

### **Climate Change Negotiations: Forest Accounting rules should preserve multifunctionality of European Forests**

The Confederation of European Paper Industries (CEPI) represents the interests of the European pulp, paper and board industry to the EU-Institutions. The European pulp and paper industry uses both wood and recycled fibre to produce pulp and paper. Thus, it contributes to climate change mitigation by entailing active forest management and by prolonging the life time of fibre.

CEPI and its members acknowledge the overarching importance of taking action to reduce greenhouse gasses (GHG) emissions. They consider that long-term policies should primarily aim at reducing emission levels.

As stated in the Chapter 9 of the 4th Assessment Report of the IPCC, the forest sector and the forest products in Europe may contribute to lowering the amount of greenhouse gases by:

- Sequestering carbon in the trees and in the soil, through the active and sustainable management of forests
- Storing carbon in harvested wood products
- Providing substitutes to raw materials that can be more harmful for climate and for the environment in general and to fossil fuels for the generation of energy
- Generating renewable energy at the end of the product's life.

Several methods to calculate the impact of forest management have been discussed, among which a reference level (net-net) approach is increasingly being considered. CEPI strongly believes that a capped gross-net approach is the best way to reflect on the forest reality by taking into consideration the actual removals and emissions. It moreover has the advantage of being easy to calculate and report.

If a net-net approach would be the option, preference should be given to a projection rather than to a baseline (such as 1990 or 2005) or an historic reference. In a net-net approach with projections, the accurate, transparent and holistic development of the projections is crucial. Projections must take into account all the today known policies that might impact on the potential role of forests as sinks, especially the contribution of forest biomass to the very ambitious targets on the promotion of the use of energy from renewable sources. The principle of force majeure should be applied, i.e. emissions resulting from forest disasters should not be accounted for.



Equally, the projections should take into account the raw material needs of the European forest industry to produce renewable and recyclable goods for society. To better do so, it is necessary to account as well for the carbon storage in wood and paper products in the national carbon balances, hence fully embracing the various contributions of forests and forests products to climate change mitigation, as they are listed in the 4<sup>th</sup> IPCC Assessment Report.

As far as accounting rules applicable to harvested wood products are concerned, CEPI and its members urge the parties to the UN Framework Convention on Climate Change to take into consideration the following principles:

- Accounting for storage in harvested wood products should be compatible with accounting rules applicable to carbon sequestration in forests, in a way that would avoid any double counting or flaw.
- Data quality should not be an obstacle to the accounting of storage in harvested wood products. On the contrary, the latter should be an incentive to improve the quality of the data.
- Costs generated by the selected accounting method should be proportionate to its expected benefits.
- The privileged method should:
  - be designed in order not exclude traded wood nor create barriers to trade;
  - ensure not to be a deterrent to the use of wood for energy generation (that would be contradictory with the policy engagement of the EU);
  - limit the need for traceability of individual products, that would create a disproportionate burden on the operators.

## **Note to the Editor**

### **CEPI aisbl - The Confederation of European Paper Industries**

The Confederation of European Paper Industries (CEPI) is a Brussels-based non-profit making organisation regrouping the European pulp and paper industry and championing this industry's achievements and the benefits of its products. Its mission is to promote the member's business sector by taking specific actions notably, by monitoring and analysing activities and initiatives in the areas of industry, environment, energy, forestry, recycling, fiscal policies and competitiveness in general. Through CEPI, the paper industry increases its visibility and acts on emerging issues, making expert and constructive contributions on behalf of the industry.

Its collective expertise provides a unique source of information both for and on the industry; coordinating essential exchanges of experience and knowledge among its members, the ability to provide technical assistance to legislators and to identify independent experts on specific issues.

Through its 18 member countries (16 European Union members plus Norway and Switzerland) CEPI represents some 800 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 1200 paper mills. Together they represent 27% of world production.