



Climate Action Network

Comments on land sector accounting in the Co-Chair's tool

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Climate Action Network International (CAN-I) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 900 members in over 100 countries. www.climatenetwork.org

Introduction

CAN is encouraged that the Co-Chairs' tool contains a substantial amount on land sector accounting rules from the Geneva Negotiating Text (GNT). We have long advocated the need for such rules and think that an environmentally sound outcome can be developed from the current text. We would prefer the principles governing land sector rules to be included in the treaty text, simply because they are principles, but accept that the same outcome can probably be achieved if they are included in the COP Decision, where the Co-Chairs have placed them.

In this paper we first restate in outline our policy position on land sector rules. We then briefly examine the Co-Chair's text and present a clean text on the land sector based on their tool. This is followed by a section in which we show precisely which brackets we have removed and what we have deleted.

Where we are coming from

We wish to have common accounting rules because these are essential for assessing comparability of effort.

We consider that accounting should be both comprehensive and complete, so that nations 'account for what the atmosphere sees' in terms of emissions and removals. Whilst we appreciate that a comprehensive land-based approach should give very similar coverage to a comprehensive activity-based approach, we think that the latter has developed a dubious reputation as a result of the Kyoto LULUCF rules. Moreover, as the Paris agreement will be under the Convention, the general rules of the Convention should apply. The Convention employs a land-based system of reporting and this should also be applied to accounting. The 2006 IPCC Guidelines also employ a land-based approach.

Clearly, some nations are not yet in a position to account comprehensively, notably LDCs and SIDs, but all advanced economies are able to do so and the aim should be for all countries to be in a position to do so eventually.

Our other main concern is the use of business as usual reference levels, as employed for forest management in the Kyoto Protocol accounting rules. These usually exclude emissions from accounting and so they should not be employed because they do not represent accounting for what the atmosphere sees; neither are they comparable with emission reduction efforts made against a historical baseline. Either a common base year should be employed, as in all other sectors, or a base period, as used in REDD+.

Land sector options in the negotiating text

In the Co-Chair's treaty text, land sector accounting rules are mentioned in paragraph 34 on the elaboration of rules, which also mentions the more general need for transparency of action and support, and rules for other things such as market mechanisms. We think that it is important to keep this paragraph because it anchors the COP Decision on land sector accounting firmly in the treaty.

In the Co-Chair's COP Decision text, the main sections on land sector rules are under "transparency of action and support". In paragraph 45 on Guidance on the elaboration of rules, there is general guidance on MRV, markets and other issues, including the land sector, although section i) of the paragraph refers only to land use change and forestry activities. This should be broadened to include land use as well and forests rather than forestry. Paragraph 46 focuses almost exclusively on land sector accounting rules, including many of those that we liked from paragraphs, 39 and 151 in the Geneva text. Here we focus on this paragraph.

We have deleted brackets and some paragraphs that are repetitive to give the text below. We have also either removed or kept in square brackets wording that is not about land sector rules, for example elements on market mechanisms. For easier comparison with the Co-Chairs text we have not re-numbered or re-lettered paragraphs. Following the clean text, we present the same text showing exactly which brackets that we have removed and elements that we have deleted.

Proposed clean text on land sector rules

Treaty text

[I. Transparency of action and support]

34. **ELABORATION OF RULES** The governing body shall adopt at its first session the rules related to the transparency and accounting of action and support [, including the rules on [the use of market mechanisms][transferable mitigation outcomes], and the contribution of the land sector in relation to mitigation contributions.

COP Decision

[I. Transparency of action and support]

46. **FURTHER GUIDANCE ON THE ELABORATION OF RULES** *Further decides to elaborate* the rules and guidelines related to transparency of action and support, taking into account the following:

b. Parties shall account for all significant-sources of anthropogenic emissions and removals in their contribution and the accounting shall be increasingly comprehensive over time;

c. For key categories of emissions and removals that are not included, Parties shall include an explanation for their exclusion, and shall strive to include these over time;

d. All Parties shall use common guidance and guidelines and common metrics specified by the IPCC and adopted by the governing body for the estimation of greenhouse gas emissions and removals;

e. To ensure consistency, Parties should use the same accounting approach or methodologies or baseline throughout-the time frame, including in the base year or other reference point and commitment period, except in the case of technical corrections;

h. Once a gas, sector, category, activity, area of land or pool is accounted towards a commitment, it shall continue to be accounted for in the future;

k. Where the an expert review identifies that methodologies adopted by the governing body for the estimation of emissions and removals have not been used appropriately by a Party, appropriate technical corrections shall be calculated by the expert review;

l. Parties should strive to exclude the effect of non-anthropogenic factors;

m. Definitions of forest, land use and activities should be used consistently over time;

Original Co-Chair's text with bracket removals and deletions shown

Treaty text

I. Transparency of action and support

34. **ELABORATION OF RULES** The governing body shall adopt at its first session the rules related to the transparency and accounting of action and support, including the rules on [the use of market mechanisms][transferable mitigation outcomes], and the contribution of the land sector in relation to mitigation contributions.

COP Decision

I. Transparency of action and support

46. **FURTHER GUIDANCE ON THE ELABORATION OF RULES** *[Further decides to elaborate* the rules and guidelines related to transparency of action and support, taking into account the following: *{para 151 chapeaus of opts 1–3 SCT}*

a. Tailoring the post-2020 transparency arrangements to promote its objective; *{para 151 opt 3 a. SCT}*

b. Parties ~~{shall}~~*[are encouraged to]* ~~{account for}~~*[include]* all ~~{significant}~~ ~~{major}~~ ~~{emission sources and sinks, pools and gases in their contribution}~~*[sources of anthropogenic emissions and removals in their {commitment}{contribution}, as defined by IPCC key categories]*, and the accounting shall be increasingly comprehensive over time; *{para 151 opts 3 f. i. and 5 a., and para 39 opt 3 39.1 b. from Section D SCT}*

c. For ~~{major sources and sinks, pools and gases}~~*[key categories of emissions and removals]* that are not included, Parties ~~{shall}~~*[should]*~~{other}~~*[are encouraged to]* include an explanation for their exclusion, and ~~{shall}~~*[should]*~~{other}~~ strive to include these over time; *{para 151 opt 3 f. i. and ii., opt 5 a., and para 39 1 c. from Section D SCT}*

d. All Parties ~~{shall}~~*[should]*~~{other}~~ use ~~{common}~~*[methodologies]* ~~{guidance and guidelines}~~ and ~~{common}~~ metrics ~~{accepted}~~*[specified]* by the IPCC ~~{in the latest assessment report}~~ and ~~{agreed upon}~~*[adopted]* ~~{determined}~~ by the ~~{governing body}~~*[COP]*, unless otherwise decided by the COP ~~{to determine their}~~ ~~[for the estimation of]~~ greenhouse gas emissions and removals; *{para 149, para 150, para 151 opt 1 c. opts (a) and (b), para 151 opt 3. f. iii., and para 39 opt 3 39.1 h. from Section D SCT}*

e. ~~{To ensure consistency,}~~ ~~{Parties are not to change their}~~*[Parties should use the same]* accounting approach or methodologies or baseline ~~{during}~~*[throughout]* the time frame, ~~{including in the base~~

year or other reference point and commitment period,] except in the case of technical corrections] [~~Consistent methodologies should be used for the estimation and reporting of mitigation actions and outcomes over time;~~] *{para 151 opt 3 f. iv., and para 39 opt 3 39.1 d. and 39.1 e. from Section D SCT}*

f. [~~Parties are to have projected baselines transparently assessed]~~ [~~Projected reference levels and other dynamic baselines should be subject to technical assessment prior to the commencement of the [commitment][contribution] period to encourage their transparency, completeness, consistency, accuracy and comparability;~~] *{para 151 opts 1 h. and 3 f. v., and para 39.1 f. from Section D SCT}*

g. Parties that use market-based approaches **are** to meet standards that deliver real, additional, verifiable and permanent emission reductions, avoid double counting of effort and result in a net mitigation benefit; *{para 151 opt 3 f. vi. SCT}*

h. Once a [gas, sector, category, activity, area of land or pool][~~source, sink, or activity~~] is accounted towards a commitment, it [~~shall continue to be accounted for in the future~~][~~it should not subsequently be excluded from accounting without an explanation of why it has been excluded;~~] *{para 151 opt 3 f. vii., and para 39 opt 3 39.2 b. from Section D SCT}*

i. Parties shall define transparently the methodologies, rules and assumptions used to frame their commitments, in particular those used to calculate the 'business as usual' projections and work towards ~~common methodologies and rules over time;~~ *{para 151 opt 3 f. viii. SCT}*

j. Parties should be allowed to make corrections to their reference levels if they were higher than what occurred, to ensure that sink credits are earned **only** for climate performance directly related to anthropogenic measures and not to unexpected macroeconomic circumstances; *{para 151 opt 3 f. ix. SCT}*

k. Where ~~the~~**an expert review** identifies that methodologies adopted by the governing body for the estimation of emissions and removals have not been used appropriately by a Party, appropriate technical corrections shall be calculated by the expert review; *{para 142 opt 2 SCT}*

l. Parties [~~may exclude, or otherwise manage,~~][~~should strive to exclude~~] the effect of nonanthropogenic factors; *{para 151 opt 3 e., and para 39 opt 3 39.2. f. from Section D SCT}*

m. Definitions of forest, land use and activities should be used consistently over time; *{para 39 opt 3 39.2 c. from Section D SCT}*

n. Parties may apply the principles and methodologies of existing approaches under the Convention and its Kyoto Protocol to recognizing mitigation outcomes in the land sector, in accordance with IPCC guidance where applicable; *{para 39 opt 3 39.2 d. from Section D SCT}*