Annex III

Possible options for consideration relating to land use, land-use change and forestry

1. Under all options, the principles contained in decision 16/CMP.1, paragraph 1, would be retained with or without amendment.

2. For all options listed below, activities under Article 3, paragraph 4,¹ other than forest management will be considered in due course.

Option 1²

A. Definitions³

No changes.⁴

OR

Definitions remain as in the annex to decision 16/CMP.1:

- Except for the definition of deforestation, which is amended to provide for landuse flexibility⁵

AND/OR

- Other definitions added to accommodate additional activities under Article 3.4 as required (options proposed for consideration are: wetland degradation and restoration; forest degradation or amending the definition of forest management; and devegetation). If this option is chosen, section C below will need to be amended accordingly.

B. Article 3, paragraph 3

No changes.⁶

OR

No changes except deleting the afforestation and reforestation (A/R) credit and debit rule.

OR

No changes except extending the A/R rule.

¹ Hereinafter referred to as Article 3.4.

 $^{^2}$ Sections, paragraphs and the appendix mentioned in the options in this annex refer to the annex to decision 16/CMP.1.

³ General set of definitions for land use, land-use change and forestry.

⁴ No changes in this context means no changes except those legally required.

⁵ Land-use flexibility in this context means allowing a Party to deforest an area of pre-1990 plantation forest and establish an equivalent forest elsewhere without incurring deforestation liabilities.

⁶ As footnote 4 above.

C. Article 3, paragraph 4

No changes.⁷

OR

Amend to remove references to "the appendix" (i.e. remove the caps).

OR

Amend to remove references to "the appendix" and replace the appendix with a discount factor(s).

D. Article 12

Consider whether to amend this after the consideration of "non-permanence and other methodological issues".

E. General

No changes.⁸

APPENDIX

No changes.⁹

OR

Change the figures in the appendix.

OR

Delete – without replacement by a discount factor(s).

OR

Delete – with replacement by a discount factor(s).

OTHER ISSUES

Voluntary versus compulsory

Clarify that all activities under Article 3.4 remain voluntary (except where a Party has accounted for an activity in the first commitment period).

OR

Clarify that accounting for forest management shall be compulsory but other activities under Article 3.4 remain voluntary (except where a Party has accounted for an activity in the first commitment period).

OR

Clarify that accounting for all activities under Article 3.4 shall be compulsory.

⁷ As footnote 4 above.

⁸ As footnote 4 above.

⁹ As footnote 4 above.

Harvested wood products or emissions from wood removed from an area of forest

Do not account for.

OR

Amend section E of this option to allow delaying the accounting for emissions from wood removed from an area of forest subject to accounting under Articles 3.3, 3.4 or 6.

OR

Create provisions for including harvested wood products. Possible approaches include: stock changes, production, simple decay and atmospheric flow.

Natural disturbances

No additional measures to address natural disturbances.

OR

Temporary removal from the accounting of areas subjected to natural disturbances.

OR

Consider options for addressing natural disturbances and implement as appropriate.

Option 2

A. Definitions

Same as Option 1.

B. Article 3, paragraph 3

Same as Option 1.

C. Article 3, paragraph 4

Net-net with base year

Amend current paragraph 9 to include forest management.

AND

Leave caps in place (current para. 11).

OR

Amend to remove references to "the appendix" (i.e. remove the caps).

OR

Amend to remove references to "the appendix" and replace the appendix with a discount factor(s).

OR

Net-net with base period

Amend to include provisions for how a Party is to establish a base period for forest management over which anthropogenic emissions and removals will be assessed, and how anthropogenic emissions and removals from forest management during the subsequent commitment period will be assessed against the base period.

AND

Leave caps in place (current para. 11).

OR

Amend to remove references to "the appendix" (i.e. remove the caps).

OR

Amend to remove references to "the appendix" but replace the appendix with a discount factor(s).

D. Article 12

Same as Option 1.

E. General

Amend current paragraph 17 to remove references to Article 3, paragraph 4.

APPENDIX

Same as Option 1.

OTHER ISSUES

Voluntary versus compulsory

Same as Option 1.

Note: Under this option, there is a need to consider the implications for the continuity of accounting for lands under forest management.

Harvested wood products or emissions from wood removed from an area of forest

Same as Option 1.

Natural disturbances Same as Option 1.

Option 3

A. Definitions

Same as Option 1.

B. Article 3, paragraph 3

Same as Option 1.

C. Article 3, paragraph 4

Net-net with forward looking baseline

Amend to include provisions for how a Party is to establish a forward-looking baseline for forest management to assess emissions and removals, and how anthropogenic emissions and removals from forest management during the subsequent commitment period will be assessed against the baseline.

Amend to establish how the baseline or the emissions and removals in the commitment period will be revised in response to "natural disturbances" and how any such revisions will be monitored and treated in future accounting periods.

AND

Leave caps in place (current para. 11).

OR

Amend to remove references to "the appendix" (i.e. remove the caps).

OR

Amend to remove references to "the appendix" and replace the appendix with a discount factor(s).

D. Article 12

Same as Option 1.

E. General

Same as Option 1.

APPENDIX

Same as Option 1.

OTHER ISSUES

Voluntary versus compulsory

Same as Option 1.

Note: Under this option, there is a need to consider the implications for the continuity of accounting for lands under forest management.

Harvested wood products or emissions from wood removed from an area of forest Same as Option 1.

Option 4

A. Definitions

Delete.

B. Article 3, paragraph 3

Delete.

C. Article 3, paragraph 4

Delete.

D. Article 12

Same as Option 1.

AND

Definitions would need to be created for any land use, land-use change and forestry (LULUCF) activities available under Article 12.

E. General

Delete.

APPENDIX

Delete.

OTHER ISSUES

Article 3.3 of the Kyoto Protocol Delete.

Article 3.4 of the Kyoto Protocol

Delete.

Article 3.7 of the Kyoto Protocol

Amend to provide for how land-based accounting will be incorporated into the establishment of assigned amount.

Annex A to the Kyoto Protocol

Amend to incorporate land-based accounting.

Decision by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

Include provisions for the treatment of land-based emissions and removals being incorporated into Annex A to the Kyoto Protocol.

Amend other decisions dealing with reporting of LULUCF activities, including decision 17/CMP.1.

<u>Harvested wood products or emissions from wood removed from an area of forest</u> Same as Option 1.

Natural disturbances Same as Option 1.