



DRAFT CSLF STRATEGIC PLAN

Note by the Secretariat

Background

At the 2nd CSLF Ministerial Meeting in Melbourne in September 2004 a number of stakeholders indicated a forward work plan for the CSLF should be further progressed. Stakeholder views suggested that as the CSLF was a growing international forum primarily tasked with information sharing and progressing the uptake of CCS technologies, a strategy or forward work plan would soon be a necessity to help achieve the CSLF's goals as set out in the Charter.

In consultation with Australian industry stakeholders and the CSLF Secretariat, Australia has developed a draft CSLF Strategic Plan for discussion by the Policy Group. Members will note the draft plan incorporates the current CSLF Structure and Charter and does not move away from the agreed objectives and goals of the Forum.

Action Requested

Members are requested to consider the draft CSLF Strategic Plan as a means of facilitating discussion on this issue. In addition, members are requested to agree to progress the draft CSLF Strategic Plan through the CSLF Secretariat as a mechanism for monitoring and assessing performance of the Forum.

Conclusions

The Policy Group is invited to note in the minutes of its meeting of 27 September that:

- “The Policy Group noted the draft CSLF Strategic Plan requires input from members to detail appropriate performance measures to monitor effectiveness.
- The Policy Group agreed for the CSLF Secretariat to progress the Strategic Plan with the input of interested members.
- The Policy Group further agreed for the CSLF Secretariat to update the operational plan with outcomes of future CSLF meetings as a mechanism to monitor and assess performance against key objectives.”

CSLF DRAFT STRATEGIC PLAN

*****For Internal Discussion Only*****

Includes:

- **Charter**
- **Structure**
- **Goal**
- **Strategies**
- **Key Outputs/ Performance Measures**
- **Operational Updates**

CSLF STRATEGIC PLAN



CSLF Charter

The undersigned national governmental entities (collectively the "Members") set forth the following Terms of Reference for the Carbon Sequestration Leadership Forum (CSLF), a framework for international cooperation in research and development for the separation, capture, transportation and storage of carbon dioxide. The CSLF will seek to realize the promise of carbon capture and storage over the coming decades, making it commercially competitive and environmentally safe.

1. Purpose of the CSLF

To facilitate the development of improved cost-effective technologies for the separation and capture of carbon dioxide for its transport and long-term safe storage; to make these technologies broadly available internationally; and to identify and address wider issues relating to carbon capture and storage. This could include promoting the appropriate technical, political, and regulatory environments for the development of such technology.

2. Function of the CSLF

The CSLF will seek to:

- 2.1 Identify key obstacles to achieving improved technological capacity
- 2.2 Identify potential areas of multilateral collaborations on carbon separation, capture, transport and storage technologies
- 2.3 Foster collaborative research, development, and demonstration (RD&D) projects reflecting Members' priorities
- 2.4 Identify potential issues relating to the treatment of intellectual property
- 2.5 Establish guidelines for the collaborations and reporting of their results
- 2.6 Assess regularly the progress of collaborative R&D projects and make recommendations on the direction of such projects
- 2.7 Establish and regularly assess an inventory of the potential areas of needed research
- 2.8 Organize collaboration with all sectors of the international research community, including industry, academia, government and non-government organizations; the CSLF is also intended to complement ongoing international cooperation in this area
- 2.9 Develop strategies to address issues of public perception
- 2.10 Conduct such other activities to advance achievement of the CSLF's purpose as the Members may determine

3. Organization of the CSLF

- 3.1 A Policy Group and a Technical Group will be formed. Unless otherwise determined by consensus of the Members, each Member will make up to two appointments to the Policy Group and up to two appointments to the Technical Group. Other individuals may attend the Policy Group and Technical Group meetings as deemed necessary by the appointed representatives.
- 3.2 The Policy Group will govern the overall framework and policies of the CSLF, periodically review the program of collaborative projects, and provide direction to the Secretariat. The Group should meet at least once a year, at times and places to be determined by its appointed representatives. All decisions of the Group will be made by consensus of the Members.
- 3.3 The Technical Group will report to the Policy Group. The Technical Group will meet as often as necessary to review the progress of collaborative projects, identify promising directions for the research, and make recommendations to the Policy Group on needed actions.
- 3.4 The CSLF will meet at such times and places as determined by the Policy Group.
- 3.5 The principal coordinator of the CSLF's communications and activities will be the CSLF Secretariat. The Secretariat will:
 - (1) organize the meetings of the CSLF and its sub-groups;
 - (2) arrange special activities such as teleconferences and workshops;
 - (3) receive and forward new membership requests to the Policy Group;
 - (4) coordinate communications with regard to CSLF activities and their status;
 - (5) act as a clearing house of information for the CSLF;
 - (6) maintain procedures for key functions that are approved by the Policy Group; and
 - (7) perform such other tasks as the Policy Group directs. The focus of the Secretariat will be administrative. The Secretariat will not act on matters of substance except as specifically instructed by the Policy Group.
- 3.6 The Secretariat may, as required, use the services of personnel employed by the Members and made available to the Secretariat. Unless otherwise agreed, such personnel will be remunerated by their respective employers and will remain subject to their employers' conditions of employment.
- 3.7 The U.S. Department of Energy will act as the CSLF Secretariat unless otherwise decided by consensus of the Members.
- 3.8 Each Member will individually determine the nature of its participation in the CSLF activities.

4. Membership

- 4.1 This Charter, which is administrative in nature, does not create any legally binding obligations between or among its Members. Each Member will conduct the activities contemplated by this Charter in accordance with the laws under which it operates and the international instruments to which it is a party.
- 4.2 The CSLF is open to other national governmental entities and its membership will be decided by the Policy Group.
- 4.3 Technical and other experts from within and without CSLF Member organizations may participate in R&D projects conducted under the auspices of the CSLF. These projects may be initiated either by the Policy Group or the Technical Group.

5. Funding

Unless otherwise determined by the Members, any costs arising from the activities contemplated by this Charter will be borne by the Member that incurs them. Each Member's participation in CSLF activities is subject to the availability of funds, personnel and other resources.

6. Open Research and Intellectual Property

- 6.1 To the extent practicable, the R&D fostered by the CSLF should be open and non-proprietary.
- 6.2 The protection and allocation of intellectual property, and the treatment of proprietary information, generated in R&D collaborations under CSLF auspices will be defined by implementing arrangements.

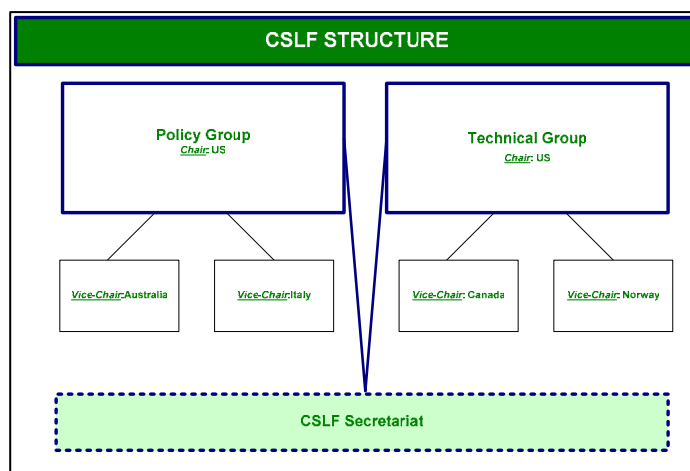
7. Commencement, Extension, Modification, Withdrawal, and Termination

- 7.1 Commencement and Modification
 - 7.1.1 This Charter will commence on June 25, 2003 and will continue for 10 years unless extended or terminated.
 - 7.1.2 This Charter may be modified in writing at any time by unanimous consent of all Members.
- 7.2 Extension, Withdrawal and Termination
 - 7.2.1 By written arrangement, the Members may extend this Charter for additional periods.
 - 7.2.2 A Member may withdraw from membership in the CSLF by giving written notice to the other Members 90 days prior to its anticipated withdrawal. The Members may, by unanimous consent, terminate this Charter by written arrangement at any time.

CSLF Structure

The activities of the CSLF will be conducted by a Policy Group, which governs the overall framework and policies of the CSLF, and a Technical Group, which reviews the progress of collaborative projects and makes recommendations to the Policy Group on any needed actions. Collaborative projects may be undertaken by the CSLF as authorized by the Policy Group at the recommendation of the Technical Group.

Taskforces reporting to either the Policy Group or the Technical Group to progress specific issues will be created and collapsed as determined by members.



Policy Group

The Policy Group is responsible for carrying out the following functions of the CSLF:

- Identify key legal, regulatory, financial, public perception, institutional-related or other issues associated with the achievement of improved technological capacity.
- Identify potential issues relating to the treatment of intellectual property.
- Establish guidelines for the collaborations and reporting of results.
- Assess regularly the progress of collaborative projects and, following reports from the Technical Group, make recommendations on the direction of such projects.
- Ensure that CSLF activities complement ongoing international cooperation in this area.
- Consider approaches to address issues associated with the above functions.

Technical Group

Technical Group is responsible for carrying out the following functions of the CSLF:

- Identify key technical, economic, environmental and other issues related to the achievement of improved technological capacity.
- Identify potential areas of multilateral collaboration on carbon capture, transport and storage technologies.
- Foster collaborative research, development, and demonstration (RD&D) projects reflecting Members' priorities.
- Assess regularly the progress of collaborative projects and make recommendations to the Policy Group on the direction of such projects.
- Establish and regularly assess an inventory of the potential areas of needed research.
- Facilitate technical collaboration with all sectors of the international research community, academia, industry, government and non-governmental organizations.
- Consider approaches to address issues associated with the above functions.



Goal

To secure Carbon Capture and Storage as widely commercially viable option in developed countries by 2020, and developing countries by 2025.

Strategies

The CSLF will develop a number of strategies with an aim to accelerate the development and commercialization of Carbon Capture and Storage (CCS) technology.

1. Identify gaps in **CCS technology**, including the physical capacity for storage, short-term opportunities for CCS in the fossil fuel sector, including from Enhanced Oil Recovery and CO₂ removal from natural gas production¹.
2. Work to put a **policy framework** in place, to study definitions, costs, and scope for 'capture ready' plant and consider economic incentives and legal issues associating with storing CO₂, in particular relevant treaties. Work to address institutional barriers, including how to get early demonstration and commercialisation when there is a higher cost than non CO₂ capture projects; identify the associated infrastructure issues; and identify potential financial investment barriers².
3. Collaborate with member **developing countries** to research options for geological CO₂ storage and work on **capacity building** for the range of skills needed to enable the widespread deployment of the technologies once developed³.
4. Work with broader civil society and **involve stakeholders** to address the barriers to the **public acceptability and acceptance** of CCS⁴.
5. **Collaborate** with other established international mechanisms to enhance CSLF activities and assist in achieving this goal, for example the International Energy Agency (IEA). Identify potential areas of multilateral collaborations and work with industry and with national and international research programmes and partnerships to explore the potential of CCS technologies, including with developing countries⁵.

¹ Agreed at Washington in June 2003 to develop a robust, comprehensive, global carbon sequestration technology roadmap. The CSLF Technology Roadmap was subsequently developed and supported by Ministers by Ministers in Melbourne in September 2003 with gaps identified and taskforces created.

² Agreed at Washington in June 2003, that the specific functions of the Policy Group will be to foster collaborative R&D projects that reflect a consensus of members' priorities; to establish guidelines for collaboration and the reporting of results by both the Technical Group and the Policy Group; to identify potential issues relating to the treatment of intellectual property and other institutional factors; and to assess on a regular basis the progress of collaborative R&D projects and make recommendations on the direction of such projects.

³ It was agreed at Washington in June 2003 that it is the Policy Group's responsibility and function to address actively involving developing countries within the Forum, establishing technology transfer mechanisms, including considering financing demonstration projects, addressing priority of sequestration compared to other issues, and evaluating intellectual property issues specific to developing countries. As agreement in Melbourne in September 2004 was not reached on the issue of capacity building in developing countries, the CSLF Secretariat was tasked with creating a framework to allow work to progress.

⁴ Agreed at Washington in June 2003 that it is the Policy Group's responsibility and function to address shaping the public perception of carbon sequestration through outreach and awareness programs involving a diverse group of stakeholders (i.e. industry, environmental groups, local communities, academia, local governments and regulatory agencies); and determining how stakeholder participation will be implemented.

⁵ Ministers in Melbourne agreed that legal work would continue to be progressed primarily through the IEA and will be monitored by the Policy Group

CSLF STRATEGIC PLAN



Key Outputs & Performance Measures

| Strategy | Key Outputs | Performance Measures |
|--|--|----------------------|
| 1. Technical | Road maps for each of the strategies and the identification of links between them developed | |
| | Key obstacles to achieve improved technological capacity identified | |
| | Collaborative research, development, and demonstration (RD&D) projects to reflect members' priorities fostered | |
| | Progress of collaborative R&D projects reviewed regularly | |
| | An inventory of the potential areas of needed research developed | |
| | Guidelines for the collaborations and reporting of their results established | |
| 2. Policy Framework | CCS Technology Fund developed | |
| | Potential issues relating to the treatment of intellectual property issues for CCS identified | |
| | Technical; financial; institutional; infrastructure; policy; cultural; infrastructure barriers identified | |
| 3. Capacity Building | Developing countries have the knowledge, skills, expertise and institutions they need to understand and implement CCS | |
| | A set of informational, training and educational resources that all members can utilise | |
| | Experience from CSLF projects and CCS-related institution building identified and transferred to developing countries | |
| 4. Public Awareness & Acceptability | Outreach programme to raise the level of understanding of the opportunities that CCS offers | |
| | Collaboration with all sectors of the international research community, including industry, academia, government and non-government organizations; stakeholders input to Policy & Technical groups | |
| | Strategies to address issues of public perception developed | |
| 5. Collaboration | Alliances and related organisations identified that can help achieve the CSLF goal | |
| | Partnerships with compatible organisations, eg. IEA, APEC, UN bodies, research organisations. | |
| | Potential areas for multilateral collaboration on carbon separation, capture, transport and storage technologies identified | |

CSLF STRATEGIC PLAN



OPERATIONAL UPDATE: June 2003 – September 2004

| ISSUES DISCUSSED JUNE 2003 | WASHINGTON OUTCOMES JUNE 2003 | ITALY MEETING JANUARY 2004 | MELBOURNE AGREEMENT SEPTEMBER 2004 |
|--------------------------------------|--|---|--|
| Charter Terms Of Reference | Charter agreed and signed by 15 inaugural members Agreed Secretariat to develop ToR | France joined Delegates discussed the Draft Terms of Reference and Procedures developed by the Secretariat. These had been circulated in September 2003. Secretariat noted all comments and a revised Terms of Reference and Procedures were produced by a Committee chaired by Australia on the 2nd day of the meetings. This revised version of the ToR was agreed to by the Policy Group and would come into effect 45 days following, if no objections were received. | Germany Joined Terms of Reference Agreed |
| Policy Issues | Organizing the Policy Group, including setting up two Committees: a Stakeholders Task Force and a Legal, Regulatory and Financing Committees. The Legal, Regulatory and Financing Committee will prepare an inventory of global activities related to these topics. | A presentation on the CSLF Group Action Plan that was developed by the Secretariat was given. This action plan had five components: Regulatory and legal activities; Financial issues; Stakeholder involvement; Public awareness and outreach; and Project Endorsement. The Secretariat was tasked to prepare issue papers on: <ul style="list-style-type: none"> • Public outreach; • Financing sequestration projects; • Sequestration and carbon trading; • Sequestration in developing countries; and • Economic modeling. | Agreed that Canada would co-ordinate a communications group to develop a repository of public communications information to develop best practices Financing Initiatives Taskforce was developed to look at options for support for CCS projects in developing countries (chaired by India) |
| Legal issues | Policy Group responsibility and function to address national and international legal issues,(including environmental regulations, London Convention, intellectual property provisions, trans-boundary issues) whether existing or proposed, to determine any barriers, legal mechanisms or opportunities for international cooperation | John Ryan of Australia, presented the draft discussion paper prepared by the Task Force. This discussion paper was prepared following the International Sequestration Regulatory Workshop, held in Brisbane, Australia on 7 November 2003. Three substantive issues were covered: regulation, legal and financial. Regulatory issues addressed the development of principles that could assist countries in developing their domestic regulatory regimes and focused on a gap analysis. International issues were addressed in the legal section. The financial issues covered included financial and economic costs and economic modeling. | Agreement reached on report & taskforce folded. It agreed that legal work would continue to be progressed primarily through the IEA and will be monitored by the Policy Group. |
| Financing Initiatives | Policy Group responsibility and function to address how to attract financing, create incentives and mitigate the risks for carbon sequestration projects, including addressing issues related to CO ₂ emissions trading, storage, liability, reliability and health / safety issues | | The issue of economic modelling was discussed in Melbourne and although it was agreed further work is required this issue was held over for discussion in Sept 2005. |
| Stakeholder Involvement | Policy Group responsibility and function to address shaping the public perception of carbon sequestration through outreach and awareness programs involving a diverse group of stakeholders (i.e. industry, environmental groups, local communities, academia, local governments and regulatory agencies); and determining how stakeholder participation will be implemented. | The Policy Group discussed the Draft Guidelines for Involvement of Stakeholders. Delegates agreed that stakeholder involvement was critical and should be an integral part of the process. Many issues, however, were raised with respect to the Draft Guidelines and a working group to be led by Italy be appointed to address the issue. The working group will identify the best path and how to best utilize stakeholder involvement and input. | Agreed to the development of stakeholder registry by the Secretariat. Agreed CSLF Secretariat would progress stakeholder workshops to be held prior to CSLF meetings |
| Developing Country Involvement | Policy Group responsibility and function to address actively involving developing countries within the Forum, establishing technology transfer mechanisms, including considering financing demonstration projects, addressing priority of sequestration compared to other issues, and evaluating intellectual property issues specific to developing countries. | | As agreement was not reached on the issue of capacity building in developing countries, the CSLF Secretariat was tasked with creating a framework to allow work to progress |
| Technology roadmap | Development of a robust, comprehensive, global carbon sequestration technology roadmap Australia will share road mapping methodology and results | Technology Roadmap was still being developed and invited Policy Group comments on a work in progress. This roadmap will identify gaps that need to be closed by the CSLF with complementary national and regional efforts. Work will continue on the and a work product will be presented to the Policy in September. | Roadmap supported by Ministers, gaps identified and taskforces created. |
| CSLF Projects | <ul style="list-style-type: none"> - Technical effectiveness - Capacity to effectively model, monitor, and verify - Environmental safety and health - Sustainability - Assessment of impact on community and biological diversity - Technical requirements for demonstration projects in Emerging Market Economies are similar to those in developed countries - Host countries with different technology needs | Project Recommendation Guidelines as recommended by the Technical Group were discussed. The guidelines were agreed. A number of projects were proposed which will be considered by Ministers for endorsement. | Ten Proposed Collaborative Projects were accepted by Ministers Agreed that the EU would develop a Project Identification and Review Panel (PIRP). |

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OPERATIONAL UPDATE: September 2004 – September 2006

| ISSUES DISCUSSED SEPT 2004 | MELBOURNE OUTCOMES SEPTEMBER 2004 | BERLIN MEETING SEPTEMBER 2005 | MINISTERIAL AGREEMENT SEPTEMBER 2006 |
|------------------------------------|--|-------------------------------|--------------------------------------|
| Charter | 17 members | | |
| Terms of Reference | Terms of Reference Agreed | | |
| LRF Taskforce | Agreement reached on report & taskforce folded | | |
| | Legal - agreed that legal work would continue to be progressed primarily through the IEA and will be monitored by the Policy Group | | |
| | Regulatory - agreement reached on regulatory issues report | | |
| | Economic modelling - the issue was discussed in Melbourne and although it was agreed further work is required this issue was held over for discussion in Sept 2005 | | |
| Policy Action Plan | Financing Initiatives Taskforce was developed to look at options for support for CCS projects in developing countries (chaired by India) | | |
| | Intellectual Property - agreement reached to hold the issue over until Policy Agenda free | | |
| | Capacity building - As agreement was not reached on the issue of capacity building in developing countries, the CSLF Secretariat was tasked with creating a framework to allow work to progress | | |
| Public Outreach | Agreed that Canada would co-ordinate a communications group to develop a repository of public communications information to develop best practices | | |
| Stakeholder Engagement | Concept paper on stakeholder engagement agreed. | | |
| | Registry Agreed to the development of stakeholder registry | | |
| | Stakeholder Workshops Agreed CSLF Secretariat would progress stakeholder workshops to be held prior to CSLF meetings | | |
| CSLF Technology Roadmap | Roadmap supported by Ministers, gaps identified and taskforces created. | | |
| | Capture & Transport Taskforce created to produce discussion paper regarding gaps in CO ₂ capture and transport. | | |
| | Monitoring & Verification Taskforce created to produce discussion paper regarding gaps in CO ₂ monitoring and verification of storage. | | |
| | Storage Capacity Estimation Taskforce created to develop report on storage capacity estimation. | | |
| | Opportunity Assessment Taskforce created on Opportunity Assessment – issue held over | | |
| CSLF Collaborative Projects | Ten Proposed Collaborative Projects were accepted by Ministers. | | |
| | PIRP Agreed that the EU would develop a Project Identification and Review Panel (PIRP). | | |