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## **CEPF feedback to the Commission’s call on: ‘EU rules on land use, land use change and forestry (LULUCF) – evaluation’**

European forest owners welcome the Commission’s initiative to evaluate the LULUCF Regulation. Forest owners who manage approximately 60% of EU forests play a central role in contributing to the EU-wide climate change mitigation efforts.

The current Regulation positions forests as the most important terrestrial carbon sink, whose steady expansion is required – above other social and economic sustainability considerations. It is important to see the Regulation in connection with the strong need for the transition towards a circular and renewable-based bioeconomy.

CEPF firmly believes that the current approach does not reflect the full potential of LULUCF to climate mitigation, including the urgent need to reduce our dependency on fossil resources, or considering today’s needs for maintaining climate-adapted forests, and ensuring the security of supply of sustainable forest-based materials. The ambitions set out in the current Regulation are extremely challenging to meet for most countries, as the land-use sector is tackling the growing impacts of climate change, such as drought, pest outbreaks, diseases as well as forest fires. The difficulties in other, GHG emitting sectors to meet their targets is also increasing the demand on the forests carbon sink.

The sheer measuring of the expansion of the forest carbon sink and limitation of the harvest in sustainably managed forests destine climate change mitigation goals to come short of societal expectations and legally defined goals. The substitution effect of harvested wood products (HWP), sourced from sustainably and actively managed forests, has paramount importance to steer EU climate policy where meaningful climate change mitigation is a driver and enabler of both the rural economy as well as a circular and forest-based bioeconomy.

The collective architecture of the EU’s future climate change mitigation policy framework is key. The LULUCF Regulation must continue being an important instrument for the land-based sectors and connection to other important climate policy instruments needs to be clarified, such as the Carbon Removal Certification Framework.

Our economy’s shift away from fossil resources needs viable, sustainable alternatives, sourced from domestic, renewable resources as much as possible. The widening horizon of sustainably sourced forest-based materials shows that the European Union can find

feasible and promising alternative materials for its economy, while strengthening its strategic autonomy at the same time.

The current policy approach links forestry with other, GHG emitting sectors through the 'net-zero' rule, positioning forestry to offset other emissions. The dedication of separate goals for each sector, including forestry, could be an incentivising solution, also for ambitious emission cuts in other, GHG emitting sectors.

Reduced harvest rates in sustainably managed forest bring the risks of increasing instable forest carbon stock prone to natural hazards as well as triggering the economic drive to source renewable forest-based products from outside the EU. The focus on carbon stock should also be reconsidered in the light of climate change adaptation: to optimise growth and grow resilient forests amid changing climatic conditions, which can result in temporary drop in carbon stocks. The forest carbon stock's partial shift into the carbon stock of products is an important approach to be considered in the future framework.

The revised LULUCF should be a central instrument, which channels forestry's potential to climate change mitigation, enabling clear and transparent governance in climate change mitigation, with streamlined administrative procedures for forest owners. In a resilient and prosperous rural economy, forest owners are key stakeholders for translating policy goals into meaningful action.