

CONCLUSIONS OF THE CARBON EXPERT MEETING

La Pedrera (Barcelona), 24th October 2016

In the context of the LIFE 11/ENV/ES/535 Operation CO₂ project, the 13 experts listed below met to discuss the outcomes of the pilot project implemented in la Muntanya d'Alinyà regarding potential carbon credits being issued to be traded on the voluntary carbon market. For more detail, the expected results of the pilot project are:

- an increase of the rate of carbon sequestration per hectare by 10%
- and carbon credits being traded at the Voluntary Carbon Offsets Market

After having validated the pilot project under the VCS-CCB standard for ARR by the external validator TÜV-Nord, the initiative has reached the following barriers / situations:

- although there's a potential for forest management to increase carbon stocks, there is a potentially higher level of uncertainty for these activity in EU / Mediterranean forest stands. In the case of this project this caused the exclusion of forest management as a source of carbon credits
- because of the double counting issue, the project faced the impossibility to go through the verification process and be granted carbon credits that third companies can buy under the international voluntary market to compensate their own emissions
- after discussing the issue with the Oficina Española de Cambio Climático (competent authority in Spain), the conclusion was reached that a possible way to value these credits would be through the Registro Nacional de Huella de Carbono and through companies CSR's policies
- the current limited market for EU land related credits is not currently strong enough to incentivise major upscaling of these activities

After discussing alternatives, the participants of the expert panel reflect the following, valid also for other EU initiatives:

- the European Trading System already works for sectors requiring formal offsetting of carbon and at present with the current supply has enough carbon credits
- Some countries have proposed the inclusion of forest carbon credits for trading, although this is complex and has limited support

- It is definitely easiest to focus only on reforestation and afforestation projects as they are easier to measure and to verify and have more impact in the short/medium term
- The CAP discussion post 2021 is likely to increase the sustainability focus including climate action (reducing emissions, increasing sequestration and increased resilience)
- Price of carbon units is closely linked to the level of climate ambition; carbon markets can play an important role in increasing the ambition in the future.

Finally, in order to scale up to other regions and for similar projects, the participants of the expert panel propose the following:

1. In any case utilise the voluntary markets (CSR-related) and where possible go through National registry systems to give more credibility to the exchange of carbon credits/units.
2. Further work is required to address the double counting challenge. Such guidance would help clarify the uncertainty in this area.
3. Broaden up the perspective from carbon-only projects to more inclusive valuation of the activities undertaken like Payment for Environmental Services as erosion prevention, water availability and quality, biodiversity and also social aspects (green jobs).
4. In line of the former point, proactively engage with relevant Government and Regional bodies to ensure that possible consideration in future national or regional Rural Development Programmes. This would allow positive sustainable management activities to incorporate it into relevant national or regional policies or programs.

The participants of the Carbon Expert Meeting were the following:

Jerome Mounsey (EU DG Climate), Marta Hernández (MAGRAMA-Oficina Española de CC), Iñaki Gili and Marta Hidalgo (GenCat-Oficina Catalana de CC), Alexandra Nuske (TÜV-Nord), Teresa Cervera and David Porras (GenCat-Centre de la Propietat Forestal), Maria del Mar Otero (IUCN-Mediterranean), Vanesa Sánchez (Fundación Global Nature), Sven Kallen (Transfer), Salvador Hernández (Univ Valladolid), Miquel Rafa and Xavier Escuté (Fund Catalunya-La Pedrera).

Also contributed to the discussion although not in person: David Antonioli (VCS), Marco Bjiil and Ronald Poppens (FSG).