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## 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 the organization of a workshop, terms of reference and an agenda for work relating to afforestation and reforestation activities under the clean development mechanism (CDM)**

#### **Note by the secretariat**

#### **Addendum**

In addition to the submissions included in documents FCCC/SBSTA/2002/MISC.1 and FCCC/SBSTA/2002/MISC.1/Add.1, a submission from Malaysia has also been received.<sup>1</sup> 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.

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<sup>1</sup> 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 MALAYSIA

The 7<sup>th</sup> Session of the Conference of Parties, in Decision 17/CP.7, invited Parties to submit their views on the terms of reference and the agenda for the work on the development of definitions and modalities for including afforestation and reforestation project activities under Article 12 in the first commitment period (FCCC/CP/2001/13/Add.2, paragraph 10(b)). Malaysia welcomes this opportunity to make a submission and presents the following views.

Malaysia continues to view with concern and caution over the inclusion of afforestation and reforestation project activities under the Article 12. We still strongly believe that the primary priority should be the reduction of emissions at source and that sinks should play only a transitional role and thus, be included as an activity for the short term. We would like to reiterate as well as deem the sustainable management of existing sinks and reservoirs as more important, this being amongst the commitments of the UNFCCC. LULUCF activities should promote the long-term sustainable management of forests and their resources.

The SBSTA should incorporate the work of the IPCC into the definitions and modalities developed, *inter alia*:

- IPCC Special Report on LULUCF
- IPCC Project on GPG for LULUCF

On definitions of afforestation and reforestation under Article 12, the SBSTA should take into account the outcomes and recommendations of "The Expert Meeting on Harmonizing Forest-related Definitions for use by various Stakeholders, 23 - 25 January 2002 in Rome," in which the IPCC co-sponsored.

In this regard, Malaysia puts forth the suggestion that a follow-up workshop from the meeting in Rome be organized by the Secretariat to further evaluate and streamline the definitions of "afforestation" and "reforestation" that are workable for project activities under Article 12 after having taken into account all the concerns raised by both Annex I and non-Annex I Parties in SBSTA 16.

In addition to the modalities and procedures already developed for the Clean Development Mechanism contained in decision -/CP.7 (Article 12), Malaysia proposes that the following views be duly considered in the drafting of the modalities for afforestation and reforestation project activities under Article 12:

- Strictly ensure that benchmarks are developed to assess the eligibility and benefits of afforestation and reforestation project activities under Article 12 and should emphasize the points that follow.
- Proposes that Parties adopt strict accounting methodologies that accounts for carbon stock changes in terms of both emissions and removals and Parties are able to accurately monitor and verify emissions and removals. Monitoring systems are essential to record uptakes and releases through forest uses and disturbances. The SBSTA should take into account the significant problems that surround accounting of carbon sinks as identified by the IPCC.
- Ensure that projects minimize leakage, according to a standard set of leakage management guidelines to be developed by the SBSTA, and that leakage assessment be incorporated into the monitoring protocol. Strategies to curtail or control leakage must be included into the CDM project proposal.
- Projects should yield and promote multiple environmental and social benefits while ensuring adverse consequences are avoided. Hence, benchmarks for such assessments should be developed. In

addition, Malaysia will support the SBSTA, if there should be a request to the IPCC to contribute to the consideration of wider socio-economic and environmental issues related to Article 12.

- Approved sink projects should promote the transfer of environmentally sound technologies to host countries and to meet environmental and technology additionality criteria.
- The designated operational entities should have the necessary expertise to undertake the functions specified in the modalities and procedures, specific to afforestation and reforestation project activities under Article 12
- The crediting period for afforestation and reforestation projects should be evaluated differently from the other types of CDM project activities to ensure that the length of the project does not reduce the opportunity cost of the land utilized nor be in conflict with territorial sovereignty for the host nation, ensure that the maximum carbon sequestration of the trees planted are obtained and optimal environmental and social benefits are achieved. Article 12(5) states that emission reductions resulting from each project activity shall be certified on the basis of real, measurable, and long-term benefits related to the mitigation of climate change. Forestry projects and the sequestration benefits generated are dependent on the rotation cycle and the species planted. The changing developing needs of the host non-Annex I Party should also be taken into account when evaluating the eligibility of an afforestation or reforestation project activity as a CDM project.
- Hence, based on the above concerns, the temporal validity of the CERs generated through afforestation and reforestation project activities under Article 12 should also be evaluated separately from the other types of CDM project activities. In addition, the issuance of CERs must also be adequately adjusted for any resulting leakage.
- Include in the agenda of work another technical workshop before COP-9 to allow Parties, interested in investing/hosting LULUCF project activities under the CDM, to exchange ideas and information on methodologies, uncertainties, information and project design needs and experiences/ lessons learnt from the existing AIJ sinks-based projects. The technical training needs of host countries, including actions to address them, should also be identified at this workshop.
- Malaysia will continue to further examine and assess the options and is willing to work constructively with other Parties in the development of appropriate and practical modalities and definitions for including afforestation and reforestation project activities under Article 12 in the first commitment period.