

Review of: VCS Proposed Methodology for Improved Forest Management
Conversion of Low-productive forests to High-Productive forests (LtHP), prepared by
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Overview:

The authors seem to have become a bit confused between the precise nature of the project that they had in mind, and the drafting of a methodology. Throughout, the authors need to take great care to ensure that procedures, conditions and approaches are clear and consistent. In places (such as accounting for emissions under the baseline scenario), they appear to have created a lot of trouble for themselves which could be avoided, probably to the benefit of the project proponents. The authors need to draft as if they were drafting a legal document.

Specific Comments

- 1) Applicability Conditions : For clarity, applicability conditions should be numbered, not bulleted.

- 2) Applicability Conditions : The first applicability condition tends to indicate that lands within the project area must be forest at time of project commencement, but does not explicate state it. The guidance on the nature of the project activities is not properly an applicability condition. This applicability conditions should be:
 - All lands within the project area must be forest at time of project commencement

- 3) Applicability Conditions: The second applicability condition appears to have two problems. First, it is unduly restrictive. Second, it fails to deal with the case in which the forest will regrow, but future logging will maintain it at a lower carbon density. This second problem would not be an issue if the rest of the methodology were not continually making reference to future logging as a part of the baseline – see for instance Section III.1 Geographic Boundaries Para 4. This applicability condition could be either:
 - Due to impacts of past management, forests within the project area are unlikely to return to normal growth patterns and carbon densities under the baseline scenario.or
 - Due to impacts of past management, forests within the project area are unlikely to return to normal growth patterns and carbon densities under the baseline scenario, or the impacts of future management are expected to maintain the forest with a reduced carbon density.

The authors need to figure out what case or cases they are drafting this methodology for.

The second part of this applicability condition as currently written is properly speaking guidance on accounting for carbon pools under the baseline, not an applicability condition

- 4) Applicability Conditions : Third applicability condition should properly read
- Carbon stocks in non tree vegetation are not expected to be significantly greater at any time under the Baseline Scenario as compared with the Project Scenario

This condition might prove to be problematic for some projects, however. Ideally, I would prefer that the methodology include methods for estimating non-tree vegetation, and eliminate this applicability condition.

- 5) Applicability Conditions : Applicability condition #6 regarding removal of biomass appears to be a bit odd, given that earlier in the document there is reference to enhancement of commercially valuable species, presumably for later sustainable harvest. I am not sure that this applicability condition is really necessary, either. I would eliminate if possible.

- 6) Project Boundaries, paragraph 2. “Areas within the project area where logging has been prohibited due to environmental, cultural or other reasons, must be determined through maps and spatial analysis and be excluded from the calculations of emission reductions or removals.” I’m not sure why this is the case. If past management activities have so degraded the forest that return to natural regrowth and carbon sequestration patterns are unlikely, it seems to me that the area could still be eligible for treatment and crediting, even if future logging is prohibited. I would eliminate this sentence.

- 7) Section III.1 Para 4 – this appears to be a misinterpretation of the VCS guidance. I would eliminate this paragraph, since it will only cause problems for the proponent.

- 8) Section III.3 The justification on below ground biomass, litter and soil organic carbon are wrongly stated. Should read “Conservative approach - unlikely to be significantly greater under the Baseline Scenario as compared with the Project Scenario at any time within the Crediting Period” As currently stated the justification might be too restrictive.

- 9) Section III.4 Significant problems in the table relative to the rest of the methodology.
- Logging does not appear to be necessarily the baseline activity, so the note on Fuel emissions should be changed.
 - If burning, fertilization, etc are not to be accounted, restrictions on these activities should be applicability conditions. “Not anticipated” is not a sufficient statement. The authors appear to confusing the project realities of the project that they have in mind with the methodology.

- 10) IV.4.1 (Note that the numbering of the sections is inconsistent) . The paragraph beginning “The following information shall be provided...” at the end of this section introduces a number of requirements which are not inherent in the additionality criteria. I would eliminate this paragraph, which is confusing and unduly restrictive.
- 11) IV.4.2 First bullet. First sentence should read “Stratification is carried out based on carbon densities at time of project commencement..” Carbon stocks is incorrect, and once again there is real confusion around the logging issue. Logging might have happened many years ago if the area has become successional “stuck”, due for instance to domination by vines and creepers. The remainder of this bullet is not about stratification, but about selection of credible baseline scenarios, and therefore does not belong here.
- 12) IV.4.3 Again the methodology seems to have become stuck around logging issues, and not taken into account the entire dynamic of the ecosystem This entire section should be rewritten to provide substantive guidance on the determination of the baseline scenario, and the options for accounting carbon pools under that scenario. The other option would be to go back through the entire document and retitle and redraft it as a reduced intensity logging methodology, in which case the issue of failure to naturally regenerate would become moot.
- 13) IV.4.3 Third paragraph – completely confuses the regrowth issue. Are we accounting regrowth or not? If yes, then the second applicability condition is unnecessary.
- 14) IV.4.3 Second paragraph page 14 – statement is not true. Other pools may be accounted, as they are shown as optional.
- 15) IV.4.3.1 Paragraph should begin “For the estimation of carbon pool impacts of future logging predicted under the Baseline Scenario, ...”
- 16) IV.4.3.1 Page 16 Para 1. Estimation of F_{damage} raises a problem. If this damage is being accounted as a reduction in the living biomass carbon pool, it should also result in an increase in the deadwood pool... which makes it highly likely that in fact the dead wood pool may be significantly greater under the baseline scenario than under the project scenario. There are two possible solutions:
 - Account the deadwood pool
 - Don’t account for the damage under the baseline. This second option is conservative, and probably preferred, unless the proponents want to take on the complexity of accounting the deadwood pool.
- 17) IV.4.3.2 Here the authors are introducing ex-post monitoring of the baseline case. I think that they need to make a decision on whether they are including ex-post monitoring of the baseline or not, since earlier they indicated an ex-ante approach.

Furthermore, if they are going to use a Reference Area, it needs to be defined as part of setting the geographic boundaries earlier in the methodology.

- 18) IV.4.3.4 A whole section on regrowth!!! Get rid of the second applicability condition, or get rid of this.
- 19) IV.4.4 Omitting baseline activity emissions will always be conservative. I would suggest just omitting them. The real question is whether baseline activity emissions will always be greater than project activity emissions, in which case the project activity emissions could be omitted. Once again this comes back to the issue of logging under the baseline. If the baseline scenario must include future logging, then I suspect a clear case could be made for always omitting project activity emissions. Otherwise, no such case can be made, and accounting for project activity emissions must be decided on a case by case basis.
- 20) IV.4.4.1.1 This is getting messy, since some of that biomass may in fact be used to create wood products. If the authors really want to get this deep into the complexities of the matter, they will have to sort out all of these issues to ensure no double counting, etc. between emissions and carbon pools. Furthermore, they will have to sort out the issue of residual infrastructure from previous logging (which clearly has taken place), which makes the quoted 15-17% figure immaterial. I would suggest that they eliminate all of this and stick to the accounting of the carbon pools on the land as being the core issue.
- 21) Section V para 1. At this point the authors begin to create needless complexity. The emissions that would have occurred have already been dealt with through the accounting of the baseline. The only thing to be accounted for the project scenario is the carbon in the carbon pools within the Project Area, plus potentially emissions from activities. I have not reviewed the rest of section V, since this problem creates a fundamental need to rewrite the section.
- 22) Section VI. Two possible methods for determining market leakage effects are given, with the second one being presumably the option referred to in para 1 page 39. This should be explicate. If the authors wish to reference the ADP approach they should simply reference it without repeating it, since this will allow for ongoing improvements in the ADP module over time being immediately applicable to this methodology. (As an aside, the ADP approach, while having the benefit of being relatively simple, is not one I am fond of, since it does not represent an economics approach to what is after all an economics problem.
- 23) Section VI No mention is made of displacement leakage, where subsistence activities such as firewood collection might be moved to another area as a result of the change in management regime under the project case. Do the authors consider this to have been captured in the VCS approach? If so, they should ensure that this is accounted separately if the ADP method is used, since it is not accounted in that section of the ADP method.