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The European Commission, The European Parliament, The Swedish Government, The Swedish Parliament, SALAR

EFNS views on the Regulation on inclusion of emissions and uptake of greenhouse gases from land use, changed land use and forestry (LULUCF) in the climate and energy framework to 2030 and on an amendment of the European Parliament and Council's Regulation no 525/2013 on a mechanism for monitoring and reporting emissions of greenhouse gases and to report other information relevant to climate change (KOM 82016) 479 final).

Europaforum Northern Sweden (EFNS) is a network for politicians at the local and regional levels from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed as regards how they affect northern Sweden. EFNS monitors European issues to influence EU legislation, the EU's strategies and action programmes and the EU's budget. The objective of EFNS is to safeguard the interests of northern Sweden both in the European arena and in relation to the national level in matters with a clear European perspective.

BACKGROUND

The Council Conclusions of October 2014 establish that emissions of greenhouse gases shall be reduced by 40 per cent within the EU by 2030 compared with 1990. The emissions goal shall be reached by revised goals in the EU's system for emission rights trading and for the sectors not covered by the EU emissions trading system. Furthermore, the Council's Conclusions establish that the framework of rules for including the sector land use, changed land use and forestry (LULUCF) shall be set before 2020. The significance of the Council Conclusions is reflected in the contributions decided at the national level which the EU submitted to the UN Framework Convention on Climate Change prior to the Paris Agreement.

On 20 July 2016 the European Commission presented a proposal for a regulation that includes greenhouse gases from land use, changed land use and forestry (LULUCF) as a separate part of the EU framework for climate and energy to 2030 and for an amendment of Regulation no 525/2013 on a mechanism for monitoring and reporting emissions of greenhouse gases and for reporting other information relevant to climate change (KOM (2016) 479 final)¹. Together with the EU system for emission trading and a proposal for responsibility-sharing of emission reductions in the sectors not covered by the EU system for emission allowance trading, the European Commission's proposal constitutes the implementation of the EU's overall climate goals to 2030 and commitments under the Paris Agreement.

¹ <https://ec.europa.eu/transparency/regdoc/rep/1-2016-479-SV-F1-1.PDF>



PROPOSAL OF THE EUROPEAN COMMISSION

The starting-point in the Regulation proposal is that each Member State pledge to ensure that net uptake in the LULUCF sector shall not decline or, in cases where net emissions for the sector are reported, that net emissions do not increase. Changed emissions and uptake are reported in accordance with the rules contained in the Regulation and which are different for different types of land such as, for example, arable land and forestry. To manage their commitment Member States may utilise flexibilities. In cases where a Member State reports an increased net uptake, that is to say an excess of emission units, they may be transferred to future years or to other Member States or, to a limited extent, be used to reach the emissions goal under the responsibility-sharing Regulation.

In cases where a deficit of emission units in the LULUCF sector is reported, the Member State can buy emission units from other Member States or transfer emission units from the allocation made under the responsibility-sharing Regulation. Emission units that have been saved from the first period (2021-2026) can be used during the second period (2020-2030)

EFNS – ON THE IMPORTANCE OF THE BIOECONOMY FOR REGIONAL GROWTH AND THE EU’S CLIMATE AND ENVIRONMENTAL GOALS

The bioeconomy in Sweden is estimated to have a growth potential from today’s 5% of GDP to 10-15 % in 2050 and would thereby represent added value of between SEK 500 – 1000 billion. The major bioeconomic additions are to be found in the timber and construction sector, biofuel and chemistry sector and also to some extent in the textile sector and materials (composite). This will lead to a higher rate of employment created all over Sweden in the first instance where the basic commodity is to be found that is to say in northern Sweden and in sparsely populated areas.

Sweden (and also Finland) are world leaders in forestry industry processes and products. There is sound knowledge regarding how trees are processed into different products such as planks, construction material, pulp, paper, packaging material, textiles, etc. For the bioeconomy’s products to be sustainable in the long term and thereby credible in the market it is important that the forests’ values in the form of recreation and biodiversity also continue to be secured. Environmental considerations in today’s forestry, FSC labelling etc. are a strength for the emerging Swedish bioeconomy.

In the four most northern counties in Sweden today, forestry, both the forest industry and forestry holding, employs some 14 000 people and the production value of forestry amounts to SEK 61 billion. The sector’s importance for GDP increases substantially if joinery and wood construction as well as logistic flows are taken into account. In sparsely populated areas the majority of all job opportunities are connected with forestry. The forest is of central importance for a thriving sparsely populated area.



Of the productive land area in northern Sweden 97%² is covered in forest, the major part of which is used.

This means that infrastructure in the form of both roads and investments in forest machinery, logistic flows, etc. is in place. Together with industrial establishments this creates strong value chains. Furthermore, the forest industry has a well-functioning production system in which amongst other things environmental considerations have long been integrated into forestry. In other areas in the world with large forest assets, for example parts of Russia and Canada, this infrastructure is not in place and forestry over large areas is therefore not economically interesting. Here northern Sweden has a major competitive advantage. In the same way the preconditions for northern Sweden to cultivate green forage contributes to sustainable agriculture and also possibilities for bio mass, for example for biogas.

Forestry is not just important for jobs and the economy, it is an essential key to attaining our lofty goals in the environmental area in Sweden and in the EU. Forestry is an important resource in Sweden's climate efforts. Each year forests take up 50 million tons of carbon dioxide and hence compensate for 83 per cent of Sweden's emissions and contribute to the EU's common climate and energy targets as well as the Paris Agreement COP21³.

Forests are a vital natural resource creating the preconditions for biological diversity and people's welfare and health. Forest ecosystem services contribute benefits which man gets from nature such as pollinating insects, water purification, natural pest control or the formation of fertile soil for production of food. We therefore need areas of untouched forest.

² The surface area of northern Sweden is 222 564 km²: the area is larger than Belgium, Holland, Ireland, the Czech Republic and Malta together. The area for these countries is 221 526 km².

³ Swedish Environmental Protection Agency: National emissions and uptake of greenhouse gases 1990-2015: <http://www.naturvardsverket.se/Samar-miljon/Statistik-A-O/Vaxthusgaser-nationella-utslapp-och-upptag-1990-2015/>



EFNS VIEWPOINTS

The forestry-based bioeconomy is an important development area. EFNS sees great opportunities for increased regional growth at the same time as major environmental gains can be realised throughout the EU. Northern Sweden has good chances of becoming a good example in the EU of how a developed bioeconomy can be combined with economic growth and environmental considerations.

- EFNS would like to call to mind the bioeconomy's importance and chances for the environment that a reduced use of fossil materials means and the major growth opportunities this can create for northern Sweden. An active use of forests enables an increased uptake of carbon dioxide which together with emission reductions from energy production and transport as well as energy efficiency counteract climate change.
- EFNS considers it important that the emergence of the bioeconomy in the EU should be long-term, sustainable and responsible in which the natural values and biodiversity of forests continue to be secured in the EU.
- EFNS welcomes the European Commission's LULUCF proposal which means a target and system of rules for emissions and uptake from land use and forestry within the EU's climate and energy framework of rules to 2030 and important parts of the EU's implementation of the Paris Agreement, COP21.
- EFNS considers measures in LULUCF are formulated in such a way that they do not hamper possibilities of an increased and in the long term sustainable production of bioenergy, food and low-carbon materials from land use and forestry.
- EFNS underscores how important it is that Member States continue to take decisions on how raw materials from the forest should be handled and oppose the introduction regulations that imply limitations for Member States concerning how forest may be used.
- Hence, regarding the LULUCF proposal concerning the reference level for forestry, and based on the uncertainty associated with measurements of emissions and uptake of greenhouse gases in the LULUCF sector, EFNS considers regulations should allow all Member States to choose between different approaches established in the Regulation for how the reference level should be estimated.
- EFNS considers it important that the EU continues to have a high level of climate ambition and in order to ensure sufficiently high pressure for conversion within effort-sharing, it is proposed that the so-called flexibility in the proposal from the LULUCF sector attributed to the effort-sharing Regulation be decreased from the proposal's 280 million tons to at most 140 million tons so as not to create an excess of emission units.



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