

Climatic credits to invest in forestry projects (LIFE CLIMARK)

Location

Country: Spain

Scale: Regional

Region: Catalonia

Expected replication in Veneto region (Italy)

Compensated /improved ecosystem services

- Climate regulation (C sequestration, protection of C stocks-avoided emissions, substitution effect)
- Water cycle regulation and water provision: impact of forestry on enhancing water quantity (including water use efficiency by trees) and on maintaining water quality
- Biodiversity

Management

“**Climatic Credits**” is being developed within the **LIFE CLIMARK** project (2017-2021). Its overall purpose is to promote multifunctional forest management for climate change mitigation.

The Catalan Office for Climate Change (OCCC) is currently coordinating the Voluntary Agreements Programme of Catalonia for those seeking a voluntary commitment to reduce its GHG emissions beyond requiring legislation. The aim is to develop a standard methodology, with the maximum international consensus possible which allows for the inclusion of forestry projects into this (or a similar) programme.

The concept of “climatic credit” have been developed, that goes beyond the traditional carbon credit. **Climatic credits** are devised from a holistic approach to forest management –aligned with the newly developed **Climate Smart Forestry** – which i) takes into account the local characteristics of the territory to identify the most cost-effective management options, and ii) applies solutions that capitalise adaptation/mitigation synergies. The search for adaptation/mitigation synergies demands to open the focus beyond **carbon** sequestration, to include other complementary services that are key in achieving adaptation in the European Mediterranean context: **water** and **biodiversity**.

The innovation and challenge of this mechanism is to develop a standard methodology to assess the impact of forests projects on the 3 tackled ecosystem services, and particularly, when the focus is not placed in plantations (which is the common forest project in mitigation PES schemes), but in **forest management of already existing forests**. The proposed mechanism will integrate the following 5 forestry measures foreseen in **Decision 529/2013/UE**, and that are of interest in the region:

- i) opportunities for **afforestation in the Mediterranean**;
- ii) strategic management for **forest fire prevention**;
- iii) **post-fire forestry treatments**;
- iv) **management of productive forests** for biomass, timber and cork; and
- v) forest practices with a positive impact on **edaphic carbon balance**.

The methodologies to be developed will cover the following forest typologies: *Pinus halepensis*, *P. sylvestris*, *P. nigra*, *Quercus Suber* and *Q. faginea*.

The market of climatic credits will be solid, transparent, non-exclusive and supervised by an independent third party. It is expected to have an annual open call for investments.

Stakeholders

Sellers or service providers*:

Private forest land owners and, particularly, local forest owners' associations.

Buyers and beneficiaries of services*:

Private companies through their Environmental and Social Corporate Responsibility, private tourism companies, or carbon emitting companies.

Knowledge providers:

- Catalan Forest Ownership Centre (CPF: Centre de la Propietat Forestal) – Forest public administration
- Catalan Office for Climate Change (OCCC) – Climate public administration
- University of Lleida (UdL - Catalonia)
- Forest Science and Technology Centre of Catalonia (CTFC), based in Solsona
- Consiglio Nazionale delle Ricerche-Istituto per i sistemi Agricoli e Forestali del Mediterraneo (CNR - Italy)

Donors – funding agencies or sponsors:

LIFE programme, co-financed by the partners (OCCC, CPF, UdL, CNR and CTFC)

Intermediaries:

- Catalan Office for Climate Change – Climate public administration – for the credit transaction
- Catalan Forest Ownership Centre (Centre de la Propietat Forestal) – Forest public administration – possibly for the verification of the climate credit calculation provided by the sellers (Not defined yet)

**sellers and buyer companies that are to form part of the climate credit market are currently being identified*

Timeline

Establishment year: first pilot transaction foreseen in 2020

Time horizon: long-term

Status of PES: design phase. The detailed design of the market will be done throughout 2019.

Availability of economic data

Not available yet

References / Source of information

LIFE CLIMARK project (2017-2021) www.lifeclimark.eu

Centre de la Propietat Forestal <http://cpf.gencat.cat/ca/inici/>

Catalan voluntary agreements programme:

http://canvclimatic.gencat.cat/en/politiques/politiques_catalanes/la_mitigacio_del_canvi_climatic/acords_voluntaris/index.html