

CONFERENCE OF THE PARTIES

Sixth session, part two

Bonn, 16-27 July 2001

Agenda item 7 (b)

**PREPARATIONS FOR THE FIRST SESSION OF THE CONFERENCE OF
THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO
THE KYOTO PROTOCOL (DECISION 8/CP.4)**

MATTERS RELATING TO LAND-USE, LAND-USE CHANGE AND FORESTRY¹

Report by the Co-Chairmen of the negotiating group

1. The group discussed texts on:
 - (a) Definitions of “forest”, “afforestation”, “reforestation”, “deforestation”, “forest management”, “cropland management”, “grazing land management” and “revegetation”;
 - (b) Principles governing land-use, land-use change and forestry (LULUCF) activities; principles contained in document FCCC/CP/2000/5/Add. 3 (Vol. IV), page 6 (a) - (f) have been widely accepted and should guide further work of the ministers; and
 - (c) Accounting rules for eligible LULUCF activities under Article 3.3 and 3.4.
2. Further “technical” negotiations on some aspects of the text are needed.
3. Options for limiting the scale of LULUCF activities remains the key outstanding issue for which the following options were identified for the first commitment period by Parties:

Issue 1. Article 3.4

Option A

No crediting for Article 3.4 activities in the first commitment period. Methodological work to be undertaken prior to the start of negotiations on the second commitment period.

Option B

Crediting of cropland management, grazing land management, forest management, and revegetation under Article 3.4 in the first commitment period:

¹ The text on land-use, land-use change and forestry (LULUCF) is contained in document FCCC/CP/2001/2/Add.3 Rev.1. The basis for this text was the negotiating text that emerged from the first part of the sixth session (see FCCC/CP/2000/5/Add.3 (vol. IV)).

B.1 Forest management:

- (a) Individual Party caps on forest management to be fixed in an annex before the start of the first commitment period. Negotiations on the annex, to be guided by a set of elements, to start at this session.
- (b) Demonstrate additionality since 1990 against a baseline using approved methodologies. For Parties where this is not appropriate, negotiate individual Party caps on forest management starting at this session. (*This approach could also be applied to the other article 3.4 activities.*)
- (c) Overall Annex I cap on forest management. Negotiate individual Party caps under the overall Annex I cap.
- (d) Formula-based approach, comprising a discount and a cap, as contained in the consolidated negotiating text, or based on a certain percentage of base-year emissions.

B.2 Agricultural activities:

- (a) Scale of agricultural activities (cropland management, grazing land management, and revegetation) limited through net-net accounting (net removals over the commitment period less net removals in the base year times five).
- (b) The same as option B.2. (a) above, but further limit scale by using a cap.

Issue 2. Clean development mechanism

Option A

No LULUCF activities credited under the CDM.

Option B

Include a set of LULUCF activities (afforestation and reforestation).

Option C

Include a set of LULUCF activities (afforestation and reforestation) but limit their crediting by:

- (a) The formula contained in the consolidated negotiating text (article 3.4, CDM and JI combined);
- (b) A fixed percentage of base-year emissions; and
- (c) A separate overall cap for LULUCF activities under the CDM. Negotiate individual caps under the overall cap to Annex I Parties.

Issue 3. Article 6

- 4. This issue has not been discussed.