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The European Forum of Northern Sweden's views on the European Commission's proposal for a revised regulation on Land Use, Land Use Change and Forestry (LULUCF)

The European Forum of Northern Sweden (EFNS) is a network for politicians at the local and regional levels in Norrbotten, Västerbotten, Jämtland Härjedalen, and Västernorrland. The EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed in areas which affect northern Sweden. The EFNS monitors European issues to influence EU legislation, EU strategies, action programmes, and the EU budget. The purpose of the EFNS is to safeguard the interests of northern Sweden, both in the European field and in relation to national level issues with a clear European perspective.

The EFNS supports the EU's goal of becoming climate neutral by 2050 and recognizes the need for decisive actions towards achieving this. The EFNS supports a high-level commitment under LULUCF, which we consider a necessary regulatory tool for reducing climate impact. In this connection, the EFNS would like to share its views on the proposal:

- Erroneous conclusions regarding statistics on harvested forests areas must not be allowed to shape the EU's climate and energy policy
- Swedish forestry shows that it is possible to increase carbon sequestration in forests through active forestry
- Substitution effects of forestry products and other land-based products must not be ignored
- Carbon storage in biomass can be complementary to emission reduction efforts but cannot fully offset fossil carbon emissions
- The proposed increase in carbon sink targets risks resulting into greatly reducing harvested forest areas, thus slowing down climate actions and the development of the forest bioeconomy
- Raw material imports of uncertain origin must be avoided
- A common land sector entails the risk of continued high emissions from agriculture
- Monitoring and reporting should not be extended to other policy areas regulated by other legislation

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Erroneous conclusions regarding statistics on harvested forest areas must not be allowed to shape EU's climate and energy policy

In July 2020, the journal Nature published very surprising and attention-drawing results about a drastic increase in harvested forest areas and volumes in Finland and Sweden (Checcherini et al. 2020). Many researchers questioned the results early on and a newly published study (Breidenbach et al. 2022) shows that the conclusions are in fact incorrect. It is not the harvested forest areas that have increased dramatically after the year 2015 but rather the ability of forest mapping to detect harvested forest areas.

Unfortunately, the Nature article appears to have formed the basis for many forest-related initiatives under the Fit for 55 climate package, a package which can result in major negative consequences for Swedish forestry and, in the long run, for effective climate action. The EFNS underlines the importance of adhering to accurate research results related to climate action and thereby demands that referencing to the erroneous results in the Nature article stops and that existing references are removed.

<u>Swedish forestry shows that it is possible to increase carbon sequestration through active forestry</u> The European Commission bases its beliefs on the premise that carbon sequestration within the EU is decreasing. This may be true for the EU as a whole but does not apply to Sweden as a country. Over the course of a hundred years of active forestry, Sweden has managed to double its carbon sequestration in Swedish forests. This is well documented by the Swedish National Forest Inventory. Maximum climate effects arise when healthy forests grow, given the fact that forest raw materials can be used to substitute fossil raw materials, hence sequestering carbon in its wood products. At the same time, remaining forests and resilient forest ecosystems contribute to the possibility of increasing the forest's carbon storage. From a climate standpoint, it is therefore beneficial to increase forest growth on productive forest land in northern Sweden, as is supported by the newly published study "Sustainable boreal forest management – challenges and opportunities for climate change mitigation" (Högberg et al. 2021) The EFNS stresses that it is active forest management and forestry that has led to increased carbon sequestration. Forest owners are keen to see their assets grow, not shrink.

Substitution effects of forestry products and other land-based products must not be ignored The EFNS strongly opposes the European Commission's proposal for a revised LULUCF regulation which focuses primarily on forests as carbon sinks, without acknowledging forests' role as a provider of sustainable renewable raw materials to replace fossil alternatives. This implies that the forestry sector's full potential for mitigating climate change and for developing the local and regional bioeconomy is not taken into consideration. The potential of carbon sequestration through long-lived forest products is high, as is shown in the Swedish Environmental Protection Agency's report on Swedish carbon uptakes and emissions as part of the LULUCF accounting report. What is not included in the accounts is the substitution effect that occurs when renewable products and renewable fuels are used instead of fossil fuels. The substitution effect implies that the corresponding amount of fossil carbon can remain locked inside the bedrock and will not contribute to the increase in the total amount of carbon into the biosphere. The EFNS warrants high risks of negative trends in climate action if forests are exclusively considered as carbon sinks. The EFNS thus wishes to underline the importance of the substitution effect as part of the climate action.



Carbon storage in biomass can be complementary to emission reduction efforts but cannot fully offset fossil carbon emissions

The release of fossil carbon into the atmosphere poses the greatest threat to our climate. Storing carbon in soil and vegetation cannot fully compensate for the huge need to curb fossil greenhouse gas emissions. However, it is important that forests continue to bind carbon, which they do while growing. Carbon sequestration in growing forests in the boreal ecosystem is likely to be the most cost-effective way of binding carbon from the atmosphere.

Maximum climate benefit is achieved when harvested forest volumes closely correspond to the forests' natural growth. On the other hand, compared to fossil stocks, biomass carbon stocks are temporary as forests are constantly under threat by fires, storms, and insect and fungal infestations. This means that forests can lose their carbon stock function in an instant. Thus, the storage of carbon in biomass can only be regarded as a complementary climate effort.

The proposed increase in carbon sink targets risks resulting into greatly reduced harvested forest areas, thus slowing down climate actions and the development of the forest bioeconomy The EFNS shares the European Commission's assessment in that the EU:s decreasing carbon sink must be addressed. However, the EFNS is critical of the proposed calculation model for Member States' commitment. The proposed Swedish commitment amounts to 47.3 million CO2 equivalents by 2030. According to estimates by the forest industries' interest organization, the carbon sink target would require a significant reduction in harvested forest area of more than 15 %, which would abruptly slow down Swedish climate efforts and the development of the forest bioeconomy.

The potential to increase net removals of CO2 and reduce greenhouse gas emissions within the LULUCF sector varies greatly across Member States. It depends on the natural production capacity of the land and the distribution of the total land area between different land use categories. The EFNS finds that the increased ambition levels towards 2030 should be at a level consistent with the Member States' domestic climate policy framework, which should allow for the development of a bioe-conomy in all Member States.

Raw material imports of uncertain origin must be avoided

Increased ambition levels for the LULUCF sector must not lead to raw materials of uncertain origin or to worse climate performance being imported from outside the EU. Otherwise, measures taken to improve the net sink within the LULUCF sector would not lead to any actual climate improvements on a global scale. A broader system perspective is necessary in order to adopt a holistic approach towards how carbon sequestration in forests, the use of wood products and forest-based bioenergy can contribute to reducing our climate impact.

A common land sector entails the risk of continued high emissions from agriculture

Extending the LULUCF scheme to a common sector for agriculture and forestry (AFOLU) brings with it the risk of lowered ambitions within the agricultural sector to curb greenhouse gas emissions, as well as the risk that highly forested countries with high carbon uptake through forests would need to compensate for emissions in countries with a large agricultural sector.



Monitoring and reporting should not be extended to policy areas regulated by other legislation The Commission's proposal for LULUCF reporting to include information on carbon storage in carbon-rich soils, areas with rich biodiversity, restored soils, and soils at risk of natural disturbances does not improve the quality of greenhouse gas reporting for the LULUCF sector. Such reporting should remain within legislation governing biodiversity instead of being included in legislation on carbon flows. The EFNS considers that the LULUCF regulation should not be extended to cover monitoring and reporting in policy areas regulated by other legislation.

Adopted by the European Forum of Northern Sweden on 25 March 2022

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