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CEPF Position Paper on the proposal for a LULUCF Regulation (COM(2016) 479)

Background

The Paris Agreement recognizes the urgency of climate change and the key role of forests and sustainable forest management in meeting this challenge, contributing both to mitigation and adaptation. At the core of solving climate change lies the need to stop introducing fossil emissions to the atmosphere and move to a fossil-free bioeconomy.

Europe's forest owners are a part of the solution to climate change and the sustainable and active use of forest resources plays an important role in meeting the ambitions of the EU climate and energy policies, e.g. to tackle climate change, improve energy security and promote jobs and economic growth.

To reach these targets, sustainable forest management is needed – providing the triple climate benefit of sequestration of CO₂ in resilient, growing forests; storage of CO₂ in products and; providing a renewable and climate-friendly raw material that substitute fossil- and energy intensive materials and fuels.

Since 1990, EU's growing forest stock has increased with one third, while providing around 90% of the EU timber demand as well as other ecosystem services, biodiversity and recreation¹. Today the EU forests sequester an amount of carbon corresponding to 10% of EU's total emissions each year. The increasing forest resource is a result of decades of hard work and investments into sustainable forest management, allowing increased harvests while maintaining and even increasing the forest resources (carbon stocks) at the same time.

To maintain and increase this great potential, EU policy must promote active forest management and acknowledge the long-term climate benefits of using wood-based products, creating a virtuous cycle to tackle climate change and develop a fossil-free Europe. EU's climate policy should be clearly linked to the bioeconomy.

The concept of sustainable and active forest management and the further enhanced use of wood should be promoted as effective contributions to mitigate climate change and to enhance adaptation and resilience to climate change and disturbances. In synergy with this, the significant contribution of the forest sector to the economic well-being and growth of many European regions, providing jobs and income to millions of EU citizens, particularly in rural areas, can be ensured and increased.

To make this happen, supportive policy framework conditions are needed and the millions of private forest owners, which own and take care of about 60% of EU's forests, should be well recognised as key partners in this policy.

¹ Eurostat 2016, State of Europe's Forests Report 2015



Positive aspects of the LULUCF proposal

1. CEPF welcomes the inclusion of LULUCF as a separate pillar in the climate and energy framework – with national level action and taking the specificities of the sector into account.
2. CEPF supports the Commission’s proposal to avoid double accounting of emissions and removals, hence maintaining and ensuring that biomass use in the energy sector is carbon-neutral, according to IPCC Guidelines.
3. CEPF supports the incentive for afforestation provided by the LULUCF proposal’s possibility to use a limited amount of credits from net afforestation to the ESR.
4. CEPF supports that the Member States have responsibility for reporting and the carbon balance in the Member State is the base for reporting. It is crucial that there are no requirements for the individual forest owner or company.

Changes needed to the LULUCF proposal

The most crucial changes needed to the LULUCF proposal refers to the establishment of the Forest Reference Level, which is the fundament for the accounting and impacts the potential of the forest sector to contribute to climate change mitigation.

1. The proposal gives disproportionate power to the European Commission

The Commission is proposed to have the right to recalculate the estimated national forest reference levels. This should be reconsidered and the forest reference levels should be based on the subsidiarity principle of forest related issues, ensuring a bottom-up approach and national competence and ownership over the development of the forest resource.

2. The Forest Reference Level (FRL) should aim to find the highest possible sustainable harvest level for the period 2020-2030

According to the proposal the new FRLs should be based on the “continuation of current forest management practice and intensity, as documented between 1990-2009 per forest type and age class” (Article 8). The forest is constantly evolving, which is why the period 1990-2009 cannot serve as a reference. The aim should be to find the highest possible sustainable harvest level for the period 2020-2030 and calculations should include the most recent national forest data and policies and take into account the long timeframes in forestry.

Having a FRL based on historical levels risks impeding further wood mobilization for the growing need of the bioeconomy to replace fossil resources. Currently, 60% of the EU forest growth is harvested, and there is potential to increase harvesting levels within sustainability limits. Therefore, it is imperative that MS are encouraged to support sustainable forest management and can sustainably increase their harvest levels.

3. It should be recognised that in order to reach long-term climate benefits, the size of the forest sink may vary over time

Member States should not be sanctioned if harvesting temporarily exceeds the forest reference level, as long as harvesting does not exceed increment in the long term, ensuring that forests remain a net biological carbon sink. Active forest management and wood mobilization supports productive forests and the maintenance of the forest sink in the long term. Restricting the use of forest resources would in the long term results in diminishing sinks due to ageing, slowly-growing forests with carbon saturation and high risk of immediate carbon release due to natural disturbances.

4. Increased use of wood-based products and their substitution benefits should be recognised and incentivised

This would be in line with the Paris Agreement and ensure that the contribution of forests to climate mitigation and adaptation is maintained in the long run. It should be recognized that the substitution of fossil-based products with wood-based products offers a strong potential to decrease the use of fossil resources and maintain carbon storage. The option of including a flexibility to use credits from managed forest land to ESR should be very carefully assessed as it could risk incentivizing the wrong thing, namely reduced harvesting levels in MS, where fossil-emitting industries would see forests as a way to offset their emissions. To avoid undermining environmental integrity and the long-term carbon neutrality goal, wood availability should not be reduced.

The Confederation of European Forest Owners (CEPF) is the umbrella association of national forest owner organisations in Europe. Representing family forestry in Europe, CEPF promotes the values of multifunctional and sustainable forest management, private property ownership and the economic viability of the forest sector. Based in Brussels, CEPF is a non-profit organisation, representing nearly 16 million forest owners. These are private individuals, families and cooperatives, which take care of approximately 60% of the European forest area. For further information, please visit: <http://www.cepf-eu.org/>