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SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

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Agenda item 4 (e)

METHODOLOGICAL ISSUES

LAND USE, LAND-USE CHANGE AND FORESTRY: DEFINITIONS AND MODALITIES FOR INCLUDING AFFORESTATION AND REFORESTATION ACTIVITIES UNDER ARTICLE 12 OF THE KYOTO PROTOCOL

Views from Parties on issues related to modalities for the inclusion of afforestation and reforestation project activities under the clean development mechanism in the first commitment period

Submissions from Parties

Addendum

1. In addition to the submissions included in documents FCCC/SBSTA/2002/MISC.22 and Add.1–3, a submission from Denmark on behalf of the European Community and its member States* has also been received.
2. In accordance with the procedure for miscellaneous documents, this submission is attached and is reproduced** in the language in which it was received and without formal editing.

* This has been submitted following a limited extension of the deadline for submissions, announced by the Chair of the SBSTA during the final meeting on 29 October 2002.

** This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

SUBMISSION FROM DENMARK ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS
MEMBER STATES

**Informal note addressing socio-economic and environmental
impacts of A/R CDM activities**

In response to the call of the Chairman at the 17th Session of SBSTA to provide additional input to the options papers on A/R activities under the CDM, this informal note clarifies and specifies the views of the EU on modalities for socio-economic and environmental impacts, as previously presented in the EU submission of 20th August 2002 and the interventions of the EU at SBSTA 17, October 2002, on the same issue.

With the aim of adopting a decision at COP 9 of the UNFCCC for the inclusion of A/R activities in the CDM, this note outlines how to take into account the fact that A/R activities usually have significant positive and/or negative socio-economic and environmental impacts.

PRINCIPLES

- It is the host country's prerogative to confirm that the project assists in achieving sustainable development.
- In the project design and approval processes parties and project participants should take into account internationally agreed principles and criteria on sustainable development.
- Parties and project participants should ensure consistency and mutual supportiveness of A/R CDM activities with national strategies and policies for sustainable development and other relevant national policies such as national forest programmes etc.
- Parties and project participants should address socio-economic and environmental impacts of A/R CDM projects through assessment or analysis at appropriate levels (e.g. as outlined in Decision 7 of COP6 of the CBD) enabling them to set key priorities on project type, activities, geographic areas and technologies to be transferred and adapted.

PROJECT CYCLE

Modalities should address, inter alia:

Validation

Information and documentation that should be provided in the project design document (PDD) on stakeholder consultation, include:

- Whether relevant stakeholders were consulted and involved at an early stage in the project design;
- whether sufficient time was available for stakeholders to provide comments;
- how identified concerns, such as conflicts on land-tenure and land-use etc., were dealt with;
- project procedures for ongoing stakeholder consultations.

Documentation and information on socio-economic and environmental impacts provided by the project participants during project design for consideration by the Designated Operational Entity (DOE) and insertion in the PDD.

The project participants should conduct an analysis of environmental and socio-economic impacts of the project, addressing the following issues:

- Environmental impacts, such as impacts on biodiversity, ecosystems, landscapes, soil and water resources, etc.;
- Socio-economic impacts, such as impacts on employment, market access, impact on livelihood of local communities, food production, access to soil and water resources etc.;

These issues should be addressed by project participants through a checklist. This checklist should be elaborated in an appendix to the annex reflecting, *mutatis mutandis*, Decision 17/CP.7 on modalities and procedures for a clean development mechanism, under the headings as indicated in the box at the end of this paper.

If the impacts identified are considered significant by the project participants or the host party, the project participants shall undertake an environmental and/or socio-economic impact assessment in accordance with procedures as requested by the host party.

The PDD should also include monitoring and remedial measures, as well as information on assessment methodology and data sources applied, to address potentially significant impacts.

The PDD should be made available for comments by stakeholders prior to host party approval.

Implementation

The project participants should implement the project in accordance with the PDD including measures to monitor and remedy the socio-economic and environmental impacts. The monitoring plan should reflect this.

Verification and certification

The DOE should verify that project implementation addresses socio-economic and environmental impacts in accordance with the PDD as a precondition for certifying the emission reductions obtained by the project.

Other requirements to be addressed.

Facilitating implementation of A/R CDM activities through:

- capacity building, including institutional strengthening;
- transfer and local adaptation of technology;
- project components in A/R CDM activities empowering local stakeholders in terms of sustainable management of forest and natural resources.

Headings for checklist

- i) tenure and land-use rights;
- ii) the special needs of indigenous and forest dwelling people;
- iii) stakeholder involvement, access to information and public participation in accordance with Article 6 of the Convention;
- (iv) benefit-sharing, taking into consideration local communities;
- (v) definition of responsibilities including primary stakeholders, project developers and host country authorities;
- (vi) planning and management tools available for the project including tools for mitigating fire and pests;
- (vii) control of any negative impacts of the project on soil and water resources, biodiversity, ecosystem integrity, and human health, including the potentially negative impacts of pesticides and fertilisers;
- (viii) inclusion of social and human impacts and context of the project including capacity building, awareness raising and safety procedures;
- (ix) synergy between the potential of the project to mitigate climate change and its potential to positively impact on biological diversity, landscape amenity and local living conditions.
