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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

Views from Parties on issues related to modalities for the inclusion of afforestation and reforestation project activities under the clean development mechanism in the first commitment period

Submissions from Parties

Addendum

1. In addition to the submissions included in documents FCCC/SBSTA/2002/MISC.22 and Add.1–4, a submission from Argentina has also been received.
2. In accordance with the procedure for miscellaneous documents, this submission is attached and is reproduced* in the language in which it was received and without formal editing.

* This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

SUBMISSION FROM ARGENTINA

Modalities and procedures for including afforestation and reforestation project activities under Article 12 of the Kyoto Protocol

INTRODUCTION

To facilitate attaining the aim of afforestation and reforestation project activities under the CDM mechanism, the modalities and procedures to be agreed upon should be clearly set, practical and cost-effective. These latter features were considered for working out the following proposals.

1. The issue of non-permanence

The “non-permanence” of carbon stocks is inherent to afforestation and reforestation activities. Therefore, its meaning and scope should be clearly defined. Argentina adheres to the following definition:

“Non-permanence” of carbon stocks in afforestation and reforestation project activities reflects the fact that CO₂ gas removed from the atmosphere by sinks is eventually released back to it because of natural causes and/or anthropic actions.”

2. Crediting unit

In order to ensure transparency, the practical consequence of non-permanence should be reflected in the nature of the crediting unit to be adopted for accounting the net anthropogenic removal of one ton of CO₂ equivalents from the atmosphere by sinks in afforestation and reforestation project activities.

The crediting unit should be:

- (i) Issued any time before or at the end the crediting period of the project;
- (ii) Credited to the commitment period it was issued in, or carried over to a subsequent crediting period in accordance with the provisions of paragraph 15 (b) of the Annex to Decision -/CMP:1 (Modalities for the accounting of assigned amounts);
- (iii) Effective for 20 years (fixedness period) as of the date of issuance.
- (iv) Cancelled with AAs, CERs, ERUs, RMUs, or other units of the same kind once the fixedness period is due.

3. Name of the crediting unit

The name of the crediting unit is not important, since it will be clearly identified in the registry account.

4. Issuance of crediting units

Crediting units should be issued in the amount of verifiable net anthropogenic removals between two successive verifications of the project activity. By net removals we mean the amount of greenhouse gases removed from the atmosphere by sinks minus the amount of greenhouse gases emitted to the atmosphere by sources. The greenhouse gases accounted for are only those indicated in the Annex A of the Kyoto Protocol relevant to afforestation and reforestation activities.

5. Amount of CO₂ equivalents removed by sinks

The sink activity of an afforestation and/or reforestation project could be quantified with the following expression:

$$R = (Rp - Rb - L) * k$$

Where

R = Net removals by the project (t CO_{2eq});

Rp = Net removals by the afforestation or reforestation activity (t CO_{2eq});

Rb = Net removals estimated for the project baseline (t CO_{2eq});

L = Net emissions due to leakage (t CO_{2eq}); and

k = Γ 0.87. This factor accounts for the combined uncertainties of Rp, Rb, and L.

6. Credited amount of CO₂ equivalents removed by sinks

A verified amount of net anthropogenic removals of greenhouse gases between two successive verifications of the project activity could be quantified by the following expression:

$$A_R = R_i - R_{i-1}$$

Where

A_R = Amount of net anthropogenic removals between two successive verifications (t CO_{2eq}),

R_{i-1} = Net removals by the project, verified before the present verification at time i (t CO_{2eq});

R_i = Net removals by the project, verified at time i (t CO_{2eq}).

7. Cancellation of crediting units

Crediting units may be cancelled with other crediting units when the provisions of paragraph 8 of Appendix D of the Annex to Decision 17/CP.7 applies.

8. Where the accreditation of a designated operational entity has been withdrawn or suspended, ERUs, CERs, AAUs and/or RMUs equal to the excess CERs issued, as determined by the executive board, shall be transferred to a cancellation account in the CDM registry. Such ERUs, CERs, AAUs and RMUs may not be further transferred or used for the purpose of demonstrating the compliance of a Party with its commitment under Article 3, paragraph 1.

8. Additionality and project baseline

Both additionality and project baseline should be expressed in terms of net anthropogenic removals by sinks. Putative sinks and sources are the carbon pools defined in Decision 11/CP.7 (i.e. above-ground biomass, below-ground biomass, litter, dead wood, and organic soil carbon). In the case of the project baseline, some of those carbon pools can be excluded provided it is reasonably shown that they are not sources within the project boundary.

9. Project boundary

The project boundary shall encompass all anthropogenic emissions by sources and removals by sinks of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the CDM project activity. Future modalities should, however, establish criteria for setting project-specific downstream limits for activities associated with the use of forest goods and services.

10. Leakage

Leakage should take into account all net anthropogenic emissions by sources and/or removals by sinks of greenhouse gases outside the project boundary, including carbon stock loss or gain in other land uses and/or forests which is measurable and attributable to the afforestation or reforestation CDM project activity.

11. Crediting period

The crediting period for a CDM project activity is the period for which reductions or sequestrations from the baseline are verified and certified by a designated operational entity for the purpose of issuance of the crediting unit. ***It is possible to establish that the crediting period terminates when the average of two successive verified changes in carbon stocks is a net emission of GHGs. The crediting period should not be less than 40 years.***

12. Socio-economic and ecological impacts

The project design document should contain an environmental impact assessment based on relevant regulations in force in the host country. However, a socio-economic impact assessment should not be required in the design document, because it is a prerogative of host countries to evaluate this kind of impact.
