

SWITZERLAND

Initial views on a future post-2020 more comprehensive accounting regime

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)
(FCCC/SBSTA/2012/L.3, paragraph 4)

17 September 2012

At SBSTA 36 (June 2012), consideration of the issues related to a more comprehensive accounting of anthropogenic emissions by sources and removals by sinks from LULUCF was initiated, including through a more inclusive activity-based approach or a land-based approach. As referred to in decision 2/CMP.7, paragraph 5, Parties and admitted observer organizations were invited to submit to the Secretariat, by 17 September 2012, their views on these issues, for compilation by the Secretariat into a miscellaneous document for consideration by the SBSTA at its thirty-seventh session in Doha.

With this submission Switzerland offers its contribution to discussions specific to future possible systems of LULUCF accounting. Since this discussion takes place within a changing institutional context, our views should thus be interpreted as inputs to an open exchange of ideas on this topic and not as prejudgment of any explicit architecture of a post-2020 agreement.

Whereas we do not prejudge the specificities of a future agreement, we do anticipate general improvement in accounting and reporting systems. Given that more countries possessing a much broader range of capacities will be participating in GHG accounting and reporting, methodologies should strive toward simplicity of application without sacrificing the quality of results. Further, accounting methodology for the land-use sector should be fully compatible with accounting for other sectors and programs within a future reporting context, including i.e. developing country NAMAs, REDD+, and NAPAs.

All Annex I Parties and a growing number of developing countries report GHG emissions and removals on all areas of land under the Convention according to a land-based approach. Simultaneously, all Annex I countries report and account emissions and removals from land-use activities under the Kyoto Protocol according to an activity-based approach.

Emissions and removals of the LULUCF sector reported under the UNFCCC were developed independently of implications for reduction goals, therefore their methodological development was more technical than political, even though now they are in some cases relevant for national emissions trading systems. All Annex I countries submitted national greenhouse gas inventory reports for the Secretariat of the United Nations Framework Convention on Climate Change in the first commitment period and accounted for the entirety of the LULUCF sector according to a land-based system.

Under the Kyoto activity-based reporting system the only activities which are now mandatory to account for in the second commitment period are in forests: i.e. afforestation, reforestation, deforestation, and forest management. LULUCF activities that potentially produce significant emissions and have important mitigation potential, such as cropland and grazing land management, under the present agreement may be accounted for voluntarily.

Since the activity-based accounting system under the Kyoto Protocol has a direct impact on sectoral mitigation actions and national policies, international mitigation policies have had to find ways to harmonize with national sectoral policies, fundamentally promoting sustainability. This has been the case for forests, where avoiding arbitrary and windfall effects of international policy on national forest sector accounting needed to be ensured. However, different accounting rules for different sectors should be minimized in the future to ensure accounting comparability over time between Parties. In this sense, the implications of land-based accounting on national policies have not yet been discussed; they are essentially a technical reporting system. On the other hand, activity-based accounting has been subject to intensive political and technical scrutiny but comprehensiveness is essentially voluntary.

The comprehensiveness of the accounting system for the land-use sector is directly related to its environmental integrity, i.e., not excluding any possible sources of emissions. In principle a land-based reporting system is comprehensive, including all emissions and removals of GHGs on all areas of land within national borders. However, if this reporting system were to be fused with an accounting system, the rules and modalities applied to it would determine whether all emissions and removals are accounted for.

Switzerland is willing to engage in discussions to streamline and combine reporting and accounting into one system. Since more comprehensive accounting for the LULUCF sector is key to realizing its mitigation potential, a process in which developed and developing country Parties define the future accounting modalities must now begin.

For the purpose of initiating discussion and without favoring a particular concept, if land-based accounting were the basis of the reporting and accounting system used in a post-2020 climate agreement, considerable technical challenges would lie ahead, particularly the improvement of data quality and reporting methodologies. Further, it is likely that incorporating some technical aspects of Kyoto reporting will be necessary.

What might some elements of a future land-based accounting approach that incorporates methodology from the Kyoto Protocol reporting look like?

The rules and modalities for future accounting under the Convention should be the same for all Parties. However, different accounting rules for different land-use categories are possible. What is mandatory to account for could also be, as in activity-based accounting, an issue. Some elements of a combined approach that would need to be discussed include i.e.:

- Net-net accounting (comparing base year- 1990- emissions and removals to the year being accounted for)
 - Reference level based on a projection (a net-net approach): based on evaluation of experience, reviews and technical adjustments from CP2 until 2020, this approach could be continued post-2020.
- Gross-net: the advantage of a simple, year to year approach, the disadvantage need-

ing to constrain it with discounts, caps, etc.

- One particular advantage of land-based accounting would be that all managed forests would be accounted for in the same way (effectively “merging” Kyoto Protocol Art. 3.3. afforestation, reforestation and deforestation and Art. 3.4 forest management).
- Cropland, grazing land, wetlands, revegetation: net-net 1990, or could also be 2008, or 2020 to allow for Kyoto policies and measures to have been implemented. The methodology for accounting for these activities should be consistent with reporting for forests.
- Natural disturbances: the approach would ostensibly cover all land areas and be voluntary. Areas omitted from accounting would have to qualify under the provisions of this approach based on Decision 2/CMP.7, such as being disturbances with non-anthropogenic causes and where a Party made efforts to prevent them. This methodology could be incorporated in Convention reporting and areas could be omitted in the same way as under Kyoto.
- HWP: in reporting HWP is a pool (removal) and accounting for it would probably be mandatory under the Convention; possible methodological changes to the approach may be integrated in the negotiation process;

Technical capability, data quality, and methodologies would require improvement for the system to be comprehensive and become more so over time. The more land-use activities and categories that would be mandatory to report and account for would increase the environmental integrity of the system.

Switzerland expects the work under this SBSTA item to continue over the coming years and when work under the AWG-KP is completed should feed into the ADP toward a post-2020 accord.