In the Kyoto framework, LULUCF-based carbon accounting strategies only mobilize and incentivize quite small amounts of carbon sequestration. The division between “forest management” (Art. 3.4) and “Af-Re- and De-forestation” (ARD, Art. 3.3) results in promoting only an exceedingly small share of forest-based carbon sequestration. Due to exclusionary rules (the “cap”), the majority of the Forest Management sector is simply not counted. Likewise, the failure to count carbon sequestered in Harvested Wood Products (HWP) means that HWP-based carbon sequestration and fossil fuel substitution are not adequately mobilized. Further, large forested areas are currently omitted altogether from current LULUCF accounting practices. Finally, many Parties (in particular the EU) do not allow LULUCF carbon removals to count toward Kyoto commitments. A significant share of the LULUCF sector is thus not mobilized in the interest of climate change mitigation and adaptation (Ellison et al 2011).

Can we do better? If LULUCF carbon accounting was improved, would forest owners change their habits? Would Parties be willing to agree to a new LULUCF and carbon accounting framework? What are the obstacles to and the potential gains from reform? What are the costs of inaction? How would reform impact incentives for carbon sequestration, forest management, biodiversity protection and promotion and the efficient and effective use of forest-based resources?

Kerstin Westin and Annika Nordlund – Forest Owner Preferences (Department of Social and Economic Geography, Umeå University, Sweden)

David Ellison, Mattias Lundblad and Hans Petersson – The Incentive Gap – The Magnitude of Missed Opportunities (Institute for World Economics, Budapest, Hungary and Swedish University of Agricultural Sciences, Sweden)

Nora Greenglass and Jason Funk – Fixing a Flawed Approach to Forest Accounting (Woods Hole Research Center, Massachusetts, Environmental Defense Fund, New York)

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