



*Rome, 24th June 2011
Plenary Session*

Present and future role of forest resources in the socio-economic development of rural areas

The role of Forests in the frame of future EU Climate Change strategies *European Commission, DG CLIMA*

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Outline

1. EU climate policy and forest
2. Role of land use, land use change and forestry (LULUCF) in climate policy
3. Conditions
4. What stakeholders think
5. Timing
6. Concluding comments



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1. EU Climate Policy



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Objective

- Keep global temperature increase below 2°C above pre-industrial levels

Short term measures

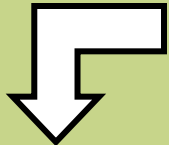
- EU Climate & Energy package:
 - Directive amending EU ETS to contribute to 20% GHG emission reductions
 - Decision to share efforts outside EU ETS for emission reductions
 - Directive to reach 20% renewable energy by 2020
 - Directive on legal framework for carbon capture and storage
- If conditions are right, step up reduction efforts from 20% to 30% below 1990 by 2020.

GHG Target:

-20% compared to 1990

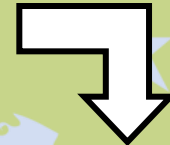


-14% compared to 2005



EU ETS

-21% compared to 2005

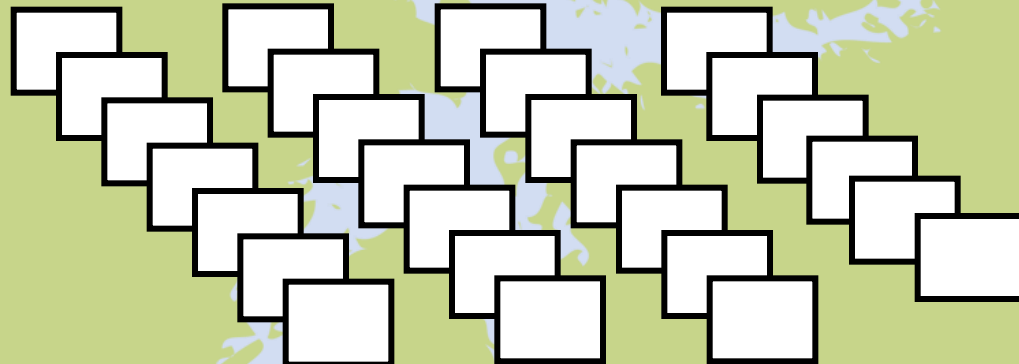


Non ETS sectors

-10% compared to 2005



27 Member State targets, ranging from -20% to +20%





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Long term

- Reduce emissions by 80-95% by 2050
- Communication from COM (March 2011): *A Roadmap for moving to a competitive low carbon economy in 2050*
 - Cost-efficient pathway: 25% reduction in 2020, 40% in 2030 and 60% in 2040
 - Highlights importance of agriculture and forestry for preserving and sequestering carbon, and for providing feedstocks for industry and energy uses



DG CLIMA forestry policy responsibilities

- Reducing Emissions from Deforestation and forest Degradation (REDD+)
 - Responsible for about **17%** of anthropogenic GHG emissions
 - Scope is developing countries
 - EU objectives to halve gross tropical deforestation by 2020 and reach a halt by 2030
 - No link to the EU's domestic GHG emission reduction targets
- Land use, land use change and forestry (LULUCF)



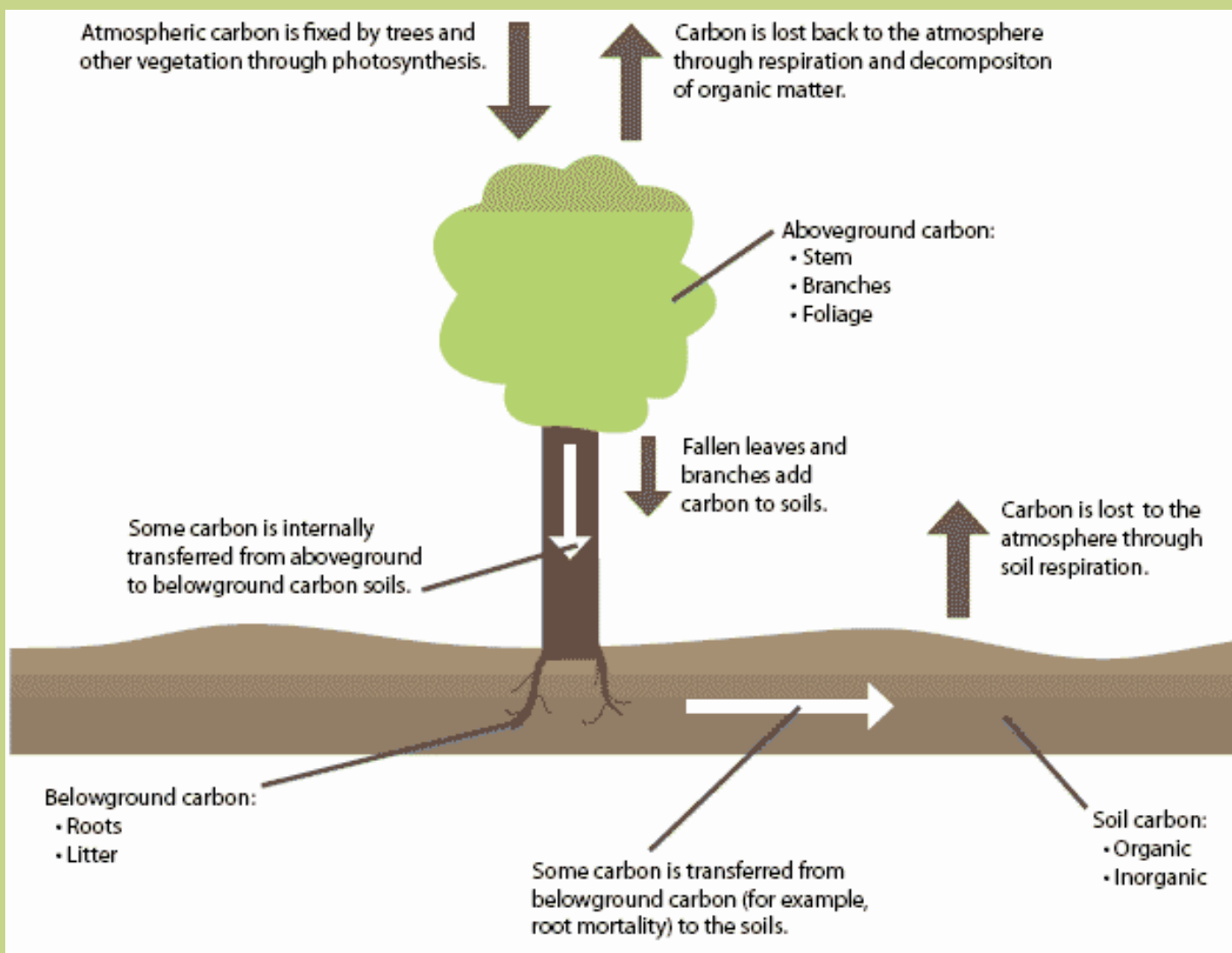
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2. The role of LULUCF in climate policy



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LULUCF – a GHG inventory sector

Does not include CH₄ and N₂O from soils, manure and livestock in agriculture

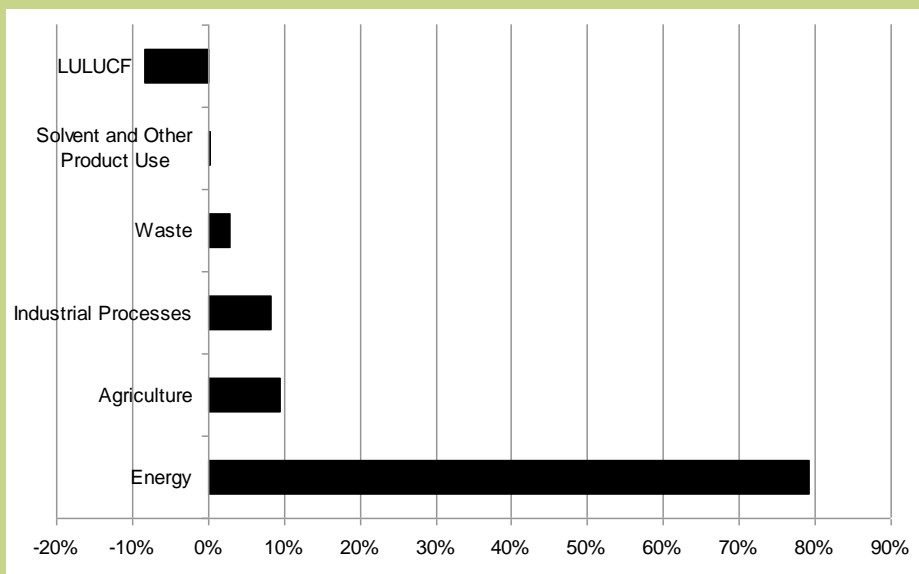
Does not include substitution benefits



- LULUCF not part of 2008 agreement on 20% reduction commitment:
 - Insufficient and uncertain international accounting rules
 - Limited assessment of the potential role of the sector
- *However, 'all sectors of the economy should contribute to achieving the emissions reductions'*
- Provisions therefore included in Climate and Energy Package; COM required to
 - assess how to include emissions and removals related to LULUCF in the EU
 - as appropriate, put forward a proposal



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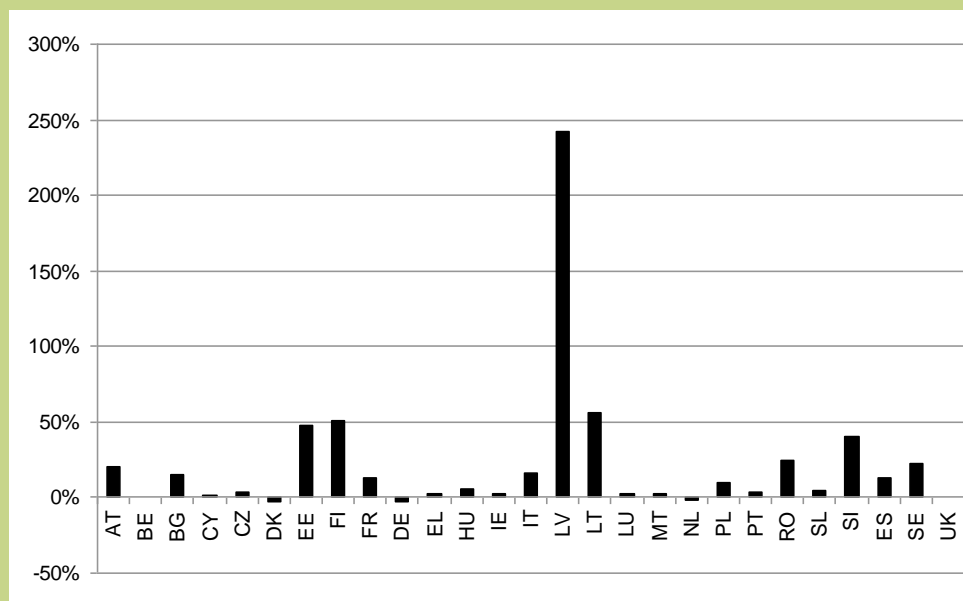


Omission

LULUCF net removals amount to 8% of the EU's total GHG budget

Distribution

The relative importance of the sector varies significantly across Member States





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Mitigation options in land use activities include:

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



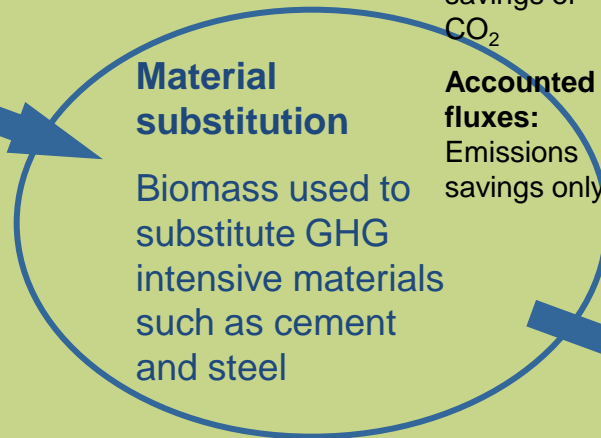
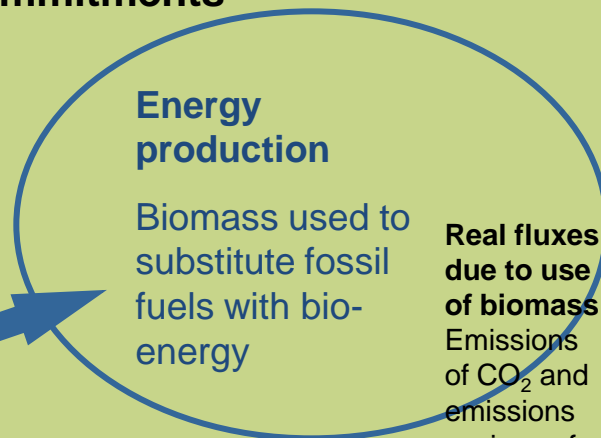
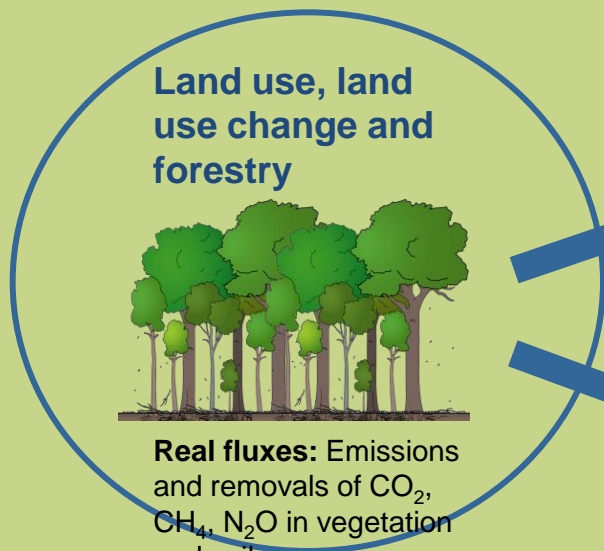
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Activities currently not part of 2020 climate change commitments

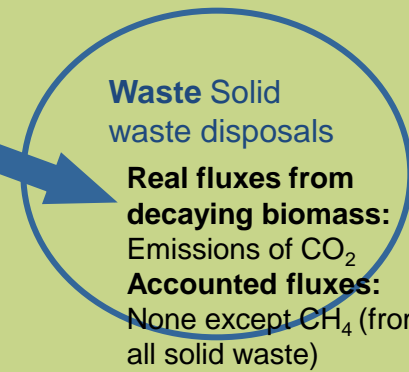
Activities part of 2020 climate change commitments

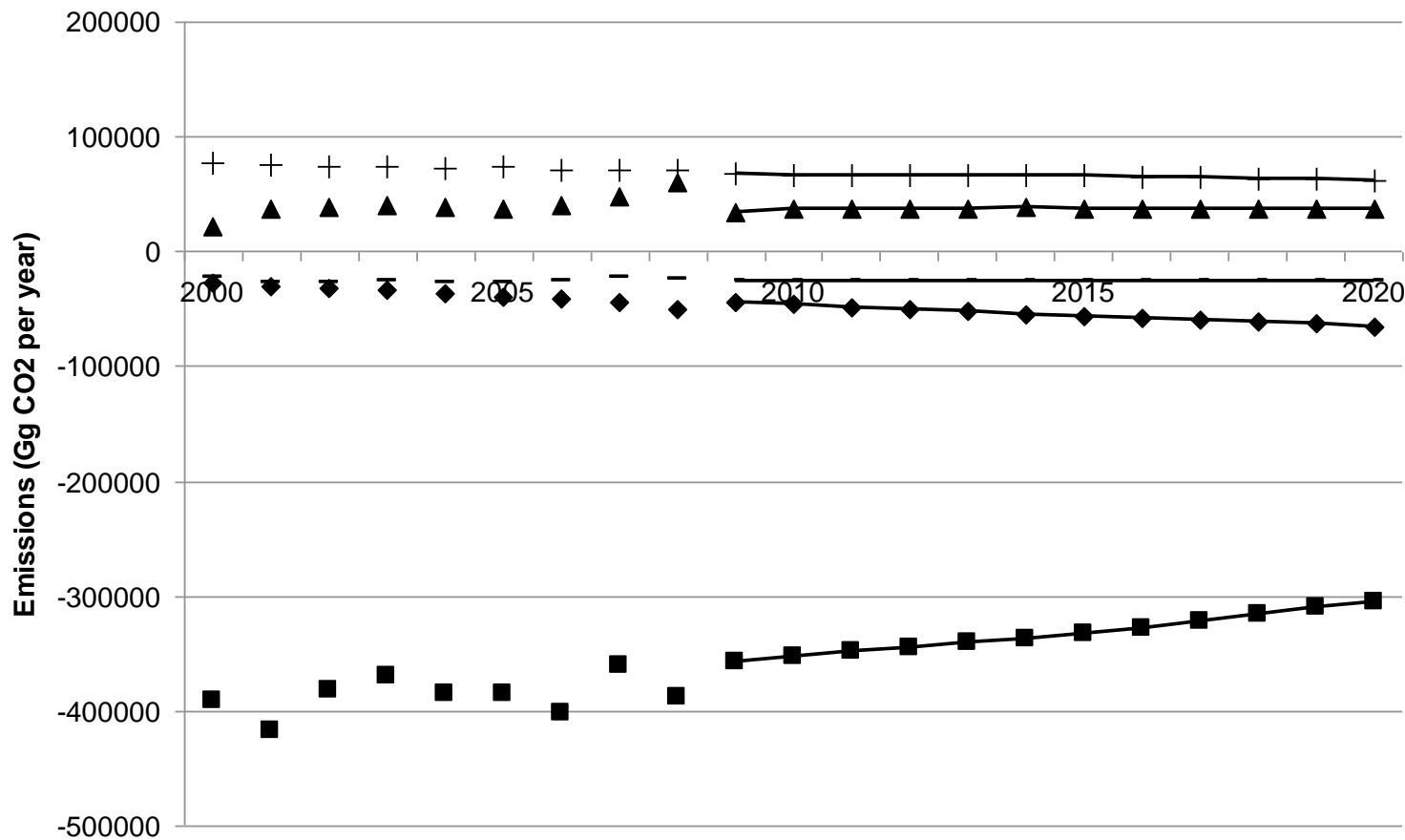


Accounting gap



Cascade use





Overall decline in sink by 13% btw 2005 and 2020

Partly “natural”, but impact of policy drivers visible

Decline consistent with other studies; increased demand for bio-energy and other wood uses

Notation key: + Cropland management, ▲ Deforestation, – Grazing land management, ◆ Afforestation, and ■ Forest management. Unconnected symbols indicate reported data and connected symbols indicate model projections.



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- Rationale for including LULUCF in climate change commitments:
 - **Environmental integrity.** Comprehensive coverage, correct reflection and equal treatment of different mitigation activities in accounting
 - **Policy coherence.** EU 2020 Strategy, “all sectors to contribute”, Common Agricultural Policy, Renewable Energy Directive, International / UNFCCC process...
 - **Economic efficiency.** Potential losses if efforts from sectors do not count; e.g. Low carbon roadmap for 2050 shows needs for increasing efforts



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3. Conditions



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- Climate and energy package specifies criteria: harmonised modalities ensuring permanence and environmental integrity, accurate accounting rules and accurate monitoring
- Ensure robust **monitoring**
 - Potential to improve exists, for instance live up to recommendations in IPCC guidelines:
 - Accuracy: Key categories / higher methodological tiers
 - Completeness: Land-use categories, activities and carbon pools



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- Ensure robust **accounting**

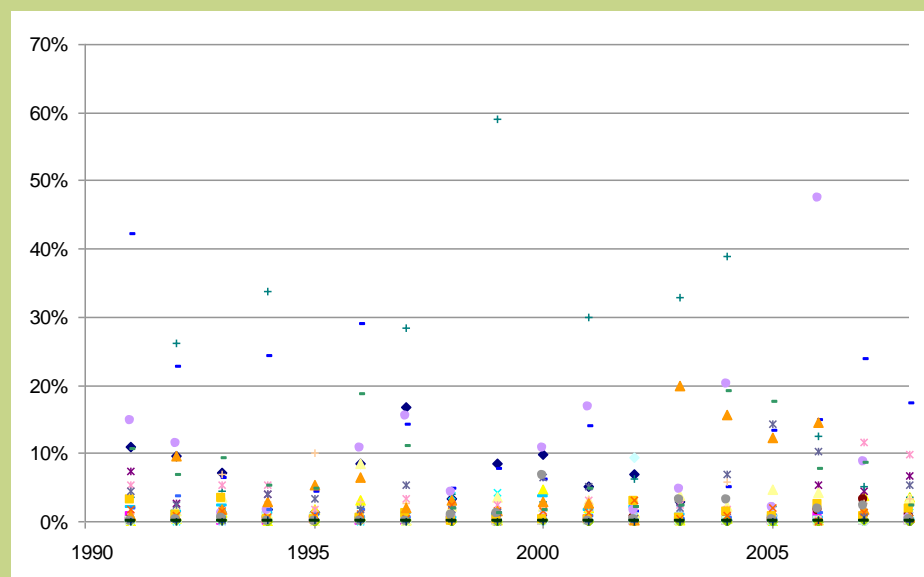
- For instance:

- Give an accurate reflection of human-induced changes in emissions / removals
- Ensure extensive coverage of emissions and removals
- Provide incentives for mitigation, but avoid bias to any particular measure
- Limit risk of non-compliance from large natural disturbances



- Define an appropriate **policy context**
 - For instance, to deal with:
 - **Non-permanence**
 - Inter-annual variability
 - Monitoring and reporting

Example: Year-on-year fluctuations in emissions and removals (in forests remaining forests) over the period 1990-2008 as a percentage of 2008 emissions in the non-trading sectors (the pattern is similar or even more pronounced relative to the ETS emissions)



Each dot represents the fluctuation of emissions / removals in a Member State in a given year



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4. What stakeholders think



General points

- Land use activities can / should contribute to mitigating climate change; increase uptake of CO₂ in forests, use of biomass for substitution of GHG intensive materials and energy sources (fossil fuels)
- Majority responded that LULUCF should be part of the EU's GHG emissions reduction target in 2020
- The majority of respondents also suggested that forestry activities should be accounted for on a mandatory basis
- About half or less wanted accounting for GHG associated with some agricultural activities to be mandatory



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- Inclusion / accounting through national compliance, is a separate framework or the Effort Sharing Decision, was favoured.
- Only a small share of the respondents to the public consultation and none of the MSs wanted the sector to form part of the EU ETS.
- Finally, the majority agreed that there is a need for further harmonisation and standardisation between MSs in terms of monitoring, reporting and verification of emissions and removals.



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5. Timing



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- **Consultations** **2010-2011**
Expert Group under the European Climate Change Programme, Public consultation, MS consultation, Stakeholder meeting. For more info, see http://ec.europa.eu/clima/events/0029/index_en.htm
- **Impact assessment** **autumn 2011**
- **Communication** **autumn 2011**
- **Proposal** **as appropriate**



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6. Concluding comments



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- Climate policy framework in place, forestry will become more important – both in the EU (LULUCF) and globally (REDD+)
- Land uses can / should contribute in several ways, a level playing field important
- Preference for a policy framework which is separate from those currently regulating the 2020 targets
- Comprehensive accounting needed, and more accurate rules than under the Kyoto Protocol
- Gradual improvements in monitoring and reporting
- COM Communication in autumn, legislative proposal as appropriate



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Thank you for your attention