

## Stringent LULUCF target 2030 could hamper the future development of the Bioeconomy

The European Commission is currently reviewing and possibly revising the rules set in the regulation on the accounting of greenhouse gas emissions and removals from Land Use, Land Use Change and Forestry (LULUCF) to ensure the achievement of the new ambitious EU climate targets.

If the revised LULUCF puts forward more stringent targets for 2030, it might result in favouring sectors that have not yet started their decarbonising path instead of encouraging sectors bringing direct climate benefits.

The European forest and forest-based sector play a key role in reaching the 2050 climate neutrality target while taking care of keeping healthy forests in Europe thanks to active and sustainable forest management.

The contribution of forests as a net sink and the substitution of fossil-based materials and fossil energy with more environmentally friendly alternatives will be essential to meet the 2050 emission reduction challenge.

### All climate benefits of forests and the forest-based sector must be equally accounted and reported

Climate change is driven by the use of fossil fuels, natural carbon sinks and e.g. technologies of carbon capture and storage are mitigating the negative effects by providing carbon removals. Further potential to accelerate removals should be sought by embedding the benefits of substitution of fossil-based materials and energy into the framework of the EU's climate policy and by taking properly into account long-timeframes of forests.

The recent study "[Climate effect of the forest-based sector in the European Union](#)" calculates the "substitution effect" which consists of preventing CO<sub>2</sub> emissions moving away from fossil-based materials and couples it with existing data on process emissions, CO<sub>2</sub> removed by the forest and the CO<sub>2</sub> stored in forest products. The results show that forests and forest-based products remove a net of 806 million tons of carbon dioxide equivalents annually. This corresponds to 20% of all fossil emissions in the European Union.

Fibre-based recyclable materials substitute fossil-based and non-recyclable alternatives. As it comes to harvested wood products, it would be essential to add more categories beyond saw wood, panels and paper. Carbon storage benefits of new innovative products such as textiles should be accounted and reported in order to further boost the uptake of renewable raw materials.

### Simplified accounting and reporting to increase transparency of the framework

The accounting and reporting framework should be simplified, and preference should be given to the gross net approach. In order to reinforce monitoring, reporting and verification, focus should be put on further development of the implementation of the just agreed existing rules. Importance of national forest inventories should be highlighted as [satellite imagery cannot solely provide inclusive information on land use change vs forest management](#).

### Limited flexibilities protect the LULUCF sector against loopholes

Treating forest sink as a compensation for certain "difficult-to-decarbonise" sectors be counterproductive, inefficient and far from fair. Forests are not threatened by sustainable forest-based bioeconomy but by sectors outside forests and the forest-based sector. And most of all: by climate change. The more fossil material we take from underground, the harder the adaptation will become for forests – shaking the foundations of the policy. Therefore, only certain and limited amount of flexibilities between the Effort Sharing Regulation (ESR) and the LULUCF regulation ensures that the sectors having difficulties to decarbonise do not fully rely on CO<sub>2</sub> removals in forests.