



Commission proposal for accounting of GHGs from forestry and agriculture (LULUCF)

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*Workshop on "The role of the forest sector in the Rural
Development Policy and climate change negotiations"*

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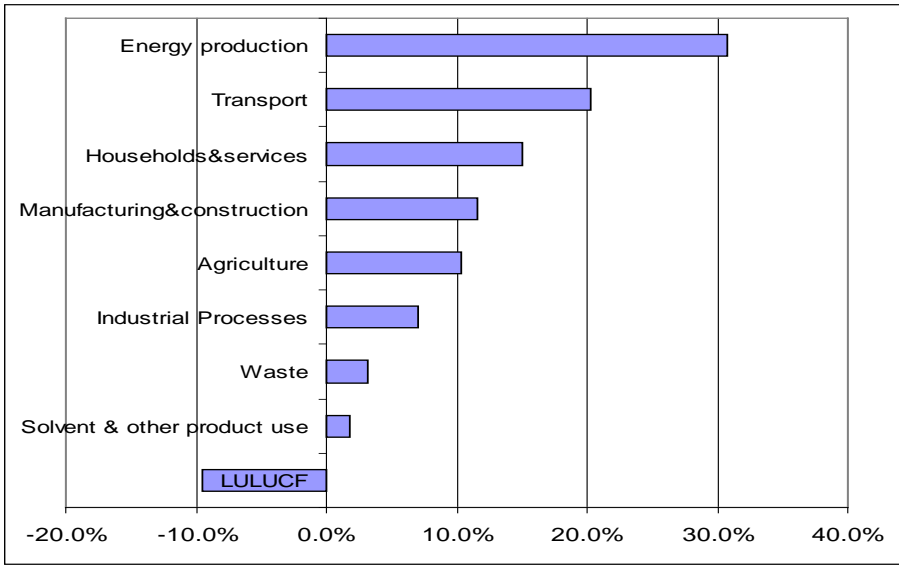
EU's climate policy

- ***CO₂ emissions and removals associated with Land Use, Land Use Change and Forestry (i.e. LULUCF) not included in GHG reduction commitment***

Current instruments - EU Climate & Energy package, "20-20-20 target":

- **1. EU Emission Trading Scheme (ETS)** to contribute to 20% Green House Gas (GHG) emission reductions
- **2. Effort Sharing Decision (ESD):** efforts outside EU ETS for emission reductions
- **3. Directive to reach 20% renewable energy by 2020**
- Emissions from agriculture partially included in ESD: Methane and nitrous oxide from agriculture - 10% of EU's total (2009)
- **COM required to**
 - **submit** report assessing how to include emissions and removals related to LULUCF in the Union
 - **as appropriate, propose how to include sector in Union reduction commitment**

Potential importance of LULUCF in the EU's climate policy

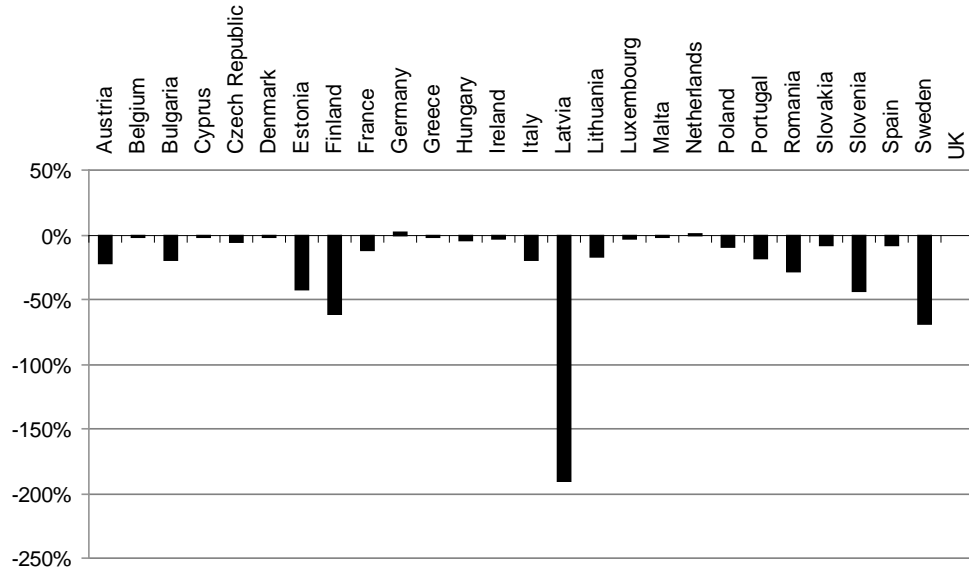


Size of LULUCF

LULUCF net removals amount to 9% of the EU's total GHG budget

Distribution

The relative importance of the sector varies significantly across Member States



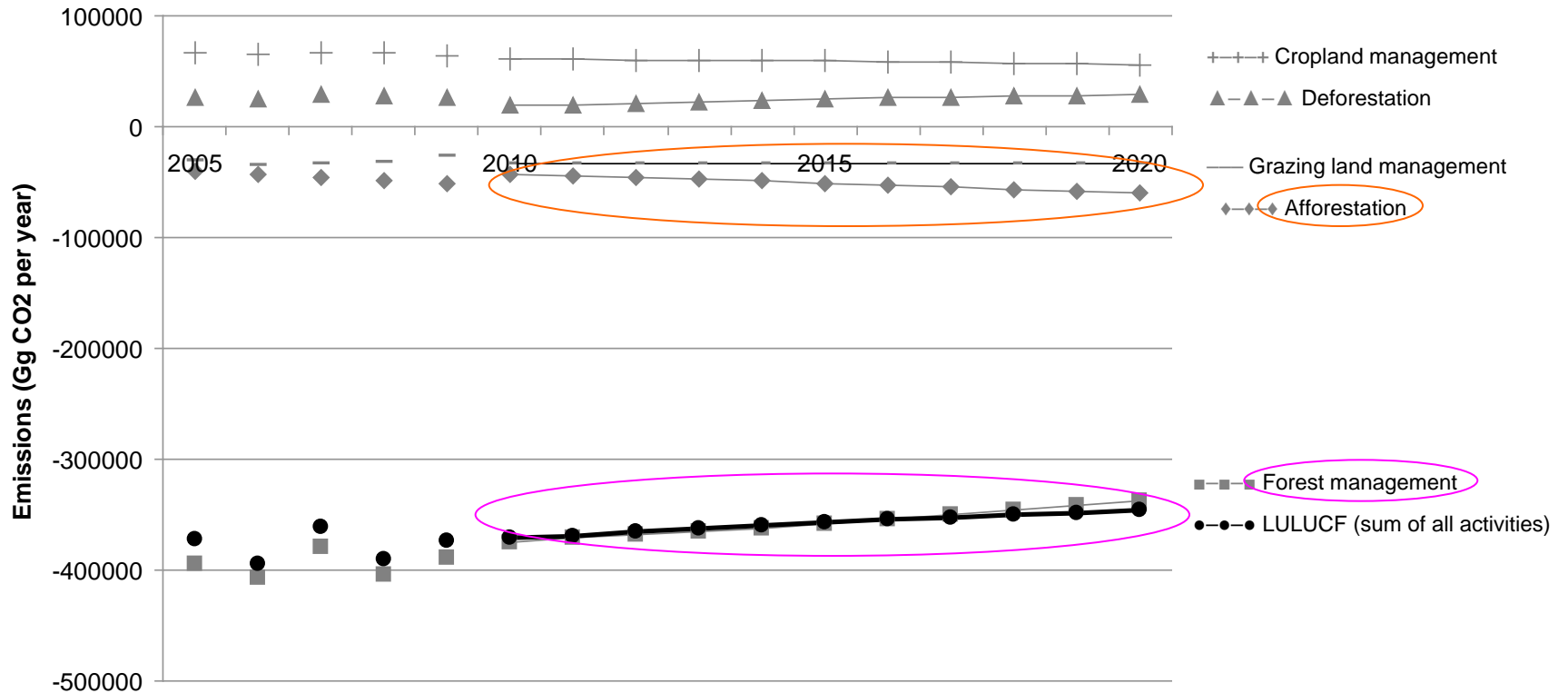
Durban COP17/CMP7 outcome

- *Prolongation of Kyoto Protocol beyond 2012 (EU, NO, CH, IS, UKR, AU, NZ)*
- *New accounting rules for LULUCF (forests & soils) after 2013*
- *“Difficult” sector: sources and sinks, uncertainties, natural processes, ...*
- *Rules for first Commitment Period agreed in Marrakesh 2001 – unsatisfactory*

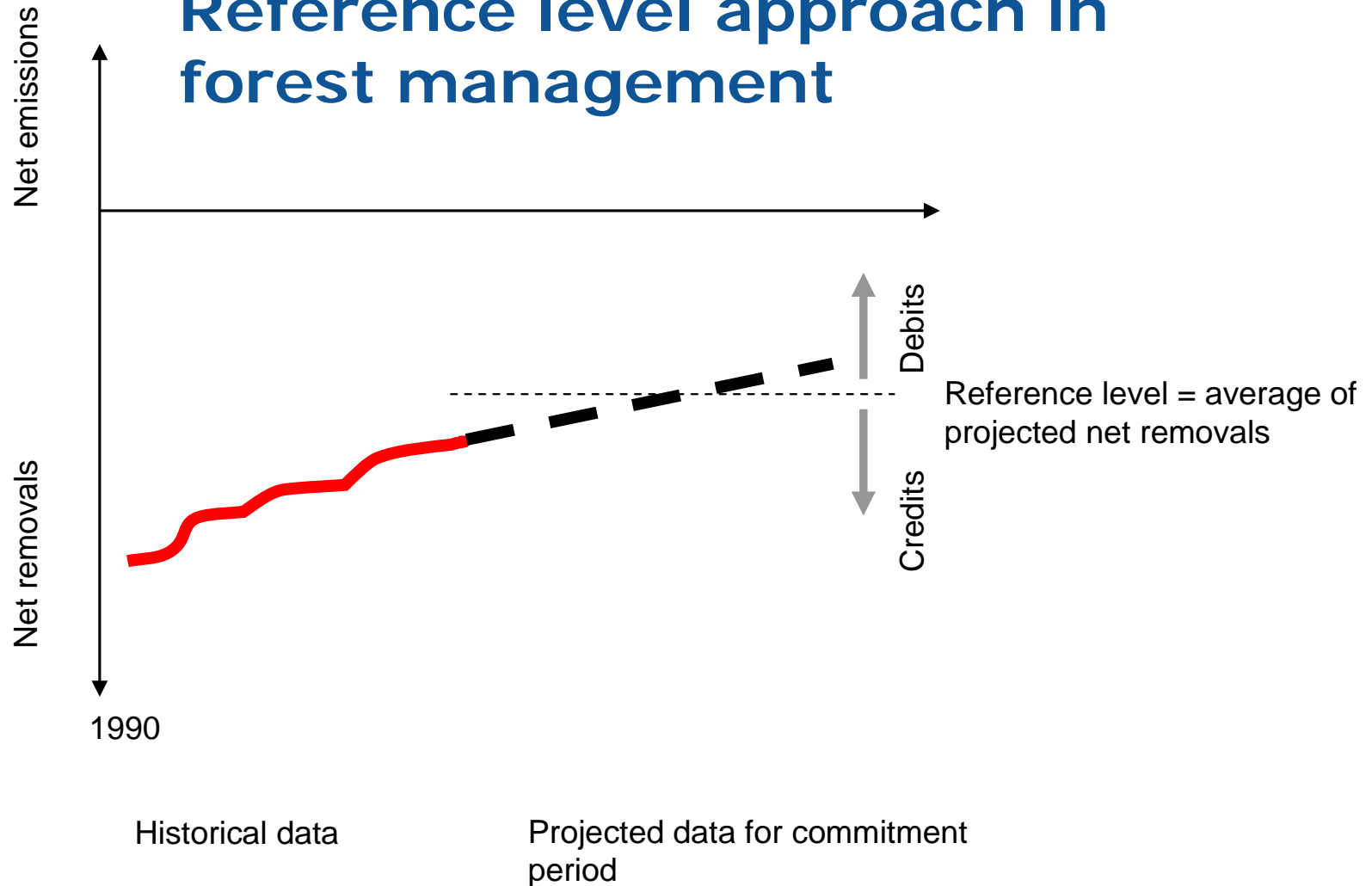
Durban agreement on LULUCF-forestry

- *No changes on afforestation, deforestation, reforestation (Article 3.3. of KP)*
- *Forest management (Article 3.4.):*
 - **Mandatory**
 - **Reference level approach, mostly based on projections**
 - **Cap credits 3,5% of base year's emissions**
 - **Safeguards for natural disturbances**
 - **Harvested wood products**

Historical and projected emissions/removals in LULUCF



Reference level approach in forest management



Harvested Wood Products

- *Takes account of carbon stored in products*
- *Accounting based on decay functions with default half-lives:*
 - **Paper: 2 years**
 - **Wood Panels: 25 years**
 - **Sawn Wood: 35 years**
- *Use of more refined approaches possible*
- *Incentives for using wood*

Implications forestry

- *No automatic credits, debits possible*
- *Balance carbon storage vs. substitution*
- *Balance bio-energy vs. material use*

- *Incentives for mitigation:*
 - **Afforestation**
 - **Productivity increases**
 - **Forest protection (fire, pests, ...)**
 - **Optimised forestry operations (thinning, replanting, soil conservation,...)**
 - **Harvested wood products**



The Commission Proposal: draft Decision on LULUCF (COM(2012)93 and 94, +IA)

A gradual approach:

1. Setting the framework for robust accounting and monitoring:

- *Communication on LULUCF*
- *The legal proposal on LULUCF, separate legal framework for accounting (-> no inclusion into ESD/ETS)*
- *LULUCF Action Plans*
- *Proposal to improve monitoring through Monitoring Mechanism Regulation (MMR)*

2. When harmonised and robust accounting is established, consideration could be given to formally include the sector in the EU climate commitment

- *mandatory targets*

The contents of the proposal

Aligning to the Durban rules to the extent possible:

- *Accounting rules for forest management, cropland, grazing land, rewetting and drainage, revegetation*
- *Creating a “pool” for Harvested Wood Products*
- *Exclusion of emissions from natural disturbances if 5% of base year emissions are exceeded*
- *Forest Management based on reference levels, 3,5% cap on credits*

Accounting obligations

- *Accounting at national level, **not at operator level***
- *Mandatory accounting for:*
 - **afforestation, reforestation, deforestation activities**
 - **forest management**
 - **croplands and grazing lands**
- *Voluntary accounting for wetlands and re-vegetation*
- *Must account for carbon dioxide, methane and nitrous oxide*
- *Goes further than Kyoto Protocol on Grazing lands and Croplands*



Reasons to include LULUCF in the EU's climate change policy:

- *Robust rules for accounting LULUCF and through a separate act, improve monitoring;*
- *Improve visibility of mitigation measures in agriculture and forestry and for sustainable production of harvested wood products;*
- *Synergies with other policies on renewable energy and wood industry;*
- *Co-benefits for biodiversity, soil protection and climate change adaptation;*
- *Improve economic efficiency in the pursuit of a more ambitious target (once LULUCF fully included).*



Thank you !