



European Commission proposal for common accounting rules for forestry and agriculture (LULUCF)

Peter Wehrheim

Side event: Putting Durban into practice
Bonn , 22 May 2012

Context:



- *LULUCF decision part of Durban outcome*
- *Commission proposal in February on how to include LULUCF into the EU's climate policy*
- *Commission proposal is subject to „co-decision procedure“ and currently in discussions with Member States and European Parliament*
- *Objective of the side-event: provide information on the proposal*



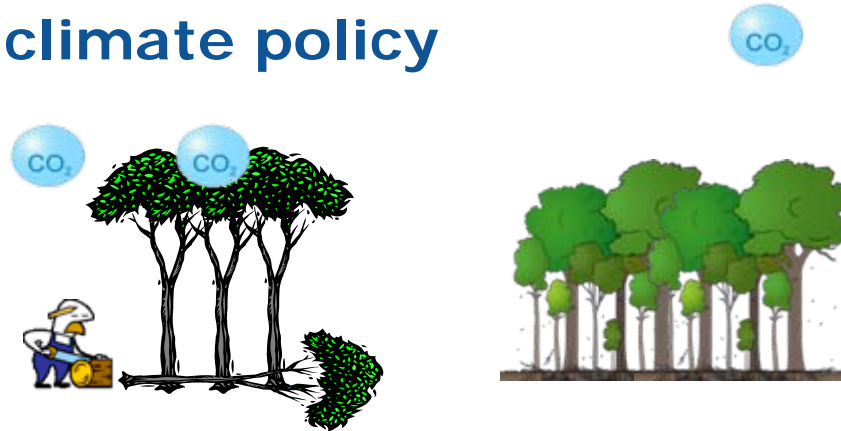
Climate change, forestry and agriculture: what are the main issues?

Forestry plays an important role in climate mitigation

- Stop deforestation of tropical forests – Reducing Emissions from Deforestation and Degradation – REDD+
- Protect the carbon sink in temperate/boreal forests
- Mitigation through carbon storage and material substitution
- Through land use (change) direct link to agriculture: a major emitter of Green House Gases, but can also sequester carbon
- **What role for land use, land use change and forestry (LULUCF) in EU's climate policy?**



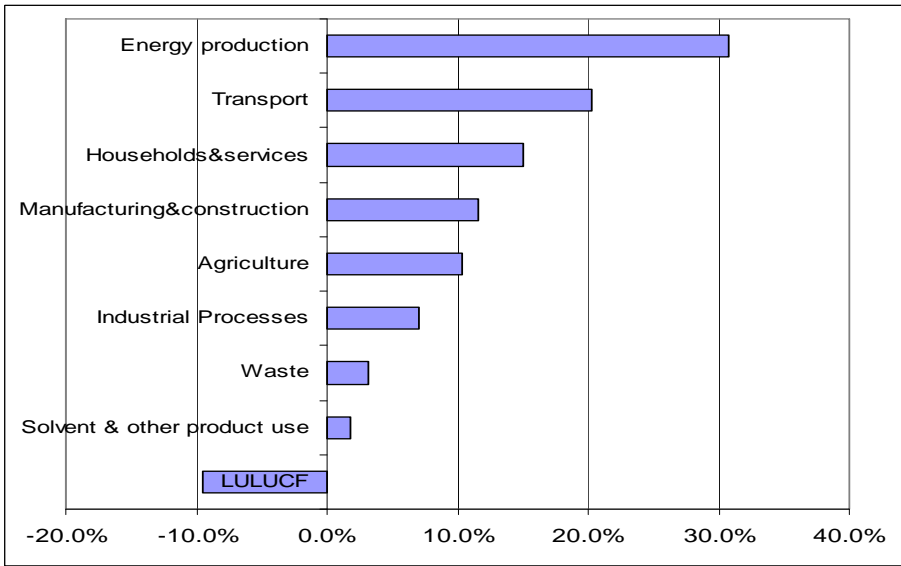
Potential role of LULUCF in the EU's climate policy



Mitigation options in land use activities include:

1. **Carbon removals/sink** (new forests, increased and preserved C stocks in existing forests and agricultural soils)
2. **Reduction of emissions** (reduce deforestation, forest degradation, detrimental land conversion)
3. **Carbon substitution** (renewable source of energy replacing fossil fuel, wood replacing more GHG-intensive products) – links with other sectors

Potential importance of LULUCF in the EU's climate policy

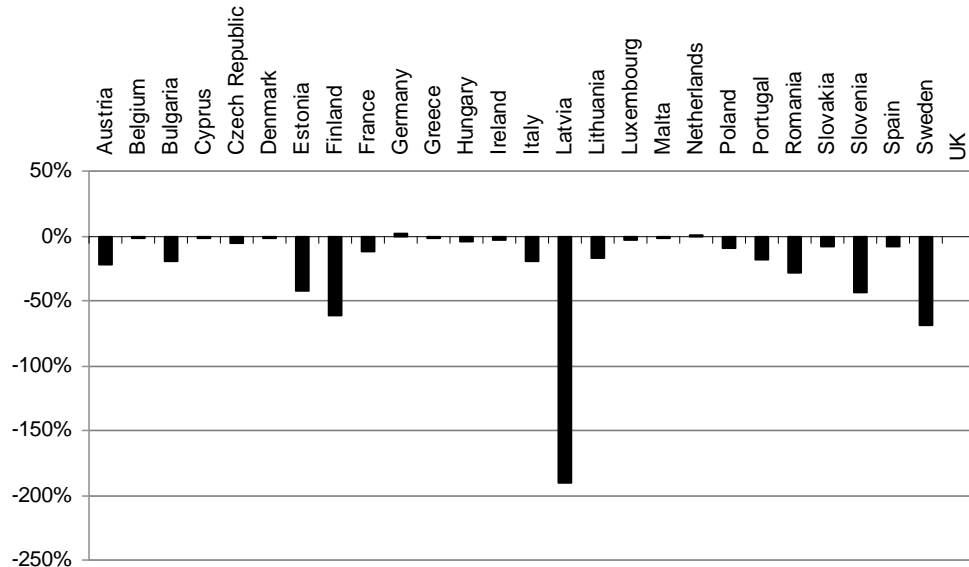


Size of LULUCF

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



EU's climate policy



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)

*CO₂ emissions associated with agricultural and forestry Land Use, Land Use Change and Forestry (i.e. **LULUCF**) not included*

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**

Principles for inclusion of LULUCF in climate policy

Climate and energy package specifies criteria:

- *Harmonised modalities for all 27 MS ensuring permanence and environmental integrity, accurate accounting rules and accurate monitoring*
- ***Alignment with** accounting requirements for LULUCF resulting from **international negotiations***
- *Ensure **robust accounting***
 - **Potential to improve accounting exists, for instance live up to recommendations from IPCC guidelines:**
 - Accuracy: Key categories / higher methodological “tiers”
 - Completeness: Land-use categories, activities and carbon pools



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*
- 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

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*
- *Forest Management based on reference levels, 3,5% cap on credits*
- *No target; National LULUCF Action Plans to make mitigation action and best practice in the sector more visible*

Accounting obligations

- *Accounting at national 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*



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;*

Where are we in the process:

- *A co-decision of the Council and the European Parliament*
- *The Council (Environment) will discuss the proposal in June*
- *The European Parliament has nominated the Rapporteur (Kriton Arsenis)*
- *The Decision is expected to be in force at the beginning of CP2 of Kyoto Protocol*



Thank you for your attention!

For further information on the Commission proposal:
<http://ec.europa.eu/clima/policies/forests/lulucf>

For further info on EU's Clima Policies:
<http://ec.europa.eu/clima>

