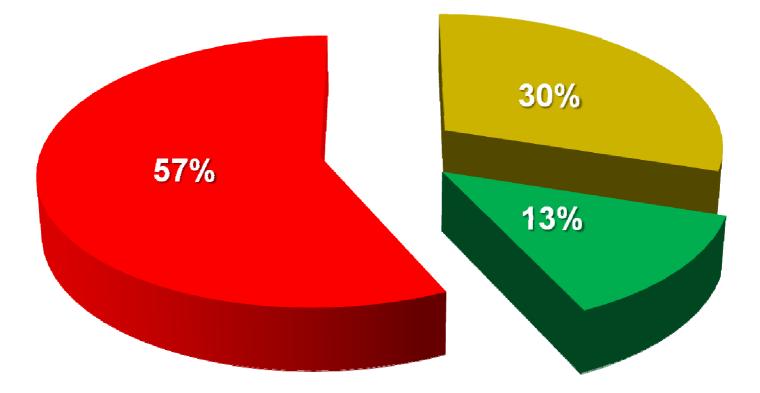
KYOTO OPPORTUNITIES IN DEVELOPMENT STRATEGIES OF RUSSIAN FORESTRY SECTOR

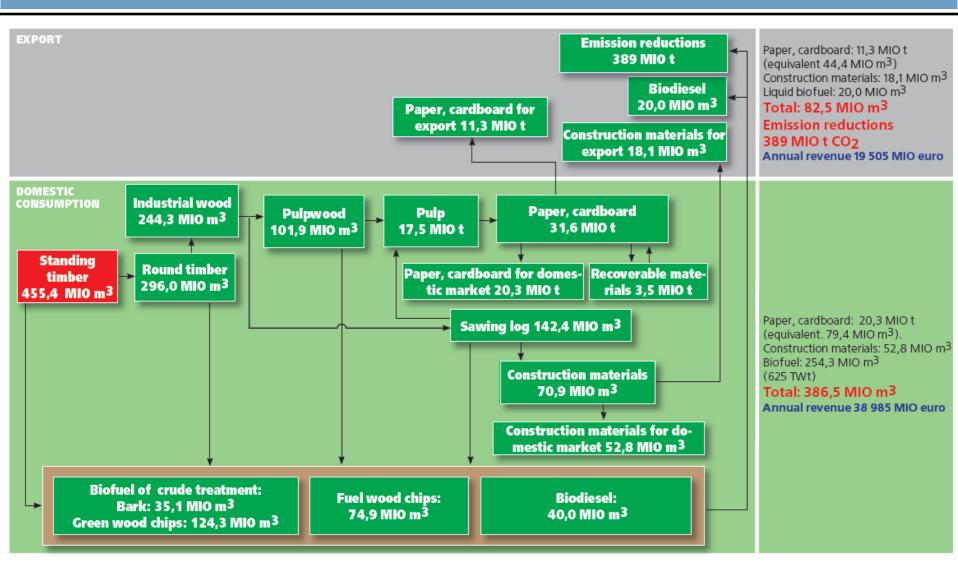
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RAW MATERIAL BALANCE OF RUSSIA'S FORESTRY SECTOR – 2006



Export Domestic consumption Waste

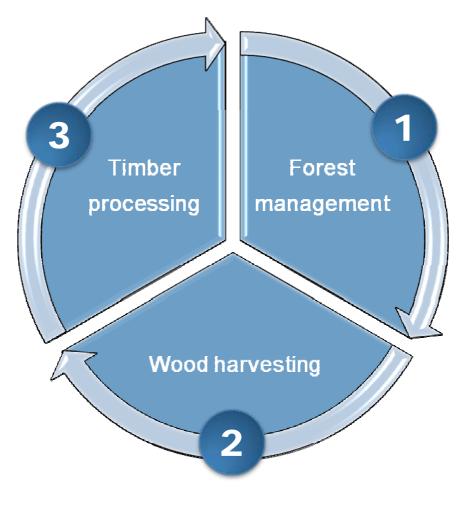
DEVELOPMENT STRATEGY OF RUSSIA'S FORESTRY SECTOR – 2020



Development strategy of the forestry sector deals with climatic opportunities of Russian forests as well as their primary opportunities

KYOTO OPPORTUNITIES IN RUSSIAN FORESTRY SECTOR

Wood residues involvement into timber processing



Development of carbon-absorbing plantations (CAP)

Forest yield intensification

CAPs PROGRAM IDEA

idea

Keynote Expansion of forestry areas due to involvement of unused lands not being covered with forest vegetation during last 50 years for the Russian Federation to meet its quantitative obligations in terms of increase of greenhouse gas absorption

| | Stage 1: 2007-2012 | Stage 2: 2012-2017 | | | |
|--------------------------------------|---|---|--|--|--|
| Regions of Program realization | Oryol region, Nizhni Novgorod region, Orenburg region, Saratov region, Ulianovsk region, Omsk region, Republic of Mariy-El | Kaluga region, Voronezh region, Kostroma region, Tula region, Pskov region, Volgograd region, Belgorod region, Ulianov region, Rostov region, Lipetsk region, Kursk region, Tambov region, Ivanovo region, Novgorod region, Saratov region, Republics of Mordovia, Bashkortostan, Kalmykia, Kabardino-Balkariya, Krasnodar and Altay territories | | | |
| | Total area – 33 962 ha | Total area – 112 800 ha | | | |
| Amount of reduced | 31,9 MIO t CO _{2-equ} | 105,9 MIO t CO _{2-equ} | | | |
| emissions within a period of time | Total 185,6 MIO t CO _{2-equ} during 2007- 2017 | | | | |
| Register of plantations | | | | | |

STAGE 1: 2007-2012

| RF constituent entity | Volumes of plantations development, ha | | | | | Cost of plantations | | |
|----------------------------|--|-------|---------|-------|---------|------------------------|--------|--------------------------|
| Ki constituent entity | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | TOTAL | development, MIO euro |
| Bryansk region | | 500 | 600 | 700 | 600 | 600 | 3 000 | 3,6 |
| Oryol region | | 500 | 500 | 500 | 500 | | 2 000 | 3,4 |
| Republic of Mariy-El | | 800 | 800 | 800 | 800 | 800 | 4 000 | 4,8 |
| Nizhniy Novgorod reaion | 2 500 | 4 000 | | | | | 6 500 | 8,1 |
| Orenburg region | | 1 522 | 2 1 7 3 | 2 266 | 2 2 4 4 | 2 257 | 10 462 | 24,1 |
| Saratov region | | 500 | 700 | 600 | 700 | 500 | 3 000 | 6,9 |
| Ulianovsk region | 1 000 | 1 000 | | | | | 2 000 | 2,4 |
| Omsk region | | 500 | 500 | 600 | 700 | 700 | 3 000 | 5,8 |
| TOTAL | 3 500 | 9 322 | 5 273 | 5 466 | 5 544 | 4 857 | 33 962 | 59,2 |

Carbon-absorption plantations represent significant investment projects which require large areas. Only a government can develop such projects

STAGE 1: 2007-2012

| RF constituent entity | Area, ha |
|-----------------------|----------|
| Bryansk region | 3 000 |
| Oryol region | 2 000 |
| Nizhniy Novgorod | 6 500 |
| Orenburg region | 10 492 |
| Republic of Mariy El | 4 000 |
| Saratov region | 3 000 |
| Ulianovsk region | 2 000 |
| Omsk region | 3 000 |
| TOTAL | 33 962 |



CAP DEVELOPMENT

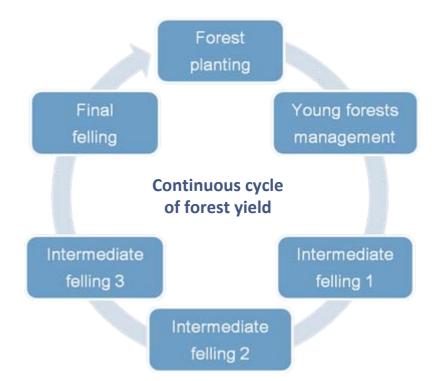
| RF constituent entity | Area, ha |
|-----------------------|----------|
| Kaluga region | 5 000 |
| Voronezh region | 5 000 |
| Kostroma region | 1 000 |
| Tula region | 1 000 |
| Pskov region | 5 000 |
| Volgograd region | 2 000 |
| Omsk region | 5 000 |
| Belgorod region | 3 000 |
| Ulianovsk region | 3 000 |
| Rostov region | 8 000 |
| Lipetsk region | 5 000 |
| Kursk region | 5 000 |
| Republic of | 300 |
| Cabardino-Balkariya | 300 |
| Republic of Mordovia | 25 000 |
| Republic of | 8 000 |
| Bashkortostan | 8 000 |
| Krasnodar territory | 10 000 |
| Tambov region | 3 000 |
| lvanovo region | 3 000 |
| Novgorod region | 5 000 |
| Republic of Kalmykia | 500 |
| Altay territory | 5 000 |
| Saratov region | 5 000 |
| TOTAL | 112 800 |

STAGE 2: 2012-2017



VARIANTS OF FOREST YIELD INTENSIFICATION

- Development of continuous forest management system, including intermediate and main exploitation (final felling which provides plantations digenesis) on a permanent basis
- Global approach to the arrangement, development and management of forestry and forest exploitation



Continuous, inconsumable and efficient forest exploitation results in constant increase of forestry fund quality, rapid plantations growth and, consequently leads to more rapid carbon absorption

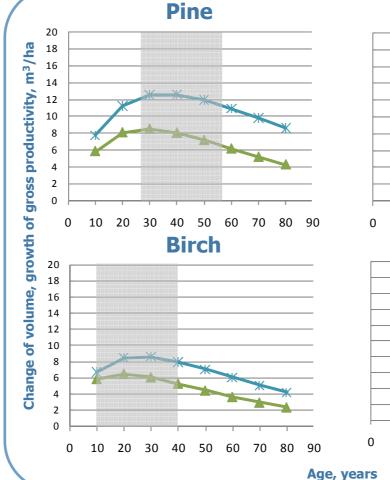
PERIODS OF MAXIMAL PLANTATIONS PRODUCTIVITY

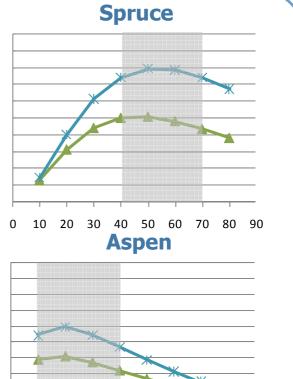
Maximal plantations pro-ductivity can be observed within the period of 40-55 years for coniferous plantations and 10-40 years for broadleaved ones. After that, plantations growth ra-tes significantly decrease

Change of wood
volume, m³/ha per
year

Growth in terms of gross productivity, m³/ha

Period of plantation maximal productivity





20

10

30

40

50

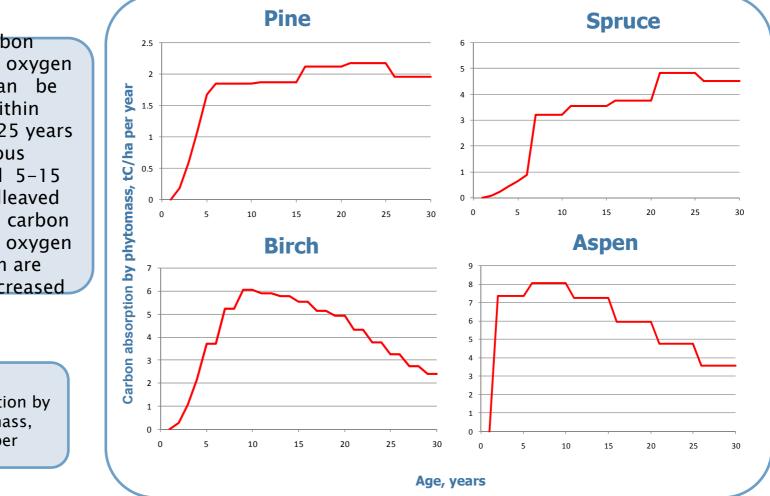
60

70 80 90

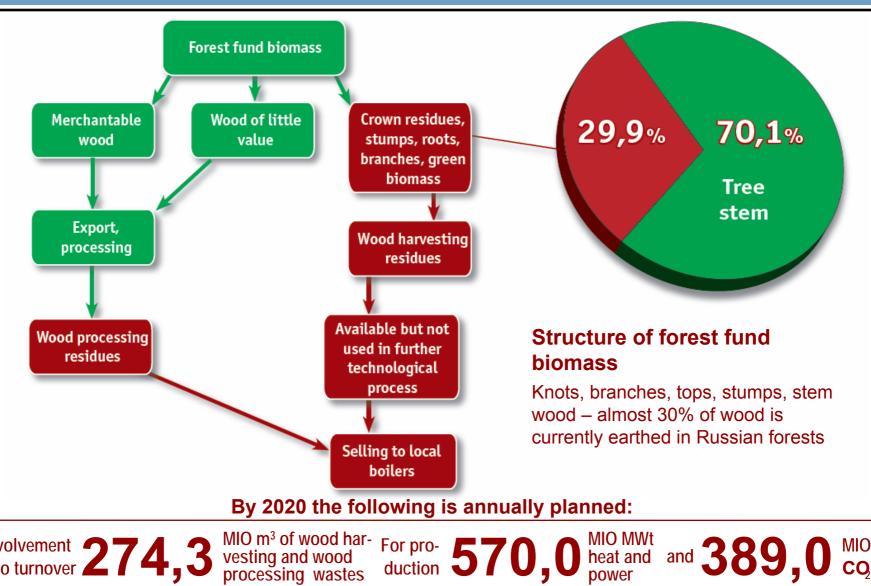
PERIODS OF MAXIMAL CARBON ABSORPTION

Maximal carbon absorption and oxygen precipitation can be observed within the period of 5–25 years for coniferous plantations and 5–15 years for broadleaved ones. After that, carbon ab-sorption and oxygen preci-pitation are significantly decreased

> Carbon absorption by phytomass, tC/ha per year



Involvement 274,3



Bioenergy development provides significant reduction of greenhouse gas emissions 12

MIO MWt

power

MIO MWt heat and and **389,0**

MIO t CO,

3

UTILIZATION OF WOOD RESIDUE IN PROCESSING IN 2020

| Type of residues | Green wood chips | Fuel wood chips | Bark | | For advanced processing | |
|---------------------------------|--|-------------------------|-------------------------|-----------------------|-------------------------|--|
| Volume | 124,3 MIO m ³ | 74,9 MIO m ³ | 35,1 MIO m ³ | 40,0 M | IO m ³ | |
| Products | Heat and electrical energy | | | Biodiesel | | |
| Annual output volume by 2020 | Heat: 456 TWt/h Electrical energy: 114 TWt/h | | | Biodiesel: 8 MIO t | | |
| Domestic consumption | Heat: 456 TWt/h Electrical energy: 114 TWt/h | | | Biodiesel: 4 MIO t | | |
| Export | Annual volume of emission reductions: 389 MIO t CO _{2-equ} | | | | Biodiesel: 4 MIO t | |

For strategy implementation a program "Forest Energy" was developed. The main goal of this program is switch of communal boilers from fossil fuels to green wood chips as a result of wood residues (knots, branches and tops) processing

IDEA OF "FOREST ENERGY" PROGRAM

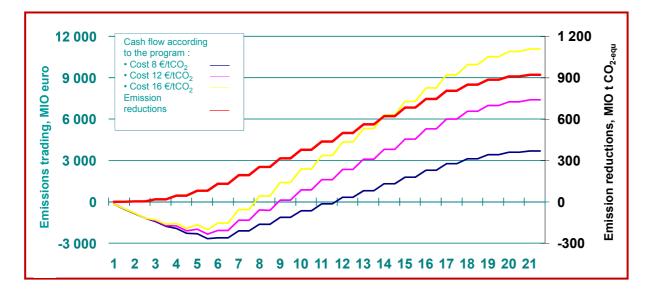
Keynote idea

Reconstruction of communal energy sector objects which are located in RF remote settlements for energy production due to emission reductions selling as a result of switch from fossil fuels to renewable fuel (wood chips)

Objects of Program realization

3

Objects of communal energy sector with aggregate capacity 18 724 MW, operating fossil fuels (coal, peat, blacks, diesel fuel, oil fuel) Emissions922,4 MIO t COreductionup to 2028amount





"FOREST ENERGY" PROGRAM:

TECHNOLOGICAL CHAIN OF WOOD HARVESTING AND RAW MATERIALS USE



Wood harvesting



Collecting and packaging of felling residues

Storage in forests



Transportation to places of consuming



Processing into wood chips, heat and power production



THE NATIONAL REGULATORY FRAMEWORKS FOR THE IMPLEMENTATION OF THE KYOTO PROTOCOL MECHANISMS

IN THE RUSSIAN FEDERATION, IMPLEMENTATION OF THE KYOTO PROTOCOL IS SUPPORTED BY THE FOLLOWING LEGISLATION:

- "On the Ratification of the Kyoto Protocol to the UN Framework Convention on Climate Change" The Federal Law of 04.11.2004 № 128-FZ;
- «The Statute on the Approval and Review of the Course of the Implementation of the Projects Realized in Accordance with the Article 6 of the Kyoto Protocol to the UN Framework Convention on Climate Change», Regulation of the Government of the Russian Federation of 28.05. 2007, № 332;
- "On the Approval of the Order of Formation and Functional Operation of the Russian Registry of Carbon Units", Order of the Ministry of Nature Resources and the Ministry of Economy Development and Trade of the Russian Federation of 07.05.2007 г. № 121/148;
- "On the Approval of Value Limits for Greenhouse Gas Emission Reduction", Order of the Ministry of Economy Development and Trade of the Russian Federation of 30.11.2007 № 422;
- "On the Approval of the Statute on the Commission for the Consideration of the Applications for the Project Activities Implemented in Accordance with the Article 6 of the Kyoto Protocol to the UN Framework Convention on Climate Change» Order of the Ministry of Economy Development and Trade of the Russian Federation of 30.11.2007 № 424;
- "On the Approval of the Methodological Guidance on the Consideration of the Project Documentation and the Rules for Development and Approval of Standard Thresholds for Project Efficiency Targets and Limits" Order of the Ministry of Economy Development and Trade of the Ransary 2016 alfrequired documentation started in Russia and call for bids for climate projects implementation started in Russia

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- <u>abenin@abgroup.su</u>

Deputy Chief of Federal Forestry Agency

ANDREY BENIN

http://www.rosleshoz.gov.ru/english/media

THANK YOU FOR YOUR ATTENTION



MINISTRY OF AGRICULTURE OF THE RUSSIAN FEDERATION FEDERAL FORESTRY AGENCY

Federal State Unitary Enterprise «ROSLESINFORG»

Klishko Alexander Head of Carbon Projects Department

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