

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

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Name: Shefali Sharma

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

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

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

Drivers of decline in the loss of land carbon stocks and sink and biodiversity must be urgently addressed. Our current forest management and industrial agricultural practices are the primary drivers of carbon loss. Perverse policy drivers, such as incentives for biomass utilisation, must be removed. CAP payments must mandate ecosystem and biodiversity restoration as a central policy with clear targets. It is a myth promoted by current EU policy that old trees stop storing carbon; in fact old trees stock significantly more carbon than younger trees. (See CAN Europe submission for sources). Furthermore, soil carbon is impermanent, easily reversible and not appropriate as a category for accounting under LULUCF. The leading causes of biodiversity decline are agriculture and forestry practices, as outlined in the EEA report on Birds and Habitats reporting and priority must be to regulate emissions from agriculture, preventing deforestation and restoring ecosystems.

2. 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?

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

The EU lacks a proper regulatory framework for promoting natural carbon sinks and protecting biodiversity, hence contributing to a shrinking EU sink. Biodiversity targets remain non-binding. Financial incentives and concrete targets must be enacted to protect and restore nature and enhance sinks, combined with removal of harmful policy drivers that further reduce the land sink i.e. incentives to use bioenergy or classifying manure from large animal farms as “renewable”. Agricultural non-CO2 emissions should remain in the ESR and LULUCF should not be used to offset these emissions. Legally binding targets for the protection, preservation and restoration of natural sinks including EU forests, peatlands, wetlands, grasslands and an agroecological transition for agricultural lands must be created. The transition for peatlands, wetlands, grasslands and agricultural lands must be financially supported through the CAP and National CAP strategic plans.

- 3. 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?**

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

X Other...

Increased use of bio-based products cannot be assumed to automatically lead to substitution of fossil-based products. Rather than aiming to find new uses for wood, the aim should be the shifting of wood use from short lived products (e.g. energy and disposable products) to more long term and cascade uses, and avoiding any further increases in the overall levels of forest harvest. This shift should start from removing the policy and financial incentives for short-lived uses of wood, such as bioenergy. We think that existing incentives for long-lived products are enough. It is important to reduce wood use in general, recycle wood more, and shift from short-lived to long-lived. Furthermore all products will not need to be “replaced”, but rather their initial necessity needs to be re-evaluated to lower the overall use of raw materials.

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

	1	2	3	4	5
Afforestation, reforestation, forest restoration					X

Agro-ecology and agro-forestry					X
Bioenergy coupled with carbon capture and storage (BECCS)	X				
Soil carbon increase in agricultural lands					
Protection and restoration of wetland and peatland ecosystems					X
Grassland management					
Carbon storage in long-lived wood-based materials and products		x			
Other:					X

Protection and restoration of ecosystems is crucial for mitigation, adaptation and biodiversity. Strong binding targets are needed for improving the health and biodiversity of forests and agricultural lands. The EU must undertake a holistic approach to restoring agricultural and grasslands that go beyond counting carbon. Critical indicators include soil health, water retention, biodiversity, dramatic reduction of pollutants which in turn help restore ecosystems and sequester carbon. The CAP must be dramatically revised to enshrine targets for these critical indicators and provide finance accordingly through the CAP and CAP National Strategic Plans. Agricultural non-CO2 emissions should remain in the ESR with clear matching CAP targets for reduction and the LULUCF Regulation should not be used to offset these emissions.

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

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

The IPCC Special Report on 1.5 °C makes clear that emissions must dramatically come down this decade to avert catastrophic climate change. An offset market not only subverts and delays reductions, but provides a major loophole for bad forestry and agricultural practices. Land-based offsets build untenable trade-offs, such as land competition for food and water resources, biodiversity loss and human rights. Ecosystem restoration of peatlands, wetlands, grasslands and agricultural lands must be financially supported through the CAP and National CAP strategic plans. High agricultural prices, not labelling schemes, would free up CAP income support to be targeted towards ecosystem restoration. Another financing option would be a dedicated fund for land-use that channels other industry revenues in a way that does not reduce decarbonisation efforts - the €20 billion per year promised under the Biodiversity Strategy can be used towards climate and biodiversity actions.

Part II: Overall policy approach

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

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.

Combine the emissions from agriculture and LULUCF sectors into a single climate policy pillar with a separate target.

Other...

Climate change is dramatically reducing the ability of oceans and land to serve as sinks. The EU sink is projected to decrease further by 2030. The highest priority for a LULUCF Regulation, must be to dramatically enable the protection and restoration the EU sink, rather than subvert and delay critically needed GHG reductions through an offsetting market. Current Regulation closely links LULUCF with the ESR sector. Thus, action on LULUCF can be (to some extent) used to offset inaction or increased emissions from transport, agriculture and buildings. This is unacceptable as it serves to disincentivise other sectors from decarbonising as necessary. Ecosystem restoration of agricultural lands must be financially supported through the CAP and National CAP strategic plans. Wetlands accounting should begin immediately. Emissions from drained organic soils are among the largest emission sources from the LULUCF sector in many EU countries and thus key categories for GHG reporting.

Part III: Setting more ambitious rules for the Land Use, Land Use Change and Forestry sector

6. 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...

Yes. The 'no-debit' rule allows the EU sink to decline, while the opposite is needed. IATP Europe calls for the EU to set a separate target for removals in the land use sector, consistent with the ecosystem restoration approach set out in the biodiversity strategy, and combined with a set of policies that both incentivise positive action and prevent further emissions and nature degradation. However, agriculture must be kept out of LULUCF and rather have binding targets in the ESR with binding targets for improved soil health, water retention, reduction in pollutants and increased biodiversity through the CAP and CAP National Strategic Plans.

7. 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...

National sink targets should be based on a combination of factors which should be assessed in the impact assessment including: the ecological potential of a member state to increase its net sink, a member state's share of the EU's land sink and a member state's share of the EU's agricultural, forest, and wetlands. Metrics for ecosystem restoration should be included, such as soil health, water quality and retention, reduction in pollutants, biodiversity restoration and climate resilience. In the case of LULUCF targets for agriculture, they must recapture agreed targets in the National CAP Strategic Plans once the CAP is dramatically revised to set clear and ambitious targets and financing for ecosystem restoration.

8. 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, och take into account the entire net sink in existing forests, without comparing it to any baseline (“gross-net” accounting)

Other...

No, the FRL accounting rules for managed forests allow for a significant amount of emissions to go unaccounted for. The current Regulation neither prohibits member states from reducing their carbon sink, nor does it incentivise increasing it. The EU must set a separate and demanding target for removals in the LULUCF sector, consistent with the ecosystem restoration approach set out in the biodiversity strategy. This target should be separate from other sectors (ETS, ESR, agriculture), it should be quantifiable, binding and the units must NOT be interchangeable with other sectors. Tracking progress towards the goal could be similar to the net-net approach, and reward improvements towards the future target compared to a base year or period. The removals of the LULUCF sector must not be used to offset lack of action in other sectors. The removal target needs to be combined with a set of policies that both incentivise positive action and prevent further emissions and nature degradation. (997)

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

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...

There should be no accounting for soil carbon because it is highly impermanent, easily reversible, expensive, uncertain in terms of measurement (see IPCC Special Report on Land) and sets up a terrible incentive for trading it, further delaying and subverting climate action.

Part IV: Links between land use and agriculture

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

Continue to include agricultural non-CO 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 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 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 and land use emissions together.

X Other...

Agricultural non-CO2 emissions should remain and have targets in the ESR. LULUCF should not be used to offset these emissions. Legally binding targets for the protection, preservation and restoration of natural sinks including peatlands, grasslands and an agroecological transition for agricultural lands must be created in the CAP and National CAP strategic plans. The implementation of these targets (emissions reductions and ecosystem restoration) must be financed through a dramatically revised CAP. The ESR targets on agriculture should be enshrined in the CAP—the two regulations must be complementary. The removals in the LULUCF sector must not be used to offset lack of action in other ESR sectors. The removal target needs to be combined with a set of policies that both incentivise positive action and prevent further emissions and nature degradation

11. 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

X Other...

See response to #10. CAP, National CAP strategic plans and ESR are the spaces to set national targets for reduction and ecosystem restoration for agriculture. Offsetting one sector against another disincentivizes other sectors from decarbonising. Under the current climate and nature loss crisis all sectors must do their best effort. IATP Europe believes that the EU should have an ecosystem restoration approach set out in the biodiversity strategy for LULUCF. LULUCF targets should be separate from other sectors (ETS, ESR, agriculture), and the units must NOT be interchangeable with other sectors. The removals in the LULUCF sector must not be used to offset lack of action in other sectors. The removal target needs to be combined with a set of policies that both incentivise positive action and prevent further emissions and nature degradation.

12. 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

X Other...

See response to #10 & #11. CAP, National CAP strategic plans and ESR are the spaces to set national targets for reduction and ecosystem restoration for agriculture. Offsetting one sector against another disincentivizes other sectors from decarbonising. Protection and restoration of ecosystems has to be the primary criteria for any target. Metrics for ecosystem restoration should include soil health, water quality and retention, reduction of air, water, soil pollutants, biodiversity restoration and climate resilience. National agriculture targets (set in CAP and ESR) should be defined by taking into consideration the national structure of the sector (producers, national number of farm animals, feed composition and use, use of synthetic fertilizers, potential in restoring peatlands, adaptation).