NSPA Steering Committee
28. April, 2022

Northern Sparsely Populated Areas' (NSPA) views on the European Commission's proposal for a revised LULUCF regulation

The Northern Sparsely Populated Areas network, NSPA, represents the interests of the four northernmost regions of Sweden (Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland), the seven eastern and northernmost of Finland (Central Ostrobothnia, Kainuu, Lapland, North Karelia, Northern Ostrobothnia, Pohjois-Savo and South Savo), as well as the two northernmost regions of Norway (Nordland, Troms & Finnmark).

The NSPA Position

The NSPA supports the EU's goal of becoming climate neutral by 2050 and recognizes the need for decisive actions towards achieving this. The NSPA supports a high-level commitment under LULUCF, which we consider a necessary regulatory tool for reducing climate impact.

In this connection, the NSPA would like to share its views on the proposal:

- The current war situation in Europe has an effect on energy security, and therefore the LULUCF regulation should be re-examined in this new light
- Only correct information on harvest levels should shape the EU's climate and energy policy
- Swedish and Finnish forestry show that it is possible to increase carbon sequestration in forests through active forestry
- The substitution effect of products from forests and land should be increasingly emphasized
- Carbon storage in biomass is a complement in the work on emission reductions but cannot compensate for fossil carbon emissions
- Raw material imports of uncertain origin must be avoided
- Monitoring and reporting of LULUCF should remain only within the legislation governing carbon flows

<u>The current war situation in Europe has an effect on energy security, and therefore the LULUCF regulation should be re-examined in this new light</u>

As the aim of REPowerEU is to get Europe independent from Russian fossil fuels before 2030, the measures affecting bioenergy should be reconsidered. Sustainably produced bioenergy from the boreal forests can support the aim of energy independency from Russia, increase resilience of the EU-wide energy system, as well as contribute to climate change mitigation.

<u>Only correct information on harvest levels should shape the EU's climate and energy policy</u>

In July 2020, the journal Nature published very surprising and high-profile results on a drastic increase in felled areas and volumes in Finland and Sweden (*Checcherini et al.; Abrupt increase in harvested forest area over Europe after 2015*). Many researchers questioned the results early on and in a completely newly published study (Breidenbach et al.; Harvested area did not increase abruptly—how advancements in satellite-based mapping led to erroneous conclusions) the results in

the Nature article are now shown to be incorrect - it is not the fellings that have increased dramatically since 2015, but the ability of forest maps to detect these fellings.

Unfortunately, the Nature article seems to be the basis for many initiatives linked to forests within the framework of the Fit for 55 climate package, which risks causing major negative consequences for Nordic sustainable forestry and, in the long run, for effective climate work. NSPA underlines the importance of responding to accurate research results in climate work and calls for references to the incorrect results in the Nature article to be discontinued.

Swedish and Finnish forestry show that it is possible to increase carbon sequestration in forests through active forestry

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 NSPA stresses that it is the active forest management and forestry that has led to increased carbon sequestration. Forest owners are keen to see their assets increasing, not decreasing.

The substitution effect of products from forests should be increasingly emphasized

NSPA strongly opposes that the European Commission's proposal for a revised LULUCF regulation is focusing primarily on forests as carbon sinks and not taking into account their role in providing sustainable raw materials to replace fossil alternatives. This means not taking into account the full potential of the forestry sector in terms of mitigating climate change and developing the local and regional bioeconomy. The binding of carbon through long-lived products from the forest is large, as shown by the Swedish Environmental Protection Agency's report of Swedish uptakes and emissions in the LULUCF report. What is not included in the accounting is the substitution effect that occurs when renewable products and fuels are used instead of fossil fuels. The result of the substitution is that the corresponding amount of fossil carbon can continue to stay in the bedrock and not contribute to the increase in the total amount of carbon in the biosphere. NSPA sees great risks of negative trends in climate work if the focus is exclusively on forests as a carbon sink, and therefore NSPA underlines the importance of the substitution effect in climate work.

Carbon storage in biomass can be a complement in the work on emission reductions, but cannot compensate for fossil carbon emissions

It is important to ensure that forests continue to bind carbon. Forests absorb carbon dioxide as they grow, but compared to fossil stocks, carbon stocks in biomass are temporary. They are constantly threatened by fires, storms, insect and fungal infestations and can then at one stroke lose their function as carbon stocks. It is the release of fossil carbon that poses the greatest threat to our climate. Storing carbon in soil and vegetation can never compensate for the great need to address the emissions of fossil carbon into the atmosphere.

Raw material imports of uncertain origin must be avoided

The increased levels of ambition in the LULUCF sector must not lead to the import of raw materials of uncertain origin or poorer climate performance from outside the EU. This could mean that the measures taken to improve the net sink in the LULUCF sector do not lead to any real improvements for the climate globally. A broader system perspective is needed to take a holistic approach to how carbon sequestration in forests, product use and bioenergy from the forest can contribute to reducing climate impact.

Monitoring and reporting of LULUCF should remain only within the legislation governing carbon flows

The Commission's proposal that the LULUCF reporting should include information on the conservation of carbon in carbon-rich soils, areas of high biodiversity, restored soils, and soils at risk of natural disturbances does not improve the quality of reporting of greenhouse gases in the LULUCF sector. Such reporting should remain within legislation governing biodiversity, not within legislation on carbon flows. NSPA considers that the LULUCF regulation should not be extended to monitoring and reporting in policy areas governed by other legislation.