



Commission proposal for improved common accounting rules on GHG emissions and removals resulting from LULUCF activities in the EU

LULUCF Stakeholder Meeting

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Legislative proposal

**Commission proposal for
a Decision of the European Parliament and the
Council on accounting rules and action plans on
greenhouse gas emissions and removals resulting
from activities related to land use, land use change
and forestry (LULUCF)**

**COM(2012)93 final
2012/0042 (COD)**

Overview of Legal provisions

Recitals: 14

Articles: 14

Article 1: Subject matter and scope

Article 2: Definitions

Article 3: Obligation to draw up and maintain LULUCF accounts

Article 4: General accounting rules

Article 5: Accounting rules for afforestation, reforestation and deforestation

Article 6: Accounting rules for forest management

Article 7: Accounting rules for harvested wood products

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Article 9: Accounting rules for natural disturbances

Article 10: LULUCF Action Plans

Article 11: Review

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Content

Subject matter and definitions

General rules for accounting

Accounting rules for specific activities

Rules for exclusion of emissions

Policy tool

Review, delegation and entry into force

Annexes: 4

Annex I: Accounting periods

Annex II: Reference levels

Annex III: First order decay function and default half-life values

Annex IV: Indicative measures for LULUCF Action Plans

Article 1: Subject matter and scope

Reasons

- to count LULUCF towards the Union's emissions reduction target, we need to ensure accurate accounting rules
(Recital 1)
- Reporting rules are not within the scope of this decision
(Recital 10)

Content

- Setting out **accounting rules** for emissions and removals from LULUCF
- Adopting **LULUCF Action Plans (LAPs)** by Member States to give overview of measures to limit or reduce emissions and to maintain or increase removals

Article 2: Definitions

Reasons

- Reflect the particularities of the Union LULUCF sector, align with UNFCCC
(Recitals 3, 5)
- Drafted in a way to ensure harmonization and legal precision while maintaining the same substance as in international definitions

Article 2: Definitions

Content Para. 1:

- Provide **specific definitions** for the purpose of the Proposal for:
 - Emissions
 - Removals
 - Afforestation
 - Reforestation
 - Deforestation
 - Forest management
 - Cropland management
 - Grazing land management
 - Revegetation
 - Carbon stock
 - Wetland drainage and rewetting
 - Source
 - Sink
 - Carbon pool
 - Precursor to a GHG
 - **Harvested wood product**
 - **Forest**
 - Crown cover
 - Stocking level
 - Natural disturbance
 - Half-life value
 - Instantaneous oxidation method
 - Salvage logging

Article 3, para. 1: Obligation to draw up and maintain LULUCF accounts

Reasons

- Set out accounting rules applicable to the LULUCF sector (*Recital 2*), reflect efforts made in the agriculture and forestry sectors (*Recital 4*)

Content

- **Mandatory accounting** for the activities of:
 - (a) afforestation
 - (b) reforestation
 - (c) deforestation
 - (f) forest management
 - (e) cropland management
 - (f) grazing land management
- **Voluntary accounting** for the activities of:
 - re-vegetation and
 - wetland drainage and rewetting

Article 3, para. 2 and 3: Obligation to draw up and maintain LULUCF accounts

Reasons

- Ensure environmental integrity of the contribution of the LULUCF sector

Content

- **Accounting for emissions and removals of three greenhouse gases (GHGs):**
 - (a) carbon dioxide (CO₂)
 - (b) methane (CH₄)
 - (c) nitrous oxide (N₂O)

Article 4: General accounting rules

Reasons

- To ensure that rules are based on international accounting principles
(*Recital 5*)

Content

- To **account** emissions and removals **only under one specific activity** (avoid double accounting)
- To **determine the area of land** for each category of activities based on transparent and verifiable data (allow precise identification)
- To **account changes in carbon pools:**
 - (a) above ground biomass
 - (b) below ground biomass
 - (c) litter
 - (d) dead wood
 - (e) soil organic carbon
 - (f) harvested wood products

Article 5: Accounting rules for afforestation, reforestation and deforestation

Reasons

- Should account for these activities entirely as they are direct result of human intervention (Recital 6)

Content

- Accounting rules for **CO₂**, **CH₄** and **N₂O** in line with UNFCCC
- Continuation to keep in accounts emissions and removals from these activities even where the activity is no longer conducted on a land

Article 6, para. 1-2: Accounting rules for forest management

Reasons

- Accounting rules to be based on international accounting principles (*Recital 5*)
- Use of reference levels to exclude the effects of natural and country-specific characteristics and to overcome underlying uncertainties in the projections (*Recital 6*)

Content

- Account for removals and emissions from forest management based on **reference levels** as in the UNFCCC Durban decision
- Net removals up to 3.5% of base year emissions (excl. LULUCF) can be accounted for under forest management
- No compensation of deforestation

Article 6, para. 3 – 10: Accounting rules for forest management

Reasons

- Improvements to methodologies or data available in the MS should be taken into account (*Recital 6*)
- Forest Management Reference Levels should be set transparently in accordance with UNFCCC rules (*Recital 6*)
- Allow for updating reference levels (*Recital 13*)

Content

Revise and submit to the Commission proposed revised **reference levels under certain conditions**

The **Commission verifies** the **accuracy of** the proposed **revised reference levels**

Article 7: Accounting rules for harvested wood products (HWP)

Reasons

- To provide incentives for substitution of materials with a more negative carbon foot print (*Recital 7*)
- Emissions from HWP are discounted over time based on first-order decay function by all Member States because the information is available

Content

Account for emissions from **paper, wood panels** and **sawn wood**

For **exported HWP**, default half-life values may be replaced with **country-specific values**

Article 8: Accounting rules for cropland management, grazing land management, revegetation, and wetland drainage and rewetting

Reasons and content

- Accounting of agricultural activities on a mandatory basis: an option in the UNFCCC context, chosen to show higher level of ambition (*Recital 4*)
- Accounting rules applicable on a voluntary basis to the activities of revegetation and Wetland Drainage and Rewetting (*Recital 4*)
- Accounting for emissions and removals from Cropland Management and Grazing Land Management by comparing to base year (*Recital 8*)
- **Reflect emissions and removals** from wetland drainage and rewetting for **all lands drained and rewetted since 1990.**

Article 9: Accounting rules for natural disturbances

Reasons and content

- Need to exclude, under certain conditions, emissions beyond the MS control (Fires, storms, snow breaks)
- Follows the principle in UNFCCC
- Ensuring that the intention of the Durban decision is incorporated in to EU accounting
- Possibility to **exclude emissions from natural disturbances** from **forestry** and **agriculture activities**

3.2 Article 10: LULUCF Action Plans

Reasons

- LULUCF Action Plans to stimulate the mitigation potential of the sector
- Promote best practice as set out by an indicative list of measures (*Recital 12*)
- Commission should evaluate and where appropriate provide recommendations (*Recital 12*)

Content

Adopt LULUCF Action Plans (LAPs) including national information on hotspots of emissions and cost-effective sinks that can be increased.

Include information and measures for all LULUCF activities.

Submit to the Commission **implementation reports** by the mid-point and by the end of each accounting period.

Article 11: Review

Content

The Commission should review the accounting rules **at the latest within a year of the end of the first accounting period.**

Article 12: Exercise of delegation

Reasons and content

Ensure the application of updated essential rules, e.g:

- ***Update definitions e.g. if there are changes in international definitions***
- ***Update reference levels in case there are changes sent to UNFCCC***
- ***Revise half-life default values and first order decay functions in accordance with scientific progress***

Articles 13 and 14: Entry into force and addressees

- Article 13: Decision **proposed to enter into force on 1 January 2013.**
- Article 14: **Addressed to the Member States: Decision, not a regulation** (not applicable to individual economic agents – gives no red tape)

Annexes

- **Annex I: Accounting periods; first** accounting period from [**1 January 2013**] to **31 December 2020**.
- **Annex II: Reference levels** for forest management set **in accordance with Decision 2/CMP.7 (Durban)**.
- **Annex III: First order decay function and default half-life values** for HWP set **in accordance with** guidelines of the **Intergovernmental Panel on Climate Change (IPCC)**.
- **Annex IV: Indicative** list of **measures** to be included in the **LULUCF Action Plans**

Thank you for your attention

http://ec.europa.eu/dgs/clima/mission/index_en.htm