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## **Subsidiary Body for Scientific and Technological Advice**

**Thirty-seventh session**

**Doha, 26 November to 1 December 2012**

Item 12(c) of the provisional agenda

**Methodological issues under the Kyoto Protocol**

**Implications of the implementation of decisions 2/CMP.7 to 5/CMP.7**

**on the previous decisions on methodological issues related to the**

**Kyoto Protocol, including those relating to Articles 5, 7 and 8 of**

**the Kyoto Protocol**

### **Report on the workshop on the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol**

**Note by the secretariat**

#### *Summary*

This report provides a summary of the workshop on the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol. The workshop was held in Bonn, Germany, on 8–10 October 2012. Consideration of the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 will continue at the thirty-seventh session of the Subsidiary Body for Scientific and Technological Advice.

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## I. Introduction

### A. Mandate

1. Responding to the request made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP),<sup>1</sup> the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its thirty-sixth session, initiated work to assess and address the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol adopted by the CMP, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol.

2. The SBSTA, at its thirty-sixth session:<sup>2</sup>

(a) Requested the secretariat to prepare a technical paper that includes a comprehensive identification of the implications of decisions 2/CMP.7 to 5/CMP.7 on the previous CMP decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8, and to indicate the technical issues that are relevant to implement these decisions in the second commitment period. The technical paper should include options to address the relevant methodological decisions, with annotations explaining the rationale for these suggested options and the relationship of the suggested options to decisions 2/CMP.7 to 5/CMP.7. This would include identification of paragraphs in methodological decisions where further guidance from Parties is needed. The secretariat may also address technical issues arising from the implementation of previous CMP decisions on methodological issues identified in the first commitment period;

(b) Invited Parties to submit to the secretariat, by 21 September 2012, their views on the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous CMP decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol, and on how these implications should be addressed;

(c) Requested the secretariat to make the submissions referred to in paragraph 2(b) above available on the UNFCCC website and to compile them into a miscellaneous document before the workshop referred to in paragraph 2(d) below;

(d) Further requested the secretariat to organize a technical workshop, to be held before SBSTA 37, with the aim of facilitating progress in the consideration of agenda sub-item 12(c) at that session, to discuss the technical paper referred to in paragraph 2(a) above and to consider Parties' views referred to in paragraph 2(b) above. It requested the secretariat to prepare a report on the workshop before SBSTA 37.

3. This report summarizes the outcomes of the workshop organized in accordance with paragraph 2(d) above. The SBSTA will continue its consideration of the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 at its thirty-seventh session.

### B. Scope of the note

4. This report covers the proceedings of and the content of the discussions that took place during the workshop referred to in paragraph 2(d) above. It also contains an annex, agreed upon by the workshop participants, which details the issues discussed at the workshop.

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<sup>1</sup> Decision 1/CMP.7, paragraph 9.

<sup>2</sup> FCCC/SBSTA/2012/2, paragraph 123.

## II. Proceedings of the workshop

5. The workshop was organized by the secretariat and was held in Bonn, Germany, on 8–10 October 2012. Mr. Richard Muyungi, the Chair of the SBSTA, chaired the workshop.

6. The workshop provided a forum for the discussion on how to assess and address the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol adopted by the CMP, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol. The workshop participants had two documents as background material for the workshop, namely the compilation of Parties' submissions<sup>3</sup> and the technical paper<sup>4</sup> referred to in paragraph 2 above, which the secretariat had prepared for the workshop on the basis of the recommendations made by the SBSTA at its thirty-sixth session.

7. Eighteen experts from Parties not included in Annex I to the Convention and 48 experts from Parties included in Annex I to the Convention attended the workshop. The Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), Ms. Madeleine Rose Diouf Sarr, also attended the workshop and, in her address to the workshop participants, underlined in particular the linkages between the work of the SBSTA and the work of the AWG-KP on the issues being discussed at the workshop.

8. The workshop was divided into three main parts. In the first part the Chair of the SBSTA presented the mandate for and objectives of the workshop and a representative of the secretariat briefly introduced the technical paper prepared for the workshop. In addition, the Chair of the SBSTA invited the workshop participants to briefly introduce their Parties' submissions, referred to in paragraph 2(b) above. The second part of the workshop then covered in more detail the technical paper and the Parties' submissions. The workshop participants held discussions in two parallel groups: one group addressing accounting and reporting issues and one addressing issues related to land use, land-use change and forestry (LULUCF). The draft workshop agenda had foreseen a third group addressing review-related issues, but, owing to time constraints, that group was not able to start its work. In the final part of the workshop the facilitators of the groups addressing accounting and reporting issues and LULUCF-related issues presented the outcomes of the work of the respective groups. Also the text contained in the annex to this report was discussed.

## III. Summary of the discussions

9. This chapter provides a summary of the main points of the discussions that took place during the workshop, with further details provided in the annex to this report.

### A. General issues

10. The workshop participants presented their views on general issues, such as on the mandate and scope of the work under the SBSTA in relation to agenda sub-item 12(c) and the architecture of the decision(s) to be taken at CMP 8.

11. Regarding the mandate of the work under the SBSTA, some workshop participants interpreted the mandate as being strictly limited to addressing the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5,

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<sup>3</sup> FCCC/SBSTA/2012/MISC.13.

<sup>4</sup> FCCC/TP/2012/6.

7 and 8 of the Kyoto Protocol, while other workshop participants considered that the reporting and review guidelines should be improved on the basis of the experience gained during the first commitment period.

12. Regarding the scope of the work under the SBSTA, some workshop participants were of the view that the SBSTA cannot discuss policy options that are currently being discussed under the AWG-KP, and that these need to be resolved by the AWG-KP before the SBSTA can start the technical work to implement the outcomes of the work under the AWG-KP. Other participants considered the policy options being discussed under the AWG-KP to be well known and the development of technical solutions in relation to each policy option, so as to have such solutions ready for once the AWG-KP has taken the relevant policy decisions, to be within the scope of the work of the SBSTA.

13. Regarding the architecture of a decision or decisions to address the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous methodological decisions under the Kyoto Protocol, three options were identified:

(a) **An overarching decision:** some workshop participants were of the opinion that there should be an overarching decision, which would list all modifications necessary for the implementation of the existing methodological decisions in the second commitment period;

(b) **An overarching decision, plus new decisions:** some workshop participants thought that, with regard to the existing methodological decisions identified as requiring a larger number of changes (in particular decisions 13/CMP.1, 15/CMP.1 and 22/CMP.1), there should be new decisions, which may, for the second commitment period, replace the relevant decisions taken at CMP 1. Such new decisions and their annexes would be attached to an overarching decision, in order to provide a single source of reference for relevant reporting and review requirements, thus facilitating legal and technical clarity in relation to reporting, accounting and review in the second commitment period;

(c) **'Mutatis mutandis' approach:** some other workshop participants suggested an option whereby the provisions of relevant existing decisions in place for the first commitment period might be referenced for mutatis mutandis application for the second commitment period, with any necessary changes or additions reflected in replacement paragraphs or new paragraphs presented below the appropriate headings.

## **B. Issues related to accounting and reporting**

14. The workshop participants considered the issues identified in the technical paper prepared for the workshop relating to accounting and reporting. Decisions 13/CMP.1 and 15/CMP.1 were discussed in this context. The issues discussed are presented in sections 1–5 of the annex to this report.

## **C. Issues related to land use, land-use change and forestry**

15. The workshop participants considered the issues identified in the technical paper prepared for the workshop relating to LULUCF. Decisions 13/CMP.1 and 15/CMP.1 were discussed in this context. The issues discussed are presented in section 6 of the annex and appendices I and II to the annex to this report.

**D. Issues related to reviews**

16. Owing to time constraints, the workshop participants were not able to discuss issues relating to review procedures during the workshop. The participants agreed that such issues could be discussed later as part of the work of the SBSTA on addressing the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues relating to Articles 5, 7 and 8 of the Kyoto Protocol.

## Annex

### Issues discussed at the workshop

1. All references made below to Articles and commitment periods shall be interpreted as referring to Articles and commitments periods of the Kyoto Protocol, unless otherwise specified.

2. The workshop participants welcomed the technical paper prepared for the workshop by the secretariat<sup>1</sup> and noted that it covered the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues relating to Articles 5, 7 and 8. During the workshop, the participants identified implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on decisions 13/CMP.1 and 15/CMP.1, and grouped the identified issues into different categories, which are listed in sections 1–5 below.<sup>2</sup> However, owing to time constraints, the workshop participants were not able to assess the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on decision 22/CMP.1 (on review under Article 8).

3. The technical implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 for the second commitment period considered by the workshop participants were related to, inter alia:

(a) The addition of a new greenhouse gas (GHG), NF<sub>3</sub>, to Annex A to the Kyoto Protocol;<sup>3</sup>

(b) The adoption of the Intergovernmental Panel on Climate Change (IPCC) *2006 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the 2006 IPCC Guidelines);<sup>4</sup>

(c) Revised global warming potentials for GHGs;<sup>5</sup>

(d) Decision 2/CMP.7 and its implications for reporting and accounting.

4. In addition, the workshop participants initiated a discussion on how the issues identified with regard to the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 could be addressed. Different views were expressed with regard to the architecture of a decision or decisions to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its eighth session, to address the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous methodological decisions under the Kyoto Protocol. Specifically:

(a) Some participants proposed that an overarching decision should be adopted at CMP 8, which would list all modifications necessary for the implementation of the existing methodological decisions in the second commitment period. Some participants indicated that they would propose possible text for this option;

(b) Some participants proposed that, with regard to the existing methodological decisions identified as requiring a larger number of changes (in particular decisions 13/CMP.1, 15/CMP.1 and 22/CMP.1), there should be new decisions, which may, for the

<sup>1</sup> FCCC/TP/2012/6. Available at <unfccc.int/resource/docs/2012/tp/06.pdf>.

<sup>2</sup> The list of issues may not be exhaustive. The examples attached to some issues are for the illustration of the issue and are also not exhaustive.

<sup>3</sup> See decision 1/CMP.7, annex 2, and decision 4/CMP.7, paragraph 2.

<sup>4</sup> See decision 4/CMP.7, paragraph 15.

<sup>5</sup> See decision 4/CMP.7, paragraph 5.

second commitment period, replace the relevant decisions taken at CMP 1. Such new decisions and their annexes would be attached to an overarching decision, in order to provide legal and technical clarity in relation to reporting, accounting and review in the second commitment period by providing a single source of reference for those activities;

(c) Some participants proposed an option whereby the provisions of relevant existing decisions in place for the first commitment period might be referenced for application *mutatis mutandis* for the second commitment period, with any necessary changes or additions reflected in replacement paragraphs or new paragraphs presented below the appropriate headings.

5. There was no agreement among the workshop participants on the approach to be taken.

6. Any decision implementing such changes for the second commitment period should be drafted in such a way as to reflect the ongoing implementation of the methodological decisions taken for the first commitment period until the final assessment of compliance for the first commitment period has been completed.

7. The following categorization of the issues identified by the workshop participants in relation to the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 is without prejudice to the architecture of any relevant decision(s) to be taken at CMP 8 and to Parties' negotiation positions, and is not exhaustive.

**1. Technical issues related to the methodological decisions under the Kyoto Protocol that are essential for the second commitment period and for which decisions need to be adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session**

8. The workshop participants identified the following issues:

(a) The updating of relevant references to CMP decisions;

(b) Modifications of references to Articles of the Kyoto Protocol consistent with any amendments of these Articles to be agreed at CMP 8 (e.g. references to the assigned amount pursuant to Article 3, paragraphs 7 and 8, need to be updated to reflect the amendments related to the calculation of the assigned amount for the second commitment period);

(c) The 2006 IPCC Guidelines were adopted for the second commitment period by decision 4/CMP.7 and therefore references to the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the Revised 1996 IPCC Guidelines) need to be updated. Participants highlighted that there may be specific references to the Revised 1996 IPCC Guidelines to which this general rule may not be applicable. Participants also highlighted that such updating should reflect the work on the revision of the reporting guidelines on GHG inventories for Parties included in Annex I to the Convention (Annex I Parties) agreed in decision 15/CP.17 and that, in specific cases, it may be preferable to refer to the "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories"<sup>6</sup> instead of to the 2006 IPCC Guidelines;

(d) Addressing specific references to the first commitment period where the need to extend the provisions in question to the second commitment period is identified (e.g. decision 13/CMP.1, annex, paragraph 5, reads "The assigned amount pursuant to Articles 3, paragraphs 7 and 8, for the first commitment period...");

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<sup>6</sup> FCCC/SBSTA/2006/9. Available at <<http://unfccc.int/resource/docs/2006/sbsta/eng/09.pdf>>.



(e) Paragraphs referring to the calculation of the assigned amount need to be consistent with the outcomes of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) with regard to the length of the commitment period, the references to the appropriate column of the table in Annex B to the Kyoto Protocol and the references to possibly amended Articles of the Kyoto Protocol (e.g. decision 13/CMP.1, annex, paragraph 5);

(f) The timing and implications of the timing of the initial report required by decision 13/CMP.1, paragraph 3;

(g) The content of the initial report described in decision 13/CMP.1, annex, paragraphs 6, 7 and 8, related to:

(i) The identification of a base year for NF<sub>3</sub> emissions in line with decision 4/CMP.7 (e.g. decision 13/CMP.1, annex, paragraph 7(b));

(ii) The recalculation of the inventory time series, including base year emissions, mandated in decision 4/CMP.7, paragraph 17;

(iii) The additional information related to activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol (hereinafter referred to as KP-LULUCF activities) mandated by decision 2/CMP.7;

(h) References to forest management under Article 3, paragraph 4, have to reflect the mandatory character of this activity in the second commitment period;

(i) The paragraphs related to the calculation of the commitment period reserve may require updating to reflect the potential outcome of the related discussion under the Subsidiary Body for Implementation mandated by decision 3/CMP.7.

9. The workshop participants considered the implications of the implementation of decision 5/CMP.7 on the reporting guidelines under Article 7 and did not identify any need for modifications of previous decisions.

## 2. Issues arising from the implementation of the first commitment period that may be beneficial to address

10. Issues considered to be substantial:

(a) Publicly available information from national registries that may cause problems related to the registries' security (e.g. e-mail addresses of account holders);

(b) Mandatory information from national registries and the international transaction log that is required to be made publicly available but that could not be made publicly available in the first commitment period (e.g. the requirement to make all transaction log records publicly available established in decision 13/CMP.1, annex, paragraph 43(d)).

11. Issues considered for consolidation or clarification:

(a) The complete listing, in decision 13/CMP.1, annex, paragraph 12, of all types of cancellations of Kyoto Protocol units that have been defined in several decisions, a corresponding introduction of specific cancellation accounts for each cancellation type in decision 13/CMP.1, annex, paragraph 21, and corresponding reporting on all account types in the standard electronic format tables and in the publicly available information from national registries;

(b) The streamlining of publicly available information from national registries;

(c) References to the standard independent assessment reports as currently implemented by the secretariat (in its capacity as UNFCCC international transaction log

administrator) in the review process that reflect the implementation of the requirements for national registries and any potential problems related to national registries;

(d) The clarification of decision 13/CMP.1, annex, paragraph 18, related to the distinctness of national registries in a consolidated system.

**3. Additional issues on which views diverged with regard to need, prioritization or categorization**

12. The workshop participants identified the following issues:

(a) The modification of decision 13/CMP.1, annex, paragraph 23, to allow for a continuation of transactions of certified emission reductions in the second commitment period prior to the issuance of the assigned amount for the second commitment period, as this issuance may only occur in 2016;

(b) The provisional issuance of some assigned amount units prior to the final establishment of the assigned amount for the second commitment period;

(c) The relevance of Parties to the Kyoto Protocol with a commitment in the first commitment period reporting on their national system and national registry as part of their initial report for the second commitment period, taking into account that those elements are also reviewed and reported on as part of their annual GHG inventory;

(d) Moving the paragraphs on reporting requirements in relation to national systems and national registries from part II (periodic information) of the annex to decision 15/CMP.1 to part I (annual information) of the same annex;

(e) The requirement to make the compilation and accounting database publicly available;

(f) The reflection of the recording time and updating of the commitment period reserve in the compilation and accounting database related to the different ways of calculating the commitment period reserve;

(g) The updating of references to decisions taken at the seventh session of the Conference of the Parties that were later replaced by decisions taken at CMP 1 (e.g. the reference to decision 24/CP.7 that appears in decision 13/CMP.1, annex, paragraph 12(e));

(h) The need to have a report prepared by the secretariat relating to decision 5/CP.6, annex, section VI.1, paragraph 4 (see decision 15/CMP.1, paragraph 4);

(i) The clarification of the requirements for Annex I Parties that are also Parties to the Kyoto Protocol without a quantified emission limitation or reduction objective (QELRO) for the second commitment period with regard to reporting methodological issues under the Kyoto Protocol.

**4. Implications arising from proposals discussed under the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

13. The workshop participants noted that some issues under consideration by the AWG-KP may, if agreed upon under the AWG-KP, have implications for accounting and reporting. The following issues were identified by the workshop participants:

(a) Proposals related to the carry-over of Kyoto Protocol units from the first to the second commitment period;

(b) Discussion related to the eligibility of Parties to the Kyoto Protocol without a QELRO for the second commitment period to use the flexibility mechanisms under the Kyoto Protocol;

(c) The use of units from new market-based mechanisms for compliance in the second commitment period;

(d) The eligibility of Parties to the Kyoto Protocol with a QELRO for the second commitment period to use the flexibility mechanisms under the Kyoto Protocol starting on 1 January 2013, and the relevance of legally binding commitments in this regard.

**5. Implications identified related to methodological decisions that should be addressed at a later stage after the eighth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol**

14. The workshop participants identified the following issues:

(a) The revision of the common reporting format tables for KP-LULUCF activities;

(b) Further work on adjustments for technical corrections of forest management reference levels;

(c) Decisions related to the training of review experts, for example related to new requirements for KP-LULUCF activities and the 2006 IPCC Guidelines;

(d) Changes related to decision 18/CMP.1 arising from decision 2/CMP.7 and to decision 20/CMP.1 arising from decisions 2/CMP.7 and 4/CMP.7.

**6. Discussion related to activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol**

15. The changes due to the implications of the implementation of decision 2/CMP.7 discussed in paragraph 16 below are without prejudice to the architecture or content of the decision(s) to be adopted at CMP 8, or to Parties' negotiation positions.

16. The workshop participants considered the implications of the implementation of decision 2/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol and identified several implications for the second commitment period, including:

(a) The inclusion, in the decisions, of forest management as a mandatory activity under Article 3, paragraph 4;

(b) The inclusion, in the decisions, of references to methodological and supplementary guidance in relation to KP-LULUCF activities currently under development by the IPCC;

(c) The consideration of the forest management reference level for the accounting of this activity;

(d) The establishment of new provisions related to natural disturbances;

(e) The addition of wetland drainage and rewetting as a new activity under Article 3, paragraph 4;

(f) The reflection, in the decisions, of decision 2/CMP.7, annex, paragraph 37 (emissions and removals resulting from the harvest and conversion of forest plantations to non-forest land);

(g) The reflection, in the decisions, of the accounting of harvested wood products;

(h) The need to make references, in the decisions, to the IPCC methodologies related to activities under Article 3, paragraphs 3 and 4, which reflect the ongoing work of the IPCC related to such methodologies and supplementary guidance mandated by decision

2/CMP.7, paragraphs 8 and 9, and decision 2/CMP.7, annex, paragraph 11, in a way that is consistent with decision 2/CMP.7.

17. In addition, the workshop participants initiated a discussion on how the issues identified in paragraph 16 above could be addressed, including options for reflecting the different views of the participants, and noted that the options included in appendices I and II are not exhaustive. The KP-LULUCF breakout group also addressed the implications of the implementation of decision 2/CMP.7 on decisions 16/CMP.1, 18/CMP.1 and 20/CMP.1 but, owing to time constraints, the plenary of the workshop was not able to discuss those decisions, emphasizing that they will be considered by Parties at CMP 8.

18. The text contained in appendices I and II reflects the status of the initial considerations of the participants in the KP-LULUCF breakout group at the end of the workshop, without prejudice to any relevant decision or decisions to be taken at CMP 8, or to the negotiation positions of Parties at CMP 8. In the workshop plenary, some participants raised substantial concerns with regard to the substance of the textual proposals contained in appendices I and II and they noted the possibility of making additional proposals for addressing the implications identified, as their concerns had not been able to be captured in the text owing to a lack of time.

## Appendix I

### Proposed changes to the annex to decision 13/CMP.1

1. The following shows the identified implications of the implementation of decision 2/CMP.7 on the annex to decision 13/CMP.1, with changes highlighted using track changes and the 'original' paragraph numbers indicated. Paragraph numbers including "bis", "ter", etc. are suggested new paragraphs.

#### Annex to decision 13/CMP.1

8. Part two of the report referred to in paragraph 6 above shall contain the following information, or references to such information where it has been previously submitted to the secretariat:

(b) Identification of its selection of single minimum values for tree crown cover, land area and tree height for use in accounting for its activities under Article 3, paragraphs 3 and 4, for those Parties included in Annex I that did not select a definition of forest for the first commitment period, together with a justification of the consistency of those values with the information that has been historically reported to the Food and Agriculture Organization of the United Nations or other international bodies, and in the case of difference, an explanation of why and how such values were chosen, in accordance with decisions 16/CMP.1 and 2/CMP.7. For those Parties that selected their forest definition for the first commitment period, the definition for the second commitment period shall be the same;

(c) Identification of its election of activities under Article 3, paragraph 4, for inclusion in its accounting for the ~~first~~second commitment period, in addition to those activities under Article 3, paragraph 4, that were elected in the first commitment period, together with information on how its national system under Article 5, paragraph 1, will identify land areas associated with all additional elected activities ~~the activities~~ and how it ensures that land that was accounted for activities under Articles 3, paragraphs 3 and 4, in the first commitment period continues to be accounted in subsequent commitment periods, in accordance with decisions 16/CMP.1 and 2/CMP.7;

(d)bis Identification of how it intends to account for emissions and removals from the harvested wood products pool in the second commitment period pursuant to paragraphs 16 and 26–32 of the annex to decision 2/CMP.7;

(d)ter Option 1: Identification of whether it intends to exclude from the accounting in the second commitment period emissions from natural disturbances in areas under afforestation and reforestation under Article 3, paragraph 3, and under forest management under Article 3, paragraph 4, that in any single year exceed the background level in accordance with paragraph 33 of the annex to decision 2/CMP.7. If a Party intends to exclude such emissions from the accounting in the second commitment period, it shall provide information on the calculated background levels, how these levels were estimated and how it intends to avoid the expectation of net credits or net debits during the commitment period, including through the use of a margin, and how it will ensure that any subsequent removals during the commitment period on the lands affected will also be excluded from the accounting in accordance with paragraph 22 of the annex to decision 2/CMP.7;

Option 2: Identification of whether it intends to exclude from the accounting in the second commitment period emissions from natural disturbances in areas under afforestation and

[reforestation under Article 3, paragraph 3, and under forest management under Article 3, paragraph 4, in accordance with paragraph 33 of the annex to decision 2/CMP.7;](#)

11. At the end of the additional period for fulfilling commitments, the following additions to the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party shall be made in accordance with Article 3, paragraphs 3, 4, 10, 12 and 13, for the accounting of the compliance assessment for the commitment period:

(e) Issuance by the Party of RMUs on the basis of its activities under Article 3, paragraph 3, [where such activity results in net removals of greenhouse gases](#), and its elected activities under Article 3, paragraph 4, [and forest management](#), where ~~such the activity activities~~ results in an [increase in net removals of greenhouse gases or a decrease in net emissions relative to the Party's base year or forest management reference level](#), as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2, accounted in accordance with decision ~~162/CMP.1-7~~ and subject to any question of implementation relating to those activities having been resolved.

12. At the end of the additional period for fulfilling commitments, the following subtractions from the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party shall be made in accordance with Article 3, paragraphs 3, 4 and 11, for the accounting of the compliance assessment for the commitment period:

(d) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs on the basis of its activities under Article 3, paragraph 3, [where such activity results in net emissions of greenhouse gases](#), and its elected activities under Article 3, paragraph 4, [and forest management, where the activity results in a decrease in net removals or an increase in net emissions relative to the Party's base year or forest management reference level](#) ~~where such activities result in a net source of greenhouse gas emissions~~, as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2, and accounted in accordance with decision ~~162/CMP.17~~.

25. Each Party included in Annex I shall issue in its national registry RMUs equivalent to the net removals of anthropogenic greenhouse gases resulting from its activities under Article 3, paragraph 3, [and equivalent to the increase in net removals or decrease in net emissions relative to the Party's base year for elected activities under Article 3, paragraph 4, or forest management reference level under forest management in the second commitment period and its elected activities under Article 3, paragraph 4](#), accounted in accordance with decision ~~162/CMP.1-7~~ as reported under Article 7, paragraph 1, following completion of the review in accordance with Article 8, taking into account any adjustments applied in accordance with Article 5, paragraph 2, and resolution of any questions of implementation relating to the reported net removals of anthropogenic greenhouse gases. Each Party shall elect for each activity, [as part of the information referred to in paragraph 7 above](#), ~~prior to the start of the commitment period~~, to issue such RMUs annually or for the entire commitment period. ~~The decision of a Party shall remain fixed for the first commitment period~~ [to which it relates](#).

26. (...) under Article 3, paragraph 3, [forest management under Article 3, paragraph 4](#), and (...).

[The same addition should be applied to paragraphs 32 and 55.](#)

28. (...) decision ~~16/CMP.1-2/CMP.7~~.

[The same change should be applied to paragraphs 30, 32, 42\(a\), 42\(c\), 52\(b\), 55\(a\), 55\(b\), 55\(c\) and 55\(e\).](#)

31. Each Party included in Annex I shall ensure that its net acquisitions of CERs from afforestation and reforestation activities under Article 12 for the ~~first~~<sup>second</sup> commitment period do not exceed the limits established for that Party as set out in [paragraph 19 of the annex to decision 162/CMP.17](#).

47. The information referred to in paragraph 44 above shall include the following holding and transaction information relevant to the national registry, by serial number, for each calendar year (defined according to Greenwich Mean Time):

(g) The total quantity of ERUs, CERs, AAUs and RMUs cancelled on the basis of activities under Article 3, paragraphs ~~3, and 4~~<sup>3, and 4</sup> [where such activity results in net emissions of greenhouse gases, and elected activities under Article 3, paragraph 4, and forest management, where the activity results in a decrease in net removals or an increase in net emissions relative to the Party's base year or forest management reference level](#).

52. The secretariat shall record in the database for each Party included in Annex I the following information:

(b) For the ~~first~~ commitment period, the total allowable issuances of RMUs resulting from forest management activities under Article 3, paragraph 4, and limits on net acquisitions of CERs from afforestation and reforestation activities under Article 12 pursuant to decision ~~162/CMP.17~~;

(b)bis [During the second commitment period, any changes to the total allowable issuance of RMUs resulting from forest management activities under Article 3, paragraph 4, due to technical corrections to forest management reference levels reported by a Party in accordance with paragraphs 14 and 15 of the annex to decision 2/CMP.7 and reviewed under Article 8 in accordance with the annex to decision 2/CMP.7.](#)

55. The secretariat shall annually record in the database the following information for each Party included in Annex I relating to accounting for net emissions and removals of greenhouse gases resulting from its activities under Article 3, paragraph 3, [forest management under Article 3, paragraph 4](#), and its elected activities under Article 3, paragraph 4, following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any relevant questions of implementation:

(b) (...)for the calendar year [and the accounting quantity under Article 3, paragraphs 3 and 4,3 and 3.4](#);

(c) (...)for the calendar year [and the accounting quantity for activities under Article 3,3 and 3.4, paragraphs 3 and 4, for all years of the commitment period in the final year of the commitment period](#);

(d)bis [Technical corrections to forest management reference levels reported by a Party in accordance with paragraphs 14 and 15 of the annex to decision 2/CMP.7 and reviewed under Article 8 in accordance with the annex to decision 2/CMP.7](#);

(e) (...)in subparagraphs (b), (c) and (d) above [and resulting total accounting quantities](#).

## Appendix II

### Proposed changes to decision 15/CMP.1 and the annex to decision 15/CMP.1

1. The following shows the identified implications of the implementation of decision 2/CMP.7 on decision 15/CMP.1 and the annex to decision 15/CMP.1, with changes highlighted using track changes and the 'original' paragraph numbers indicated. Paragraph numbers including "bis", "ter", etc. are suggested new paragraphs.

#### Decision 15/CMP.1

1.bis Requests the Subsidiary Body for Scientific and Technological Advice to initiate the consideration of any supplementary reporting tables required for the reporting of land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol in the second commitment period, in parallel with the consideration of supplementary methodologies developed by the Intergovernmental Panel on Climate Change, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session;

#### Annex to decision 15/CMP.1

5. Each Party included in Annex I shall include in its annual<sup>3</sup> greenhouse gas inventory information on anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraph 3, forest management under Article 3, paragraph 4, and, if any, elected activities under Article 3, paragraph 4, in accordance with Article 5, paragraph 2, as elaborated by any supplementary and good practice guidance of the Intergovernmental Panel on Climate Change (IPCC) in accordance with relevant decisions of the COP/MOP on land use, land use change and forestry 2/CMP.7 and as adopted or encouraged, and with any subsequent clarifications, by the Conference of Parties. Estimates for Article 3, paragraphs 3 and 4, shall be clearly distinguished from anthropogenic emissions from the sources listed in Annex A to the Kyoto Protocol. In reporting the information requested above, each Party included in Annex I shall include the reporting requirements specified in paragraphs 6 to 9 below, taking into consideration the information communicated as part of the report to establish the assigned amount under paragraph 6 of decision -/CMP.8 (Modalities for the accounting of assigned amounts under Article 7, paragraph 4)~~selected values in accordance with paragraph 16 of the annex to decision 16/CMP.4.~~

6. General information to be reported for activities under Article 3, paragraph 3, forest management and any elected activities<sup>4</sup> under Article 3, paragraph 4, shall include:

(a) Information on how inventory methodologies have been applied taking into account any the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, any relevant supplementary and good practice guidance of the IPCC adopted or encouraged by the CMP, and any subsequent clarifications agreed by the CMP for the second commitment period~~good practice guidance on land use, land use change and forestry agreed by the COP~~

<sup>3</sup> It is recognized in the Intergovernmental Panel on Climate Change (IPCC) *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* that the current practice on land use, land-use change and forestry does not in every situation request annual data collection for the purpose of preparing annual inventories based on a sound scientific basis.

<sup>4</sup> The elected activities shall be the same as those identified in the Party's report referred to in paragraph 8 of the annex to decision 13/CMP.1.



and recognizing the principles as laid out in decision 16/CMP.1 and the rules and modalities for accounting laid out in decision 2/CMP.7 for the second commitment period;

(b) The geographical location of the boundaries of the areas that encompass:

(ii) Units of land subject to activities under Article 3, paragraph 3, which would otherwise be included in land subject to forest management or elected activities under Article 3, paragraph 4, under the provisions of paragraph 8-9 of the annex to decision 16/2/CMP.17;

(iii) Land subject to forest management in the second commitment period and to elected activities under Article 3, paragraph 4;

The information aims to ensure that units of land and areas of land are identifiable. Parties are encouraged to elaborate on this information on the basis of any relevant decisions of the COP/MOP on good practice methodological guidance associated with land use, land-use change and forestry under Article 8;

(e)bis Option 1: If a Party elects to exclude emissions and removals from natural disturbances from the accounting in the second commitment period, it shall provide information demonstrating that emissions from natural disturbances in any single year exceed the background level, including a margin, where a margin is needed pursuant to paragraph 33 of the annex to decision 2/CMP.7. For this purpose, a Party shall inter alia include information in accordance with paragraphs 33 and 34 of the annex to decision 2/CMP.7:

(i) Showing that all lands subject to the exclusion due to natural disturbances are identified, including their geo-referenced location, year and type of disturbance;

(ii) Showing how annual emissions resulting from natural disturbances and the subsequent removals during the commitment period in those areas are estimated and excluded from the accounting;

(iii) Showing that no land-use change has occurred on lands for which the provisions contained in paragraph 33 of the annex to decision 2/CMP.7 are applied and explaining the methods and criteria for identifying any future land-use changes on those land areas during the second commitment period;

(iv) That demonstrates that the occurrences were beyond the control of, and not materially influenced by, the Party in the commitment period, by demonstrating practicable efforts to prevent, manage or control the occurrences that led to the application of the provisions contained in paragraph 33 of the annex to decision 2/CMP.7;

(v) That demonstrates efforts taken to rehabilitate, where practicable, the land for which the provisions contained in paragraph 33 of the annex to decision 2/CMP.7 are applied;

(vi) Showing that emissions associated with salvage logging were not excluded from accounting.

Option 2: If a Party elects to exclude emissions and removals from natural disturbances from the accounting in the second commitment period, it shall provide information in accordance with paragraphs 33-36 of the annex to decision 2/CMP.7 and any supplementary methodological guidance as agreed by the CMP.

6(e)tris Option 1: If a Party accounts for greenhouse gas emissions by sources and removals by sinks from the harvested wood products pool other than by instantaneous oxidation, information on emissions and removals resulting from changes in the harvested wood products pool removed from forests accounted for under Article 3, paragraphs 3 and 4, during the second commitment period, accounted for in accordance with decision

2/CMP.7]. [The emission and removal estimates shall be provided separately for activities under Article 3, paragraphs 3 and 4. In addition to these emission and removal estimates, a Party shall include the following information:

(i) Transparent and verifiable activity data for the harvested wood products categories, for estimating the harvested wood products pool for domestic and export markets, as appropriate;

(ii) Information on the half-lives used in estimating the emissions and removals for these categories, including information on country-specific half-lives, showing that these are at least as detailed and accurate as the default values given in paragraph 29 of the annex to decision 2/CMP.7;

(iii) If the forest management reference level is based on a projection, information on whether emissions from the harvested wood products pool originating from forests prior to the start of the second commitment period have been included in or excluded from the accounting;

(iv) Information on how emissions from the harvested wood products pool that have been accounted for during the first commitment period on the basis of instantaneous oxidation -have been excluded from the accounting for the second commitment period;

(v) Information showing that harvested wood products resulting from deforestation have been accounted on the basis of instantaneous oxidation;

(vi) Information showing that carbon dioxide emissions from harvested wood products in solid waste disposal sites and from wood harvested for energy purposes have been accounted for based on instantaneous oxidation.

Option 2: If a Party accounts for greenhouse gas emissions by sources and removals by sinks from the harvested wood products pool other than by instantaneous oxidation, information on emissions and removals resulting from changes in the harvested wood products pool removed from forests accounted for under Article 3, paragraphs 3 and 4, during the second commitment period, in accordance with decision 2/CMP.7 and any supplementary methodological guidance as agreed by the CMP.

7. (...)Article 3, paragraph 3, forest management and elected activities under Article 3, paragraph 4, (...).

8. Specific information to be reported for activities under Article 3, paragraph 3, shall include:

(c) ~~Information on emissions and removals of greenhouse gases from lands harvested during the first commitment period following afforestation and reforestation on these units of land since 1990 consistent with the requirements under paragraph 4 of the annex to decision 16/CMP.1~~

9. Specific information to be reported for forest management and any elected activities<sup>7</sup> under Article 3, paragraph 4, shall include:

(b) (...) elect cropland management and/or grazing land management and/or revegetation and/or wetland drainage and rewetting, anthropogenic (...);

(c) (...) from forest management and any elected Article 3, paragraph 4, activities (...);

(c)bis Information that demonstrates that all emissions arising from the conversion of natural forests to planted forests are included under forest management;

<sup>7</sup> See footnote 5.

(c)ter Option 1: Information that demonstrates methodological consistency between the reference level and reporting for forest management during the second commitment period, including the area accounted for, the treatment of harvested wood products, and the accounting of any emissions from natural disturbances;

Option 2: Addition of paragraph 9(e) is not needed as it repeats paragraph 6.

(c)quater Any technical corrections made pursuant to paragraph 14 of the annex to decision 2/CMP.7 to ensure consistency between the reference level and reporting for forest management during the second commitment period, including explanations of how IPCC methods for ensuring time-series consistency were applied;

(c)quinquies Option 1: For the second commitment period, related to emissions by sources and removals by sinks resulting from the harvest and conversion of forest plantations to non-forest land, accounted under forest management, the following information:

(i) Identification of all lands and associated carbon pools subject to paragraph 37 of the annex to decision 2/CMP.7, including georeferenced location and year of conversion;

(ii) Demonstration that the forest plantation was first established through direct human-induced planting and/or seeding of non-forest land before 1 January 1990, and, if the forest plantation was re-established, that this last occurred on forest land through direct human-induced planting and/or seeding after 1 January 1960;

(iii) Demonstration that a new forest of at least equivalent area to the harvested forest plantation is established through direct human-induced planting and/or seeding of non-forested land that did not contain forest on 31 December 1989;

(iv) Demonstration that this newly established forest will reach at least the equivalent carbon stock that was contained in the harvested forest plantation at the time of harvest, within the normal harvesting cycle of the harvested forest plantation, and, if not, a debit would be generated under Article 3, paragraph 4.

Option 2: If a Party elects to account for emissions by sources and removals by sinks resulting from the harvest and conversion of forest plantations to non-forest land under forest management rather than under Article 3, paragraph 3, a Party shall include information that demonstrates that all lands and carbon pools associated with the conversion and reestablishment of forest under paragraph 37 of the annex to decision 2/CMP.7 are identified, monitored, reported and accounted for in accordance with decision 2/CMP.7 and any relevant supplementary and good practice guidance adopted by the CMP.

9(d) For Parties included in Annex I that elect to account for forest management, under Article 3, paragraph 4, information that indicates to what extent the anthropogenic greenhouse gas removal by sinks offsets the debit incurred under Article 3, paragraph 3, if any, consistent with the requirements under paragraph 10 of the annex to decision 16/CMP.1.