



**POLICY GROUP**

**DRAFT DISCUSSION PAPER  
POLICY GROUP ACTION PLAN**

*Note by the Secretariat*

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*Note by the Secretariat*

Background

At its inaugural meeting on 25 June 2003, the Policy Group of the Carbon Sequestration Leadership Forum decided to address a number of important policy issues including legal and regulatory issues, financial issues, stakeholder involvement and public outreach. The Policy Group is also responsible for endorsing projects on behalf of the CSLF. In order to facilitate work in these areas, the Chairman directed the Secretariat to draft a discussion paper on how the Policy Group can organize to carry out its activities. A draft of this discussion paper has been developed by the Secretariat.

This Draft Policy Group Action Plan is being circulated for review to CSLF Members with this Note. This Draft Discussion paper on a Policy Group Action Plan must also be considered in the context of the Technology Roadmap presented earlier. (See CSLF-P-2004-7).

Action Requested

The Policy Group is requested to discuss and comment on the Draft Discussion paper.

Conclusions

The Policy Group is invited to note in the Minutes of its meeting of 22 January 2004 that:

“The Policy Group approved as Final the Draft Policy Group Action Plan.”



**CARBON SEQUESTRATION LEADERSHIP FORUM**

**DRAFT**

**POLICY GROUP ACTION PLAN**

**DISCUSSION PAPER**

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## **VISION STATEMENT**

The Carbon Sequestration Leadership Forum (CSLF) will facilitate the development and deployment of technologies for the separation, capture, transportation and storage of carbon dioxide. The CSLF will advance technological capacity by collaborative efforts to address key technical, economic, and environmental obstacles. The CSLF will also promote awareness and champion legal, regulatory, financial, and institutional environments conducive to such technologies. By the year 2013, collaborative projects will be completed in many regions of the world, demonstrating the safety and cost-effectiveness of geological carbon sequestration.

## **DRAFT CSLF ACTION PLAN**

### **BACKGROUND**

The Carbon Sequestration Leadership Forum (CSLF) is an international climate change initiative intended to facilitate the development and deployment of capture, transport and storage technologies for carbon dioxide as a means to accomplish long-term stabilization of greenhouse gas levels in the atmosphere. This could include promoting the appropriate technical, political, and regulatory environments for the development of such technology.

Carbon sequestration technologies are emerging from the world's research laboratories. For several of these technologies, a key technical hurdle will be to demonstrate them on a scale large enough to verify their future commercial practicality. For many large-scale sequestration projects, international collaboration will be an important means of leveraging resources. The CSLF offers a way for nations to collaborate in a manner that focuses the world's best minds on the most challenging technological problems. Such collaboration will speed up the development and deployment of these technologies, reduce the costs of their development to each affected party and facilitate the fruitful exchange of ideas.

Carbon sequestration technologies represent a novel approach to solving an environmental issue of global proportions. Implementing these technologies affects diverse stakeholders throughout the world and poses potential challenges to a broad range of existing institutional arrangements.

## POLICY GROUP ACTION PLAN

This Policy Group Action Plan was developed to provide a framework to:

1. Focus attention on policy issues that will most affect carbon sequestration technology, and
2. Facilitate the endorsement of CSLF projects by the Policy Group.

Successful implementation of this action plan will facilitate the development and deployment of carbon sequestration technologies by enabling the CSLF to provide a basis for individual country and multi-national collaborative efforts to remove those barriers and to endorse beneficial projects and identify potential institutional barriers. The Policy Group Action Plan is intended to be complimentary to and congruent with the Technology Group Roadmap.

Several institutional issues are seen as significant:

- Legal and regulatory constraints;
- Financial concerns (financing, insurance and risk management, carbon credit trading);
- Stakeholder involvement; and
- Lack of public awareness and acceptance.

This Policy Group Action Plan is designed to address those issues by endorsing meritorious projects, hosting workshops, conducting special studies and other actions. Five areas, as seen below, address each of these issues and project endorsement.

The overall schedule for this action plan begins in 2003 and concludes in 2013. The schedules for the individual task forces are as follows:

Regulatory / Legal	2003 - 2013
Financial Issues	2004 - 2008
Stakeholder Involvement	2004 - 2013
Public Outreach	2004 - 2013
Project Endorsement	2004 - 2005

**REGULATORY / LEGAL TASK FORCE**

Objective: To identify regulatory and legal considerations and barriers to carbon capture, transport and geologic sequestration and methods to resolve them. Such regulatory and legal considerations might include:

- International treaty obligations,
- Environmental and safety standards,
- Regulations affecting the energy industries,
- Intellectual property rights,
- Facility licensing and siting, and
- Other factors that the Task Force may identify.

Timeframe: On-going

Action Plan Elements:

1. *Task Force Creation (2003)*
  - a. Establish and organize.
  - b. Recruit members.
  - c. Assign Chair and Vice Chair.
2. *Initial List of Limiting Factors (2004)*
  - a. Initial workshop on legal and regulatory issues. (November, 2003)
  - b. Review relevant regulations, treaties, other binding international instruments, etc. to identify their limiting factors and legal incompatibilities.
  - c. Document the Limiting Factors in a published report.
3. *Case Studies To Identify Issues In Actual Projects (2004-2007)*
  - a. Identify projects in different legal and regulatory settings that could provide real-world insight into the issues and barriers that may arise.
  - b. Conduct and document the case studies in published reports.
4. *Regulatory / Legal Advisory Reports (ongoing)*
  - a. Prepare Regulatory / Legal advisory reports that provide policy makers, regulators and treaty makers with the information they need to address the legal and regulatory issues under their jurisdiction. Advisory Reports will identify the potential legal issues and their likely impacts. They will objectively discuss the various policy issues and the tradeoffs to be considered, and they will recommend alternatives to enable each country to address these issues within its own legal and regulatory framework and provide a set of guidelines for international use.
  - b. Conduct annual review of regional, national and international regulatory / legal issues for changes that may create impediments and to identify relevant issues.
5. *Host Annual Workshops on Regulatory / Legal Issues*
  - a. Present new issues and explore alternatives.



**FINANCIAL ISSUES TASK FORCE**

Objectives:

- Establish a Geologic Carbon Sequestration Project Fund.
- Determine how carbon sequestration can be funded by the global capital markets.
- Assess how credits for carbon credit trading can impact financing of carbon sequestration.
- Collaborate with insurance organizations to develop mechanisms to facilitate insurability.

Timeframe: 2004 - 2013

Action Plan Elements:

1. *Task Force Creation (2004)*
  - a. Establish and organize.
  - b. Recruit members.
  - c. Assign Chair and Vice Chair.
2. *Assessment of Financing Requirements for Sequestration*
  - a. Perform and publish studies to identify how carbon sequestration projects may be funded as the technology becomes commercial and identify any potential barriers to the ability of companies to finance them. (2004)
  - b. Identify the potential financial risks to the owners and operators of carbon sequestration and alternative means of mitigating those risks. (2004)
  - c. Depending on the results, follow up with private and public financial institutions to identify means of overcoming the barriers and risks. (2005 and beyond)
3. *Funding Organization Collaboration / Geologic Carbon Sequestration Project Fund*
  - a. Identify various international funding organizations, e.g. World Bank, who may be interested in geologic carbon sequestration projects. (2004)
  - b. Establish dialog with those organizations and determine funding criteria. (2004)
  - c. Document the criteria for funding in a published report. (2005)
  - d. Implement Geologic Carbon Sequestration Project Fund to select projects for funding that meet CSLF Endorsement criteria. (annual beginning in 2007)
4. *Financing and Insurance Industry Workshop (bi-annual beginning in 2006)*
  - a. Host a Workshop to present and discuss financing, risk management and insurance issues on projects selected for funding that meet CSLF Endorsement Criteria.
  - b. Present case studies, success stories and lessons learned and publish findings.
5. *Determine whether current international agreements for carbon credit trading pose barriers to sequestration (2004-2006)*
  - a. Document the extent to which such barriers exist in a published report. (2004)
  - b. Explore alternatives to remove these barriers in a published report. (2005)
  - c. Draft and publish carbon credit trading guidelines that incorporate sequestration. (2006)
  - d. Workshop on carbon credit trading and Carbon Sequestration. (2006)
  - e. Secure ministerial approval for those guidelines. (2007)

## STAKEHOLDER INVOLVEMENT TASK FORCE

Objective: Establish a credible Stakeholder Advisory Panel to advise and counsel CSLF on a broad range of issues and to create and sustain an ongoing dialog with a diverse range of stakeholders.

Timeframe: 2004 - 2013

### Action Plan Elements:

1. *Task Force Creation (2004)*
  - a. Establish and organize.
  - b. Recruit members.
  - c. Assign Chair and Vice Chair.
2. *Stakeholder Groups*
  - a. Identify and define the various stakeholder groups: international, regional, national, local, NGOs, industry, etc. (2004)
  - b. Establish Stakeholder Advisory Panel based on diversity of interests and concerns (i.e., regions, environmental, development, labor, business, etc.) (2005)
  - c. Develop Stakeholder Outreach Plan. (2005)
3. *Stakeholder Meeting and Workshop (2005)*
  - a. Host inaugural stakeholder meeting.
  - b. Identify interests, issues and concerns for presentation to the CSLF.
  - c. Announce calendar of stakeholder meetings based on regions.
  - d. Organize and analyze material for CSLF leadership.
4. *Tools for Effective Stakeholder Management (2006 - 2013)*
  - a. Develop background material on all stakeholder organizations.
  - b. Develop "Stakeholder Information Guide" for CSLF membership.
  - c. Develop process for stakeholder input.
  - d. Establish CSLF Stakeholder Organization.
  - f. Appoint stakeholder liaison.
5. *Host Regular Stakeholder Meetings (bi-annual beginning in 2005)*
  - a. Follow Stakeholder Outreach Plan.
  - b. Schedule events.

**PUBLIC OUTREACH TASK FORCE**

Objective: Establish and maintain an ongoing outreach plan addressing all aspects of the CSLF and its goals as well as the technologies and scientific issues involved in achieving those goals. This plan will be comprehensive in scope and designed to inform and educate all constituencies through a variety of media. The work of this Task Force will be coordinated with the Stakeholder Involvement Task Force.

Timeframe: 2004 - 2013

Action Plan Elements:

1. *Task Force Creation (2004)*
  - a. Establish and organize.
  - b. Recruit members.
  - c. Assign Chair and Vice Chair.
  
2. *Develop mechanism to fund the development and execution of a CSLF Outreach Plan*
  - a. Prepare Outreach Plan to address national, international and regional perspectives. (2004)
  - b. Consider issues within the Outreach Plan including stakeholder awareness, public perception, education materials, films, websites, etc. (2004)
  - c. Submit Outreach Plan, including budget, for Ministerial approval. (2005)
  
3. *Plan Implementation*
  - a. Assign organization from within, or hire outside organization, to implement the Plan. (2005)
  - b. Monitor Plan implementation for consistency with CSLF objectives. (on-going)

## CSLF PROJECT ENDORSEMENT

Objective: To recognize meritorious projects - both existing and future - by granting them CSLF endorsement.

Timeframe: 2004 - 2005

Action Plan Elements:

1. *Task Force Creation (2004)*
  - a. Establish and organize.
  - b. Recruit members.
  - c. Assign Chair and Vice Chair.
2. *Approval of the Technical Group Roadmap (2004)*
  - a. Review and provide comments on Drafts of the Technical Group Roadmap.
  - b. Review and provide approval of the Final Technical Group Roadmap.
3. *Review and Approval of Project Endorsement Criteria (2004)*
  - c. Review and provide approval of Drafts of the Project Endorsement Criteria developed by the Technical Group.
  - d. Review and provide approval of the Final Project Endorsement Criteria.
5. *Endorse projects on behalf of the CSLF (from 2004)*
  - a. Review Technical Group recommendations for project endorsement. (from 2004)
  - b. Consider non-technical issues relevant to project endorsement.
  - c. Approve or disapprove endorsement of recommended projects.
5. *Review Progress toward Geologic Sequestration Goal (annual)*
  - a. Conduct annual review of the progress of geologic sequestration projects endorsed by the CSLF and consider whether they continue to meet the criteria for endorsement.
  - b. Publish a report of the findings.