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

Ninth session

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Item X of the provisional agenda

Documentation to facilitate negotiations among Parties

Note by the Chair

Addendum

**Draft decisions on other issues identified in paragraph 49 (c) of
document FCCC/KP/AWG/2008/8**

1. This addendum is a compilation of proposals by Parties for elements of decisions to be adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fifth session. It has been prepared by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), under his own responsibility, building on the work of the AWG-KP at its eighth session.
2. Proposals for elements of draft CMP decisions on emissions trading and the project-based mechanisms are contained in annex I. Options and proposals on how to address definitions, modalities, rules and guidelines for the treatment of land use, land-use change and forestry are contained in annex II. Proposals for elements of draft CMP decisions on greenhouse gases, sectors and source categories; common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks; and other methodological issues are contained in annex III. Proposals for elements of draft CMP decisions on other issues are contained in annex IV.

Annex I

Compilation of proposals for elements of draft CMP decisions on emissions trading and the project-based mechanisms

In relation to land use, land-use change and forestry activities under the clean development mechanism

Option 1:

1. *Decides* that the eligibility of land use, land-use change and forestry activities as project activities under the clean development mechanism in the first commitment period, as well as the modalities and procedures for such project activities, shall be maintained in the second [and subsequent] commitment period[s];

Option 2:

Decides that the eligibility of land use, land-use change and forestry activities under the clean development mechanism shall be limited to:

- (a) [Afforestation and reforestation, as defined in decision 16/CMP.1;]
- (b) [Reducing emissions from deforestation and forest degradation;]
- (c) [Restoration of wetlands;]
- (d) [Sustainable forest management and other sustainable land management activities;]
- (e) [Soil carbon management in agriculture;]
- (f) [Revegetation, forest management, cropland management and grazing land management, as defined in decision 16/CMP.1;]

2. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for land use, land-use change and forestry activities under the clean development mechanism, with a view to adopting a decision on this matter at its [sixth] [seventh] session, including modalities and procedures for addressing potential reversals of greenhouse gas removals by sinks by means of:

- (a) Option 1: [Temporary certified emission reductions and long-term certified emission reductions;]
Option 2: [Certified emission reductions with the host Party taking responsibility for reversals;]
Option 3: [Certified emission reductions through:]
 - (i) [Insurance for project activities to cover the cancellation of units;]
 - (ii) [The cancellation of units from buffers established to set aside units for such purposes;]
 - (iii) [The cancellation of units from credit reserves established to set aside quantities of units not retired at the end of a commitment period for such purposes;]
 - (iv) [Exemptions from modalities and procedures for addressing potential non-permanence in the case of low-risk project activities;]

- (b) [Accounting for emissions from harvesting of forests established under the clean development mechanism [where] [when] they occur;]

3. *Decides* that a Party included in Annex I to the Convention with a commitment inscribed in Annex B to the Kyoto Protocol may use [temporary certified emission reductions and long-term certified emission reductions] [certified emission reductions] issued for land use, land-use change and forestry project activities under the clean development mechanism for compliance with its emission commitment under Article 3, paragraph 1, of the Kyoto Protocol [without restriction] [up to a maximum of one per cent of base year emissions of that Party, times [five]] [up to a maximum of [x] per cent of its assigned amount pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol];

In relation to the inclusion of carbon dioxide capture and storage in geological formations under the clean development mechanism

Option 1:

4. *Decides* that activities relating to carbon dioxide capture and storage in geological formations shall not be eligible as project activities under the clean development mechanism in the second [and subsequent] commitment period[s];

Option 2:

5. *Decides* that activities relating to carbon dioxide capture and storage in geological formations[, including saline aquifers and excluding ocean sequestration,] shall be eligible as project activities under the clean development mechanism in the second [and subsequent] commitment period[s], provided that, for the second commitment period, no more than two projects per region shall be registered];

6. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for clean development mechanism project activities relating to carbon dioxide capture and storage in geological formations, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session, including modalities and procedures in relation to:

- (a) Non-permanence;
- (b) Monitoring, reporting and verification;
- (c) Environmental impacts;
- (d) The definition of project boundaries;
- (e) Issues of international law;
- (f) The potential for perverse outcomes;

In relation to the inclusion of nuclear activities under the clean development mechanism

Option 1:

7. *Decides* that activities relating to nuclear facilities shall not be eligible as project activities under the clean development mechanism in the second [and subsequent] commitment period[s];

Option 2:

8. *Decides* that activities relating to [new] nuclear facilities [constructed since [...]] shall be eligible as clean development mechanism project activities in the second [and subsequent] commitment period[s];

9. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for clean development mechanism project activities relating to nuclear facilities, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session, including in relation to issues of:

(a) Specific requirements for eligible nuclear activities;

(b) [...];

In relation to crediting on the basis of nationally appropriate mitigation actions

Option 1:

No decision to be made with respect to this issue

Option 2:

Recalling the commitments of all Parties in Article 4, paragraph 1, of the Convention and the commitments in Article 4, paragraphs 3 and 5, of developed country Parties and other developed Parties included in Annex II of the Convention,

Recognizing the importance of incentivizing nationally appropriate mitigation actions of developing country Parties for the full and effective implementation of paragraph 1 (b) (ii) of the Bali Action Plan,

Taking into account paragraph 1 (b) (v) of the Bali Action Plan and noting the necessity of engaging the private sector and carbon markets to ensure sustainable sources of financial flows and technology transfers to enable and support the nationally appropriate mitigation actions of developing country Parties in view of the limited capacity of public funds,

Acknowledging the need to build on experiences in the operation of Article 12 of the Protocol on the clean development mechanism and to further strengthen the mechanism,

10. *Decides* to set up a nationally appropriate mitigation action crediting mechanism under the Kyoto Protocol, in which credits for the verifiable nationally appropriate mitigation actions of the developing country Parties not included in Annex I of the Convention can be issued in order to assist such Parties in achieving sustainable development and contributing to global efforts to combat climate change;

11. *Further decides* that this crediting mechanism shall be subject to the authority and guidance of the Conference of the Parties to the Convention and be supervised by [a dedicated body constituted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol] [the executive board of the clean development mechanism]; and

12. *Agrees* that the criteria and standards by which credits issued for nationally appropriate mitigation actions need to be established, building on the current methodology for the clean development mechanism under the Kyoto Protocol, and that it shall adopt a decision at its sixth meeting on the operation of this crediting mechanism, including in relation to:

- (a) The scope of the nationally appropriate mitigation actions that are eligible to generate credits;
- (b) Methodologies to measure and verify the generation of nationally appropriate mitigation actions;

In relation to encouraging the development of standardized, multi-project baselines under the clean development mechanism

Option 1:

No decision to be made with respect to this issue

Option 2:

13. *Decides* that [the Executive Board of the clean development mechanism] [a dedicated body constituted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and operating under its authority] [one or more dedicated bodies established by the Executive Board of the clean development mechanism and operating under its authority] [institutions or bodies, at the national or regional level, accredited by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to define baselines and operating under its authority] shall provide guidance on standardized baselines and, where appropriate, define standardized baselines for specific project activity types and specific sectors or subsectors under the clean development mechanism by establishing parameters, including benchmarks, and procedures and making them available for [mandatory] [optional] use by project participants and designated operational entities in the determination of additionality and the application or development of baseline methodologies;

14. *Decides* that standardized baselines [shall] [may] be established for types of project activities meeting the following criteria:

- (a) [...];

15. *Decides* that the parameters and procedures used to facilitate standardized baselines shall:

- (a) Be established on the basis of:
 - (i) Option 1: similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, whose performance is among the top [10] [20] per cent of their category;
 - (ii) Option 2: top-performing installations or processes in the relevant sector, based on, inter alia, the performance of key technologies that are beyond common practice and technology penetration rates;
 - (iii) Option 3: the top [x] per cent of the current distribution of carbon intensity for specific types of project activities or within specific sectors;
 - (iv) Option 4: the current distribution of carbon intensity for specific types of project activities or within specific sectors;
 - (v) Option 5: carbon intensity related benchmarks defined as a fixed percentile of the cumulative frequency distribution of the [carbon dioxide] emissions intensity of the industry in a region and set at different levels for new and existing production facilities;

- (b) [Reflect national circumstances] [Be regional, national or subnational in nature] and be [periodically] [annually] adjusted;

16. *Further decides* that there shall be no double counting of emission reductions or removals on the basis of the use of standardized, multi-project baselines;

17. *Encourages* participants in clean development mechanism projects to apply the guidance of [the Executive Board of the clean development mechanism] [a dedicated body constituted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and operating under its authority][one or more dedicated bodies established by the Executive Board of the clean development mechanism and operating under its authority] [institutions or bodies, at the national or regional level, accredited by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to define baselines and operating under its authority] on standardized baselines, where appropriate, in developing new baseline methodologies, including the application of standardized baselines developed by the Executive Board;

18. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the development of standardized, multi-project baselines under the clean development mechanism, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session, including modalities and procedures in relation to:

- (a) The determination of a standardized baseline[, including the definition of a sector boundary as applicable];
- (b) The determination of the applicability of a standardized baseline;

In relation to positive or negative lists of project activity types under the clean development mechanism

Option 1:

No decision to be made with respect to this issue

Option 2:

19. *Decides* that reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks achieved by the following categories of project activities are deemed [not] to be additional to any that would occur in the absence of the project activities:

- (a) [Categories based on the primary technology employed in the project activity;]
- (b) [Categories relating to the host Party of the project activity;]
- (c) [Categories based on the scale of the project activity (small-scale or large-scale);]

20. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for periodically adjusting the categories of project activities referred to in paragraph 19 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session;

In relation to improving access to project activities under the clean development mechanism by specified host Parties

Option 1:

No decision to be made with respect to this issue

Option 2:

21. *Decides* that the following conditions shall apply for [specified host Parties] [least developed countries and small island developing States] [other categories of countries]:

- (a) A higher threshold for small-scale project activities;
- (b) [Exemption from] [Further simplification of] requirements for the demonstration of additionality in relation to small-scale project activities;
- (c) The financing of the validation, verification and certification of project activities through the [clean development mechanism management plan] [financial mechanism of the Convention];
- (d) [...];

22. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the conditions referred to in paragraph 21 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session;

In relation to promoting co-benefits for clean development mechanism project activities by facilitative means

Option 1:

No decision to be made with respect to this issue

Option 2:

23. Option 2.1: *Decides* that each project activity under the clean development mechanism that demonstrates specified co-benefits shall be promoted through the following measures:

- (a) Exemption from payment of registration fees;
- (b) Exemption from the share of proceeds to cover the administrative expenses of the clean development mechanism and/or assist with the costs of adaptation;
- (c) Expedited timelines for the registration of project activities;
- (d) Exemption from additionality criteria;
- (e) [...];

Option 2.2: *Decides* that each project activity under the clean development mechanism shall demonstrate specified co-benefits;

24. *Decides* that the co-benefits referred to in paragraph 23 above shall be:

- (a) Energy efficiency;
- (b) Technology transfer;
- (c) Environmental services such as air pollution reduction, improvement of water quality, proper treatment and reduction of waste, conservation of biodiversity and management of hydrological resources;

- (d) Poverty alleviation;
- (e) Economic growth;
- (f) Social benefits;
- (g) Strengthening human and institutional capacity;

25. *Decides* that each designated operational entity shall, as part of its validation of a project activity, confirm [that the designated national authority of the host Party has confirmed] that one or more of the co-benefits referred to in paragraph 24 above are demonstrated by the project activity;

26. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the measures referred to in paragraph 25 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session;

In relation to multiplication and discount factors under the clean development mechanism

Option 1:

No decision to be made with respect to this issue

Option 2:

27. *Decides* that each clean development mechanism project activity shall generate certified emission reductions equal to the emission reductions that are certified by the designated operational entities multiplied by a [multiplication] [discount] factor;

28. *Decides* that the total quantity of certified emission reductions issued for a commitment period shall not exceed the aggregate quantity of emission reductions or removals achieved by project activities under the clean development mechanism during the commitment period;

29. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend the [multiplication] [discount] factors referred to in paragraph 27 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session on the basis of the following:

- (a) [Criteria based on environmental integrity;]
- (b) [Criteria based on the primary sectoral scope of the project activity;]
- (c) [Criteria based on the primary technology employed in the project activity;]
- (d) [Criteria based on the global warming potential of the gases whose emissions are reduced through the project activity;]
- (e) [Criteria relating to the host Party of the project activity;]
- (f) [Criteria based on the scale of the project activity (small-scale or large-scale);]

In relation to modalities for treatment of clean development mechanism project activities upon graduation of host Parties

Option 1:

No decision to be made with respect to this issue

Option 2:

30. Option 2.1: *Decides* that, where a Party not included in Annex I to the Convention hosting one or more registered clean development mechanism projects assumes a quantified target or commitment for one or more sectors in which those projects are undertaken:

- (a) Each project shall continue to be subject to the rules and modalities governing the clean development mechanism until the end of that project's current crediting period, at which point that project's activities will no longer be eligible as a clean development mechanism project;
- (b) In the case of a clean development mechanism project involving the issuance of certified emission reductions for reductions in emissions by sources, the project's host Party shall transfer to its cancellation account a quantity of [units] equal to the certified emission reductions issued for the period starting with the date of establishment of the host Party's quantified target or commitment and ending with the end of that project's current crediting period;
- (c) In the case of a clean development mechanism project involving the issuance of certified emission reductions (but not temporary certified emission reductions or long-term certified emission reductions) for enhancements of removals by sinks, the host Party shall transfer to its cancellation account a quantity of [units] equal to the certified emission reductions issued from the time of the host Party's quantified target or commitment until the end of that project's current crediting period;

Option 2.2: *Decides* that, where a Party becomes eligible to host joint implementation projects, any registered clean development mechanism projects hosted by that Party shall be converted to joint implementation projects and shall be subject to provisions for joint implementation;

In relation to the inclusion of nuclear activities under joint implementation

Option 1:

31. *Decides* that activities relating to nuclear facilities shall not be eligible as project activities under joint implementation in the second [and subsequent] commitment period[s];

Option 2:

32. *Decides* that activities relating to [new] nuclear facilities [constructed since [...]] shall be eligible as joint implementation project activities in the second [and subsequent] commitment period[s];

33. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for project activities under joint implementation relating to nuclear facilities with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session, including in relation to:

- (a) Specific requirements for eligible nuclear activities;
- (b) [...];

In relation to promoting co-benefits for joint implementation project activities under the Joint Implementation Supervisory Committee by facilitative means

Option 1:

No decision to be made with respect to this issue

Option 2:

34. *Decides* that each joint implementation project activity under the Joint Implementation Supervisory Committee that demonstrates specific co-benefits shall be promoted through the following measures:

(a) [...];

35. *Decides* that the specific co-benefits referred to in paragraph 34 above shall be:

(a) Technology transfer;

(b) Environmental services such as air pollution reduction, improvement of water quality, proper treatment and reduction of waste, conservation of biodiversity and management of hydrological resources;

(c) [...];

36. *Decides* that each accredited independent entity shall, as part of its determination regarding a project activity, determine [that the designated focal point of the host Party has confirmed] that one or more of the co-benefits referred to in paragraph 35 above are demonstrated by the project activity;

37. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the measures referred to in paragraph 36 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session;

In relation to carry-over (banking) restrictions on Kyoto units

Option 1:

38. *Decides* that the restrictions on the carry-over of Kyoto units from the first commitment period to the second commitment period shall be extended to subsequent commitment periods;

Option 2:

39. Option 2.1: *Decides* that there shall be no restrictions on the carry-over of Kyoto units beyond the second commitment period;

Option 2.2: *Decides* that the carry-over of Kyoto units beyond the second commitment period shall be limited to:

(a) [...];

In relation to borrowing of assigned amount from future commitment periods

Option 1:

No decision to be made with respect to this issue

Option 2:

40. *Decides* that a Party included in Annex I to the Convention with a commitment inscribed in Annex B to the Kyoto Protocol may borrow assigned amount from the subsequent commitment period [up to a maximum of [x] per cent] [, excluding any portion of its own assigned amount,] and use it for the purpose of compliance with its emission commitment under Article 3, paragraph 1, of the Kyoto Protocol in the current commitment period;

41. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the borrowing of assigned amount from the subsequent commitment period, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its [sixth] [seventh] session;

In relation to extending the share of proceeds

Option 1:

No decision to be made with respect to this issue

Option 2:

42. *Decides* that, to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, in accordance with Article 6, paragraph 3 bis, and Article 17, paragraph 1 bis, [x] [0.5] per cent of assigned amount units and removal units for each Party included in Annex I to the Convention with a commitment inscribed in Annex B to the Kyoto Protocol shall be issued and transferred to the specified account of the Adaptation Fund before the remaining assigned amount units and removal units may be issued;

43. *Decides* that, to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, [x] per cent of certified emission reductions [issued for project activities that involve the reduction of greenhouse gases with global warming potential greater than [y]] shall be issued and transferred to the specified account of the Adaptation Fund before the remaining certified emission reductions may be issued[, with the exception of clean development mechanism project activities hosted in least developed countries];

In relation to ensuring consistency between approaches for land use, land-use change and forestry projects under joint implementation and the treatment of clean development mechanism afforestation and reforestation project activities

Option 1:

No decision to be made with respect to this issue

Option 2:

44. *Decides* that the procedures for the development of project design documents set out in decision 5/CMP.1, annex, appendix B, shall apply mutatis mutandis to land use, land-use change and forestry project activities under joint implementation;

In relation to the commitment period reserve

Option 1:

No decision to be made with respect to this issue

Option 2:

45. *Decides* that, in the second and subsequent commitment periods, each Party included in Annex I to the Convention shall maintain, in its national registry, a commitment period reserve which should not drop below the lower of either:

- (a) [X] per cent of the Party's assigned amount calculated pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol [where X is a value less than 90 to be agreed by the Parties in the context of quantified emission reduction or limitation commitments, operation of emissions trading and the project-based mechanisms, and compliance procedures and mechanisms after the first commitment period]; or
- (b) The sum of the reviewed inventories reported thus far in that commitment period, plus the most recently reviewed inventory multiplied by the number of years remaining in that commitment period;

In relation to emissions trading

Option 1:

No decision to be made with respect to this issue

Option 2:

46. *Decides* to adopt decisions on the modalities and guidelines for the trading of [names of units generated from sectoral crediting, sectoral trading and reducing emissions from deforestation and forest degradation in developing countries (REDD) mechanisms] as soon as possible.

Annex II**Options and proposals on how to address definitions, modalities, rules and guidelines for the treatment of land use, land-use change and forestry**

Note: The proposals use the text of the annex to decision 16/CMP.1

Option A**A. Definitions**

1. For land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, the following definitions shall apply:
 - (a) “Forest” is a minimum area of land of [0.05–1.0 hectares] [1.0 hectare] with tree crown cover (or equivalent stocking level) of more than [10–30] [30–50] per cent with trees with the potential to reach a minimum height of 2–5 metres at maturity *in situ*. A forest may consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands [and all plantations] which have yet to reach a crown density of [10–30] [30–50] per cent or tree height of 2–5 metres are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention such as harvesting or natural causes, but which are expected to revert to forest;
 - (b) “Afforestation” is the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources;
 - (c) “Reforestation” is the direct human-induced conversion of non-forested land to forested land through planting, seeding and/or the human-induced promotion of natural seed sources, on land that was forested but that has been converted to non-forested land. [Tree crown cover after reforestation should not be smaller than it was originally on this territory.] For the first [and subsequent] commitment period[s], reforestation activities will be limited to reforestation occurring on those lands that did not contain forest on 31 December 1989;
 - (d) “Deforestation” is the direct human-induced conversion of forested land to non-forested land;
 - [(d bis) “Forest biomass decline” is a human-induced activity leading to a decrease in carbon stocks and/or greenhouse gas emissions from forested land remaining forested land. It includes losses of carbon stocks or emissions from both living and non-living biomass and includes both above-ground and below-ground biomass;]
 - (e) “Revegetation” is a direct human-induced activity to increase carbon stocks on sites through the establishment of vegetation that covers a minimum area of 0.05 hectares and does not meet the definitions of afforestation and reforestation contained here. [If elected, the activity includes accounting for direct human-induced activities that decrease carbon stock on [sites] [land] which have been categorized as revegetation areas and do not meet the definition of deforestation;]
 - (e bis) [Option 1: (insert) “Devegetation” is a human-induced loss of carbon stocks of vegetation that does not meet the definition of forests. It includes the loss of vegetation on land, whether covered by water or not, and shall include areas of land or land covered by vegetation that is a minimum area of 0.05 hectares. Dev egetation includes both living and

non-living biomass and includes above-ground and below-ground biomass, including, inter alia, peat, swamp vegetation, shrubs, grasslands, sea grasses, mangroves and sea weeds;]

[Option 2: *(replace (e) above by)* “Revegetation” is a direct human-induced activity to increase carbon stocks on sites through the establishment [and/or the management] of vegetation that covers a minimum area of [0.05] [0.25] hectares and does not meet the definitions of afforestation and reforestation above [or the definition of forest management below]. If elected, the activity includes accounting for direct human-induced activities that decrease carbon stocks on land which has been categorized as a revegetation area and does not meet the definition of deforestation;]

- (f) “Forest management” is a system of practices for stewardship and use of forest land aimed at fulfilling relevant ecological (including biological diversity), economic and social functions of the forest [in a sustainable manner]. [Human-induced decreases [and increases] in carbon stocks and/or increases in greenhouse gas emissions on forested land remaining forested land shall be included.] [If elected, human-induced decrease in carbon stocks and/or increases in greenhouse gas emissions on forest land remaining forest land shall be accounted for as well];
- (g) “Cropland management” is the system of practices on land on which agricultural crops are grown and on land that is set aside or temporarily not being used for crop production [including, if applicable, commercial plantations such as palm oil or rubber];
- (h) “Grazing land management” is the system of practices on land used for livestock production aimed at manipulating the amount and type of vegetation and livestock produced;
- (i) [“Wetland] [“Peatland] management” is a system of practices for stewardship and use of [wetlands] [peatlands] that have an effect on [greenhouse gas emissions and removals] [carbon stock changes], including drainage of [wetlands] [peatlands] and restoration of drained [wetlands] [peatlands];]
- (j) “Planted production forest” [is a forest consisting of [introduced] species, which as at 1990 met all the following criteria: [dominated by] one or two species at plantation, even age class, and regular spacing. The “planted production forest”] shall have been established by direct human-induced conversion of non-forest land to forest land [or non-productive forest land to planted production forests] by the planting and/or seeding provisions of an afforestation or reforestation activity;]
- (k) “Equivalent forest” means an area of forest that will achieve at least the same carbon stock over the same period as would have occurred had the area of harvested “planted production forest” been re-established;]
- (l) “Force majeure” means, for the purposes of this decision, an extraordinary event or circumstance that is beyond the control of Parties [and may include wildfire, severe pest outbreak, flooding, landslide, volcano, earthquake, severe wind storm] [or other forms of climatic variability and extreme weather events]. [Force majeure is not intended to excuse negligence or other malfeasance on the part of a Party];]
- (m) “Time out” is a period of time when accounting for land has been suspended as a result of a force majeure];
- (n) “Certified sustainable forest management” is socially just [, economically viable] and ecologically responsible management of forests that has been certified. Such certification will be considered by the Subsidiary Body for Scientific and Technological Advice and

subsequently approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and based on the criteria provided for in this annex;]

- (o) “Harvested wood products” [are carbon-based products derived from forests and include timber, wood, ply and chipboard, but do not include sawdust, cardboard, wood chips, paper or other short-lived wood-based products. They do not include combustible products used as fuel, such as fuel wood or other fuel types such oils, hydrocarbons or alcohols derived from forest products;]
- [(p) “Harvested wood product management” is [the system of practices that result in the short-term or long-term storage of carbon stocks in harvested wood products within the country of origin of forests where the wood products were grown] [a system of practices that results in the storage of carbon stocks in harvested wood products];]
- [(q) “Importing harvested wood products” is the system of practices associated with importing harvested wood products from Parties not included in Annex I;]
- [(r) “Non-Annex I wood products” includes wood products originally grown in Parties not included in Annex I and shall include [carbon removed in wood and other biomass from forests] [all carbon-based products derived from forests and shall include timber, wood, ply, chipboard, sawdust, cardboard, wood chips, paper]. [It shall include combustible products used as fuel, such as fuel wood or other fuel types such oils, hydrocarbons or alcohols derived from forest products].]

[A bis. Consideration of land use, land-use change and forestry

1 bis. National accounts should include emissions and removals from anthropogenic sources only, consistent with the way the UNFCCC pursues its objective and with the treatment of other sectors.

1 ter. For the purposes of describing mitigation commitments for the [second] commitment period, land use, land-use change and forestry [should] be included in mitigation commitments and baselines [should] include all mandatory and elected sources of anthropogenic emissions and removals in the sector, including deforestation.

1 quater. Robust estimation methods [will] be used to ensure confidence in the emissions and removals from land use, land-use change and forestry. Parties should be transitioning towards higher level (tier 2 and tier 3) accounting methodologies.

1 quinques. For the third commitment period, land use, land-use change and forestry accounting [should] use an approach based on the Convention’s land use categories to provide a comprehensive framework and enhanced capacity for comparing the land use accounts of all Parties that undertake mitigation commitments.]

B. Article 3, paragraph 3

2. For the purposes of Article 3, paragraph 3, eligible activities are those direct human-induced afforestation, reforestation and/or deforestation activities that meet the requirements set forth in this annex and that started on or after 1 January 1990 and before 31 December of the last year of the commitment period.

[2 bis. Parties [shall] include emissions and removals from deforestation, afforestation and reforestation in their baseline towards the determination of their assigned amount for the [second] commitment period.]

3. For the purposes of determining the area of deforestation to come into the accounting system under Article 3, paragraph 3, each Party shall determine the forest area using the same spatial assessment unit as is used for the determination of afforestation and reforestation, but not larger than [1 hectare] [0.00005 per cent of total forest area in the country.* Parties shall provide transparent and verifiable information on how the time-series consistency of the reported Article 3, paragraph 3, activities is maintained in case of changing the spatial assessment unit for determining forest area for second commitment period].

[3 bis. In the case of “planted production forests” [established before 1 January 1990 only], conversion of forest land to non-forest land shall be considered harvesting, and shall not be considered deforestation, where an “equivalent forest” is established elsewhere on non-forest land that would have qualified for afforestation or reforestation. “Equivalent forest” shall not be included in a Party’s assessment of emissions and removals from afforestation and reforestation activities and must be included in a Party’s accounting of forest management under Article 3, paragraph 4, if elected.]

4. [Option 1: For the second commitment period, debits¹ resulting from harvesting during the second commitment period following afforestation and reforestation since 1990 shall not be greater than credits² accounted for on that unit of land.]

[Option 2: For the second commitment period, debits arising from a unit of land that was subject to afforestation and reforestation since 1990 and has not since been harvested shall not be greater than credits accounted for in total on that unit of land.]

[Option 3: *delete the paragraph*]

5. Each Party included in Annex I shall report, in accordance with Article 7, on how harvesting or forest disturbance that is followed by the re-establishment of a forest is distinguished from deforestation. This information will be subject to review in accordance with Article 8.

C. Article 3, paragraph 4

[Option 1:

6. [Prior to the start of the second commitment period [and, where relevant, any subsequent commitment period],] a Party included in Annex I [may choose to] [shall] account for anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from [any or all of] the following human-induced activities, other than afforestation, reforestation, deforestation[, and any activity under Article 3, paragraph 4, elected in the first commitment period (*If rules change substantially this may need to be reconsidered*): [revegetation [, devegetation]], [forest management,] cropland management, grazing land management, [[wetland] [peatland] management] [harvested wood product management].

6 bis. [All Parties included in Annex I shall account for anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from the activity under Article 3, paragraph 4, forest management in the second commitment period [unless transparent and verifiable information is provided that this activity is not a source.]] (*Would imply deletion of forest management from paragraph 6 above*).]

[Option 2:

6. All Parties included in Annex I shall account for anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from all of the following human-induced activities as defined in

* Based on total area of forest in 2006.

¹ ‘Debits’: where emissions are larger than removals on a unit of land.

² ‘Credits’: where removals are larger than emissions on a unit of land.

this annex, other than afforestation, reforestation, deforestation: forest management, cropland management, grazing land management.

6 bis. A Party included in Annex I may choose to account for anthropogenic greenhouse gas emissions by sources and removals by sinks from any or all of the human-induced activities as defined in this annex other than the activities contained in paragraph 6 above.

6 ter. A Party included in Annex I shall choose to account for anthropogenic greenhouse gas emissions by sources and removals by sinks for any or all of the human-induced activities, as defined in this annex, that the Party has elected to account for in the previous commitment period as described in paragraph 6 bis above.]

[6 bis. A Party included in Annex I shall account for anthropogenic greenhouse gas emissions by sources resulting from forest biomass decline, devegetation and harvested wood products imported from a Party not included in Annex I in a manner prescribed in paragraphs 21 octies to 21 duodecies below.]

7. [A Party included in Annex I wishing to account for activities under Article 3, paragraph 4, [in the second commitment period] shall identify, in its report to enable the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, the activities under Article 3, paragraph 4, which it elects to include in its accounting for the second commitment period. Upon election, a decision by a Party will be fixed for the second [and subsequent] commitment period[s]. *(Delete or revise if all or some activities are mandatory.)*]

[7 bis. A Party that elected any or all activities under Article 3, paragraph 4, in the first commitment period shall continue to account for such activities in the second and subsequent commitment periods. Such ongoing accounting shall be incorporated into the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8.]

8. During the second commitment period, a Party included in Annex I that selects any [or all] of the activities mentioned in paragraph 6 above [, in addition to those already selected for the first commitment period,] shall demonstrate that such activities have occurred since 1990 and are human-induced. A Party included in Annex I shall not account for emissions by sources and removals by sinks resulting from activities under Article 3, paragraph 4, if these are already accounted for under Article 3, paragraph 3.

9. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from [forest management,] revegetation, [devegetation,] cropland management, grazing land management, [[wetland] [peatland] management] under Article 3, paragraph 4, shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks in the commitment period, less [five][X] times the anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from these eligible activities [in the [base year] [base period] of that Party] [during 2012], while avoiding double accounting. *(Forest management would be deleted from this paragraph if one of the other options identified below were adopted).* [The year 2012 shall be used as the reference year, whether or not the Party included in Annex I elected to account for any or all of those elected activities in the first commitment period.]

[9 bis. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources resulting from forest biomass decline shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks associated with forest biomass decline in the commitment period, less five times the anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from forest biomass decline during 2012, while avoiding double accounting. The year 2012 shall be used as the reference year, whether or not the Party included in Annex I elected to account for any or all of those elected activities in the first commitment period.]

[9 ter. If a Party elected a voluntary land use, land-use change and forestry activity and it was a net sink in the base year, the Party may incur zero accountable anthropogenic greenhouse gas emissions by sources and removals by sinks for that activity if the Party provides information to demonstrate that for

the land subject to the activity, changes in land management practices since the base year have not reversed removals by sinks or increased emissions. The Party would provide the information in their national inventory and it will be subject to review.]

[9 quater. Parties [should] include emissions and removals from elected activities in their baseline towards the determination of their assigned amount for the [second] commitment period; and [should] include in their accounts emissions and removals from elected activities in the [second] commitment period.]

10. [Option 1: For the second commitment period, a Party included in Annex I that incurs a net source of emissions under the provisions of Article 3, paragraph 3, may account for anthropogenic greenhouse gas emissions by sources and removals by sinks in areas under forest management under Article 3, paragraph 4, up to a level that is equal to the net source of emissions under the provisions of Article 3, paragraph 3, but not greater than 9.0 megatonnes of carbon times five, if the total anthropogenic greenhouse gas emissions by sources and removals by sinks [in the managed forest] [resulting from forest management under Article 3, paragraph 4,] since 1990 is equal to, or larger than, the net source of emissions incurred under Article 3, paragraph 3.]

[Option 2: *Delete the paragraph*]

Accounting for forest management

[Option 1 (*caps*):

11. For the second commitment period [only], additions to and subtractions from the assigned amount of a Party³ resulting from forest management under Article 3, paragraph 4, [after the application of paragraph 10 above] and resulting from forest management project activities undertaken under Article 6 shall not exceed the value inscribed in the appendix⁴ below, times [five][x].]

[Option 2 (*discount factor/s*):]

[Option 2.1:

11. For the second commitment period [only], additions to and subtractions from the assigned amount of a Party⁵ resulting from forest management under Article 3, paragraph 4, [after the application of paragraph 10 above] and resulting from forest management project activities undertaken under Article 6, shall be subject to the application of a [X per cent] discount factor [as inscribed in the appendix below].]

[Option 2.2:

11. For the second commitment period [only], a discount rate of [X] per cent shall be applied during the accounting phase to all carbon credits and carbon debits, which result from activities under Article 3, paragraphs 3 and 4, and from forest management under Article 6 beginning with the onset of the second and subsequent commitment periods.]

³ In accordance with decision -/CMP.1 ("Modalities for the accounting of assigned amounts").

⁴ [In arriving at the values in the appendix below, the Conference of the Parties was guided by the application of an 85 per cent discount factor to account for the removals identified in paragraph 1 (h) of decision -/CMP.1 ("Land use, land use change and forestry") and a 3 per cent cap on forest management, using a combination of data provided by Parties and by the Food and Agriculture Organization of the United Nations. Consideration was also given to national circumstances (including the degree of effort needed to meet Kyoto commitments and the forest management measures implemented). The accounting framework established in this paragraph shall not be construed as establishing any precedent for the second and subsequent commitment periods.]

⁵ In accordance with decision -/CMP.1 ("Modalities for the accounting of assigned amounts").

[Option 3 (*bar*)⁶:

11. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from [forest management under Article 3, paragraph 4,] [forest land]⁷ shall be:

Option 3.1 (*BAR including band from 0 to BAR. Only removals by sinks above BAR or net-emissions are accounted for, values between 0 and BAR are neither credited nor debited, values below 0 are debited*):

- (a) Where a Party is reporting net removals in the commitment period larger than [five] [x] times the reference level inscribed in Annex [F] for that Party: equal to the net removals in the commitment period, less [five] [x] times the reference level inscribed in Annex [F] for that Party;
- (b) Where a Party is reporting in the commitment period net removals smaller than [five] [x] times the reference level inscribed in Annex [F] for that party: equal to zero; and
- (c) Where a Party is reporting a net emission in the commitment period: equal to the net emission in the commitment period.

Option 3.2 (*BAR including band from BAR-X per cent to BAR+X per cent. Values above BAR+X per cent are credited, values below BAR-X per cent are debited, and values between BAR-X per cent and BAR+X per cent are neither credited nor debited*):

- (a) Where a Party is reporting net removals or net emissions in the commitment period larger than [five] [x] times the reference level inscribed in Annex [F] for that Party plus X [per cent]⁸ [tonnes], equal to the net removals or net emissions in the commitment period, less [five] [x] times the reference level inscribed in Annex [F] for that Party plus X [per cent] [tonnes]; and
- (b) Where a Party is reporting net removals or net emissions in the commitment period smaller than [five] [x] times the reference level inscribed in Annex [F] for that Party minus X [per cent] [tonnes], equal to net removals or net emissions in the commitment period less [five] [x] times the reference level inscribed in Annex [F] for that Party minus X [per cent] [tonnes]; and
- (c) Where a Party is reporting net removals or net emissions in the commitment period smaller than [five] [x] times the reference level inscribed in Annex [F] for that Party plus X [per cent] [tonnes] and larger than the reference level inscribed in Annex [F] for that Party minus X [per cent] [tonnes], equal to zero.

⁶ The agreed levels of the BAR [Annex F] [could] [should] be[, as a default,] set by using the average removals or emissions from forest management for historical base years or period. [They could also be set] [Otherwise countries could propose an alternative] with due consideration to national circumstances, such as:

- (a) Legacy effects of age structure[, in particular those which would lead to declining [or increasing] removals or [net emissions] even] in the presence of sustainable forest management;
- (b) Degree of forest management measures implemented;
- (c) Continuity of national forest policies and measures in line with the accounting rules and methodologies to identify forests under forest management, especially for Parties which elected forest management in the first commitment period.

⁷ This refers to that the BAR could be used in the context of Article 3, paragraph 4, forest management, merged Article 3, paragraphs 3 and 4, forest management, or a land-based approach.

⁸ X per cent refers to a percentage of the reference level. Assumes the same value would apply for all countries.

Option 3.3 (*BAR only; no band – pure net-net compared with BAR level*):

Net emissions or net removals in the commitment period less [five] [x] times the reference level inscribed in Annex [F] for that Party.]

Option 4 (*forward-looking baseline*):

11. For the second commitment period, additions to and subtractions from the assigned amount of a Party resulting from forest management under Article 3, paragraph 4, shall be determined as forest management greenhouse gas emissions by sources and removals by sinks in the commitment period, after the application of paragraph 11 quater below, less forest management reference level greenhouse gas emissions by sources and removals by sinks in the commitment period, defined as per paragraphs 11 bis and 11 ter below.

11 bis. A Party that has elected to account for forest management under Article 3, paragraph 4, shall determine the forest management reference level greenhouse gas emissions by sources and removals by sinks in the commitment period in accordance with (*reference to Intergovernmental Panel on Climate Change guidelines and guidance*) and considering:

- (a) Current forest inventory information;
- (b) Actions already taken to reduce emissions and increase removals;
- (c) Historical data and forest management activities;
- (d) Business-as-usual forest management plans;
- (e) The relationship between (c) and (d).

11 ter. A Party that has elected to account for forest management under Article 3, paragraph 4, shall report:

- (a) The forest management reference level greenhouse gas emissions by sources and removals by sinks in the commitment period determined in accordance with paragraph 11 bis above;
- (b) A description and justification of the reference level and the information used to establish it, including how the Party has considered the elements mentioned in paragraph 11 bis above.

The information reported under this paragraph will be subject to expert review.

11 quater. A Party that has elected to account for forest management under Article 3, paragraph 4, may choose to exclude non-anthropogenic emissions by sources and removals by sinks resulting from natural disturbances from the estimates of forest management emissions by sources and removals by sinks in the commitment period if transparent and verifiable information is provided as per paragraph 11 quinquies below that the natural disturbances and associated greenhouse emissions by sources and removals by sinks are non-anthropogenic and not direct human-induced.

11 quinquies. When a Party chooses to exclude from its accounting for forest management under Article 3, paragraph 4, the non-anthropogenic emissions by sources and removals by sinks resulting from natural disturbances, as described in paragraph 11 quater above, the national inventory system shall ensure that areas of land subject to these natural disturbances are identifiable, and that information about these areas and natural disturbances is provided as described in paragraph 19 bis below [(*Option 4*)]. This information will be subject to expert review.]

12. [A Party may request the Conference of the Parties to reconsider its numerical values as contained in paragraph 10 above and in the appendix to paragraph 11 above [(*Option 1*)], with a view to the Conference of the Parties recommending a decision for adoption to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, no later than two years prior to the beginning

of the first commitment period. Such a reconsideration shall be based upon country-specific data and the elements of guidance and consideration in the footnote to paragraph 11 above [(Option 1)]. These shall be submitted and reviewed in accordance with relevant decisions related to Articles 5, 7 and 8 of the Kyoto Protocol, and in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*, any future elaboration of these guidelines, or parts of them, and any good practice guidance on land use, land-use change and forestry in accordance with the relevant decisions of the Conference of the Parties. *(Consider deletion, due to specific need for the first commitment period.)*

D. Article 12⁹

Note: Further discussion on how to address non-permanence is needed. Proposals under consideration are reflected in document FCCC/KP/AWG/2009/INF.2.

13. The eligibility of land use, land-use change and forestry project activities under Article 12 is

[Option 1: limited to afforestation and reforestation.]

[Option 2: *Expand the list of activities (to be decided at a later date)*]

[13 bis. For afforestation and reforestation project activities to be eligible under Article 12 the land must have been non-forested in 1990 and remain non-forested until the start of the second commitment period. Land that did not contain forest on 31 December 1989 and which has subsequently been allowed to revegetate or reforest prior to the start of the second commitment period and subsequently devegetated or deforested prior to the second commitment period shall not be eligible under Article 12.]

[13 ter. Land that was natural grassland or shrubland in 1990 shall not be eligible under Article 12.]

14. [For the second commitment period, the total of additions to a Party's assigned amount resulting from eligible land use, land-use change and forestry project activities under Article 12 shall not exceed [one] [x] per cent of base year emissions of that Party, times [five][X].]

15. [The treatment of land use, land-use change and forestry project activities under Article 12 in future commitment periods shall be decided as part of the negotiations on the third commitment period.] *(This paragraph may need further amendment; the proposal for paragraph 15 bis is related.)*

[15 bis. Accounting for afforestation and reforestation project activities under Article 12 as described in decision 19/CP.9 shall apply, mutatis mutandis, for the second and subsequent commitment periods.]

E. General

[Option 1:

16. Each Party included in Annex I shall, for the purposes of applying the definition of "forest" as contained in paragraph 1 (a) above, select a single minimum tree crown cover value between 10 and 30 per cent, a single minimum land area value between 0.05 and 1 hectare and a single minimum tree height value between 2 and 5 metres. The selection of a Party shall be fixed for the duration of the second [and subsequent] commitment [period] [periods]. The selection shall be included as an integral part of its report to enable the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, in accordance with decision 19/CP.7, and shall include the values for tree crown cover, tree height and the minimum land area. Each Party shall justify in its reporting that such values are consistent with the [definition used in the first commitment period] [information that has historically been reported to the Food and Agriculture Organization of the United Nations or other international bodies,] and if they

⁹ Note: This annex does not include proposals from Parties contained in document FCCC/KP/AWG/2009/MISC.11 and Add.1 on Article 12.

differ, explain why and how such values were chosen [and what implications it may have on the consistency of the accounting].]

[Option 2:

16. Each Party included in Annex I shall, for the purpose of applying the definition of “forest” as contained in paragraph 1 (a) above, apply the definition of forest selected in the first commitment period.

16 bis. Those Parties included in Annex I that did not select a definition of forest for the first commitment period shall, for the purpose of applying the definition of “forest” as contained in paragraph 1 (a) above, select a single minimum tree crown cover value of between 10 and 30 per cent, a single minimum land area value of between 0.05 and 1 hectare and a single minimum tree height value of between 2 and 5 metres.

16 ter. The selection by a Party of a definition of “forest” shall be fixed for the duration of the second commitment [period]. The selection shall be included as an integral part of the Party’s report to enable the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, in accordance with decision 19/CP.7, and shall include the values for tree crown cover, tree height and minimum land area. Each Party shall justify in its reporting that such values are consistent with the information that has historically been reported to the Food and Agriculture Organization of the United Nations or other international bodies, and if they differ, explain why and how such values were chosen.]

17. For the second commitment period, and subject to other provisions in this annex, the additions to and subtractions from the assigned amount of a Party pursuant to Article 3, paragraphs 7 and 8, shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks measured as verifiable changes in carbon stocks, and non-carbon dioxide greenhouse gas emissions during the period [1 January 2013] to [31 December [YY]] resulting from afforestation, reforestation and deforestation under Article 3, paragraph 3, and forest management under Article 3, paragraph 4, that have taken place since 1 January 1990. Where the result of this calculation is a net sink of greenhouse gases, this value shall be added to the assigned amount of that Party. Where the result of this calculation is a net source of greenhouse gas emissions, this value shall be subtracted from the assigned amount of that Party. *(This paragraph may need to be revised to be consistent with e.g. paragraphs 9 and 11.)*

18. Accounting of anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, shall begin with the onset of the activity or the beginning of the commitment period, whichever comes later.

19. [Once land is accounted for under Article 3, paragraphs 3 and 4, all anthropogenic greenhouse gas emissions by sources from and removals by sinks on this land must be accounted for throughout subsequent and contiguous commitment periods.] *(This paragraph will need to be revised if activities in Article 3, paragraph 4, continue to be electable.)*

Natural disturbances

[Option 1:

19 bis. A Party included in Annex I may choose to carry over to the next commitment period(s) the non-anthropogenic emissions resulting from natural disturbances.]

[Option 2:

19 bis. A Party included in Annex I that has elected to account for any or all elected activities under Article 3, paragraph 4, and which has suffered a force majeure during the second commitment period or subsequent commitment periods, may seek approval from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to seek a time out and hence eliminate such land from the

accounting system for a period of time until the carbon stocks on the explicitly geo-referenced land are returned to the state prior to the force majeure.

19 ter. In deciding whether to approve a time out for a Party, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall take into consideration the following aspects: whether the force majeure fits the definition as prescribed in this decision; how the force majeure was not human-induced; whether the Party can provide verifiable geo-referenced information on the land subject to the force majeure; whether the Party can provide a verifiable estimate of the carbon stocks on the affected land immediately prior to the force majeure; whether the Party has provided an estimate of the time for the time out; and whether the Party is able to maintain an ongoing inventory and assessment of the recovery of carbon stocks until the end of the time out period.

19 quater. Once land has been timed out it shall continue to be reported and accounted for during and beyond the second commitment period until such time as the land has recovered the carbon stocks to the state prior to the force majeure.]

[Option 3:

19 bis. A Party included in Annex I where a force majeure has occurred during the second or subsequent commitment periods, affecting carbon stocks in forests under Article 3, paragraph 3, and [if elected] [forest management] [other activities] under Article 3, paragraph 4, may

Option 3.1: request [a review process¹⁰], at the end of the commitment period, for the emissions and subsequent removals, up to the levels prior to the extraordinary event, resulting from the event classified as force majeure, to be removed from accounting. The carbon stocks resulting from any land-use changes that occur in those areas shall not be removed from accounting and the corresponding emissions shall be fully accounted for.

Option 3.2: choose to carry over to the next commitment period(s) the non-anthropogenic emissions resulting from the event classified as force majeure.

19 ter. In the application of force majeure a Party shall provide information to the expert review team:

- (a) On all areas subject to the application of force majeure, including the date(s) and nature of the event(s);
- (b) Proving that the level of emissions resulting from the force majeure is [X per cent] higher than the total national emissions in the commitment period;
- (c) Showing that the occurrence or severity of the force majeure was not materially influenced by the Party;
- (d) On actions undertaken to reduce the consequences of the force majeure.]

[Option 4:

19 bis. When a Party chooses to exclude from its accounting the non-anthropogenic emissions by sources and removals by sinks resulting from natural disturbances, it must report information on the natural disturbances in its national inventory report including a demonstration that the natural disturbance events and the associated emissions and removals are non-anthropogenic and not direct human-induced. This shall include, inter alia:

¹⁰ Using guidance to be agreed.

- (a) Information that identifies the location, cause and scale of impact of the natural disturbance events;
- (b) Information that demonstrates that no land-use change has followed the natural disturbance events;
- (c) Information on the emissions and removals that would be excluded;
- (d) Information that demonstrates that the excluded emissions and removals are non-anthropogenic and not direct human-induced;
- (e) Information that demonstrates efforts to rehabilitate forest affected by natural disturbances;
- (f) Information that demonstrates efforts to manage or control natural disturbances.

This information will be subject to expert review.]

[Option 5:

19 bis. The land sector is also influenced by non-anthropogenic emissions and removals and legacy effects of pre-1990 activities that need to be identified and quantified to allow exclusion from accounting. These are due to:

- (a) Natural disturbance;
- (b) Inter-annual variability;
- (c) The age structure of forests.

19 ter. *(Text taken from document FCCC/KP/AWG/2009/8, annex II, paragraph 21 bis; non-textual language): Removing natural disturbance impacts is optional, the information that needs to be provided about natural disturbance events, and the need for information demonstrating that the emissions and removals are non-anthropogenic and not direct human-induced. The following issues [could][should] be considered in developing further the modalities:*

- (a) A Party would have the option of excluding the impact of natural disturbances from its accounting. Text would be needed on how emissions and subsequent removals resulting from natural disturbances would be removed from the accounting;*
- (b) Principles will be needed to guide Parties in reporting on emissions and subsequent removals resulting from natural disturbance events on Article 3, paragraph 3, or Article 3, paragraph 4, lands. This may include provision of information on the natural disturbances in its national inventory report including a demonstration that the natural disturbance events and the associated emissions and removals are non-anthropogenic and not direct human-induced. This may include, inter alia:*
 - (i) Information that identifies the location, cause and scale of impact of the natural disturbance events;*
 - (ii) Information that demonstrates that no land-use change has followed the natural disturbance events;*
 - (iii) Information on the emissions and removals that would be excluded;*
 - (iv) Information that demonstrates that the excluded emissions and removals are non-anthropogenic;*
 - (v) Information on the carbon stocks prior to the natural disturbance events;*

(vi) *Information on the monitoring and the recovery of the carbon stocks following the natural disturbance event;*

(c) *The information provided would be subject to review. Guidance would need to be provided to support the review process.*

(d) *Parties may consider formulating a request to the Intergovernmental Panel on Climate Change to assist in defining methodological approaches related to how natural disturbance emissions and removals are excluded, and related to demonstrating that the natural disturbance events and the associated emissions and removals are non-anthropogenic and not direct human-induced. This would include methodological approaches already tabled.*

19 quater. Annual reporting should report emissions estimates in a manner that more clearly reflects anthropogenic trends in land use, land-use change and forestry activities. Parties that use annual data to produce emissions estimates can report using a rolling average of annual greenhouse gas emissions estimates for the land use, land-use change and forestry sector.]

19 quinquies. The 2006 IPCC Guidelines for National Greenhouse Gas Inventories will be reviewed in consideration of the post-2012 accounting framework agreed by the Parties for the land sector.]

20. National inventory systems under Article 5, paragraph 1, shall ensure that [information on the areas of land subject to land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, [are identifiable, and information about these areas] should be provided by each Party included in Annex I in their national inventories in accordance with Article 7. Such information will be reviewed in accordance with Article 8.

21. Each Party included in Annex I shall account for all changes in the following carbon pools: above-ground biomass, below-ground biomass, litter, dead wood, [and] soil organic carbon [and harvested wood products]. A Party may choose not to account for a given pool in a commitment period, if transparent and verifiable information is provided that the pool is not a source.

Harvested wood products

[Option 1:]

21 bis. Carbon in wood removed from forests accounted for under the Kyoto Protocol under Article[s] 3 [6 and 12] shall be accounted for on the basis of default instantaneous oxidation or on the basis of estimates of when emissions occur, provided that verifiable and transparent data are available.

21 ter. When accounting is on the basis of estimates of when emissions occur, it shall be based on changes in the harvested wood products pool consumed and produced domestically. [Parties may also choose to account for carbon in exported harvested wood products originating from domestic harvest based on changes in the exported harvested wood products pool.]

21 quater. Estimates of net emissions from harvested wood products shall specify product categories and underlying assumptions for both domestic and export markets [but shall not include paper, pulp, fuel wood or other short-lived wood products]. [Harvested wood products in solid waste disposal sites shall not be accounted for.]

21 quinquies. Where exported wood is accounted for, such estimates shall be reported separately for each country to which the harvested wood products are exported.

21 sexies. Accounting shall be confined to harvested wood products¹¹ originating from harvested forest for which emissions and removals have been included in the accounting of the Party, and in the same way as for other pools.

21 septies. [Where a ratio is applied for accounting of emissions and removals from forest management it shall also apply to the harvested wood products pool.]

21 octies. [Emissions that occur during the commitment period¹² from the harvested wood pool arising from wood harvested prior to 31 December 2007 shall also be accounted for, using the same procedure as above.]]

[Option 2:

21 bis. As of the second commitment period a Party may choose to account for long-lived harvested wood products, provided that verifiable data on amounts, carbon content, and decay rates and/or emissions from harvested wood products are available.

21 ter. A country that has elected to account for harvested wood products shall account for the amount of carbon in the harvested wood products produced in that country and either add the carbon contained in the net import of harvested wood products or subtract the carbon contained in the net export of harvested wood products.

21 quater. Notwithstanding the provisions in paragraph 21 ter above, a country that has elected to account for harvested wood products shall account as emissions from sources within its jurisdiction any harvested wood products that are imported from Parties not included in Annex I unless the wood was harvested from forests that are currently involved in activities under Article 12.

21 quinquies. Notwithstanding the provisions in paragraph x above, a country that has elected to account for harvested wood products may account for harvested wood products that it has exported to another Annex I Party which does not account for harvested wood products by transferring it to a separate pool of harvested wood products that are stored outside of the exporting country, provided that the wood was produced by the exporting country and that verifiable decay rates for those pools are available.]

[Option 3:

21 bis. A Party included in Annex I may choose to account for the use harvested wood products for harvested wood products derived from forests subject to reforestation activities since 1 January 1990 in the country of that Party and which have subsequently been subject to forest biomass decline activities during the commitment period.

21 ter. A Party included in Annex I may also choose to account for the use of harvested wood products for such products derived from elected forest management activities if so elected in the first commitment period or elected forest management activities in the second commitment period.

21 quater. Notwithstanding the provisions included in paragraph x below, imported harvested wood products from another country shall not enter the accounting system.

¹¹ Definitions and classification of wood products provided by the Food and Agriculture Organization of the United Nations shall apply.

¹² Noting that emissions from harvested wood products originating from harvests accounted for under Article 3, paragraph 3, and for some parts of Article 3, paragraph 4 (for those countries which elected forest management) over the period 2008 to 2012 have already been accounted for.

21 quinquies. The calculation of carbon stock changes for the purpose of accounting for harvested wood products, if so elected, on land that is to be accounted for under either reforested land or elected forest management land shall be based on the total increment of carbon stock growth in the eligible forest minus any changes in soil carbon, minus carbon stocks left over from timber harvest activities, minus carbon stocks from any wood residues from wood mills, minus carbon stocks from wood products used for the purposes of paper, wood chips or other short-lived wood products, minus a carbon release estimate of harvested wood products produced and then destroyed during the commitment period, times a conversion factor from carbon to carbon dioxide equivalent.

21 sexies. Harvested wood products derived from deforestation shall be accounted for on the basis that all carbon biomass deforested is considered to have oxidized in the year when the deforestation took place and shall be accounted for as an emission. All other biomass emissions, such as loss of soil carbon, human-induced fires, etc., associated with the deforestation activity shall be accounted for as an emission.

21 septies. Once a harvested wood product leaves the Party included in Annex I where the forest product was grown, the carbon stocks included in the product shall be accounted for as an emission.]

[Non-Annex I Party harvested wood products]

21 octies. A Party included in Annex I shall account for importing of harvested wood products that have originated from a Party not included in Annex I in the manner prescribed in paragraphs 21 novies to 21 decies below.

21 novies. Carbon stocks included in wood products that have been imported into a Party included in Annex I and originated in a Party not included in Annex I as a result of deforestation or forest degradation activities in a Party not included in Annex I shall be accounted for as an emission in the importing Party included in Annex I.

21 decies. Notwithstanding paragraph 21 novies above, a Party included in Annex I shall not have to account for emissions from wood products that have been imported into its country and originated in a Party not included in Annex I, if it can be verified that such wood products have been derived from certified sustainable forest management practices.

21 undecies. All certified sustainable forest management practices shall be approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, based on recommendations from the Subsidiary Body for Scientific and Technological Advice, and shall be kept in a registry maintained by the secretariat.

21 duodecies. When making recommendations for the approval of certified sustainable forest management practices, the Subsidiary Body for Scientific and Technological Advice shall take into full consideration the following criteria:

- (a) The practices do not adversely affect indigenous peoples or local communities;
- (b) The practices do not adversely affect biological diversity;
- (c) The practices are legal, as determined by the laws of the country of origin;
- (d) Adequate law enforcement capabilities are in place;
- (e) The practices lead to a long-term, sustainable supply of wood products;
- (f) The practices are independently monitored;
- (g) The practices do not lead to a displacement of emissions to another location, whether within the country of origin or elsewhere.]

[21 ter deces. *Insert a provision for limiting the use of the land use, land-use change and forestry sector for compliance with commitments of Annex I Parties.*]

Option B¹³

A. Definitions

(Definitions of afforestation and reforestation moved to decision 5/CMP.1)

1. The following definitions shall apply:

- (a) “Forest” is a minimum area of land of 0.05–1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10–30 per cent with trees with the potential to reach a minimum height of 2–5 metres at maturity in situ. A forest may consist of either closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands and all plantations which have yet to reach a crown density of 10–30 per cent or tree height of 2–5 metres are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention such as harvesting or natural causes but which are expected to revert to forest;
- (b) “Forest land” includes all land with woody vegetation which falls under the definition of forest;
- (c) “Cropland” includes all arable and tillage land as well as agroforestry systems which do not fall under the category of forest land;
- (d) “Grassland” includes [all] rangeland and pasture land as well as agroforestry systems which do not fall under the categories of forest land and cropland;
- (e) “Wetlands” includes land that is covered or saturated by water for all or part of the year, such as peatland, and which does not fall under the forest land, cropland, grassland or settlements categories;
- (f) “Settlements” includes all developed land, including transportation infrastructure and human settlements of any size, which does not fall under the forest land, cropland, grassland or wetlands categories;
- (g) “Other land” includes bare soil, rock, ice and all land areas which do not fall under the forest land, cropland, grassland, wetlands or settlements categories.

[(h)

Option 1: “Force majeure” means, for the purposes of this decision, an extraordinary event or circumstances beyond the control of Parties.

Option 2: “Expected net emissions” is the algebraic sum of anthropogenic emissions by sources and removals by sinks of the greenhouse gases listed in Annex A to the Kyoto Protocol from the sectors which are expected to be accounted for during the relevant commitment period; it is expressed in gigagrams of carbon dioxide equivalent.]

¹³ Proposals for amendments to the Kyoto Protocol related to this option are specified in annex V to FCCC/KP/AWG/2009/8.

B. Accounting rules for greenhouse gas emissions and removals

2. Option 1: For the purpose of accounting greenhouse gas emissions and removals from land use, land-use change and forestry, a Party shall account for anthropogenic greenhouse gas emissions by sources and removals by sinks on forest land, cropland, grassland, wetlands and settlements as well as greenhouse gas emissions by sources and removals by sinks resulting from land-use changes from the land-use categories forest land, cropland, grassland, wetlands or settlements to any other land-use category.

Option 2: For the purpose of accounting greenhouse gas emissions and removals from land use, land-use change and forestry, a Party shall account for those anthropogenic greenhouse gas emissions by sources and removals by sinks [on forest land and] from land-use changes occurring from the forest land category to other land-use categories and vice versa, and [for the second commitment period [only]] may account for those anthropogenic greenhouse gas emissions by sources and removals by sinks on [forest land,] cropland, grassland, wetlands and settlements as well as greenhouse gas emissions by sources and removals by sinks resulting from land-use changes occurring from cropland, grassland, wetlands or settlements to any other land-use category.

[Option 2 addendum: Where anthropogenic greenhouse gas emissions by sources and removals by sinks on forest land are not accounted for, the accounted anthropogenic greenhouse gas emissions by sources and removals by sinks from the land use, land-use change and forestry sector shall be adjusted for the displaced emissions. Displaced emissions are the anthropogenic greenhouse gas emissions by sources that occur on forest lands and are the consequence of reductions in emissions reported under an accounted category, as in the case of biomass fuel combustion in the energy sector.

A similar provision shall be included under Option A of this annex to cope with no or partial accounting of forest land: Where anthropogenic greenhouse gas emissions by sources and removals by sinks on forest land are not completely accounted for because either no election of forest management has taken place or the forest management activity does not cover the whole national area of forest land, anthropogenic emissions by sources and removals by sinks from land use, land-use change and forestry activities shall be adjusted for displacement of emissions. Displaced emissions are the anthropogenic greenhouse gas emissions by sources which occur on forest land and are the consequence of a reduction in emissions reported under an accounted category, as in the case of biomass fuel combustion in the energy sector.]

3. Anthropogenic greenhouse gas emissions and removals from land use, land-use change and forestry shall be estimated using the guidance provided in the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* or any further guidelines for greenhouse gas inventories adopted by [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol] [Parties] for this purpose.

4. For the purpose of accounting, greenhouse gas emissions by sources and removals by sinks resulting from land use change occurring on forest land, cropland, grassland, wetland or settlement during the commitment period shall be reported under the land category to which the land has been converted.

Option 1:

5. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from land use, land-use change and forestry shall be equal to the anthropogenic greenhouse gas emissions by sources and removals by sinks in the commitment period,

less [[five] [X] times] the anthropogenic greenhouse gas emissions by sources and removals by sinks [that take place on [forest land], cropland, grassland, wetlands and settlements in the [base year] [base period]] [reported as the reference level] of that Party, while avoiding double accounting.

6. For the second commitment period [only], additions to and subtractions from the assigned amount of a Party¹⁴ resulting from anthropogenic greenhouse gas emissions by sources and removals by sinks occurring on forest land shall:

Option A: Be subject to the application of a [x per cent] discount factor.

Option B: Not exceed the value inscribed in the appendix below, times [five] [X].

Option C: (Bar approach/Reference level – text included under Option A of this annex is applied here.)

7. For the second commitment period, and subject to other provisions in this annex, the additions to and subtractions from the assigned amount of a Party pursuant to Article 3, paragraphs 7 and 8, shall be equal to the anthropogenic greenhouse gas emissions by sources and removals by sinks measured as verifiable changes in carbon stocks, and non-carbon dioxide greenhouse gas emissions during the period [1 January 2013 to] [31 December [YY]] occurring on forest land. Where the result of this calculation is a net sink of greenhouse gases, this value shall be added to the assigned amount of that Party. Where the result of this calculation is a net source of greenhouse gas emissions, this value shall be subtracted from the assigned amount of that Party. *(This paragraph may need to be revised to make it consistent with paragraphs 5 and 6 above.)*

Option 2:

5. Any Party included in Annex I should apply as the reference level for the land use, land-use change and forestry sector the aggregate carbon dioxide equivalent anthropogenic greenhouse gas emissions by sources and removals by sinks estimated for the period 20XX–20XX. Taking into account national circumstances, any Party included in Annex I may apply a different reference level for the land use, land-use change and forestry sector from that selected in Article 3, paragraph 3, (as amended)¹⁵ of the Kyoto Protocol. To do so, the Party shall submit, no later than two years before the start of the relevant commitment period, the proposed values and relevant elements in support of such a deviance. The submission should be made together with the Party's annual greenhouse gases inventory submission. Submitted data should be subject to the review procedure, and the agreed reference level should be part of the Party's annual review report on its greenhouse gas inventory.

C. Article 12

(Text included under Option A of this annex is applied here.)

D. General

8. *(Same as Option A, paragraph 16)*

9. *(Same as Option A, paragraph 19)*

10. *(Same as Option A, paragraph 20)*

¹⁴ In accordance with decision -/CMP.1 ("Modalities for the accounting of assigned amounts").

¹⁵ See page 38 of annex V to document FCCC/KP/AWG/2009/8.

11. Option 1: *(Same as Option A, paragraph 21)*

Option 2: Each Party included in Annex I shall account for all changes in the following carbon pools: above-ground biomass, below-ground biomass, litter, dead wood, soil organic carbon and harvested wood products. A Party may choose not to account for a given pool in a commitment period if transparent and verifiable information is provided to show that the exclusion of that pool does not result in discounting a debit.¹⁶ *(The same text shall also be included under Option A of this annex.)*

[Option I:

12. A Party included in Annex I in which a force majeure has occurred during the second or subsequent commitment periods, affecting carbon stocks on forest land [and [, if elected,] other land categories], may

Option 1: request [a review process¹⁷], at the end of the commitment period, for the emissions and subsequent removals up to the levels prior to the event classified as force majeure to be removed from accounting. The carbon stocks resulting from any land use changes that occur in those areas shall not be removed from accounting and the corresponding emissions shall be fully accounted for.

Option 2: choose to carry over to the next commitment period(s) the non-anthropogenic emissions resulting from the event classified as force majeure.

13. *(Same as Option A, paragraphs 19)]*

[Option II:

12. The Parties included in Annex I shall submit a proposed value for the expected net emissions of the land use, land-use change and forestry sector for the following commitment period, together with data which support the selected values. The values and data shall be submitted to the Conference of the Parties serving as the meeting to the Parties to the Kyoto Protocol before an agreement is reached on the quantified emission limitation and reduction commitments for the commitment period to which the data refer.

13. Together with the list of quantified emission limitation or reduction commitments for Parties inscribed in Annex B to the Kyoto Protocol, an appendix to this annex containing a list of expected net emissions from the agriculture, forestry and other land use sector for each Party inscribed in Annex B shall be adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The value for the expected net emissions shall be the algebraic sum of anthropogenic emissions by sources and removals by sinks from the land use, land-use change and forestry sector of the greenhouse gases listed in Annex A that are expected to be accounted for during the commitment period to which it is applied; the value shall be expressed in gigagrams of carbon dioxide equivalent.]

14. At the end of the commitment period, any Party included in Annex I shall calculate the difference between anthropogenic greenhouse gas emissions by sources and removals by sinks measured as verifiable changes in carbon stocks, and non-carbon dioxide greenhouse gas emissions during the

¹⁶ A debit means that either the average annual net increase in carbon stocks reported in the commitment period is smaller than that reported in the reference period or an average annual net decrease in carbon stocks has been reported in the reference period.

¹⁷ Using guidance to be agreed.

period 1 January 2013 to 31 December 20XX resulting from land use, land-use change and forestry sector the expected net emissions of that Party inscribed in the appendix to this annex. Where the result of this calculation is a positive value, this value shall be subtracted from the accounted anthropogenic greenhouse gas emissions by sources and removals by sinks from the land use, land-use change and forestry sector of that Party; moreover, an equivalent amount shall be added to the accounted anthropogenic greenhouse gas emissions by sources and removals by sinks from the land use, land-use change and forestry sector in the following commitment period.

15. *(Text included under Option A for harvested wood products is applied here.)*

[16. *Insert a provision for limiting the use of the land use, land-use change and forestry sector for compliance with commitments of Annex I Parties.*]

Annex III

Compilation of proposals for elements of draft decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on greenhouse gases, sectors and source categories; common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks; and other methodological issues

In relation to greenhouse gases, sectors and source categories

Option 1:

1. *Reaffirms* that the actual emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, including new species identified by the Intergovernmental panel on Climate Change in its Fourth Assessment Report, should be estimated, where data are available, and used for the reporting of emissions.

Option 2:

Provisions of the Kyoto Protocol relating to coverage of greenhouse gases and sectors remain unchanged

In relation to common metrics to calculate the carbon dioxide equivalence of emissions by sources and removals by sinks

Option 1:

2. *Decides* that for the purposes of this agreement, the global warming potentials used to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks of greenhouse gases listed in Annex A to the Kyoto Protocol shall be those provided by the Intergovernmental Panel on Climate Change in its Fourth Assessment Report based on the effects of the greenhouse gases over a 100-year time horizon. Any revision to a global warming potential by the Intergovernmental Panel on Climate Change subsequent to the Fourth Assessment Report or revisions of the approach to calculate carbon dioxide equivalence shall apply only to commitments under Article 3 of the Kyoto Protocol in respect of any commitment period adopted subsequent to that revision. [Those global warming potentials so agreed would be used to determine fulfilment of mitigation commitments for the second commitment period.]

Option 2:

Provisions of the Kyoto Protocol relating to global warming potentials remain unchanged until the Subsidiary Body for Scientific and Technological Advice concludes its consideration of this matter and, if appropriate, recommends a draft decision adopting global temperature potentials as a common metric

In relation to application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

Option 1:

3. *Decides* that starting with the second commitment period, the methodologies for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol shall be consistent with the Intergovernmental Panel on Climate Change 2006 IPCC

Guidelines for National Greenhouse Gas Inventories. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall review the use of the 2006 IPCC Guidelines before the start of each subsequent commitment period. Time series of emissions by sources and removals by sinks including base year emissions shall be recalculated using the 2006 IPCC Guidelines prior to the start of the second commitment period. The Conference of the Parties serving as the meeting of the Parties shall revise the technical guidance for adjustments at its [...] session, taking into account the 2006 IPCC Guidelines.

Notes:

Additional methodological guidance for the estimation of emissions by sources and removals by sinks might be required for Article 3, paragraph 3 and 4, of the Kyoto Protocol, depending on the results of the discussions on land use, land-use change and forestry. Methodologies for the estimation of these activities are not available in the 2006 IPCC guidelines.

A decision text should further specify the process and timing for the necessary recalculations due to the application of the new guidelines prior to the start of the second commitment period.

Option 2:

4. *Decides* that starting with the second commitment period, the methodologies for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol shall be consistent with those in 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”, contained in document FCCC/SBSTA/2006/9 to be agreed by the Conference of the Parties at its [...] session, following and limited by the provisions of paragraphs 1 and 2 above. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall develop further guidance to confine the inventory information submitted under the Convention to the provisions of paragraphs 1 and 2 above. Time series of emissions by sources and removals by sinks including base year emissions shall be recalculated at the start of the second commitment period. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall revise the technical guidance for adjustments at its [...] session.

In relation to cross-cutting issues

5. *Notes* the need to revise 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”, contained in document FCCC/SBSTA/2006/9, to implement the provisions pursuant to paragraphs 1–3 above.

6. *Invites* the Conference of the Parties to revise the guidelines referred to in paragraph 5 above.

7. *Requests* the Subsidiary Body for Scientific and Technological Advise to prepare, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session (2012), draft decisions incorporating the provisions pursuant to paragraphs 1–3 above into the following decisions:

- (a) Decision 13/CMP.1 on the modalities for the accounting of assigned amounts under Article 7, paragraph 4 of the Kyoto Protocol;
- (b) Decision 14/CMP.1 on a standard electronic format for reporting Kyoto Protocol units;

- (c) Decision 15/CMP.1 on the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol;
- (d) Decision 19/CMP.1 on the guidelines for national systems under Article 5, paragraph 1 of the Kyoto Protocol;
- (e) Decision 21/CMP.1 on issues relating to adjustments under Article 5, paragraph 2 of the Kyoto Protocol;
- (f) Decision 22/CMP.1 on the guidelines for review under Article 8 of the Kyoto Protocol;
- (g) Decision 6/CMP.3 on good practice guidance for land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol.

Annex IV

Compilation of proposals for elements of draft decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on other issues

In relation to a mid-commitment-period assessment and review process

Option 1:

No decision to be made with respect to this issue

Option 2:

1. *Decides* that the Parties to the Kyoto Protocol shall undertake and conclude, no later than 31 December 2015, an assessment and review of efforts made to meet quantified emission limitation and reduction commitments agreed for the second commitment period in order to assess progress and determine whether additional measures are needed, based on best available scientific information, to meet the ultimate objective of the Convention, with a view to enabling the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to specify any additional measures to be taken by Parties included in Annex I to the Convention with a commitment inscribed in Annex B to the Kyoto Protocol, which may include more stringent quantitative emission limitation and reduction commitments.¹

2. *Decides* that, at its sixteenth session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall initiate consideration of appropriate and effective procedures and mechanisms to determine and address cases of non-compliance with the provisions of the Kyoto Protocol, in accordance with the relevant provisions in Article X,² including financial penalties to be determined on the basis of cause, type, degree and frequency of non-compliance. Resources raised from financial penalties should be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation.

In relation to decision 14/CP.7

Option 1:

No decision to be made with respect to this issue

Option 2:

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling decisions 1/CP.3, paragraph 5 (d), and 14/CP.7 on impact of single projects on emissions in the commitment period,

Recalling also its decisions 7/CMP.3 and 8/CMP.3,

Recognizing the importance of renewable energy in meeting the objective of the Convention,

1. *Decides* that, the provisions of decision 14/CP.7, adopted by the Conference of the Parties at its seventh session, shall continue to apply for the second commitment period with the conditions detailed therein.

¹ The Party proposing this provision stated that it would be relevant in the case of commitment periods longer than five years.

² "X" refers to a new Article to be inserted into the Kyoto Protocol relating to a mid-term review of commitments by Parties included in Annex I to the Convention.