



EUROPEAN FOREST INSTITUTE

# EU climate policy and forest-based sector

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# Outline

1. What can the EU forest & forest sector do for climate change mitigation?
2. What should be done to realize the EU forest sector mitigation potential?
3. European Commission proposal 20 July 2016: how the LULUCF sector will be included into the EU climate policy framework?
4. Key messages



## Principal sources

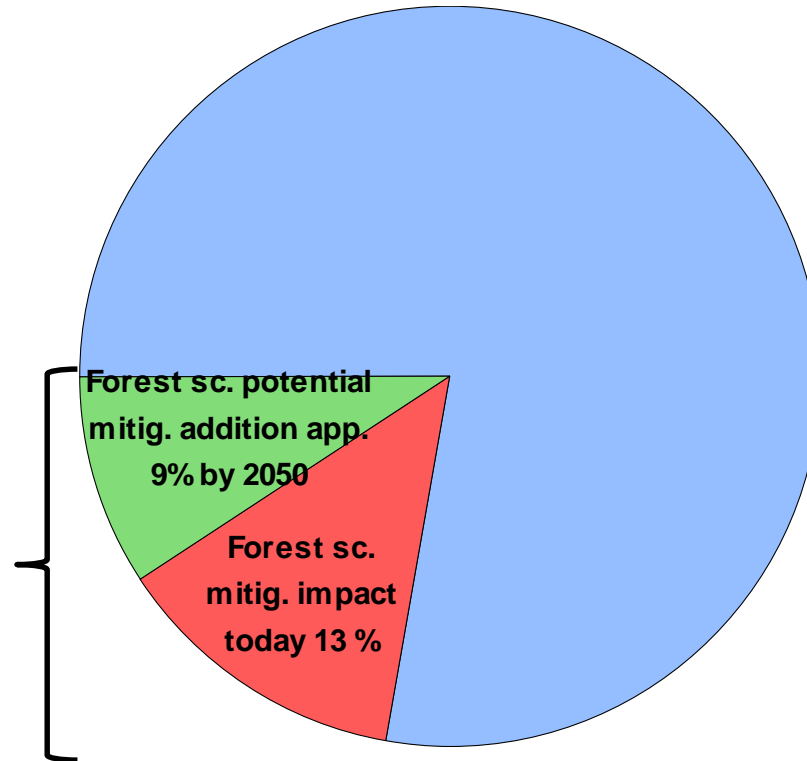
Gert-Jan Nabuurs, Philippe Delacote, David Ellison, Marc Hanewinkel, Marcus Lindner, Martin Nesbit, Markku Ollikainen and Annalisa Savaresi. 2015. *A new role for forests and the forest sector in the EU post-2020 climate targets*. From Science to Policy 2. European Forest Institute.

Nabuurs, G.-J., Delacote, P., Ellison, D., Hanewinkel, M., Lindner, M., Ollikainen, M. & Hetemäki, L. 2016. *European Climate Smart Forestry (submitted manuscript)*.

# Estimated EU forest & forest sector mitigation potential relative to total EU CO<sub>2</sub> emissions

The EU total CO<sub>2</sub> emissions in 2012

It is estimated that an equivalent of 22 % of the total EU CO<sub>2</sub> emissions in 2012 could be potentially mitigated by forest & forest sector by 2050



*The forest sector can play a major role!*

Estimates based on:

Nabuurs, Delacote, Ellison, Hanewinkel, Lindner, Ollikainen & Hetemäki. 2016. European Climate Smart Forestry. (submitted manuscript)

# Where would that additional 9% mitigation potential come from?

Main forest management measure	Sub measure	Mitigation effect $Mt CO_2 a^{-1}$
<b>Improved forest management</b>		<b>170</b>
	Fullgrown coppice	57
	Enhanced productivity & improved management	37
	Reduced disturbances, deforestation, drainage	35
	Material substitution wood products	40
<b>Forest area expansion</b>		<b>70</b>
<b>Energy substitution</b>		<b>144</b>
<b>Establish forest reserves</b>		<b>64</b>
<b>TOTAL</b>		<b>448</b>

Estimates based on: Nabuurs et al. 2016.



# What should be done to realize this mitigation potential?

Climate Smart Forestry (CSF) (*Nabuurs et al. 2015, 2016*):

- Use **triple S impacts** – *sink, substitution and storage*
- Create new policy incentives (*more detailed list give in studies*)
- Country differences: tailoring policies and incentives at the regional level – *one size does not fit all* (*see next slides!*)
- Finding synergies between climate and other benefits (*e.g., bioeconomy, biodiversity, recreation*)
- Strive to conciliate mitigation with adaptation

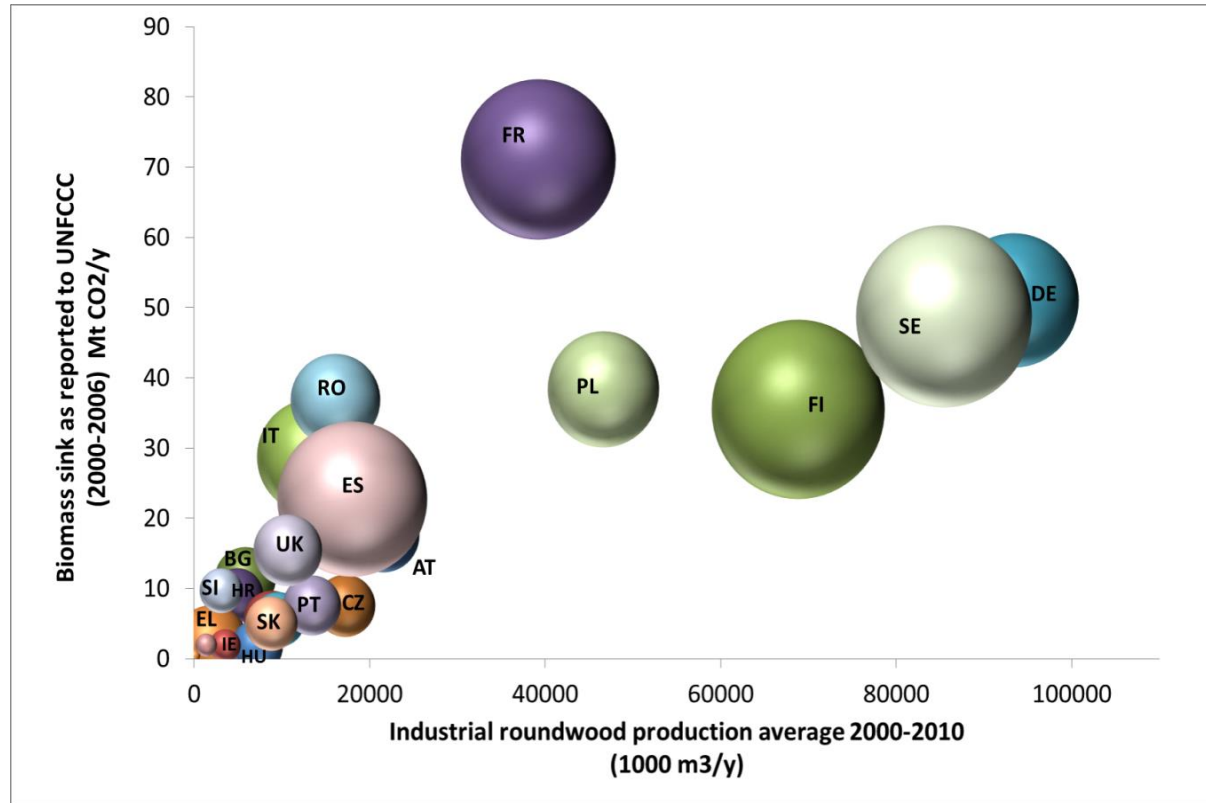




# *EU Member States forest sectors differ*

- In Finland, 78% of land area is covered by forests, but only less than 9% in Netherlands
- In Poland, over 80% of the forest area is owned by state, whereas in Portugal over 90% of the forest is privately owned
- In France, forestry generates 6-times more income than in UK, and in Sweden 4 times more than in Portugal
- Forest fires are a major problem in some countries, but not in others
- Forest related objectives, values, culture and policies may also differ in MS

*Bubble size indicates the area of forest available for wood supply*



Industrial roundwood production (*avg.* 2000-2010) and annual forest CO<sub>2</sub> sink (2000-2006) in EU Member States

*> It is possible to have large wood production and CO<sub>2</sub> sink*





# The EU updated climate policy for LULUCF sector for 2021-2030



Brussels, 20.7.2016  
COM(2016) 479 final

2016/0230 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change**

# Comments on European Commission Proposal

Progress	Limiting
Sees LULUCF sector as part of the solution to climate mitigation targets ( <i>sink, storage, substitution</i> )	Still introduces <i>caps</i> (3.5%) that limit the use of full potential of forest and forest sector to contribute to mitigation ( <i>"incentive gaps"</i> )
Introduces some more flexibility ( <i>trading credits, or compensating too big emissions, between LULUCF &amp; ESD, although limited or capped to 280 mt/annum at EU level</i> )	Not full acknowledgement of the need to link climate policy to other societal objectives and policies ( <i>e.g., bioeconomy</i> )
Acknowledges the differences between bioenergy and HWP in storing carbon	<b><i>Policy should provide more room &amp; incentives for mitigation than the proposal does!</i></b>



# Criteria for successful climate policy

## 1. Results

- It needs to achieve the EU (& Paris) climate targets 2030 & 2050

## 2. Realistic

- It has to be politically feasible to implement, and get the support from the actors (*industry, forest owners, investors, society at large*)

## 3. Economic efficiency

- It has to be as cost effective as possible

## 4. Fair and socially acceptable

- It needs to create acceptable burden sharing between Member States, and different societal groups within the Member States



## 7 Key Messages

1. Paris Agreement target is ambitious. In order to reach it in practice, climate research, policy and actions cannot anymore be considered separately from other societal objectives
2. Seek **synergies** with other policies (*bioeconomy, biodiversity, recreation*), and avoid creating trade-offs *> politically and societally possible to implement*
3. EC proposal (20 July 2016) *“misses an opportunity to tackle climate change problem by failing to use forests and forest sector to their optimum”* (Nabuurs et al. 2016)
4. Should remove caps and generate more incentives



# Key Messages

5. Utilize all the possibilities of forest & forest sector to contribute to mitigation: *sink*, *substitution* and *storage* (SSS)
6. Acknowledge and take advantage of the fact that forest sector **mitigation** and **adaptation** are married
7. *One size does not fit all*- utilize regional strengths and tailor policies at this level



*Thank you!*



*Photo: Sanit Fuangnakhon / Shutterstock*