



European Commission proposal for common EU accounting rules for LULUCF: state of play

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Ispra , 28 February 2013



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*
- Information on LULUCF Actions*
- 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 information on LULUCF Actions 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 European Parliament will vote on 11 March*
- *The ENV Council is supposed to approve it end March*
- *The Decision is expected to enter into force in spring*

Next steps:

- *For each accounting period, accounts on GHG from forestry activities*
- *From 2015 on, annual initial, preliminary and non-binding estimates of GHG from CM and GM, at least Tier 1, covering the whole CP*
- *2016-2018 report on systems in place and being developed to estimate GHG from CM and GM*
- *Final annual estimates by 15 March 2022*
- *A derogation of up to 3 years to final estimates is possible under certain conditions*

Thank you for your attention!

For further info on EU's Clima Policies:

<http://ec.europa.eu/clima>

