



Council of the European Union
General Secretariat

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WK 8187/2017 INIT

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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on the Environment
Subject:	Non-ETS (LULUCF): follow-up to the WPE on 10 July - UK presentation - Afforestation incentives and the Paris agreement

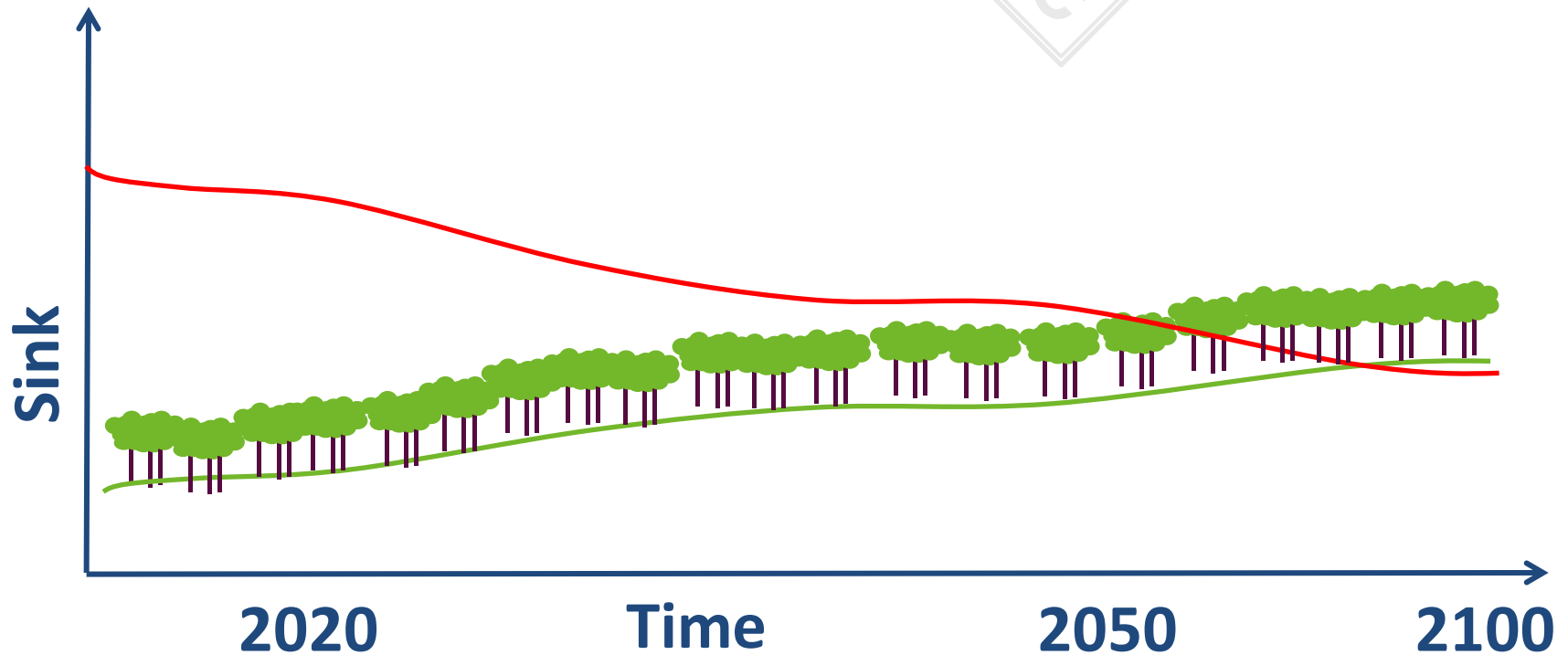
As a follow-up to the WPE meeting on 10 July delegations will find attached the presentation from the United Kingdom on the above.

Afforestation incentives and the Paris agreement

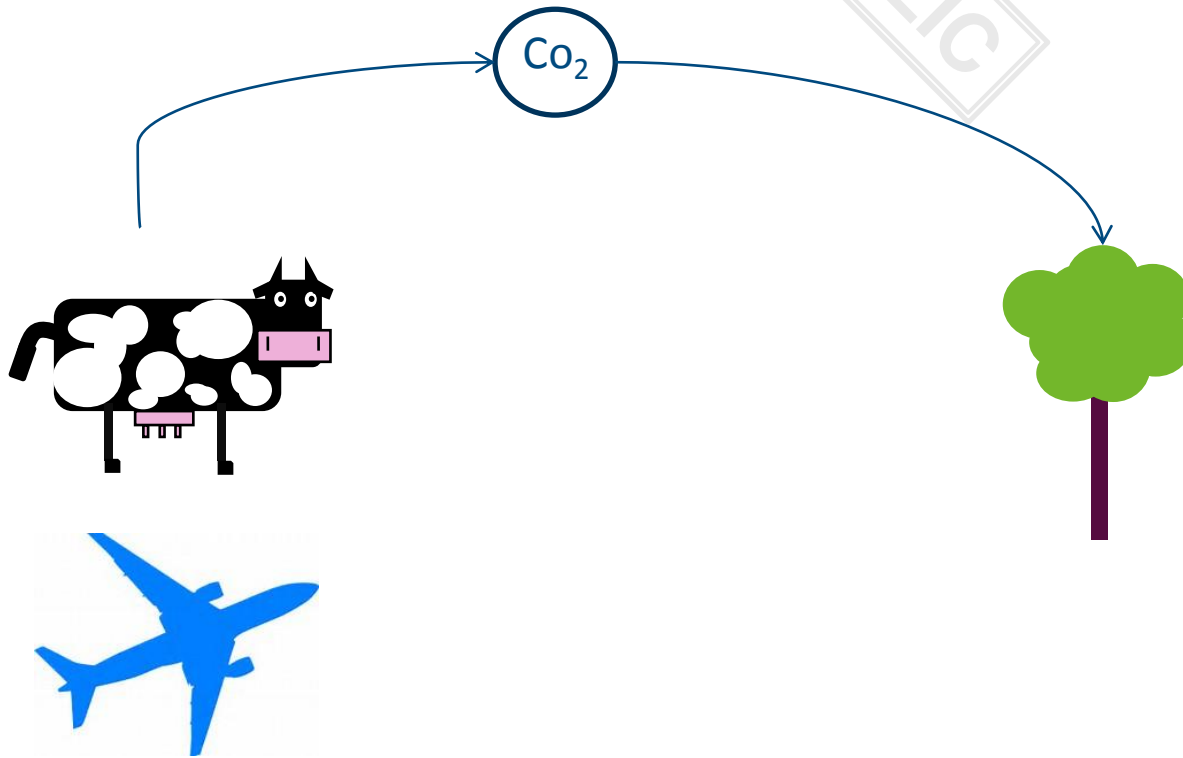
July 2017

UK proposal

Balance sinks and sources by second half of century

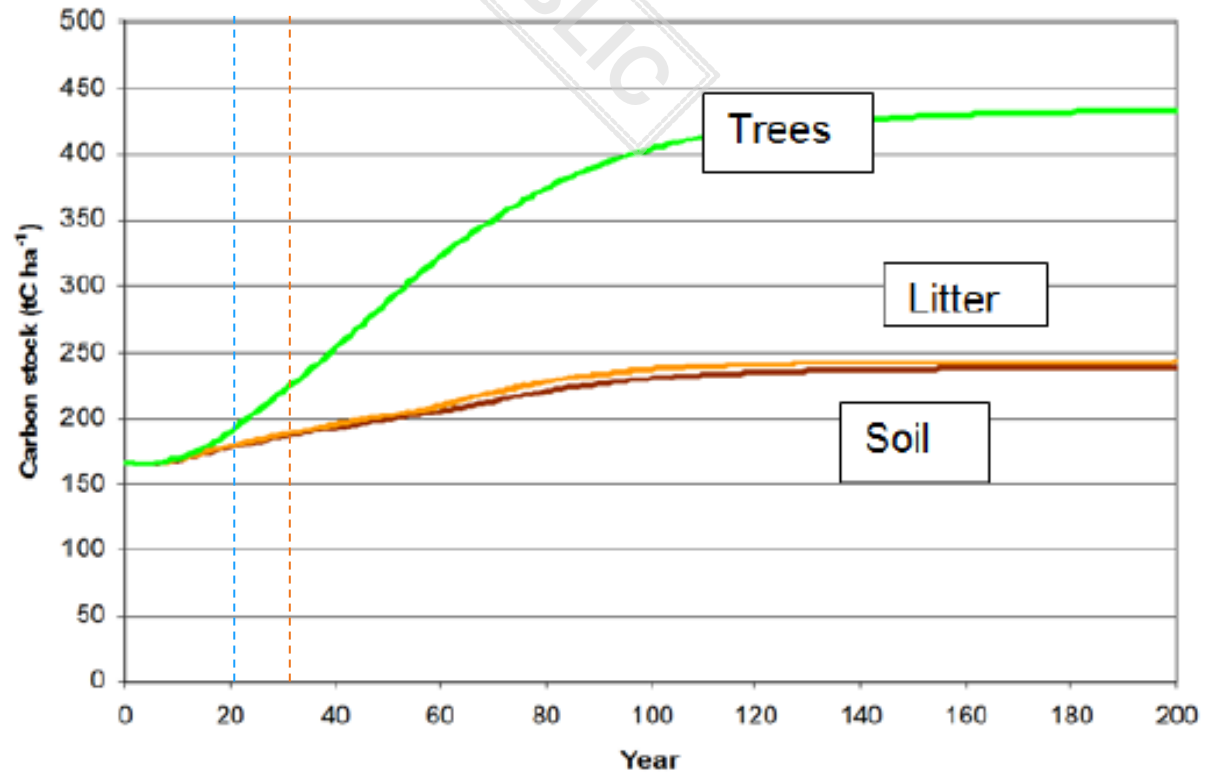
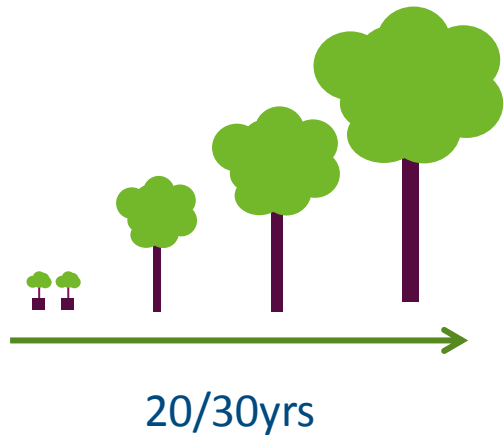


Some sectors are difficult to decarbonise



...so we need negative emissions, we
need LULUCF

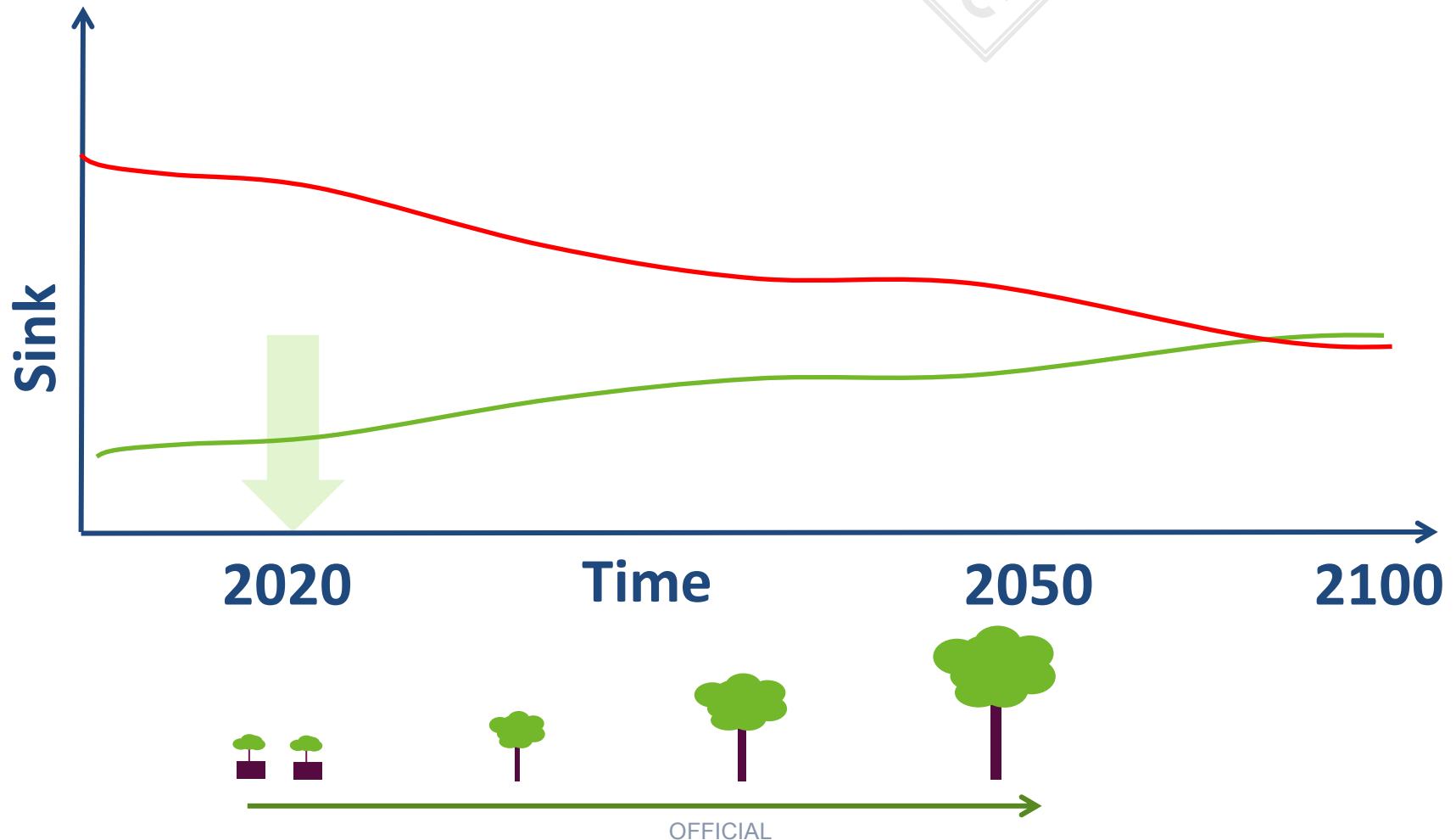
In LULUCF transition afforestation credits last for up to 30 years...



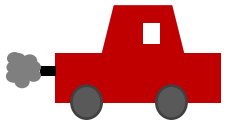
...but the evidence suggests the carbon benefits last much longer

Given lags we need to plant now to enhance longer term sinks...

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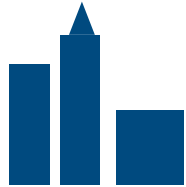


If carbon benefits aren't fully reflected afforestation is artificially less competitive



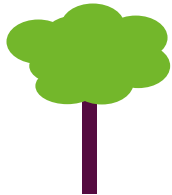
1. Clean up transport e.g. invest in electric charging points etc

€x/tonne Co₂



2. Invest in improving building efficiency

€y/tonne Co₂

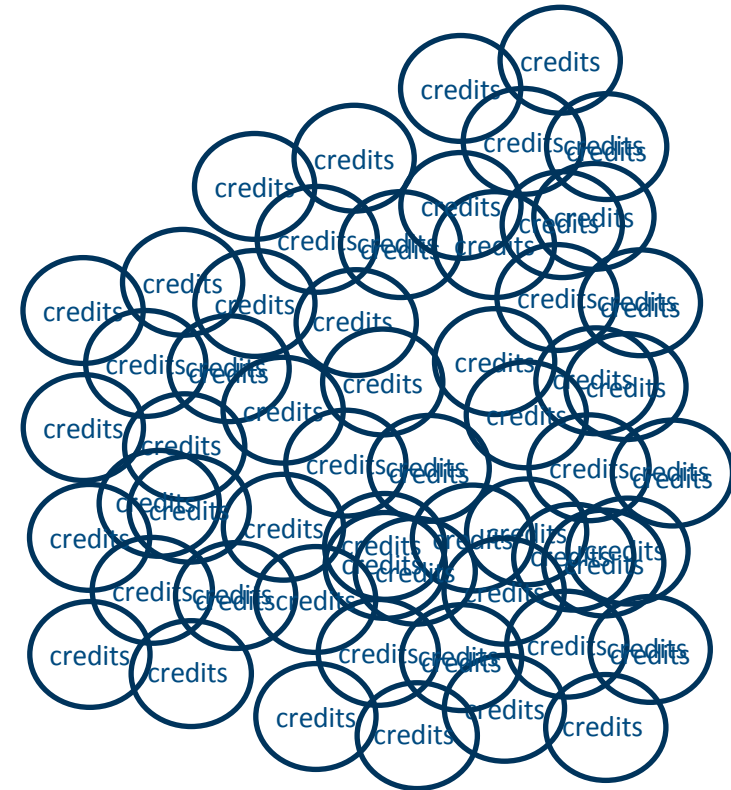
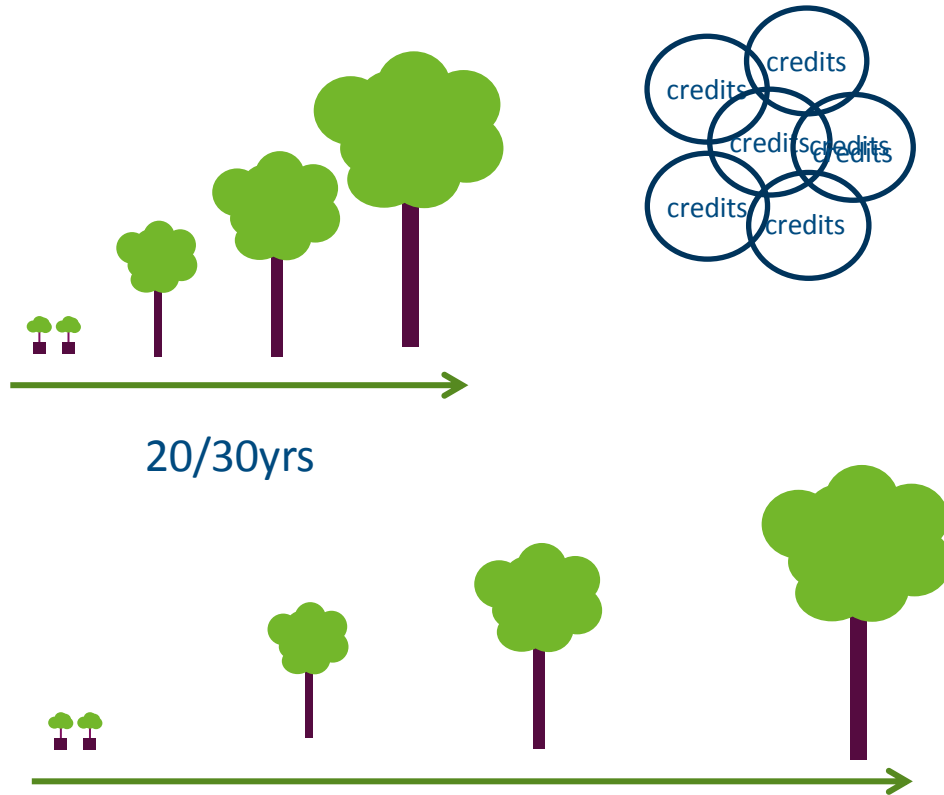


3. Invest in afforestation

€z/tonne Co₂

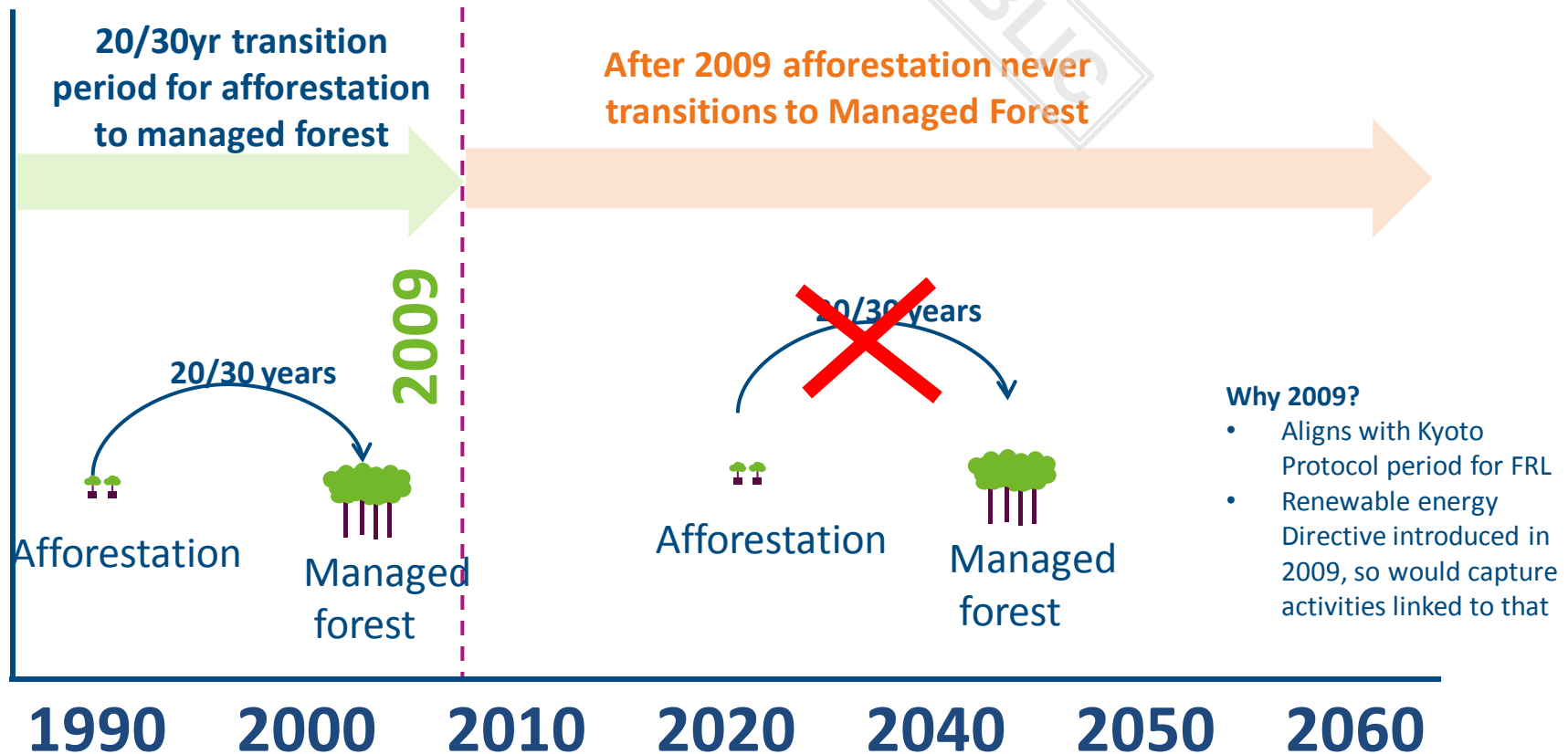
...which means afforestation gets pushed down the abatement cost curve

But extending would generate significant credits for legacy management...



...in turn undermining the integrity of LULUCF accounting

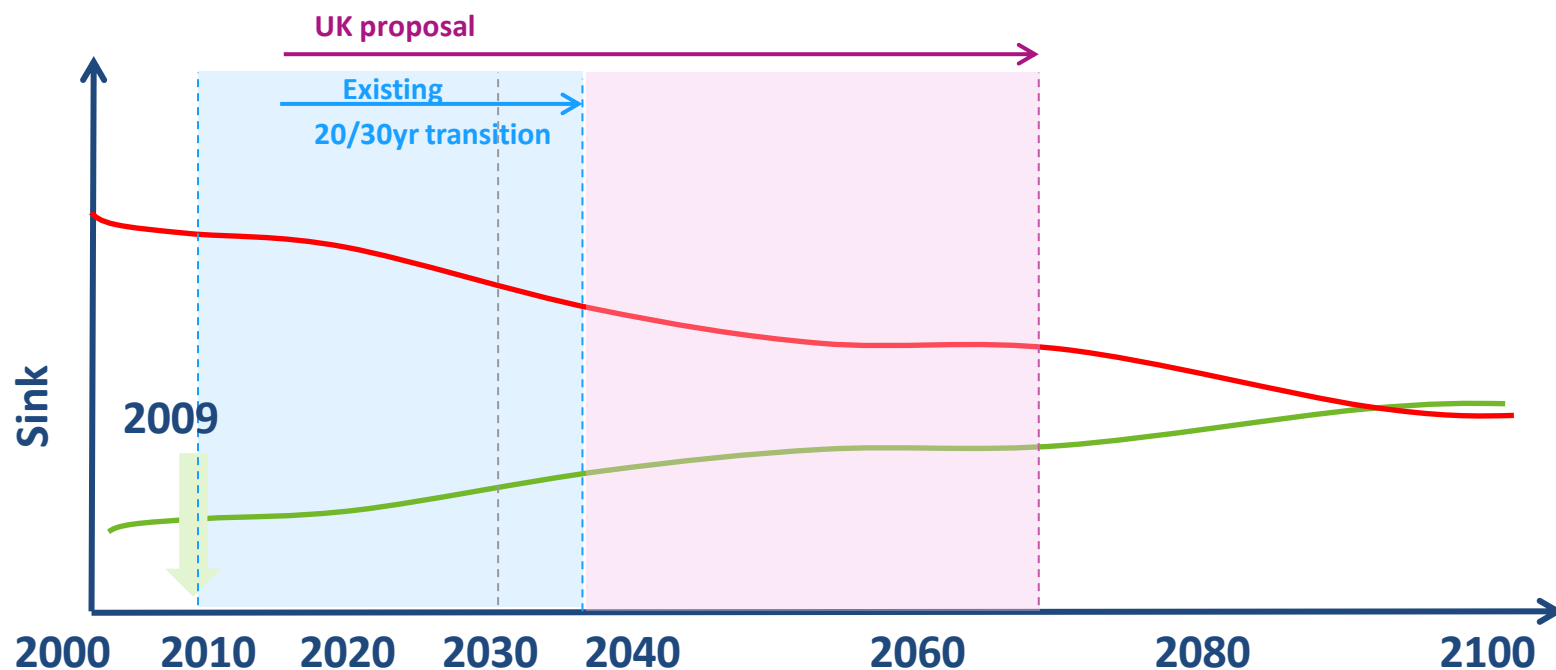
UK proposal: before 2009 afforestation has an up to 30 year transition period....



...after 2009 afforested land does not transition to the managed forest category

What would it do?

- Enhances the longer term incentives to plant forests (so making it more attractive to plant today)
- Retains integrity as is forward looking, applies only to post 2009 afforestation



Enhance incentive & retains integrity

Impacts

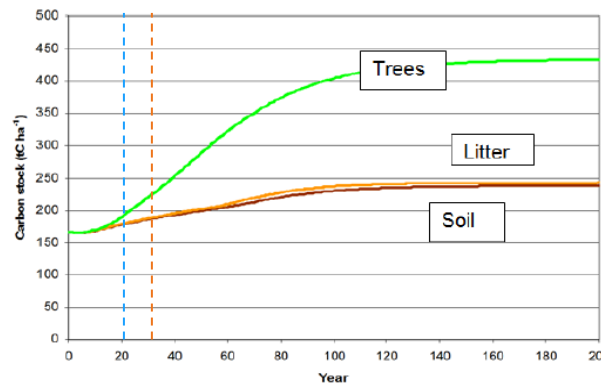
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- Enhances incentives to afforest
- NO LOSERS and NO ADDITIONAL REPORTING
- Retains environmental integrity

Accounting approach



Scientific evidence



**Lowest cost
decarbonisation**

Textual changes

UK non paper: WK 4969/2017 INIT

- **Article 8.3 & Annex IV: Section A:** land falling under the accounting category of afforested land as of 2010 and that is to be transitioned into managed forest land after 20 or 30 years in line with Articles 5(3) and 6(3), shall be disregarded.

- **Recital 9.**

Emissions and removals from forest land depend on a number of natural circumstances, [...] dynamic age related forests characteristics, as well as past and present management practices. The use of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their interannual variation. The relevant accounting rules should instead provide for the use of reference levels to exclude the effects of natural and country-specific characteristics **and to provide incentive to improve carbon sinks in the future.** [...] Forest land managed in a sustainable way normally generates a sink, contributing to climate mitigation. Where the sink is maintained or enhanced, removals would be accounted against forest reference levels to reflect this.