



## HIGHLIGHTS FROM LULUCF WORKSHOP TUESDAY, 11 JULY 2000

Participants at the SBSTA workshop on land use, land-use change and forestry (LULUCF) met in morning and afternoon sessions to consider additional human-induced activities under Article 3.4 of the Kyoto Protocol, including an overview from IPCC lead authors of the Special Report on LULUCF, presentations from Parties and one NGO representative, and questions and comments from the floor. In the evening, participants heard presentations from Parties, NGOs and industry representatives on project-based activities.

### ADDITIONAL HUMAN-INDUCED ACTIVITIES UNDER ARTICLE 3.4

**IPCC OVERVIEW: Presentations:** IPCC Chair Bob Watson outlined key elements requiring decisions relating to Article 3.4 (additional activities), including which activities to include, if any, and whether a Party that chooses to report activities in the first commitment period should be obliged to report on the entire set of selected activities. He then identified several key issues under Article 3.4, including: whether to adopt a broad or narrow definition of an activity; how much land will need to be monitored, including cost and potential windfall considerations; how to address the issue of baselines; what ancillary benefits exist; and how to resolve permanence issues.

Ian Noble, IPCC Lead Author, Australian National University, outlined options for the definition of an activity. He said a broad definition of an activity would provide a more simplistic approach covering all practices on an area of land, while a narrow definition – based on individual practices – would permit greater accuracy. He suggested that a broad definition would be more compatible with land-based accounting, while a narrow definition would better suit activity-based accounting, although any combination could be made to work. He then discussed “scientific baselines,” noting the need to account for the human-induced element. He concluded by elaborating opportunities or “potentials” under Article 3.4, identifying groups of activities relating to improved management and land-use change. He said estimates suggested that forest, cropland and grazing management could have significant benefits for Annex I Parties, while transforming degraded agricultural land to agroforestry could particularly benefit non-Annex I Parties.

**Question-and-answer session:** In the subsequent question-and-answer session on the IPCC overview, AOSIS queried whether identifying specific “potentials” was appropriate at this stage. The UK noted that the scientific baseline was not a baseline as it is regularly understood. He stressed the importance of separating human-induced effects under Article 3.4. Replying to concerns raised by CHINA over conflicting land-use priorities, Ian Noble said changes from current agricultural practices to agroforestry should be carefully designed to ensure overall benefits to the

population, and said agroforestry should not be practiced on prime agricultural land. AUSTRALIA supported further discussion on frameworks and measurements.

On questions relating to monitoring and verification, Noble acknowledged the high costs involved, and raised the need for a discussion on cost and benefits. On verification, he commented that there should be mechanisms in place, such as spot checks and checking of documentary evidence, coupled with indirect verification through scientific papers.

On carbon crediting, the EUROPEAN COMMISSION highlighted social and environmental baselines, emphasizing the Protocol’s sustainable development goals.

**PRESENTATIONS:** Following the IPCC overview and question-and-answer session, participants heard presentations from representatives of five Parties and one NGO on additional human-induced activities under Article 3.4.

**Party presentations:** David Boulter, Senior Climate Change Advisor, Canada Forest Service, provided a national perspective of forest management under the Protocol, suggesting that sustainable forest management would be a cost-effective sink opportunity for Parties to fulfill their emissions targets, and should be included under Article 3.4.

Andres Arnalds, Deputy Director, Iceland’s Soil Conservation Service, presented on carbon sequestration by revegetation. Emphasizing that degradation is a global phenomenon, he underscored the importance of incentives to local farming communities and highlighted the multiple benefits of revegetation, including wide ranging socio-economic benefits and the encouragement of non-forest species.

Adele Morris, Special Advisor, US State Department, presented a national perspective on the LULUCF long-term approach and phase-in for the first commitment period. She suggested LULUCF objectives should include: linking Article 3.3 as a package with Article 3.4; incorporating a long-term system; assisting Parties to meet Kyoto targets cost-effectively; and considering a phase-in approach to address first commitment period issues. She proposed moving toward a system of complete greenhouse gas accounting on all managed lands and emphasized that Article 3.4 activities should be broadly defined and take a comprehensive approach. She suggested a phase-in option to full accounting for the first commitment period, including: adjusting assigned amounts by including only net removals over a certain threshold; and applying a discount rate. She recommended consideration of incentives and ancillary environmental effects in domestic implementation and land conversion accounting.

Konrad Tomaszewski, General Director of State Forests for Poland, discussed the role of the state’s involvement in and ownership of forested areas in addressing climate change concerns. He outlined Poland’s forestry management legislation, principles and activities. He concluded that government involvement in forest management has played a significant role in enhancing carbon storage, such as through development of an effective forest fire protection system and strong afforestation programme.

This issue of the Earth Negotiations Bulletin © <enb@iisd.org> is written and edited by Emily Boyd <e.boyd@uea.ac.uk>, Malena Sell <malena@iisd.org>, and Chris Spence <chris@iisd.org>. The Editor is Lynn Wagner <lynn@iisd.org> and the Managing Director is Langston James “Kimo” Goree VI <kimo@iisd.org>. Funding and logistical support for this issue of Earth Negotiations Bulletin is provided by the UNFCCC Secretariat. The Sustaining Donors of the Bulletin are the Netherlands Ministry of Foreign Affairs, the Government of Canada (through CIDA and DFAIT), the United States (through USAID), the Swiss Agency for Environment, Forests and Landscape (SAEFL), the United Kingdom Department for International Development (DFID) and the European Commission (DG-ENV). General Support for the Bulletin during 2000 is provided by the German Federal Ministry of Environment (BMU) and the German Federal Ministry of Development Cooperation (BMZ), the Danish Ministry of Foreign Affairs, the Ministry of Environment of Austria, the Ministries of Foreign Affairs and Environment of Norway, the Ministries of Foreign Affairs and Environment of Finland, the Government of Australia, and BP Amoco. The Bulletin can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the Earth Negotiations Bulletin are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the Earth Negotiations Bulletin may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Managing Editor. Electronic versions of the Bulletin are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages/>. The satellite image was taken above Bonn ©2000 The Living Earth, Inc. <http://livingearth.com>. For information on the Earth Negotiations Bulletin, send e-mail to the Managing Director at <kimo@iisd.org>.



Lorenzo Ciccarese, Senior Researcher on Climate and Forestry for Italy's National Environmental Protection Agency, made a presentation on Italy's national experience relevant to Article 3.4, including identification and estimation of relevant changes in the carbon budget. He described work on estimating changes in carbon storage, and outlined relevant policies, including: emissions avoidance activities; soil carbon conservation; forest conservation; and forest management and silviculture techniques.

**NGO presentation:** Stephan Singer, Head of WWF's European Climate and Energy Policy Office, made a presentation on Article 3.4 activities and repercussions on the integrity of the Protocol. He said Parties should agree to: prohibit projects and credits without agreed inventories and independent monitoring; address leakage and permanence concerns; and exclude commercial forestry and business-as-usual projects. He expressed concern that industrialized countries might attempt to negotiate an agreement at COP-6 that would effectively allow CO<sub>2</sub> emissions to increase by 25-50%. He drew attention to a report on technical and additional potentials for activities under Article 3.4 relating to cropland, rangeland and forest management sequestration, which concluded that Article 3.4 activities could create significant new entitlements for countries with large landmasses, as well as the potential for serious loopholes.

**Question-and-answer session:** In the ensuing question-and-answer session, a number of participants asked Adele Morris for additional information on the US position. On thresholds, Morris said an option for the phase-in proposal during the first commitment period was to adjust assigned amounts by including only net removals over a set threshold. She suggested that this threshold could vary by Party to fit their specific circumstances. In response to questions from JAPAN and FRANCE on the idea of discount rates, Morris said this related to the phase-in proposal, and would involve straightforward percentage discounts for particular accounts – for instance, forest management accounts – before adjusting assigned amounts. AOSIS expressed concern over the degree to which the US position was additional to the business-as-usual scenario.

Several questions were asked relating to the WWF's presentation. In response to a query relating to sinks and the CDM, Stephan Singer said a key concern was that domestic action should not be undermined as the primary tool in meeting Protocol commitments.

**DISCUSSION:** Following these presentations and question-and-answer sessions, delegates discussed key issues relating to Article 3.4. On activities under Article 3.4, POLAND said a wide range of activities should be promoted through the framework of sustainable forest management. FINLAND emphasized the role of biofuels, and called for national circumstances to be considered when deciding on additional activities. CANADA supported the inclusion of cropland and grassland management and agro-forestry. UGANDA stressed that credits not be awarded for business-as-usual.

On the timing of including activities, GERMANY, supported by the NETHERLANDS, underscored concerns regarding the scale, uncertainty and risks related to sinks, and highlighted that activities not be included under Article 3.4 during the first commitment period unless these concerns can be addressed. He suggested a pilot project period for activities under Article 3.4 to gain a better understanding of them. AOSIS recommended Article 3.3 as a key pilot phase in the first commitment period.

On accounting approaches, NORWAY supported full carbon accounting, including soil carbon and non-CO<sub>2</sub> greenhouse gases in the long term. The NETHERLANDS agreed, but called for careful consideration of implications in the short term. CANADA and JAPAN supported a broad land-based approach. AUSTRALIA said its aim was to continue working on an overall framework approach to accounting, expanding across Article 3.3 and 3.4.

On wood products, CANADA and FRANCE drew attention to opportunities relating to construction products. FINLAND noted the environmental soundness of wood products, while observing that discussion on their inclusion is scheduled for 2001.

The US NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS supported FAO-based definitions and an accounting framework that reflects land-based human activities.

IPCC Chair Bob Watson summarized key issues emerging from discussions, which he said included: links between Article 3.3 and 3.4 due to the recognition among participants of the difficulty of including aggradation/degradation and the harvest-regeneration cycle under Article 3.3; the possibility of using a single threshold that could vary between countries and biomes; the potential role of wood products under either Article 3.3 or 3.4; recognition that the magnitude of a windfall would be very high compared with sequestration achieved through management practices under Article 3.4; and an interest in associating sustainable forest management with carbon enhancement.

### PROJECT-BASED ACTIVITIES

**PRESENTATIONS: Party presentations:** Joy Grant, Executive Director, Programme for Belize, spoke on the Rio Bravo Carbon Sequestration Project. She outlined the project's history and objectives, including: conservation; sustainable forestry; and sustainable development. She highlighted the amount of carbon sequestered and outlined the community benefits. Tahoun Salah, Land Resources Advisor, Egyptian Environmental Affairs Agency, spoke on afforestation in Egypt. He highlighted the important commonalities for forestry between the FCCC, CCD and CBD, and called for overlaps between these conventions to be taken into account.

Alimin Djisbar, National Technical Expert for Forestry, Indonesia, presented on the afforestation of degraded land in Jambi Province, Sumatra. He spoke about degraded grasslands and the multipurpose use of various tree species. René Yvon Brancart, President of Côte d'Ivoire's National Committee on Climate Change, made a presentation on the development and condition of forests in Côte d'Ivoire. He highlighted the significance of forests for rural livelihoods, particularly in meeting energy needs.

Jesada Luangjame, Researcher, Forest Research Office, Thai Royal Forest Department, spoke on the status of forests and reforestation in Thailand. Highlighting increases in protected areas and reforestation, he said Thailand is striving to manage forests in a sustainable manner with a view to CO<sub>2</sub> benefits.

**NGO and industry presentations:** Mika Coda, Vice President of the Nature Conservancy's Climate Change Programme, speaking on behalf of the Climate Action Network-US, supported inclusion of forest conservation under the CDM, as deforestation is a significant source of emissions, and projects can provide co-benefits. Outlining proposed rules, he said possible projects are too few to threaten the integrity of the Protocol targets.

John Kinsman, Manager of Atmospheric Science for Edison Electric Institute, and Gary Kaster, Chair of the Utilitree Carbon Company, outlined US electric utility views on forestry projects. Kinsman provided an overview of experience in forestry-related projects, including issues related to permanence and leakage. Kaster called for, *inter alia*: a comprehensive full carbon accounting system addressing all significant sources and sinks; and forestry projects to be included under the CDM

Jacob Olander, Fundacion Natura, spoke about the contribution of LULUCF projects under the CDM. Addressing concerns about the CDM, he stressed the need for rules and criteria for all types of projects. He highlighted the importance of, *inter alia*, full and adequate measurement and monitoring of greenhouse gas impacts; strategies to address underlying causes of deforestation and degradation; and mechanisms for avoiding negative impacts and guaranteeing adequate stakeholder participation.

### THINGS TO LOOK FOR TODAY

**PROJECT-BASED ACTIVITIES:** Participants will convene at 9:00 AM to resume consideration of project-based activities.

**GENERAL ACCOUNTING, VERIFICATION AND REPORTING ISSUES:** These issues will be taken up once the discussion on project-based activities concludes.