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AD HOC WORKING GROUP ON FURTHER COMMITMENTS FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL

Fifth session

Bangkok, 31 March to 4 April 2008, and Bonn, 2–12 June 2008

Agenda item 3 (b)

Analysis of means to reach emission reduction targets and identification of ways to enhance their effectiveness and contribution to sustainable development

Land use, land-use change and forestry

Land use, land-use change and forestry

Draft conclusions proposed by the Chair

1. In accordance with its conclusions at the first part of its fifth session,¹ the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) considered, with due attention to improving the environmental integrity of the Kyoto Protocol, how to address, where applicable, the definitions, modalities, rules and guidelines for the treatment of land use, land-use change and forestry (LULUCF) in the second commitment period of the Kyoto Protocol, so that conclusions on this matter may be adopted at the first part of AWG-KP 6 (August 2008);
2. The AWG-KP agreed to continue its work on this matter at the first part of AWG-KP 6, taking into account the views of Parties compiled by the Chair, as contained in the annex to these conclusions.
3. The AWG-KP acknowledged that further discussions on this matter should take into account the principles that govern the treatment of LULUCF, as set out in decision 16/CMP.1.
4. The AWG-KP encouraged Parties to share information to allow better assessment of the implications of the options and issues identified in the annex, including implications for accounting, before the first part of AWG-KP 6. To facilitate this, the AWG-KP invited Parties to submit relevant information on a voluntary and informal basis to the secretariat before the first part of AWG-KP 6, and requested the secretariat to make the information available on the UNFCCC website as received.
5. The AWG-KP further agreed that Parties will continue to exchange their views on the implications of the options and issues identified in the annex, including views given in presentations by Parties at the first part of AWG-KP 6.

¹ FCCC/KP/AWG/2008/2, paragraph 21 (b).

Annex

[ENGLISH ONLY]

Options and issues for consideration

1. This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.
2. Cross-cutting issues to be considered when exploring the options and issues identified by Parties in the paragraphs below; consistency; continuity from the current rules; factoring out, including age structure and indirect climate change effects; inter-annual variability; natural disturbances; symmetry in the accounting of emissions and removals; sustainable forest management; and co-benefits, including biodiversity.
3. The range of options and issues identified by Parties for consideration:
 - (a) Activity-based approach based on Article 3, paragraphs 3 and 4, of the Kyoto Protocol:
 - (i) Few changes:
 - (1) Legally required;¹
 - (2) Definitions, modalities, rules and guidelines that apply in the first commitment period that could carry over to the second commitment period;
 - (ii) More changes:
 - (1) Legally required; and
 - (2) Article 3, paragraph 4, forest management:
 - Moving to net-net and including emissions and removals from forest management in the base year;
 - Moving to net-net and estimating base year emissions and removals using a base period;
 - Moving to net-net and applying forward-looking baselines;
 - Remaining gross-net and applying discount factors;
 - Other;
 - (iii) Many changes:
 - (1) Legally required; and
 - (2) Article 3, paragraph 4 forest management (options as above); and
 - (3) Other activities under Article 3, paragraph 4:
 - Estimating base year emissions and removals using a base period;
 - Applying forward-looking baselines;
 - (4) Merging Article 3, paragraph 3, and Article 3, paragraph 4;

¹ When only legally required changes are considered, the current treatment of the activities will be retained.

- (b) Land-based approach based on the reporting under the Convention;
 - Current rules and modalities are changed aiming at full geographical coverage and inclusion of all greenhouse gas emissions and removals, and include emissions and removals from all land use and land-use changes in the base year;
 - (c) Harvested wood products.
4. The following elements could apply to the options listed in paragraph 3 above:
- (a) Additional and all activities to be mandatory;
 - (b) Land-use flexibility;
 - (c) Temporary removal from the accounting of areas subjected to natural disturbances;
 - (d) Treatment of harvested wood products as part of the consideration of forest management and Article 3, paragraph 3, activities;
 - (e) Potential activities:
 - (i) Wetland management, restoration and degradation;
 - (ii) Devegetation;
 - (iii) Forest degradation;
 - (iv) Others;
 - (f) Discounting factors;
 - (g) Limiting the magnitude of land use, land-use change and forestry for Annex I compliance;
 - (h) National circumstances.
5. Issues that may need some consideration as a consequence of different options:
- (a) Definitions;
 - (b) Reporting and reviewing;
 - (c) Others.
6. Project-based mechanisms:
- (a) Few changes;
 - Legally required;
 - (b) More changes;
 - (i) Legally required and;
 - (ii) Non-permanence, leakage, measurements, definitions and others as necessary.

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