



**Methodological issues under the Kyoto Protocol:  
Land use, land-use change and forestry under  
Article 3, paragraphs 3 and 4 of the Kyoto Protocol  
and under the clean development mechanism (SBSTA).**

September 2012

**CAN-International submission on issues relating to more comprehensive  
accounting of anthropogenic emissions by sources and removals by sinks from  
LULUCF, including through a more inclusive activity-based approach or land  
based approach**

*Climate Action Network International is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 700 members in over 90 countries. [www.climatenetwork.org](http://www.climatenetwork.org)*

## **Introduction**

The Climate Action Network (CAN) welcomes this opportunity to contribute to the work of SBSTA by giving our views on the issues identified in Decision 2/CMP.7, paragraph 5.

CAN considers that a land based approach, which means a Party accounts for emissions and removals from all of its land, is the right way to account for LULUCF. We have longstanding concerns about the activity-based approach. We were disappointed by the Durban decision on LULUCF, which we think could have been far better in terms of accounting for the emissions and removals that the atmosphere sees.

We appreciate that there were originally difficulties in reliably estimating emissions and removals from many LULUCF activities and that this, in part, led to a selective, activity based approach to accounting during the first commitment period of the Kyoto Protocol. However, many years have elapsed since these difficulties were identified and the context has now changed, in part because the IPCC has produced guidance and guidelines on how to cope with them. Furthermore, any new accounting rules for LULUCF will not come into operation for at least a further five years from the present. By that time, developed country Parties should have made sufficient efforts to account comprehensively for all emissions and removals and be able to adopt a land based approach.

In this submission, we first outline why we prefer a land based approach to LULUCF accounting, and highlight some of the drawbacks of the of the current activity-based approach. We then consider how this SBSTA work currently concerning the third commitment period of the Kyoto Protocol could be broadened and extended for inclusion in the new treaty being negotiated under the Durban Platform process, in light of the fact that the inclusive new treaty will presumably replace the third commitment period. Finally, we examine potential links to REDD+.

## **Land based versus activity-based accountancy**

CAN considers that developed country parties should fully account for their emissions and removals from all sectors. All human-induced emissions contribute to climate change and removals help to mitigate it. Emissions from LULUCF are no different from any other emissions in terms of their effect upon the atmosphere and so there should be no special cases made for this sector. For example, it has been argued that forest management involves harvest cycles of several decades (depending of the type of forest) in which there will be peaks in emissions from forest management followed by years of removals, and that this should be accommodated for in LULUCF accountancy. In our view it should not. Nations should account for what the atmosphere sees in terms of emissions and removals, when they occur.

CAN also considers that LULUCF emissions and removals should be accounted for in comparison to a common historical base period or base year, such as 1990, just like all other sectors. Studies by our member organisations

show that a historical average baseline would be the most reliable approach. The whole point of having carbon accountancy is to allow both governments and the general public to assess performance against national emission reduction or limitation targets. Yet flawed LULUCF accountancy practices in current use, like gross-net (net emissions and removals compared to zero) and business-as-usual reference levels that obscure performance in reducing real emissions, serve only to hinder such assessments of performance. Very few delegates to the UNFCCC understand the complexities of the current LULUCF rules, let alone the general public back home, and these complexities create a barrier to transparency and assessments of comparability.

CAN considers that Parties should not be allowed to continue to “pick and choose” which activities they account for and which they do not. Whilst we appreciate that this approach was originally introduced, at least in part, because data from some activities in some countries was unreliable, we also see it as an incentive for countries to select activities that give them credits and reject activities that yield debits. The Durban decision on LULUCF took a small step forward toward more comprehensiveness by making accounting for forest management mandatory, in specifying that all significant pools must be accounted for, and in adding a new voluntary accounting activity (“Wetland Drainage and Rewetting”) but, it then took a step backwards again by allowing Parties to choose how to set baselines for forest management from a range of different options. This, in effect, re-created the “pick and choose” character of LULUCF accounting, through baselines.

In summary, we consider that emissions and removals from LULUCF should be comprehensively accounted for according to a common, single set of rules in the same way as for any other sector. LULUCF accounting should be land based.

## **The development of new LULUCF rules**

Irrespective of how new accountancy rules for LULUCF are developed, it is essential that they are agreed before emission reduction targets are set. The current rules are as complex as they are in large part because they were developed after the Kyoto COP to suit the targets agreed in it. Such an eventuality should clearly be avoided so that Parties can make clear choices of what their targets are in the light of transparent accountancy rules. (For a background presentation on this and allied topics, such as the need for net-net accounting, see a presentation by Jim Penman, as an IPCC lead author, at the Kyoto Protocol LULUCF workshop in Bangkok in April 2008, [http://unfccc.int/kyoto\\_protocol/items/4336.php](http://unfccc.int/kyoto_protocol/items/4336.php) )

Given that the Durban Platform process should result in a new legal instrument with binding force applicable to all Parties to come into force in 2020, it seems likely that the new treaty will, in effect, supersede the Kyoto Protocol. It certainly seems highly undesirable to have two sets of different accounting rules, one for Kyoto and one for the new agreement, operational and applying to many Parties at the same time after 2020. We therefore consider either that the current SBSTA work on Kyoto LULUCF accounting should be extended to apply to all developed country Parties or that a new SBSTA work programme should be established to develop new rules before the Durban Platform process concludes at the end of 2015. A decision on which way to proceed could be made in Doha.

An additional question that needs to be addressed is whether and how any new LULUCF accounting rules should apply not only to developed countries but also to at least some developing countries too. If some developing countries are to take on emission limitation or reduction targets under the treaty arising from the Durban platform process, should they also adopt the same LULUCF accounting rules as will apply to developed countries?

## **Links to REDD+**

In Cancun, it was decided that REDD+ will include all forest-related activities: deforestation, degradation, conservation, management and enhancement of carbon stocks (mainly afforestation and reforestation). It was also agreed, subject to funding, that these activities should ultimately be implemented at a national scale under a national plan and with national monitoring and reporting.

Clearly, REDD+ is not likely to work very well if these forest-related activities are undertaken piecemeal with, for example, afforestation and reforestation taking place but with forest degradation and deforestation continuing apace. Indeed, funding is not likely to flow unless a country demonstrates a net national reduction in emissions under results based REDD+ (Phase 3). It has thus long been implicit in REDD+ that the national monitoring and

reporting would be comprehensive, covering all forest-related activities and perhaps some other land-based activities too.

Whilst monitoring and reporting by developing country parties participating in REDD+ is not the same as accounting by Kyoto developing country parties it is, in practice, likely to be similar.<sup>1</sup> For example, although developing countries will not have legally binding emission reduction targets, they will need to show real, reliable emission reductions from the forest sector in the results based phase. As a consequence, many developing countries have complained that it is unfair for Kyoto developed Parties to currently have a voluntary, activity based system for their own accounting whilst the developing countries will, in effect, need to have a land based system.

CAN agrees with the principle that it would be unfair to apply more stringent rules to developing countries than to developed ones. We are concerned that poor accountancy rules could undermine the integrity of REDD+ and therefore consider that it is important to have land based accountancy for REDD+, assessed relative to a common historical base period.

---

<sup>1</sup> Accounting under the Kyoto Protocol relates to activities resulting in emissions or removals that are added to, or subtracted from its assigned amount and used to assess compliance with a country's legally binding emission reduction or limitation target. The vast majority of, or perhaps all, countries participating in REDD+ under the new Durban Platform process treaty will not have legally binding targets.