SBSTA LULUCF Contact groups, 16 May and 21 May, 2012

16 May meeting

* The Co-chair (Peter, Denmark) stated the mandate set out in Durban: SBSTA was requested to initiate four work programmes related to LULUCF issues under the Kyoto Protocol in the Durban decision 2/CMP.7. The 4 work programmes are as follows: (1) exploration of a more comprehensive approach to LULUCF accounting for Annex I countries under the Kyoto Protocol; (2) recommendations for possible additional LULUCF activities under the CDM; (3) consideration of alternative approaches to addressing the risk of non-permanence under CDM and (4) consideration of modalities and procedures for additionality.
* The co-chair hair requested that Parties work together to agree on a prioritization for these work programmes, given the number. Yes, we will do all but need to tackle 1 by 1. He proposed that the CDM-related issues be the top priority as these could be taken into account for the 2nd commitment period, so more time-sensitive.
* Brazil – agreed to prioritize and that CDM issues are the top priority
* Australia – agree that we can have a priority but Australia has an interest in getting to the issue of comprehensive accounting as well; therefore, even with priority we don’t have to go 1 by 1; issues can be handled in parallel
* The Chair proposed that Parties agree to make submissions on non-permanence
* Brazil – why not on the “package of CDM issues” – additional activities, non-permanence, and additionality
* EU – agrees the submissions should cover both non-permanence as well as additional LULUCF activities under CDM; would like to see comments from the floor during this meeting on what elements the submissions should tackle under each of these issues
* Brazil – agree that the 2 CDM issues highlighted by the EU are the two we should focus submissions on – additionality can be dealt with later
* AUS – would also like to see submissions on comprehensive accounting
* Brazil – thaat’s OK, but to reflect the urgency/prioritization, set the due date for the CDM submissions earlier than comprehensive accounting – AUS agreed that was fine
* Brazil – (After sidebar with EU) reflected that there is actually confusion on what the additonality work programme is meant to cover; Parties aren’t clear on what the intention is – asking chairs for guidance and clarification
* Maria, Secretariat: clarified how this arose; this was a Tuvalu proposal in Durban; it is not meant to apply only to CDM but a broader “philosophical” question of any activity in the forest sector
* The Tuvalu delegate was not in attendance so it was agreed- given the confusion – that they would hold off discussing until he is present to clarify.
* New Zealand – would like clarification that the comprehensive accounting submissions would also be due before Durban – YES; on non-permanence, there has been evolution of this issue outside of UNFCCC so lessons to be learned
* Brazil – still thinks tCERs is an elegant, valid approach to deal with non-permanence under the CDM; In early days of negotiating CDM, they did discuss buffer approaches, but Parties have varying interpretations:
	+ Rather than 100% issuance of credits, % is held back OR could interpret as a physical forest area set aside as a buffer
	+ The other main option discussed at that time was insurance
	+ But maybe, since then, more creative solutions have been devised
* Belarus – it is important to define “permanence” and talk about how long is “permanent; different programs define different time periods
* AUS – can illustrate the example of the new Australia C Farming Initiative as a model; have applied a 5% risk of reversal buffer:
	+ If unintentional, the C must be re-established or credits handed back
	+ If intentional, credits must be handed back
	+ The permanence obligation runs with the land ownership
* Brazil – agrees we need to address permanence regardless of whether it’s unintentional or intentional
* The Co-chair (Marcelo, Brazil) noted that CDM has only used tCERs in the past but it is possible to consider we’ll move to a list of options, as well as conditions under which each option (tCERs v buffers, etc) might be used.
* Moving to additional LULUCf activities under the CDM, would prefer interventions and submissions don’t just list what activities Parties wish to be included/not included but rather the “how” and “why” associated with each
* AUS – need clarification – are we talking here about activity designations like those used for Art. 3.3./3.4 (for developed countries under Kyoto) or sub-divisions under the existing activities?
* Belarus – peatland emission reductions needs to be its own project category
* Brazil – enormous concern if “forest management” (as defined under 3.3/3.4) as a category is brought under the CDM; can be interpreted to mean a variety of activities; need to pose a discrete activity within that broader category – it’s too open-ended
* EU – agree with Brazil; preference for more discrete project activities rather than broad forest management (FM) ; the scope needs to make sense at a project-level; there may be other categories that fit better when applied at the sectoral level as opposed to project-level
* Indonesia – question to Brazil – why can’t we include forest management. If we apply SFM at a management unit level, why couldn’t this be included under CDM?
* Brazil – clarifying concern with FM under CDM; the broad definition of FM could include forest conservation, which would not be accepted under the CDM
* Co-chair – requests that Parties include in their submissions views on activities that shouldn’t be included in addition to those they think should be.
* Final work programme to exchange views on at this session – comprehensive accounting:
* Switzerland – the distinction that is made in Durban between more inclusive activity-based and a land-based approach depends on capacity but also a case of political will to report on other categories by 2020
* EU- clarified that this item is being discussed for post- 2020 not before. CDM is the priority issue because we are considering changes to be applied in a second commitment period, but comprehensive accounting would fall after that.

21 May meeting

* Capturing concrete actions in draft conclusions
* Party view on draft conclusions
* Brazil – only a week between submission dates but understand under pressure before Doha if we need to consider all this year. But question to Parties – do we need to address comprehensive accounting issue this year?
* Co-chair – Sept 17 is the latest date to consider
* AUS – question to Secretariat – Sept. 17 is the deadline for a MISC. doc to be compiled but could be individual submissions available on the web
* NZ – asked the Chair to clarify the implications of a MISC doc versus individual submissions – in other words, that a MISC document prepared by the Secretariat has no higher standing – no changes made when it goes into the MISC doc.
* Co-chair – keep the date but if Parties can’t meet it, their submissions will still be made available on the UNFCCC website and considered (just won’t be in a MISC doc)
* EU – just noting that in Doha, we will have very limited time to devote to this comprehensive accounting issue – and if time is limited, we’ve agreed that CDM is more urgent and would prefer to spend the limited time on that.
* Co-chair: how we spend our time in Doha will depend on what Parties submit on; if nothing is submitted on non-permanence, for example, we’ll move on to next issue
* The Parties then agreed to draft conclusions with minor changes