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Land use, land use change and forestry - review of EU rules

Fields marked with * are mandatory.

Introduction

The European Green Deal (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52019DC0640), adopted by the Commission in December 2019, has tackling climate change and reaching the objectives of the Paris agreement and other environmental issues at its core. One of its central elements is the 2050 climate neutrality objective, which the Commission proposed in 2018 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0773) and the European Council and Parliament endorsed (see European Council conclusions of 12 December 2019 (https://www.consilium.europa.eu/media/41768/12-euco-final-conclusions-en.pdf); European Parliament resolution of 14 March 2019 (https://www.europarl.europa.eu/doceo/document/TA-8-2019-0217_EN.html); European Parliament resolution of 28 November 2019 (https://www.europarl.europa.eu/doceo/document/TA-9-2019-0079_EN.html)). The Commission has proposed (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020PC0080) to enshrine climate neutrality into EU law. In order to set the EU on a sustainable path to achieve climate neutrality by 2050, the Commission has also proposed an EU-wide, economy-wide net greenhouse gas (GHG) emissions reduction target by 2030 compared to 1990 of at least 55% in its Communication on stepping up Europe's 2030 climate ambition (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0562).

Building on the 'Communication on stepping up the Europe's 2030 climate ambition', and on the existing 2030 legislation, the Commission will review and propose to revise, where necessary, the key relevant legislation by June 2021. This will include a coherent set of changes to the existing 2030 climate, energy and transport framework, notably related to: the EU Emissions Trading System (ETS) Directive, the Effort Sharing Regulation (ESR), the Land Use, Land Use Change and Forestry Regulation (LULUCF), CO_2 Emissions Performance Standards for Cars and Vans, the Renewable Energy Directive and the Energy Efficiency Directive.

This consultation focuses on the revision of the Land Use, Land Use Change and Forestry Regulation (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R0841), which covers the GHG emissions (carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O)) and CO_2 removals caused by the way we manage our land and forests. The Regulation sets out rules to ensure that only human-induced emissions and removals are taken into account in the achievement of climate targets (so-called 'accounting rules'). The consultation will ask views on: the wide set of policy options that can be envisaged to drive mitigation action in the LULUCF sector; the ways to set more ambitious rules for the LULUCF sector; the policy linkages between the LULUCF sector and the agricultural sector.

This public consultation invites citizens and organisations to contribute to the assessment of how to translate the increased EU 2030 emission reduction ambition into upgraded LULUCF rules. The results of the consultation (which will be summarised and published) will inform the Impact Assessment, accompanying the Commission proposal for revising the LULUCF Regulation.

There are (or shortly will be) additional parallel public consultations on the review of the Effort Sharing Regulation, the EU ETS Directive and the CO_2 standards for cars and vans regulation.

Guidance on the questionnaire

This public consultation consists of some introductory questions related to your profile, followed by a questionnaire. **Please note that you are not obliged to respond to all questions in the questionnaire.**

The Commission already held an open public consultation on increasing the 2030 climate ambition, which was open for 12 weeks from 31 March to 23 June 2020. Many high-level questions related to the increased climate ambition were asked in the context of that consultation. The present questionnaire therefore focuses on more specialised and detailed questions on the design of the LULUCF Regulation required to best achieve the revised target.

At the end of the questionnaire, you are invited to provide any additional comments and to upload additional information, position papers or policy briefs that express the position or views of yourself or your organisation.

The results of the questionnaire as well as the uploaded position papers and policy briefs will be published online. Please read the specific privacy statement attached to this consultation informing on how personal data and contributions will be dealt with.

In the interest of transparency, if you are replying on behalf of an organisation, please register with the register of interest representatives if you have not already done so. Registering commits you to complying with a Code of Conduct. If you do not wish to register, your contribution will be treated and published together with those received from individuals.

About you

*Language of my contribution

English

*I am giving my contribution as

Business association

*First name

The Bioenergy Association

*Surname

of Finland

*Email (this won't be published)

info@bioenergia.fi

*Organisation name

255 character(s) maximum

Bioenergia ry - the Bioenergy Association of Finland

*Organisation size

Micro (1 to 9 employees)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register (http://ec.europa.eu/transparencyregister/public/homePage.do?redir=false&locale=en). It's a voluntary database for organisations seeking to influence EU decision-making.

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*Country of origin

Please add your country of origin, or that of your organisation.

Finland

*Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- ○ **Anonymous**
  Only your contribution, country of origin and the respondent type profile that you selected will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.
- ◉ **Public**
  Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

☑ I agree with the personal data protection provisions (https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement_en)

Part I: Mobilising the mitigation and business potential of the land sector and the bio-economy

The sector called Land Use, Land Use Change and Forestry (LULUCF) is important to reach the 2050 climate neutrality target because it can act as a carbon sink (i.e. it can sequester carbon from the atmosphere) and as a carbon storage (i.e. it can potentially store carbon for a long time). It can also contribute to preserving biodiversity, adapting to climate change (by providing ecosystems services that protect against floods and desertification) and avoiding emissions in other sectors (by providing bio-based materials that replace fossil-based ones, e.g. in the construction sector). These land functions are interconnected in a complex system that presents both synergies and trade-offs. Striking a good balance between these functions is important for a thriving bio-economy (i.e. the set of ecosystem services and economic sectors that rely on the land system, such as the primary production sectors and sectors that use and process bio-based materials).

In the European Union, the LULUCF sector sequesters more carbon than it loses to the atmosphere (i.e. it is a net sink). However, the net sink has been steadily decreasing since 2008, and, according to Member States' projections in the National Energy and Climate Plans, this negative trend is set to continue in the next decade. Therefore, we need to **reverse this trend**, while striking the right balance between all land functions, in order to achieve the increased EU climate ambition (at least -55% of net emissions below 1990 levels by 2030 and climate neutrality by 2050).

Among the following drivers behind the decline of the land-based net carbon sink, which are the most important in your view

Please rate from 5 (most important) to 1 (least important). Not all need to be rated.

	1	2	3	4	5
Natural disturbances (weather events, fires, pest outbreaks…) that are caused or accelerated by climate change	○	○	○	○	◉
Unsustainable land management practices impacting carbon stocks and sinks	◉	○	○	○	○
Increase in wood harvests	○	◉	○	○	○
Slowdown in forest growth due to their age	○	○	◉	○	○
Slowdown in afforestation and reforestation activities	◉	○	○	○	○
Conversion of carbon-rich land (deforestation, draining of wetland or peatland), land take and soil sealing (expansion of built-up and artificial areas	○	○	◉	○	○
Use of biomass for bio-energy instead of long-lived products	◉	○	○	○	○
Other...	○	○	○	○	○

Among these potential EU policy approaches to promote climate change mitigation in land-related sectors, which do you think are the most relevant to achieve a higher climate ambition in 2030?

Please rate from 5 (most important) to 1 (least important). Not all need to be rated.

	1	2	3	4	5
EU sets national targets which Member States can achieve in different ways (e.g. Common Agricultural Policy, national forest policies, other national policies)	◉	○	○	○	○

An improved EU framework on monitoring, reporting and verifying emissions and removals	○	◉	○	○	○
Reinforce the creation of relevant EU datasets (e.g. dedicated Copernicus service)	◉	○	○	○	○
EU labels for climate-neutral products or climate footprints	◉	○	○	○	○
EU taxes or subsidies	◉	○	○	○	○
EU market-based policies (e.g. the use of emissions trading for land-related sectors)	◉	○	○	○	○
EU policies to promote more sustainable and healthier diets	◉	○	○	○	○
Other...	○	○	○	○	◉

Please specify:

1,000 character(s) maximum

Forest policy should be determined in Member States. The LULUCF sector already compensates emissions from other sectors and the enhanced 2030 ambition does not automatically imply that LULUCF ambition would need to be changed. The focus of higher ambition must rely on reducing EU emissions from fossil fuel use and other emitting sectors.

An important function of the land is to supply bio-based and renewable materials (wood, ligno-cellulosic products, bio-plastics, bio-chemicals, etc…) that can substitute fossil-based and non-renewable materials. In addition, the LULUCF rules recognise long-lived wood products (e.g. those used in the construction sector) as a form of temporary carbon storage. What is the best policy approach to harness this substitution effect and carbon storage potential?

Multiple answers are possible.

- ☐ Promote carbon storage in wood products via a modification of the LULUCF rules
- ☐ Promote carbon storage in wood products via carbon farming approaches (e.g. using wood products in the construction sector leads to issuing carbon credits that can be sold on voluntary carbon markets)
- ☑ Promote carbon storage in wood products via tax incentives or financial support
- ☑ Support for research and innovation into more sustainable production of woody biomass and more sustainable use of wood-based materials, products and by-products
- ☑ Training (e.g. for land managers, engineers, architects) and awareness raising
- ☑ Other...

Please specify:

1,000 character(s) maximum

It is really strange that the questionnaire does not recognise the substitution effect of bioenergy in the EU, even though bioenergy has been and still is clearly the largest renewable energy source and significantly substitutes fossil-based and non-renewable materials! In addition, bioenergy use can in future be developed towards 1) BECCU and BECCS systems, which can create new temporary and permanent carbon storages and/or enhance substitution, 2) hybdrid systems where bioenergy supports enhanced uptake of other renewable energies. Bioenergy should be based on different kinds of sidestreams e.g. from forestry, forest industry and agriculture.

In which areas should the EU focus efforts to enhance carbon sinks and protect carbon stocks?

Please rate from 5 (most important) to 1 (least important). Not all need to be rated.

	1	2	3	4	5
Afforestation, reforestation, forest restoration	○	○	○	○	◉
Agro-ecology and agro-forestry	○	○	◉	○	○
Bioenergy coupled with carbon capture and storage (BECCS)	○	○	○	○	◉
Soil carbon increase in agricultural lands	○	○	○	○	◉
Protection and restoration of wetland and peatland ecosystems	○	○	◉	○	○
Grassland management	○	○	○	◉	○
Carbon storage in long-lived wood-based materials and products	○	○	○	○	◉
Other...	○	○	○	○	○

How should more ambitious climate action in land-related sectors be financed?

Please rate from 5 (most important) to 1 (least important). Not all need to be rated.

	1	2	3	4	5
Subsidies (e.g. Common Agricultural Policy or national policies)	○	○	○	○	◉
Higher product prices (e.g. via label mechanisms that allow producers to set a higher price)	◉	○	○	○	○
A dedicated EU or national fund	○	○	○	○	◉
Revenues from selling land-based carbon credits	○	○	○	◉	○
Other...	○	○	○	○	○

Part II: Overall policy approach

Which is your preferred policy approach to revise the LULUCF Regulation in view of the increased 2030 climate ambition?

Multiple answers are possible.

- [ ] Strengthen the current LULUCF Regulation and increase its ambition in line with the 2030 Climate Target Plan.
- [ ] Strengthen the flexibility with the Effort Sharing Regulation.
- [x] Combine the emissions from agriculture and LULUCF sectors into a single climate policy pillar with a separate target.
- [x] Other...

Please specify:

1,000 character(s) maximum

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The LULUCF regulation should either be left as is, or - preferably - significantly
revised in order to reflect the new fact that the enhanced 2030 target (fully)
includes LULUCF. If Member States show a large carbon sink they should be allowed
to use it to compensate their own emissions. Many Member States have already set
their own climate neutrality targets. These need to be recognised also in the EU
legislation.
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Part III: Setting more ambitious rules for the Land Use, Land Use Change and Forestry sector

The land use, land use change and forestry (LULUCF) Regulation sets out rules to ensure that only human-induced changes in the net carbon sink are taken into account in the achievement of climate targets (so-called '**accounting rules**'). For instance, the rule for existing forests (which are by far the largest component of the LULUCF sector) is to only take into account changes in the net carbon sink with respect to the sink that would have occurred under the continuation of past management practices; this baseline is called a Forest Reference Level.

If, after the application of these rules, the net sink is larger than in the accounting baseline, Member States generate **credits** which can be used to achieve national emission reduction targets under the Effort Sharing Regulation (ESR); if, instead, it is smaller, Member States generate **debits**. Member States have committed, under the current legislation, to not creating any debits ("**no-debit rule**") - if they do, the other ESR sectors must make a bigger climate effort to compensate for these debits and achieve the national climate targets.

This approach is now being reviewed to make it fit for the higher 2030 climate target of at least -55% and a climate neutral EU in 2050.

In your opinion, should there be more stringent targets for the LULUCF sector?

- ( ) Yes, there should be more stringent targets than the current "no-debit" rule
- ( ) No, continue with the current no-debit rule
- (•) Other...

Please specify:

1,000 character(s) maximum

The LULUCF regulation should either be left as is, or - preferably - significantly revised in order to reflect the new fact that the enhanced 2030 target (fully) includes LULUCF. See above.

In case there would be national targets for the LULUCF sector, what criterion should these targets be based on?

- ○ The Member State's wealth (GDP per capita)
- ○ The Member State's potential to increase the net sink in a cost-efficient way
- ○ A percentage increase compared to the Member State's past net sink
- ○ A percentage increase compared to the Member State's net sink in a baseline that is specific to each land use category (historic baseline for agricultural land, the Forest Reference Level for existing forests)
- ○ The Member State's share of agricultural land, forest land and wetland
- ◉ Other...

Please specify:

1,000 character(s) maximum

A requirement for all Member States to create a net carbon sink amounting to X % of their emissions by 2030. Member States could voluntarily set higher targets. If Member States cannot reach the target domestically, they could finance activities in other MS or purchase and cancel AEAs or EUAs. Mandatory measures would focus on emissions from ETS and ESR sectors.

In the current LULUCF Regulation, emissions and removals from existing forests are compared to a Forest Reference Level. The concept of reference levels was chosen to ensure a smooth transition from a similar concept under the Kyoto Protocol. Should the EU continue with the reference level concept?

- ○ Yes, continue to compare the net sink from existing forests to a Forest Reference Level which is based on the continuation of past management practices
- ○ Yes, continue to use Forest Reference Levels, but harmonise the methodology to establish them across Member States
- ○ No, compare the net sink in existing forests to a historic baseline ("net-net" accounting); such a baseline corresponds to a larger sink than the Forest Reference Level.
- ◉ No, take into account the entire net sink in existing forests, without comparing it to any baseline ("gross-net" accounting)
- ○ Other...

Among these options to reinforce the LULUCF monitoring, reporting and verification (MRV) rules, which are your preferred ones?

Multiple answers are possible.

- ☑ Use more precise emission factors or emission modelling (i.e. tier 2 or tier 3)
- ☑ Use high resolution and wall-to-wall satellite imagery to identify where land use change happens
- ☑ Make the uptake of up-to-date data and advanced reporting methodologies a precondition for flexibilities with other sectors
- ☐ Introduce new requirements to report estimates for all carbon pools and greenhouse gases
- ☐ Reinforce biodiversity, ecosystem and adaptation considerations into the reporting requirements
- ☐ Other...

Part IV: Links between land use and agriculture

EU climate policy covers emissions from agricultural land use under the LULUCF Regulation, and methane and nitrous oxide emissions from agricultural activities under the Effort Sharing Regulation. There is some flexibility between these two Regulations: if a Member State generates LULUCF credits, they can use them to achieve their Effort Sharing target.

The Commission estimates that the agriculture, forestry and other land use sectors, taken together (referred to as “AFOLU” in the technical jargon, and as “the land sector” in the following), could achieve climate neutrality already in 2035. The de facto very close link between agriculture activities and land use is sometimes used as an argument for integrating them more strongly in the climate policy architecture. Conversely, other stakeholders may consider that it is necessary to maintain a separation between emissions from agriculture and removals from the land sector.

How should the architecture of EU climate policy be designed when it comes to agriculture and land use?

- ○ Continue to include agricultural non-CO_2 emissions under the Effort Sharing Regulation; continue to allow for the use of LULUCF credits in the Effort Sharing Regulation up to the current limit.
- ○ Continue to include agricultural non-CO_2 emissions under the Effort Sharing Regulation; increase the possibility to use LULUCF credits in the Effort Sharing Regulation, independent of a change to Effort Sharing Regulation target levels.
- ○ Continue to include non-CO_2 agricultural emissions under the Effort Sharing Regulation; increase the possibility to use LULUCF credits in the Effort Sharing Regulation, but only in case Effort Sharing Regulation targets are increased.
- ◉ Create a new policy strand, which covers agricultural non-CO_2 and land use emissions together.
- ○ Other...

In case there were to be a single policy strand covering emissions from the land sector (agriculture, forestry and other land use), should there then be a specific target for this sector?

- ○ Yes, there should be an EU-wide target, and then Member States should be required to ‘pledge’ their contribution to this target
- ◉ Yes, there should be legally-binding national targets
- ○ No
- ○ Other...

In case there were to be national targets for the land sector (agriculture, forestry and other land use), what criterion should these targets be based on?

- ○ The importance of land-related activities in the Member State’s economy
- ○ The Member State’s potential to achieve climate neutrality in the EU land sector in a cost-efficient way
- ○ A percentage increase compared to the Member State’s past emissions and removals from the land sector
- ○ The Member State’s share of agricultural land, forest land and wetland
- ◉ Other...

Please specify:

1,000 character(s) maximum

A requirement for all Member States to create a net carbon sink amounting to X % of their emissions by 2030. Member States could voluntarily set higher targets. If Member States cannot reach the target domestically, they could finance activities in other MS or purchase and cancel AEAs or EUAs. Mandatory measures would focus on emissions from ETS and ESR sectors.

Additional feedback

Should you wish to provide additional information (for example a position paper) or raise specific points not covered by the questionnaire, you can upload your additional document here.

Please note that the uploaded document will be published alongside your response to the questionnaire which is the essential input to this public consultation. The document is an optional complement and serves as additional background reading to better understand your position.

Please upload your file

Bioenergia_LULUCF_05_02_21.pdf

Contact

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BIOENERGIA

5 February 2021

Position on the Revision of the LULUCF Regulation

The Bioenergy Association of Finland represents the interests of its over 240 member organizations ranging from land ownership to forest and energy companies, as well as technology and research in the field.

General views on Implementation of the EU 2030 Climate Target

With a view to investments in the bioenergy sector in 2020s', the year 2030 is close. Therefore, the Bioenergy Association of Finland believes, **it is unnecessary to reopen all the EU energy and climate legislation on the table in order to achieve the new climate target set in December 2020**. The revisions of the legislations were only recently agreed, and implementation is still work in progress. The more legislations are reopened, the more uncertain the operating environment of the industry becomes. An uncertain operating environment has a negative impact on investment, which is indispensable for the achievement of the required transition. We note that the scenarios explored in the impact assessment have not even considered options, where e.g. the Renewable Energy Directive or the Energy Efficiency Directive are left untouched.

We strongly support that the new EU climate target is mainly targeted by reducing emissions from fossil fuels. The EU ETS needs to be the main vehicle in delivering additional emission reductions, supported by the Effort Sharing Regulation (ESR). Carbon sinks are negative emissions and from the climate perspective desirable. The LULUCF sector already compensates emissions from other sectors and the enhanced 2030 ambition does not automatically imply that LULUCF ambition would need to be changed. The new EU target now accounts for removals in full (unlike the current 40 % target). A large carbon sink in the LULUCF sector thereby implies a large contribution to the common EU target. Similarly, an emission in the LULUCF sector implies a withdrawal from the common EU target. As a consequence**, it is of utmost importance that the Member States are allowed to utilise their own carbon sinks in the respective accounting of emissions to achieve their own climate neutrality targets**.

Specific positions on LULUCF

Forest policy should be determined in Member States. The LULUCF sector already compensates emissions from other sectors and the enhanced 2030 ambition does not automatically imply that LULUCF ambition would need to be changed.

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BIOENERGIA

The substitution effect of bioenergy in the EU needs to be taken into account, as bioenergy has been and still is clearly the largest renewable energy source and significantly substitutes fossil-based and non-renewable materials. Bioenergy should be based on different kinds of sidestreams e.g. from forestry, forest industry and agriculture. Bioenergy use can in future be developed towards 1) BECCU and BECCS systems, which can create new temporary and permanent carbon storages and/or enhance substitution, and 2) hybdrid systems where bioenergy supports enhanced uptake of other renewable energies.

The LULUCF regulation should either be left as is, or – preferably - significantly revised in order to reflect the new fact that the enhanced 2030 target (fully) includes LULUCF. If Member States show a large carbon sink they should be allowed to use it to compensate their own emissions. Many Member States have already set their own climate neutrality targets. These need to be recognised also in the EU legislation.

We do not support continuation of LULUCF accounting with the Forest Reference Level approach. The FRL approach has turned out to be intransparent and difficult to communicate, arbitrary, unfair, and cumbersome. With the new EU 2030 climate target covering the entire LULUCF sink, the entire net sink should be considered also in Member States' accounting through a gross-net approach. This accounting approach is objective, simple, transparent and compatible with the new EU 2030 target. All Member States could transparently show their true contribution for the common EU target with the gross-net accounting approach.

We support a merger of the agriculture sector and the LULUCF sector into an AFOLU sector.

In case it is considered necessary to implement **national targets for the LULUCF sector, they could take the form of a requirement for all Member States to create a net carbon sink amounting to X % of their emissions by 2030.** Member States could voluntarily set higher targets. If Member States were not able to reach the target domestically, they could finance activities in other MS or purchase and cancel AEAs or EUAs.

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