were issued in.

In contrast, ICERs are valid for the whole crediting period of the project and the amount of ICERs that will be issued every five years is equivalent to the increase in carbon stocks that have occurred since the previous verification. ICERs expire when the CO<sub>2</sub> is re-emitted into the atmosphere or at the end of the last crediting period for the project, whichever comes sooner. The crediting period can last 30 years once-off, or 20 years, twice renewable (i.e., total of 60 years).

To calculate the net CO<sub>2</sub> removals by a project, which determine the number of temporary CERs that will be issued to it, a baseline has to be determined showing the C stocks in the project area in the absence of the project. This is then compared to the stocks the project achieves, which will be monitored in the field. Both baseline determination and monitoring must be done using methodologies approved by the Executive Board of the CDM. The first such methodologies have been recently approved for a project in China, and for small-scale projects. Some two dozen forestry methodologies have been submitted for approval so far and it is possible that in the course of 2006 sufficient methodologies are approved to allow most projects to proceed to the validation of their projects. It is also likely that the first forestry CDM project will be registered in 2006.

In January 2005 the European Union initiated the EU Emissions Trading System (ETS). The so-called Linking Directive allows for the use and trade of CERs from the CDM within the ETS. Therefore, companies may purchase CERs from CDM projects as one way of complying with the emissions caps they face. The Linking Directive excludes forestry projects until the end of 2007. However, this exclusion may be reconsidered for its second phase (2008-2012) during a major review of the EU ETS taking place in the second half of 2006.

As decided in the Marrakech Accords, avoided deforestation projects are excluded from the CDM in the first commitment period. However, at COP11 this topic was again discussed following a proposal by various tropical countries to include this sector after 2012. How this would be done is still unclear, but it seems likely that it will not be project-based, and that it may not fall under the existing CDM framework.

### **3. Methodology**

The data used in this survey were obtained through a telephone and E-Mail survey during October and November 2005. The E-Mail initially sent out to participants can be found in Annex 1 of this report. All participants were informed that the information they provided would be treated confidentially and anonymously.

The survey was directed to Annex-I market (mainly European) actors – specifically, companies with considerable GHG emissions (> 1 Mt CO<sub>2</sub>e/year, measured in allowances, source: EU ETS NAPs) and from governmental and private carbon funds. Individual consumers, as well as government representatives and representatives of the policy-making and scientific communities were not included in this survey.

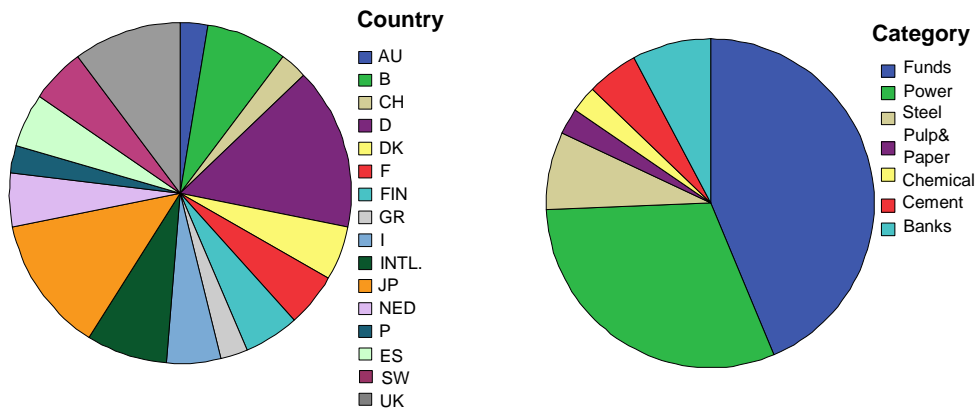
Data were categorized into groups, taking into account the content and meaning of the participants' responses and explanations, to allow for quantitative evaluation. The answers were not allocated to pre-defined categories or rankings. Instead, the allocation occurred subsequently, in order to avoid distortion of the content of the answers through fitting them into a predefined set.

Besides quantitative evaluation, qualitative evaluation was conducted as well in order to gain further insight into the motivation of the respondents and because sometimes the dataset was rather small, not always allowing for quantitative evaluation.

## 4. Results

### 4.1. Overview

125 company and fund representatives were contacted via E-Mail, introducing them to the survey. 32 telephone interviews were successfully conducted in September and October 2005, and 7 more responses were given by E-Mail. This results in a rate of return of 32%. 17 respondents are working with CDM/JI credit procurement funds (both government and privately funded), and 22 work in European or Japanese emission-intensive private sector companies (See Graph 1). 16 of the 22 companies that were interviewed participate in the EU ETS, 3 contribute to achieving Japan's emissions reduction goals and 3 are voluntarily buying emissions reductions credits. 12 respondents work in the power sector, 3 in steel companies, 3 in banks, 2 in cement companies, 1 in the pulp & paper sector and 1 in the chemical industry (see Graph 2).



**Graph 1:** Survey participants, by country, N=39    **Graph 2:** Survey participants, by branch, N=39

### 4.2 Linking temporary CERs with the EU ETS

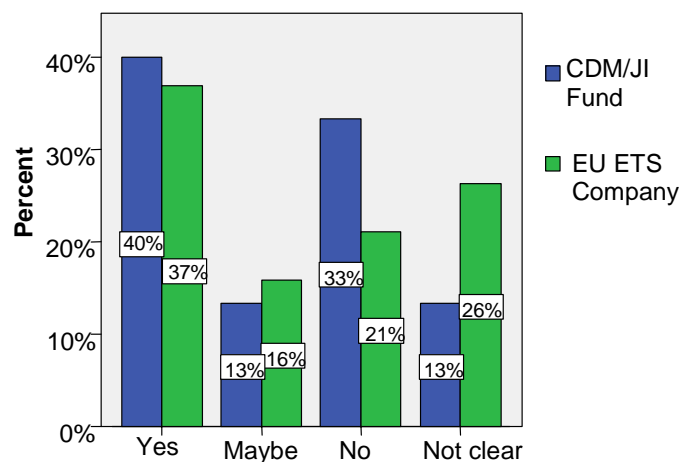
Three questions related to the use of temporary CERs in the ETS were asked, to determine:

1. Whether respondents **support** inclusion of forestry into the ETS;
2. Whether they **expect** this to happen; and
3. What they would **do** if forestry was to be allowed in the ETS.

To offer the reader a better understanding of the results of the survey the answers to the third question are presented first.

#### 4.2.1 Position on purchasing temporary CERs (for use in and outside the EU ETS)

Until 2008, CERs from forestry projects are not allowed in the EU ETS. As a result, in Europe, besides voluntary contributors, only governments may purchase CERs from forestry projects. Surveyed funds that would consider purchasing temporary CERs from forestry projects if these were presented to them, or that already are in negotiations with such projects, include<sup>1</sup> the Finnish CDM/JI Pilot program, The BioCarbon Fund, the Italian Carbon Fund and the Japanese Small-Scale CDM Facility. If the ETS were to allow forestry CERs, this number could rise significantly to six or eight.<sup>2</sup> Furthermore, at least two new private investment funds will open up soon and will need to consider how to orient themselves to the ETS rules.



**Graph 3:** Position on buying forestry CERs if it would be in the ETS, N=36. The question asked was “Would you buy forestry CERs (if they were allowed in the ETS)?”

Graph 3 shows that in the private sector, 37% of the surveyed companies under the EU ETS would buy forestry CERs, and 16% may do so (i.e., answered “maybe”). In the survey it became obvious that more than a quarter of the companies did not yet discuss or seriously consider the inclusion of forestry projects and therefore could not give a clear answer to this question.

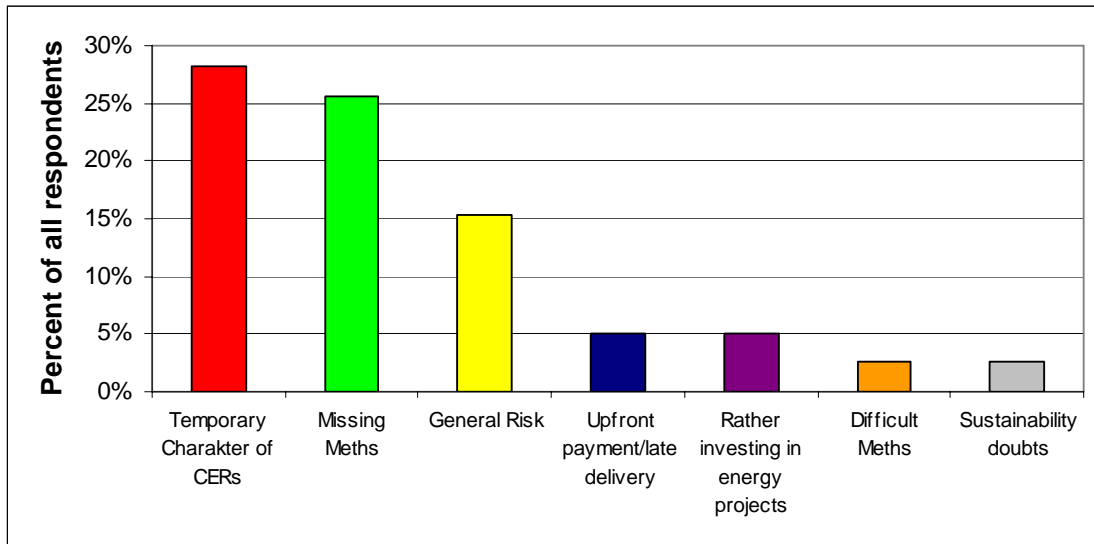
Besides the exclusion from the EU ETS, the main barriers preventing funds and companies from purchasing forestry CERs are the temporary character of the CERs (tCERs, ICERs) and perceived risk related to forestry CDM projects in general (See Graph 4). Other reasons mentioned were late delivery, and preference for energy projects. Funds see the main problems in the temporary nature of forestry CERs (38%) and missing CDM methodologies (38%)<sup>3</sup>, and to a lesser extent in general risks (13%). Company respondents stressed – to a lesser extent than funds - the temporary nature of the credits (23%) and missing methodologies (23%), but also general risks (18%).

<sup>1</sup> These funds include both governments and non-European private-sector companies among their contributors.

<sup>2</sup> This number depends on the final decision of those funds that responded to this survey with “maybe”.

<sup>3</sup> It should be noted, that when the survey was conducted no CDM forestry methodologies had been approved. This situation is changing as a number (two so far) of forestry methodologies become approved.

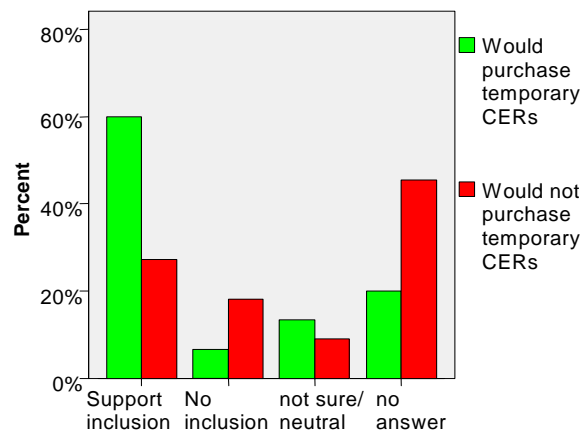
Seven respondents stated that their willingness to pay for forestry CERs is somewhat lower than for energy CERs, but none of the others answered this question. Therefore, no further evaluation on price expectations could be conducted.



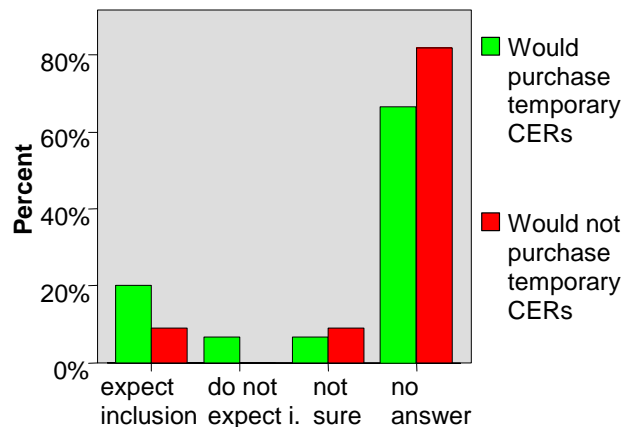
**Graph 4:** Main perceived obstacles to buying temporary CERs, N=39.

#### 4.3.2 Preference for allowing forestry CERs into the EU ETS

44% percent of the respondents **want** forestry to be included in the EU ETS and 13% do not want this. Yet only 15% **expect** the inclusion and 2% do not expect this, while most (80%) were not sure or did not answer (See Graph 5 and Graph 6).



**Graph 5:** Support for inclusion into the ETS. Response to the question “Do you think the EU ETS should allow the use of sink credits?” N=39.



**Graph 6:** Expectations for inclusion into the ETS. Responses to the question “Do you expect inclusion into the EU ETS?” N=39.

60% of the respondents that would buy temporary CERs would like to see forestry included in the EU ETS. Interestingly, the majority (around 80%) of those respondents that stated they would not purchase temporary CERs did not oppose the inclusion in the Linking Directive. This result suggests that their reluctance to purchase forestry CERs is mainly linked to technical issues, such as the temporary character and missing methodologies, rather than to any ideological considerations. This implies that if these issues are resolved, at least in their eyes, these actors could easily transfer to the buyer camp. It also seems likely that a great deal of reluctance is caused by a lack of technical understanding of CDM forestry projects and issues, as well as a lack of clear precedents of temporary CER trades.

Statements from those supporting inclusion of forestry into the ETS mostly involved the recognition that methodological issues and practical problems prevailed but were considered manageable. Furthermore, respondents opposing and supporting the inclusion both recognized that this decision would have a crucial impact on the demand for temporary CERs and thus the potential for projects to be developed.

Respondents that work with government and international funds elaborated more on possible benefits from forestry projects. They not only mentioned problems associated with implementing forestry projects, but also highlighted advantages. “The temporality of forestry CERs will be counterweighted by the non-carbon benefits they have, like groundwater, biodiversity, wood”, was one response. Another fund manager said he was “rather disappointed that there are so many strong barriers preventing implementation at the moment. Perception about the risks will be mitigated. The market will take off once these risks are shown to be manageable”. Three respondents stressed the importance of forestry projects for least-developed countries: “We are punishing a lot of countries that cannot develop technology-related projects and that would have great options for forestry projects”.

Elaborating on the reasons for the exclusion of forestry from the ETS, some company respondents referred to the big influence European NGOs have on decision making in this regard, and three respondents stated that they do not share their arguments, complaining about these groups’ intransparent decision-making processes. Furthermore, one company stated that private companies

should have the same rights as the governments in terms of purchasing CERs. Two other respondents referred to the fact that in Japan and Canada, forestry projects are allowed for companies, too. The first stated that maybe after Japan and Canada used forestry and it can be seen how it worked, this could be adapted by the EU. The second stated that European companies will insist on having the same rights as those in Canada and Japan.

#### 4.4 The Climate, Community & Biodiversity Standards

The Climate, Community & Biodiversity Standards ([www.climate-standards.org](http://www.climate-standards.org)) are a tool for evaluating land-based carbon offset projects. The CCB Standards go beyond the current CDM requirements; for instance, by ensuring that there is a net community and biodiversity benefit to any planned LULUCF project. The Standards can be applied to any kind of forestry project anywhere in the world, whether undertaken for compliance (e.g., under the CDM, JI or other regulatory schemes) or voluntary purposes.

Project developers can use the CCB Standards for designing and certifying multiple-benefit forestry projects. In addition, investors can use the Standards as a screening tool to identify high-quality initiatives that deliver strong climate, community and biodiversity benefits while keeping risks contained<sup>4</sup>.

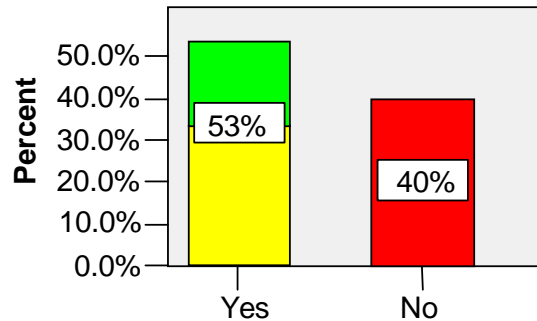
To qualify for certification, independent 3<sup>rd</sup> party auditors must evaluate the project and verify that it satisfies all 15 required criteria, as described in the CCB Standards, covering a range of climate, community and biodiversity indicators.

Survey participants that are potentially interested in buying temporary credits from forestry projects were asked to give their opinion about the attractiveness of forestry projects that meet the CCB Standards versus ones that do not.

53% of the respondents stated they would prefer CCB-certified projects. 40% expressed no preference for CCB-certified projects. Of the 53% preferring CCB-projects, 60% said they would prefer CCB-projects yet would not be willing to pay a premium, while 40% would be willing to pay a premium (See Graph 7).

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<sup>4</sup> Projects that meet the CCB Standards can mitigate **project risk** in two main ways. First, CCB projects take a holistic view towards meeting the various resource needs of local communities (e.g., by generating sustainable livelihoods and incorporating agroforestry systems to meet local wood and agricultural needs). This integrated project approach minimizes leakage, since local people will not be driven to undertake resource depleting activities off site. Second, CCB projects promote the creation of biodiverse landscapes and ecosystems. Species diversity reduces the risk of natural loss (such as from pest outbreaks and fire). Finally, CCB-certification of projects can reduce **investment risk**, by demonstrating the project's multiple-benefits to outside stakeholders and reducing the chance that NGOs or other disgruntled parties (including host countries) could work to discredit the investor/buyer, or deny CDM approval of the project.



**Graph 7:** Responses to the question “Would CCB-certified projects be of more interest to you? Might you be willing to pay a price premium for their credits?” N= 27

Various respondents stated that the mandatory, existing requirements to implement a CDM forestry project were already tough and caused enough writing and reading work. They would rather focus on those mandatory requirements than make things more complicated – and raise transaction costs<sup>5</sup> - through inclusion of the CCB certification procedures.<sup>6</sup> In this context, some would support the CCB Standards only if they would be streamlined into the regular UNFCCC procedures. Some proposed trying to get the first forestry projects up and running before trying to deal with additional requirements.

No respondent explicitly stated they would limit their purchasing of forestry CERs to CCB-certified projects. But several respondents from private companies see possibilities for CCB-certified projects within the marketing area of a CER-purchasing company, where sustainability benefits can be a major driver in addition to price. For projects supported purely for emissions compliance by business divisions far away from customers, such as Business-to-Business Branches, price would be more important than sustainability performance. Therefore, demand for CCB-certified projects depends on the particular goals of each buyer.

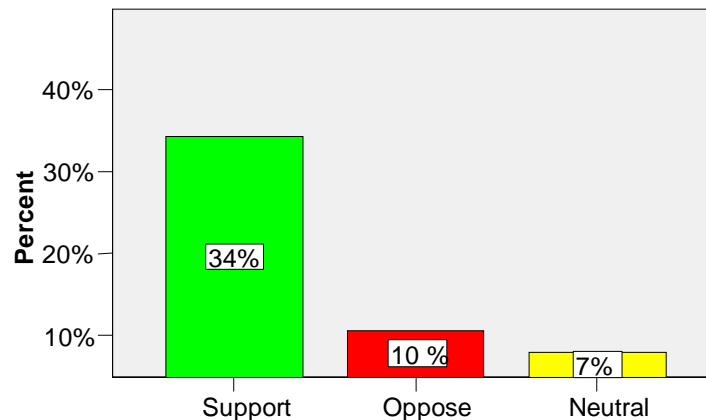
On the other hand, respondents willing to pay more for CERs from CCB certified projects, or seeing CCB certification as a nice-to-have “add-on”, recognize that CCB certification can reduce project and investment risk, stating that incorporating the CCB Standards into their due diligence process reduces the chance that risks stay undetected. It is also thought that CCB certification could rid (or minimize) potential stakeholders from their doubts about a forestry project. CCB Standards certification as a means to reduce risk was recognized by one fund as a way to indirectly qualify for a price premium – not for being a CCB project per se, but for having a more advantageous risk profile. A public fund representative stated that establishing a fund policy restricting CER purchases from forestry projects to those certified by the CCB Standards might convince their shareholders to consider opening up their fund to forestry.

<sup>5</sup> However, it should be noted that at the time of the survey it was unclear what CCB certification would cost. The CCBA reports that, from recent experience, CCB certification (e.g., by a DOE if combined with CDM validation) for a typical project should cost between \$4,000 and \$8,000.

<sup>6</sup> Some respondents mentioned the “CDM Gold Standard” ([www.cdmgoldstandard.org](http://www.cdmgoldstandard.org)), a stand-alone sustainability standard for energy-related CDM projects, as an example of extra requirements that can burden projects.

#### 4.5 Extent of LULUCF in the Kyoto Protocol post-2012

A majority of the respondents support the inclusion of other LULUCF project categories in addition to afforestation/reforestation (A/R) into the CDM after 2012 (Graph 8). Possible categories include, *inter alia*, sustainable forest management, enrichment planting, and avoided deforestation. Avoided deforestation was the category most commonly mentioned by respondents.



**Graph 8:** Responses to the question “Do you think other kinds of land use projects besides A/R, should be included in the Kyoto Protocol post 2012?” N=39.

Possible sustainable development benefits, especially for those countries that will find it hard to undertake energy-related CDM projects (due to their lack of fossil fuel consumption), was the main reason for respondents to support inclusion of other categories (N=4). The main concerns were related to methodological issues (N=4) and additionality (N=3). The following citation of one respondent is in line with the opinions of a majority of the respondent that answered this question: “If you find a transparent and easy way to produce a sound methodology and baseline, and there are sustainable development benefits, then why not include them?”

## 5. Conclusions

This survey demonstrates that there is widespread support among carbon buyers for the use of CDM forestry projects, both by including temporary CERs in the EU ETS Linking Directive and broadening the scope of CDM LULUCF activities beyond afforestation and reforestation.

There was also a significant negative response to the choice of using forestry CERs (33% of funds and 20% of companies). However, in the authors’ opinion, since many of the respondents admitted they were not technical experts in LULUCF, their responses were often coloured by technical concerns that have been addressed or are being addressed (e.g. baseline and monitoring methodologies) in the UNFCCC negotiation process.

It has to be pointed out that due to limited time and resources this survey could not be conducted on a scale that would have been needed to obtain a truly representative result. It is nevertheless considered that the results do indicate strong existing and potential market interest for using temporary CERs as a compliance tool. In addition, there seems to be a broad recognition that LULUCF projects, both as A/R and other types of activities, can contribute meaningfully to combating climate change, and that they can generate significant additional benefits for biodiversity, local communities and sustainable development in general.

## **Annexes**

### **Annex 1: About EcoSecurities**

EcoSecurities was founded in 1997 by experts in the field of emissions trading and GHG accounting. Since then, EcoSecurities has grown to be the largest dedicated greenhouse gas advisory, origination and trading firm in the world, providing strategic advisory services related to GHG accounting and mitigation projects to the private sector as well as the public and non-governmental sectors. With highly capable staff located in offices throughout the world, EcoSecurities provides solid and innovative solutions for its clients, particularly private sector project developers seeking to capture, in financial terms, the positive environmental value of their projects.

EcoSecurities's track record has been widely recognised, as evidenced by its consulting division having been voted "Leading Greenhouse Gas Advisory Firm Worldwide" by readers of 'Environmental Finance' magazine for the last five years (2001-2005). As of December 2005, the company had one of the largest carbon credit project portfolios worldwide, that consisted of 121 projects which potentially generate up to 71.3 million CERs through to 2012. The portfolio benefits from wide diversification with projects located in 26 countries and deploying 15 technologies. EcoSecurities was responsible for 16 of the 93 CDM projects registered and for 9 of the 48 approved CDM baseline and monitoring methodologies at that time.

Since 1997, EcoSecurities has had its own dedicated team specialising in forestry CDM project development and consulting services. For further information, see [www.ecosecurities.com](http://www.ecosecurities.com).

### **Annex 2: The Climate, Community & Biodiversity Standards**

The Climate, Community and Biodiversity Project Design Standards (CCB Standards) evaluate land-based carbon mitigation projects in the early stages of development. The CCB Standards help: Identify projects that simultaneously address climate change, support local communities and conserve biodiversity; Promote excellence and innovation in project design; and Mitigate risk for investors.

The development of the Climate, Community & Biodiversity Standards was spearheaded by the Climate, Community & Biodiversity Alliance (CCBA) – a partnership among research institutions, corporations and environmental groups, including Conservation International, the Hamburg Institute of International Economics, The Nature Conservancy, Pelangi (Indonesia), BP, GFA, Intel, SC Johnson, Weyerhaeuser, CATIE, CIFOR and ICRAF.

The Standards, released in May 2005, are the result of an intensive two-year development process, including: outside input from academia, business, environmental organizations, and development groups; field testing on four continents; and an independent peer review.

To earn approval under the CCB Standards, projects must satisfy fifteen required criteria to demonstrate compelling net benefits for mitigating climate change, conserving biodiversity, and improving socio-economic conditions for local communities. Independent auditors will use the criteria to determine whether prospective projects demonstrate they yield truly additional benefits, in other

words, benefits that would not have occurred without the project. The mandatory criteria also ensure, among other things, that monitoring programs are in place, no carbon credits will be earned from GMO trees, and that communities are appropriately involved in the design of the project. Exceptional projects can earn Silver or Gold Status depending on how many optional criteria are met. Optional criteria cover issues such as native species use, climate change adaptation, water and soil resource enhancement, and community involvement.

### Annex 3: Introductory survey email



Dear Mr/Mrs. ---,

recent developments are leading to an increased interest in carbon credits generated by projects from the land use, land-use change and forestry sector (LULUCF). Furthermore, discussions about the use of CERs from forestry projects in the second phase of the EU ETS have intensified.

EcoSecurities and the Climate, Community & Biodiversity Alliance (CCBA) are conducting a market survey, regarding the demand for carbon credits from CDM forestry projects, related pricing issues, and interest in standards for identifying high-quality, multiple-benefit forestry projects. We would like to call you in the next days. The call should not take more than five minutes. Alternatively, you may answer by E-Mail, if you prefer.

We are interested in your opinion on the following topics:

- A brief idea of your position towards carbon forestry projects in general and the purchase of credits from forestry projects.
- Reasons for your decisions for/against forestry as a compliance instrument within you company. What are the specific barriers preventing you from purchasing any/more forestry CERs?
- Would you expect a lower/higher price for forestry CERs?
- Is there any forestry project you are involved into? What do you think of it?
- Interest in and valuation of standards that ensure high-quality, multiple-benefit projects (i.e., for climate, communities and biodiversity).
- Position regarding inclusion of credits from forestry projects into the second phase of the EU ETS (Inclusion would mean individual companies could use forestry CERs for compliance purposes. Exclusion would mean only governments would be allowed to do so).
- View on the inclusion of other project categories other than afforestation and reforestation, e.g., avoided deforestation or sustainable forest management in a second commitment period of the Kyoto Protocol or any other follow-up agreement.

We will apply strict confidentiality rules to your individual responses. Only aggregated and anonymous results will be presented to the public.

EcoSecurities provides technical, policy and financial services that enable its clients to benefit from market opportunities for CO<sub>2</sub> emissions reductions and policy issues associated with climate change, including Joint Implementation, the Clean Development Mechanism and the EU Emission Trading Scheme.

The Climate, Community & Biodiversity Alliance (CCBA) is an international alliance of companies, NGOs and research institutes that has developed a set of standards (the Climate, Community & Biodiversity Standards) that investors can use to screen LULUCF projects to identify those high-quality initiatives that will deliver real sustainable development benefits.

Best regards,

Christian Dannecker

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