



CSLF-P-2008-04

**Carbon Sequestration Leadership Forum
Minutes of the Policy Group Business Meeting
Cape Town, South Africa
Wednesday, April 16, 2008**

LIST OF ATTENDEES

Policy Group Delegates

Chair:	James Slutz
Australia:	John Hartwell, Martin Squire
Canada:	Bill Reynen
Denmark:	Søren Houen
European Commission:	Derek Taylor, Jeroen Schuppens
France:	Bernard Frois
Germany:	Hubert Höwener
India:	Alok Kumar
Italy:	Pierpaolo Garibaldi, Giuseppe Girardi
Japan:	Shinichi Terada, Chaiki Shinohara
Korea:	Sung-Chul Shin
Mexico:	José Miguel González Santaló
Netherlands:	Barend van Englenburg
Norway:	Tone Skogen, Ann Ingeborg Hjetland
Saudi Arabia:	Abdulmuhsen Alsunaid
South Africa:	Lesole Bethuel Kgobane (Vice Chair), Muzi Mkhizi
United Kingdom:	Rachel Crisp (Vice Chair)
United States:	Judd Swift, Barbara DeRosa-Joynt

CSLF Secretariat Barbara McKee, Jeffrey Price, Rich Lynch

Other Attendees

Australia:	Peta Ashworth, Damian Dwyer, Bill Koppe, Cassandra McCarthy, Colin Whyte, Alex Zapantis
South Africa:	Gina Downes, Leon Lizamore, Radebe Madlingozi, Cynthia Mafuna, Elizabeth Marabwa, Faizel Mulla
United States:	Darrick Eugene, Robert Gentile, Kevin Graney, John Grasser, Arthur Lee, Raj Luhar, Kenneth Nemeth, William Purvis, Paul White, Barry Worthington
Asian Development Bank:	Ashok Bhargava, Natalia Kulichenko
SADC:	Catherine Nguvulu
United Nations:	Kathleen Abdalla
World Coal Institute:	Luke Warren
World Energy Council:	Elena Nekhaev

Policy Group Meeting, 16 April 2008

1. Opening Remarks / Welcome

Chairman Slutz welcomed the Policy Group delegates and observers. He introduced the two Policy Group Vice Chairs, Lesole Bethuel (Jeff) Kgobane of South Africa Department of Minerals and Energy and Rachel Crisp of the United Kingdom and thanked South Africa for organizing the meeting.

2. Introduction of Delegates

Policy Group delegates present for the session introduced themselves. Seventeen of the twenty-two CSLF Members were represented at this meeting.

3. Adoption of Agenda

The Agenda was adopted without change.

4. Review and Approval of Minutes of Paris Meeting

The Draft Minutes of the previous Policy Group meeting held in Paris, France, in March 2007 had been circulated for comments to the Policy Group prior to the meeting and the final draft, which incorporates comments received, had been posted on the CSLF website. The final draft of the Policy Group minutes from the March 2007 CSLF meeting in Paris, France was approved with no changes.

5. Review of the Paris Meeting Action Items

Chairman Slutz called on Barbara McKee, Director of the CSLF Secretariat, to discuss the status of the Action Items from the Paris meeting of the Policy Group. The status reported is shown in the following table.

Item	Lead	Action	Status
1	Technical Group	Identify policy and legal strategies and instruments needed for research needs	The Technical Group will ask the Policy Group for clarification.
2	Australia	Review proposals by the Technical Group to see if they warrant further useful actions by the Legal/Regulatory Task Force	Australia indicated that no actions are required since it has received no proposals from the Technical Group.
3	Technical Group	Develop mechanisms to involve emerging economies in industrialized country and lighthouse projects	Secretariat e-mail sent to Technical Group Chair on 23 May offering help on this item.
4	Secretariat	Distribute materials from the Capacity Building May 2007 workshop to CSLF Members	All workshop presentations are on CSLF website.
5	Capacity Building Task Force	Consider further activities in its area of responsibility	Several workshops held since Paris. A work plan will be presented in Cape Town

Item	Lead	Action	Status
6	Australia, European Commission, Netherlands, United Kingdom, India, United States	Participate in the Task Force on Capacity Building in Emerging Economies	Ongoing. Task force meeting was held in June 2007 in Oslo.
7	Secretariat	Continue information sharing through the CSLF website and a section of the SPIR to report on recognized projects	Information sharing continues through the CSLF website; SPIR now includes a projects section.
8	Members	Report public outreach activities to Secretariat	Secretariat e-mail requested input. Only Australia has reported public outreach activities.
9	Members	Identify points of contact on public outreach to the Secretariat	Secretariat e-mail sent requested input. Three new outreach experts were identified since Paris meeting.
10	Members and Secretariat	Add to list of registered stakeholders	Ongoing. Registered stakeholders listed on website. 20 new stakeholders have been added since the Paris meeting, for a total of 120 as of April 7.
11	Policy Group	Consider virtual meetings of Task Forces using the CSLF Public Meeting Place (PuMP)	No meetings held; Secretariat now recommends termination of the PuMP.
12	Canada	Consult with steering committee for workshop on public outreach to be held for social science professionals regarding attendance from CSLF Members and report to Secretariat	Workshop was held in Canada and results are posted on the CSLF website.
13	Secretariat	Solicit input from Members and develop recommendations for collaboration with other international organizations	Secretariat e-mail requested input. No responses received. Secretariat recommendations are in Strategic Plan report.
14	Australia and European Commission	Recommend updates to the CSLF Strategic Plan as needed	Several updates recommended.
15	India	Continue to Chair the Financing Issues Task Force	India hosted a task force meeting in October and will give presentation in Cape Town.
16	Australia, Canada, European Commission, United Kingdom, United States	Participate on the Financing Issues Task Force	Ongoing. Australia, the European Commission, India, the United Kingdom and the United States participated in the New Delhi meeting. France and the Asian Development Bank also joined.
17	Secretariat	Support the work of the Financing Task Force	Ongoing. Task Force papers posted on CSLF website.
18	Secretariat	Continue test period of CSLF PuMP for 12 months	Completed. There were a total of 15 postings to the PuMP since its inception. The Secretariat recommends the PuMP be discontinued.
19	South Africa	Respond within two weeks as to acceptance of the position of Vice Chair of the Policy Group	South Africa accepted.
20	Secretariat	Work with South Africa on the 2008 Annual CSLF Meeting	Completed.

Consensus was reached to accept the Secretariat's report on action items with modifications proposed by Australia that are now included in items 2 and 8 above.

Regarding items 8 and 10, the Chairman requested that all Members provide the Secretariat information and a point of contact on public outreach.

6. CSLF Strategic Plan: Review, Next Steps and Priorities

The Director of the Secretariat, Barbara McKee, presented a review of the implementation of the CSLF Strategic Plan. She noted that the Policy Group is responsible for Strategies 2 through 6 of the Action Plan component of the CSLF Strategic Plan, while the Technical Group is responsible for Strategy 1. The Secretariat performed an assessment of the implementation of progress on the strategic plan by asking three questions:

1. Do goals defined in the Strategic Plan serve the purpose of the CSLF? The Secretariat determined that the six goals of the Strategic Plan are very well aligned with those of the charter.
2. Will implementing the strategies of the Strategic Plan enable the CSLF to reach those goals? The Secretariat determined that it was difficult to determine whether activities are reaching the goals of the strategic plan because the specific goals are often not clearly stated.
3. Are the activities in the Strategic Plan practical for execution through the CSLF? The Strategic Plan lists 29 key outputs, 13 for the Technical Group and 16 for the Policy Group. The Secretariat noted that, in seven of these 29 Key Outputs activities have either not yet been started or have been limited. While this is good progress, there is a need to ensure that all activities in the Strategic Plan can be executed.

The Secretariat concluded that an update to the CSLF Strategic Plan would be very useful at this time. The revised Strategic Plan should contain:

- Significant achievements as strategic destinations,
- Strategies to reach those destinations,
- Activities to execute the strategies,
- Priorities for each of the activities, and
- Milestones to measure progress.

The Secretariat recommended that the Strategic Plan be updated by a Task Force consisting of participants from the Policy and Technical Groups as well as stakeholders and the Secretariat.

Consensus was reached to approve the recommendation of the Secretariat to create a Task Force to update the CSLF Strategic Plan. Australia, Canada, the European Commission, India, Mexico, Netherlands, Norway, South Africa, the United Kingdom and the United States volunteered to participate on the Task Force. During the discussion, it was agreed that one aspect of the Strategic Plan should focus on how the CSLF could play a role in implementing the Calgary recommendations to the G8.

Italy noted a need for information about how to implement demonstration projects. Several Members stated that they had such information and were willing to share it. It was recommended that the Secretariat should develop a database on demonstration projects. Consensus was reached for the Secretariat to develop the database and for Members to provide inputs to the database.

7. Discussion of Policy Group Task Force Activities: Next Steps

- **Financial Issues Task Force**

Alok Kumar of India, representing the Chair of the Task Force, reported on the work of the Task Force. He reported that the Task Force had held two meetings over the last year: one in Delhi in October 2007 and the other in Cape Town prior to the present CSLF meeting. Mr. Kumar stated that the Task Force noted that the CSLF is a framework for international cooperation in R&D for carbon capture and storage (CCS) technologies and that one of the objectives of the CSLF is to make CCS broadly available internationally. His presentation had three parts: views broadly expressed by Task Force Members, developing countries perspective, and proposed next steps. The presentation also highlighted issues on which the Task Force members had a diversion in views.

The European Commission and Australia, which are Members of the Task Force, noted that they had different views than expressed in the Task Force report. In particular, differences of opinion were expressed on the inclusion of CCS in the Clean Development Mechanism. South Africa stated that it would send its comments in due course. The European Commission and Australia were requested to send their comments to the CSLF Secretariat and copy the Financial Issues Task Force for appropriate inclusion in the Task Force report. During the discussion, Italy noted that it would like to join the Task Force.

- **Capacity Building Task Force**

Judd Swift of the United States, Chair of the Task Force, reported on the work of the Task Force. Mr. Swift noted that the objectives of the Task Force are to assist emerging economy Members to develop needed expertise and institutions, to develop a set of educational resources that all CSLF Members can utilize, and to transfer lessons from CSLF Projects and other known CCS initiatives. Since the Paris meeting, the Task Force held workshops in the United States, Brazil, and Saudi Arabia. The Task Force now has 12 members.

The Task Force has scheduled several future workshops: Brazil in September, 2008; Washington, DC in November, 2008 (in conjunction with the GHGT-9 meeting); and Mexico, tentatively planned for summer 2008. A 2009 workshop in India is also being discussed. The Task Force is working to develop uniform training materials for the workshops and discussing ways to attract key policy and decision makers to the workshops.

Mr. Swift also noted that funding of the Task Force activities is a constant issue. The ensuing discussion praised the work of the Task Force and the support the Task Force received from the Secretariat.

8. Future Role of Stakeholders

Elena Nekhaev, representing the CSLF Stakeholders present at the meeting, discussed Stakeholder participation in the CSLF and presented a set of recommendations from the Stakeholders for their future involvement in the CSLF. She noted considerable progress in Stakeholder participation in several areas, including: wider and more active participation of stakeholders in task forces that has improved the quality of CSLF products; stakeholders participating in, hosting and helping fund CSLF events; Stakeholders bringing projects to CSLF and advancing their implementation; improved transparency of CSLF process; and fully participatory process for the G8-IEA-CSLF recommendations created synergies and stakeholder buy-in.

Ms. Nekhaev stated that Stakeholders have ideas and are ready to help. She made four specific recommendations for involvement of stakeholders:

1. Strengthen commitment to full integration of stakeholders into the CSLF.
2. Give three stakeholders seats at table with non-voting status in the Policy and Technical Groups.
3. Use the G8-IEA-CSLF approach for delivery, where appropriate, and integrate stakeholders in the G8 follow-up.
4. Develop a CSLF Stakeholder Charter.

Ensuing discussion developed a consensus in agreement with recommendations 1, 3 and 4 but no consensus was reached on recommendation 2. Chairman Slutz then noted that it was important to come to a final resolution on the issues on recommendation 2 and that he would hold talks with Stakeholders and delegates over the coming lunch break and this discussion on this issue would be resumed after lunch.

Following the lunch break and during the Joint Meeting of the Policy and Technical Groups, further Policy Group discussions were held on this topic. Consensus was reached on a proposal by Australia that:

- Stakeholders would not have non-voting chairs at the table in the Policy or Technical Groups,
- Sessions would be held at future CSLF meetings that would enable a robust dialog between invited Stakeholders and the Policy and Technical Groups,
- Stakeholders would be able to play co-leadership roles in CSLF Task Forces as “Invited Technical Experts from relevant industry.”

9. New Business

The Chair invited Catherine Nguvulu of Zambia, representative of the Southern Africa Development Community (SADC) and who was attending the CSLF meeting as an Observer, to make a statement. She stated that Zambia is one of the SADC states and was faced with the challenges of deforestation and increasing demand for energy. She also stated that she was hoping to benefit from the meeting and be able to mitigate the impact of emissions on the environment.

Several items of new business were raised:

- a. The United Kingdom moved that the CSLF issue a statement supporting the G8-IEA-CSLF recommendations from Calgary. The text of this motion is as follows:

The Carbon Sequestration Leadership Forum (CSLF) formally adopts the recommendations to the G8 Summit agreed in Calgary, Canada, at the 3rd G8-IEA-CSLF Workshop on Near Term Opportunities for Carbon Capture and Storage (CCS).

The CSLF supports the true spirit of these recommendations being put forward to G8 leaders with appropriate reference to the full list of recommendations as agreed in Calgary.

The CSLF looks forward to continued cooperation with the IEA in working towards the achievement of the full list of recommendations.

This statement of support should go to the IEA Governing Board. Consensus was reached on this motion. India indicated that it was unfamiliar with the recommendations and requested time to review them. It was agreed that India would have one week to review these recommendations and submit comments to the Secretariat, but there was a consensus to proceed with the statement.

- b. The United Kingdom moved that the CSLF implement a communications strategy to raise the profile of the CSLF so that it can be more effective in carrying out its work. During the discussion, it was noted that the CSLF had previously had an outreach initiative led by Canada. Canada stated that the proposed communications strategy differed from that prior outreach initiative. Consensus was reached on this motion and that it would be implemented in two phases. In the near-term, this motion would be implemented through a Task Force. Australia, Mexico, Norway, the United Kingdom and the United States volunteered to be on this Task Force, with the United Kingdom acting as Chair. In the longer-term, communications would be part of the updated CSLF Strategic Plan.
- c. Australia proposed that the CSLF make a statement to the CDM Board supporting the inclusion of CCS in CDM in response to a request made in Bali for submissions on the issue. Such submissions are due by 16 June 2008. Consensus was reached that such a statement should be made but concerns were expressed about how it could be stated, given that the CSLF does not have standing to submit under the UNFCCC process. Australia will develop

the first draft within ten days and the Secretariat will circulate that draft to other CSLF Members.

- d. The Secretariat noted that the CSLF had received a request from the International Energy Agency to send CSLF representatives a Forum on CCS being held for regulators. The Forum will be held on 13 and 14 May 2008 in Paris. It was agreed that the European Commission and France would represent the CSLF at this event.
- e. Based on a suggestion made during the Roundtable Dialog the previous day, it was proposed that the Secretariat create an Incentives Registry. This would be a global registry of commercial, fiscal, and market-making incentives used to promote the deployment of CCS technology and projects as well as policy measures countries used to support CCS. The Incentives Registry will cover incentives including use of CO₂ for enhanced oil recovery (EOR), tax and financing incentives, regulatory incentives, and market-making policy drivers. Consensus was reached to accept this proposal.

10. Date and Venue of Next Meeting

The discussion of a 2009 CSLF meeting was deferred to the Joint Meeting of the Policy and Technical Groups because it was subsumed within the overall topic of a possible Ministerial Meeting in 2009.

The Netherlands offered to host the CSLF meeting in 2010 and the offer was accepted.

ACTION ITEMS ARISING FROM THE POLICY GROUP MEETING

Item	Lead	Action
1	Secretariat	Terminate operation of the PuMP
2	Members	Provide the Secretariat information and a point of contact on public outreach
3	Australia, Canada, European Commission, India, Mexico, Netherlands, Norway, South Africa, United Kingdom, United States, Secretariat	Participate in Strategic Plan Task Force
4	Chair	Ask Technical Group and Stakeholders to suggest members for the Strategic Plan Task Force
5	Secretariat	Develop a database on demonstration projects
6	Members	Provide the Secretariat with information on demonstration projects for the data base
7	India	Submit comments on the G8-IEA-CSLF recommendations to the Secretariat within one week
8	Secretariat, India	Work together to finalize report of Financial Issues Task Force
9	Australia, European Commission	Provide comments on Financial Issues Task Force report
10	Stakeholders	Develop Stakeholders Charter
11	Australia, Mexico, Norway, the United Kingdom (lead) and the United States	Work on Communications Task Force
12	Australia	Develop a first draft of a CSLF statement supporting CCS in CDM within 10 days
13	Secretariat	Circulate the draft statement on CCS in CDM drafted by Australia
14	European Commission and France	Represent the CSLF at the IEA Regulators Forum