

## Post-Paris EU climate policy briefings

*At the Paris Climate Summit, 195 governments agreed to reduce man-made greenhouse gas emissions to zero during the second half of this century and to limit average global temperature rise to 1.5°C. As signatories to the Paris Agreement, the EU and its Member States now need to revise and strengthen their climate and energy policies, and all other relevant policies to make them coherent with the Paris objectives. Our briefing papers provide a top line overview of the processes that will contribute to the needed zero-carbon transformation.*

### Rules for emissions from Land Use, Land Use Change and Forestry (LULUCF)

April 2016

#### What?

The EU current 20% by 2020 greenhouse gas reduction target does not include emissions nor removals (when CO<sub>2</sub> is taken up by plants, trees or soils) from Land Use, Land Use Change and Forestry (LULUCF). When setting the 2020 targets LULUCF was kept separate from other sectors that produce emissions, on the grounds there were too many inherent differences for them to be addressed with the same instrument, such as the issue with permanence and difficulties with accounting land emissions. At the same time LULUCF is included in some EU countries' Kyoto protocol targets. LULUCF accounting rules were slightly improved in the EU with a Decision on accounting rules that was adopted in the EU in 2012.

The European Council decided in October 2014 that LULUCF should be included in the 2030 framework but left it open how that should happen.

In theory there would be number of options how to include LULUCF into the 2030 framework, but in practice the inclusion of LULUCF is very difficult. Currently the European Commission is preparing a proposal in close contact with Members States and has announced to come up with a proposal at the same time as it presents its legislative proposal on tackling emissions from the non-ETS sectors in July 2016.

#### What is at stake?

The Land Use, Land Use Change and Forestry sector in the EU as a whole is a net sink, removing 350 Mt of CO<sub>2</sub> every year. However, the forest management activities that make up almost all of the sinks, are accounted in most of the Member States against a business as usual projection. As a consequence, emissions from forest management are mostly not accounted - while removals are. This is vastly unreliable in terms of accounting for the real effect upon the atmosphere, and therefore inclusion of LULUCF in the EU 2030 "at least 40% domestic" climate target would effectively undermine its environmental integrity. It is essential that the emissions of the LULUCF sector are addressed, but without compromising the reduction efforts in other sectors.

In particular, inclusion of removals from forestry in the 30% by 2030 target for the non-ETS emissions will allow Member States to slow down the necessary reductions in the transport and buildings sectors.

Recently Commissioner Arias Cañete has clearly stated that there will be a possibility to compensate agriculture emissions with sink offsets. Currently the most prominent rumour is that LULUCF will be a separate pillar, but with linkages (flexibility) to the emission reductions in the non-ETS sectors.



## Who are the key players?

**For the European Commission:** Commissioners for Climate Action and Energy Miguel Arias Cañete, for Agriculture Phil Hogan and for the Environment Karmenu Vella and their respective administrations (DG Clima, DG Agri, DG Envi).

**For the European Parliament:** the Environment and Agriculture Committees. Their engagement will depend on the form of the Commission's proposal, which is not clear yet.

**For the European Council:** the Environment and or Agriculture Council, with Member States such as Ireland, Finland and Sweden traditionally in favour of weakening the rules, while France has been a fervent advocate for the most ambitious net-net accounting rules. Again, it is unclear what the form of this proposal will be and how member States will be engaged in the further development of this proposal.

## What has happened, will likely happen and when?

The European Council of October 2014 decided that emissions and removals from LULUCF should be integrated into the 2030 greenhouse gas mitigation framework, the manner in which this would happen would have to be further developed.

Between March and June 2015 the European Commission organised a consultation on addressing emissions from agriculture and LULUCF, in which the Commission proposed three options for the future integration of LULUCF in the 2030 package:

Option 1 — LULUCF pillar: Maintain non-CO<sub>2</sub> agriculture sector emissions in a potential future Effort Sharing Decision, and further develop a LULUCF sector policy approach separately;

Option 2 — Land use sector pillar: Merging the LULUCF and agriculture sector non-CO<sub>2</sub> emissions into one new and independent pillar of the EU's climate policy;

Option 3 — Effort Sharing: Include the LULUCF sector in a potential future Effort Sharing Decision.

The European Commission is expected to come up with a new proposal on the integration on LULUCF in the 2030 package, early July 2016, together with its proposal on the national targets and new legislation for the emissions in the non-ETS sectors.

## CAN Europe's position

It is essential that the emissions of the LULUCF sector are addressed, but without compromising the emission mitigation commitment made for the ETS or non-ETS sectors. Emissions and removals from the LULUCF sector must be treated separately and on top of the EU's at least 40% domestic target.

The use of LULUCF credits in other sectors would destroy any environmental integrity of the system. As LULUCF is a net sink and was not included in the 2020 package, the EU's 2030 target would be significantly reduced if LULUCF credits were allowed to be put in the same basket as emissions from other sectors. Inclusion of LULUCF would lead to lower reduction commitment in the other sectors. Furthermore the current accounting rules for forest management allow emissions to be ignored. LULUCF sector should be covered by a separate reduction target with comprehensive accounting of all GHG emissions and removals from land use and forestry activities including full accounting for emissions from bioenergy. It should be ensured that accounting rules are clear, honest and transparent, allowing real emission reductions, avoiding "hidden emissions".

## For more information, please contact:

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