



5th March 2015

Your excellency,

At the European Summit in October 2014, Heads of State agreed that the EU will domestically reduce its emissions by at least 40% compared to 1990 by 2030. In the run up to the United Nations climate summit in Paris, the EU should continue to show leadership to tackle climate change by upholding the environmental integrity of the 'at least 40%' target. We therefore urge you to ensure at the Environment Council this Friday that inclusion of the land sector in the EU's Intended Nationally Determined Contribution (INDC) does not undermine the EU's climate target.

Currently, Europe's forests and lands are a net sink, which means that they absorb more carbon than they emit. Including this sector, known as Land Use, Land Use Change and Forestry (LULUCF), in the EU's 2030 climate target of 'at least 40%' weakens this target by between **2.4 per cent to 5 per cent**, depending on accounting rules used.

It is likely that the **40% target would be undermined further** since forest management activities are accounted for in most of the EU's Member States against a business as usual projection. There is little transparency in how these projections are set, so emissions from forest management are mostly not accounted for - while removals are.

The INDC must not be weakened by artificial accounting gains in forest management. We urge you to ensure that the EU's INDC includes a commitment to address the climate impact of the LULUCF sector, but in a way that **preserves the ambition of the emissions reduction target**, and **urge you to support including this text in the EU INDC**.

In addition to ensuring that LULUCF contributes to the EU's climate ambition and environmental integrity, the EU should tackle its impact on deforestation abroad. Data produced by the EU in 2013 showed that **36% of all crops grown on deforested land in international trade are destined for the EU**. We therefore urge you to support an EU Action Plan on Deforestation and Forest Degradation that would tackle the impact of EU trade and consumption of agricultural goods that cause so much deforestation. This could be included in the EU's commitment for the Paris summit.

We attach principles and recommendations for how we believe **LULUCF should be included in EU climate contributions**.

Yours sincerely,

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Principles and Recommendations: LULUCF and the EU climate and energy framework for 2030

Farmlands, wetlands and forests, which cover more than 90% of the EU's land surface, will be harshly affected by climate change. This sector – known as Land Use, Land Use Change and Forestry (LULUCF) – is both a sink and a source of emissions. The United Nations Framework Convention on Climate Change (UNFCCC) has set rules about how developed countries should best measure emissions and removals in this sector. The EU therefore already measures the extent to which their land is releasing or temporarily removing emissions and partly accounts for them as part of their international climate commitments, though the sector is not included in the EU's climate targets.

Across the EU as a whole, the LULUCF sector is presently considered a net sink (it removes carbon from the atmosphere)ⁱ though this masks a picture of environmental degradation, where biodiversity keeps on declining as natural forests are being converted to plantations, ancient grasslands are ploughed and peatlands are degraded. Whilst the EU's forests are a carbon sink, significant emissions are being released from degraded peatlands and other important ecosystems.

The LULUCF sector is fundamentally different from sectors currently subject to greenhouse gas saving targetsⁱⁱ due to uncertainty over measurement data, inter-annual variability and in some cases the long lead times needed for mitigation measures to take effect.ⁱⁱⁱ It is also the only sector where both removals and emissions occur, though these removals are not permanent, since carbon sinks can easily become carbon sources.^{iv}

Also, land is more than simply carbon: forests, wetlands and grasslands have important biodiversity functions, not to mention an essential role in providing food, energy and social and recreational value. Any approach to dealing with LULUCF must not focus solely on mitigation action but on reinforcing and developing EU policies that enhance and protect these ecosystems.

For these reasons, if we are to address LULUCF in the EU's climate framework, addressing these unique attributes of land requires careful attention.

The EU is now discussing whether and how LULUCF should be included in its climate targets for 2030. This paper provides some principles on (1) how to integrate LULUCF in the EU's climate and energy framework and (2) what is needed to tackle deforestation, forest and peatland degradation and other land-use change. These principles are supported by the signatory organisations.

Principles for including LULUCF in the EU climate and energy framework for 2030

1. Ensuring ambition of overall climate framework: mitigation in the LULUCF sector should not be used to displace or reduce mitigation in other sectors.

All action to reduce LULUCF emissions must be done in addition to efforts in the energy, industry and transport sectors. The EU needs to start the transition to a low-carbon society, and LULUCF should not be used as an excuse to delay moves towards this end. The EU's climate framework must encourage countries to both maintain stocks of terrestrial carbon (e.g. by keeping trees standing) and reduce emissions of fossil carbon (e.g. by reducing the carbon intensity of energy production).

2. Environmental integrity: mitigation in the LULUCF sector should incentivise broader environmental benefits – such as improved biodiversity, water quality, animal habitat and soil fertility.

Though the LULUCF sector plays an important role as a carbon sink, it is equally important for encouraging biodiversity and sustaining local communities. Mitigation activities must not jeopardise EU efforts to meet obligations of the Convention on Biological Diversity (CBD) such as halting biodiversity loss by 2020 and of the Convention to Combat Desertification (CCD).

Policy recommendations for tackling LULUCF in the EU

To meet the two stated principles the following policy recommendations are made:

1. LULUCF emissions should be dealt with separately in the EU's 2030 climate framework to avoid the EU's LULUCF sink being used to reduce mitigation effort in other sectors.
2. Rules governing the accounting of LULUCF removals must be transparent, complete, consistent, and be calculated against a historical baseline instead of a projected baseline.^v
3. LULUCF action should prioritise activities that reduce emissions, such as rewetting peatlands. These LULUCF emissions are currently 'drowned out' by the EU's forest sink.
4. LULUCF action should prioritise activities that have environmental co-benefits such as increasing agro-ecological farming practices, forest restoration and rewetting peatlands, rather than cultivating tree plantations which have less biodiversity value.
5. Policies should prioritise addressing the drivers of forest loss and degradation, peatland drainage and land-use changes. For example, the Common Agricultural Policy should end subsidies to unsustainable farming practices and the Renewable Energy Directive should only support the resource efficient use of wood and other biomass resources for energy so that pressure on forests in the EU or globally is not further increased.

Policy recommendations for tackling LULUCF globally

In addition to ensuring that LULUCF contributes to the EU's climate ambition and environmental integrity, the EU must look at the significant impact on forests and land in third countries through trade, finance and consumption patterns. In doing so, it can play a major role in reducing pressure on land and ecosystems globally.

According to research commissioned by the European Commission, the EU was the largest net importer of deforestation embodied in products in the world, significantly ahead of other trading powers like China or North America.^{vi} There are a number of opportunities for policy action that the EU could take, such as setting mandatory standards on imported agricultural goods, and ensuring that the production of those goods does not lead to deforestation or peatland degradation. Most major producers have already set themselves such targets, and joint work could be done to make sure they abide by these targets, whilst taking steps towards making them mandatory. These initiatives should take the form of a new EU Action Plan on deforestation, as set out in the 7th Environmental Action Plan.^{vii} The EU's work on 'land as a resource' is also a key initiative for developing additional policies and reforming existing ones^{viii} and some NGOs are also advocating for an EU Action Plan on Wetland Drainage and Rewetting.^{ix}

A number of recommendations have also been made by a large group of civil society organisations that focussed on (1) ensuring ambition, so that mitigation in the land sector should not undermine

mitigation in other sectors (2) increasing food security and equity, as a priority for developing countries where up to 80% of people rely on smallholder livelihoods and (3) increasing rights, recognising the importance of tenure, usage and access rights.^x It concludes that a comprehensive land use planning approach is needed when looking at mitigation from the land use sector, in order to support sustainable and low-emissions land use decisions and good governance at all levels of land use management. The EU should support and heed these recommendations.

ⁱ The Joint Research Centre (JRC) has estimated that between 2013 and 2020, LULUCF will contribute between -0.5% and -1.8% in the EU, meaning they will be a modest sink of emissions.

ⁱⁱ Sectors currently are capped by two different instruments that make up EU climate legislation, the EU ETS and the ESD. Under the EU ETS, over 11,000 energy-using installations in the power generation and manufacturing industry are capped as well as flights to and from the EU and the three EEA-EFTA states. Under the ESD, emissions related to transport, buildings, waste and non-co2 emissions from agriculture, which mostly come from cattle (methane) and synthetic fertilizer (nitrous oxide).

ⁱⁱⁱ http://ec.europa.eu/clima/policies/forests/lulucf/docs/swd_2012_41_en.pdf

^{iv} Mackey B, Prentice IC, Steffen W, House J, Lindenmayer D, Keith H, Berry S (2013) Untangling the confusion around land carbon science and climate change mitigation policy Nature Climate Change 3

^v For more information about these principles, please see:

http://www.climatenetwork.org/sites/default/files/can_submission_to_adp_on_afolu_principles.pdf

^{vi} To see the full report, download it at the following link:

<http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>

^{vii} <http://ec.europa.eu/environment/newprg/>

^{viii} http://ec.europa.eu/environment/land_use/conference_en.htm

^{ix} UNFCCC decision 2/CMP.7

^x http://www.ciel.org/Publications/LandUse_ADJ_Jun2014.pdf