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Agenda item 4 (e)

METHODOLOGICAL ISSUES

LAND USE, LAND-USE CHANGE AND FORESTRY: DEFINITIONS AND MODALITIES FOR INCLUDING AFFORESTATION AND REFORESTATION ACTIVITIES UNDER ARTICLE 12 OF THE KYOTO PROTOCOL

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) noted with appreciation the report on the workshop on the terms of reference and an agenda for work relating to afforestation and reforestation activities under the clean development mechanism in the first commitment period (FCCC/SBSTA/2002/4) and expressed its appreciation to the Government of Italy for its support in hosting this workshop and to the Government of the United Kingdom for providing funds for the participation of experts.
2. The SBSTA agreed on the terms of reference and an agenda as contained in annex xx, to develop definitions and modalities for including afforestation and reforestation project activities under the clean development mechanism in the first commitment period, taking into account the issues of non-permanence, additionality, leakage, uncertainties and socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems, and being guided by the principles in the preamble to draft decision –/CMP.1 (*Land use, land-use change and forestry*), with the aim of recommending for adoption by the Conference of the Parties at its ninth session a draft decision on these definitions and modalities, to be forwarded to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.¹
3. The SBSTA started discussions regarding definitions and modalities for including afforestation and reforestation project activities under the clean development mechanism (CDM) in the first commitment period, and agreed to continue its work on these issues at its seventeenth session.

¹ If the Kyoto Protocol has entered into force, the draft decision could be transmitted directly from the SBSTA to the COP/MOP.

Annex

DRAFT TERMS OF REFERENCE AND AN AGENDA FOR WORK TO DEVELOP DEFINITIONS AND MODALITIES FOR INCLUDING AFFORESTATION AND REFORESTATION ACTIVITIES UNDER ARTICLE 12 IN THE FIRST COMMITMENT PERIOD

Objective

1. In accordance with decision 17/CP.7, and being guided by the principles in the preamble to decision -/CMP.1 (land use, land-use change and forestry), the SBSTA will:

(a) Develop definitions and modalities for including afforestation and reforestation project activities under the clean development mechanism (CDM) in the first commitment period, taking into account the issues of:

- (i) Non-permanence;
- (ii) Additionality;
- (iii) Leakage;
- (iv) Uncertainties;
- (v) Socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems;

(b) Recommend to the Conference of the Parties (COP)², at its ninth session, a draft decision on definitions and modalities, in the form of an annex on modalities and procedures for afforestation and reforestation project activities under the clean development mechanism reflecting, mutatis mutandis, the annex to decision 17/CP.7;

(c) When elaborating the annex referred to above, take into consideration related accounting, reporting and review aspects (decisions 11/CP.7, 15/CP.7, 17/CP.7, 19/CP.7, 20/CP.7, 21/CP.7, 22/CP.7, 23/CP.7), as applicable.

Input

2. The following sources of information will be used in achieving the objective:

- (a) Existing documents:
 - (i) Decisions 11/CP.7, 15/CP.7, 17/CP.7, 19/CP.7, 20/CP.7, 21/CP.7, 22/CP.7, 23/CP.7;
 - (ii) The IPCC Special Report on Land Use, Land-Use Change and Forestry;
 - (iii) Submissions from Parties contained in FCCC/SBSTA/2002/MISC.1.

² See footnote 1.

- (b) Additional information to be compiled:³
- (i) Submissions from Parties and organizations on their views on issues related to modalities for the inclusion of afforestation and reforestation project activities under the CDM in the first commitment period;
 - (ii) Submissions from Parties on draft text for modalities for the inclusion of afforestation and reforestation project activities under the CDM in the first commitment period;
 - (iii) An options paper on modalities for addressing non-permanence;
 - (iv) An options paper on modalities for addressing baselines, additionality and leakage;
 - (v) An options paper on modalities for addressing socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems;
 - (vi) An overview and compilation paper prepared by the secretariat under the guidance of the SBSTA Chair, on the relationship of decisions 11/CP.7, 15/CP.7, 17/CP.7, 19/CP.7, 20/CP.7, 21/CP.7, 22/CP.7 and 23/CP.7 to the issues identified in paragraph 1 (a) and (c) above;
- (c) Other relevant information:
- (i) Reports prepared by FAO on forest-related definitions;
 - (ii) Reports prepared by the Subsidiary Body for Scientific, Technical and Technological Advice (SBSTTA) of the CBD based on the Ad Hoc Technical Expert Group on Biological Diversity and Climate Change of the CBD;
 - (iii) Reports prepared by the IPCC, including good practice guidance and uncertainty management for land use, land-use change and forestry and the technical report on the linkages between biodiversity and climate change;
 - (iv) Other relevant scientific and technical reports and the outcome of relevant workshops.

Process

3. The SBSTA, at its sixteenth session, should establish a contact group on afforestation and reforestation project activities under the CDM and prepare conclusions regarding definitions for including afforestation and reforestation project activities under the CDM in the first commitment period.
4. The SBSTA, at its seventeenth session, should consider issues related to modalities for including afforestation and reforestation project activities under the CDM in the first commitment period, taking account of the inputs identified in paragraph 2 above which are available at that time.
5. A workshop will be organized, subject to the availability of supplementary funding in the current biennium, by the secretariat before the eighteenth session of the SBSTA with the aim of facilitating an

³ With regard to the development of definitions and modalities for including afforestation and reforestation project activities under the CDM for the first commitment period, options papers referred to in paragraphs 2(b) (iii), (iv) and (v) should take into account uncertainties and related accounting, reporting and review aspects, as applicable.

exchange of views on the modalities for including afforestation and reforestation project activities under the CDM in the first commitment period.

6. The SBSTA, at its eighteenth session, should consider a draft consolidated text for the annex referred to in paragraph 1 (b) above, to be prepared by the secretariat under the guidance of the SBSTA Chair, taking into account submissions by Parties, and elaborate a draft negotiating text.

7. Intersessional consultations will be convened, subject to the availability of supplementary funding in the current biennium, by the SBSTA Chair, as appropriate, before the nineteenth session of the SBSTA, with the aim of further considering issues contained in the draft text for the annex referred to in paragraph 1 (b) above.

8. The SBSTA, at its nineteenth session, should consider the draft text for the annex referred to in paragraph 1 (b) above and should recommend a draft decision, containing the annex referred to in paragraph 1 (b) above, for consideration by the COP⁴ at its ninth session with the aim of adopting a draft decision to be forwarded to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.

9. In undertaking this work, the SBSTA should take into account relevant work by the CDM executive board.

10. An agenda for work is contained in the appendix.

⁴ See footnote 1.

Appendix**AGENDA FOR WORK**

<i>Date</i>	<i>Description</i>	<i>Activity</i>
1 February 2002	Due date for submissions	Submissions from Parties sent to the secretariat.
15 February 2002	MISC document available to Parties	MISC document containing Parties` submissions.
7-9 April 2002	Workshop	Recommended terms of reference and agenda for the work to include afforestation and reforestation project activities under the CDM in the first commitment period.
5-14 June 2002	SBSTA 16	SBSTA agreed on the terms of reference and agenda for the work and prepared conclusions regarding definitions.
1 July 2002	Overview note by the secretariat	The secretariat to prepare a note cross-referencing decisions 11/CP.7, 17/CP.7, 19/CP.7, 22/CP.7 and 23/CP.7 to the issues identified in paragraph 1 (a) and (c) of the terms of reference.
20 August 2002	Due date for submissions by Parties and other organizations	Deadline for submissions by Parties and other organizations on their views on issues related to modalities.
23 Oct. - 1 Nov. 2002	SBSTA 17	Consideration of issues related to modalities.
December 2002	Papers referred to in paragraph 2 (b) (iii), (iv), (v) and (vi).	The secretariat, under the guidance of the SBSTA Chair, to prepare these options, overview and compilation papers based on submissions from Parties and inputs from Parties at SBSTA 17, including conclusions by SBSTA.
Early February 2003	Workshop	To facilitate an exchange of views on issues related to modalities.
15 March 2003	Due date for submissions	Submissions by Parties on draft text for modalities.
March-April 2003	Draft consolidated text for the annex	The secretariat, under the guidance of the SBSTA Chair, to prepare a draft consolidated text for the annex, indicating the origin of the proposals.
9-20 June 2003	SBSTA 18	Consideration of a draft consolidated text for the annex and elaboration of a draft negotiating text.

<i>Date</i>	<i>Description</i>	<i>Activity</i>
A date to be decided between June and November 2003	Intersessional consultations, as appropriate.	Further consideration of issues contained in the draft negotiating text for the annex.
1-12 December 2003	SBSTA 19	The SBSTA to recommend a draft decision containing an annex, for consideration by COP 9.
1-12 December 2003	COP 9	To consider the draft decision with the aim of adopting a draft decision at COP 9 to be forwarded to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session ⁵ .

⁵ See footnote 1.