



Feedback to the Commission's call on: 'EU rules on land use, land use change and forestry (LULUCF) – evaluation' - The Central Union of Agricultural Producers and Forest Owners, Finland (MTK)

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The Finnish Union of Agricultural Producers and Forest Owners (MTK) would like to emphasize the role of the sustainable forest management and a strong bioeconomy sector for achieving the EU climate targets for 2040.

EU climate policies should not rely on increasing carbon sinks

Climate actions by forests are based on long-term processes and careful planning. Therefore, the EU policies should emphasize the role of active management for ensuring forests' health and capability in providing multiple forest-based products substituting fossils. In the past years forest disturbances due to the climate change have been accelerating drastically. That is why it should be recognised that the capacity of achieving the climate neutrality should not depend on forests since sinks fluctuate due to natural and human-induced factors. It is unlikely that forests will be able to maintain the current carbon sink¹ as climate change has a strong influence on forests' sink and the forests' carbon storage is not permanent. Therefore, high targets for carbon sinks should not be seen as a basis for long-term climate policy.

The aim for the EU climate policies should be getting rid of fossil emissions. If relying too much on carbon sinks over cutting fossil emissions by e.g. setting-aside more forests from management, it could lead into decreasing harvesting levels and could put forests more prone to risks, as unmanaged forests are at higher risk in terms of natural disturbances. The prioritisation of increased level of carbon sinks in forests could also give a signal for forest owners to manage their forests less actively. Such discouragement would have negative impacts on the resilience of forests and supply of wood products impacting EU bioeconomy development. Also, decreasing the harvesting levels, would also reduce the inflow to the wood-based products.

The current LULUCF targets are too ambitious for many EU countries, also Finland, due to forests' decreased growth on certain stands and changing climate conditions. This points out the fact that carbon stored in forests increases only to a certain level before slowing down. Finland has already passed the phase of increasing sink and is now and will be on a declining trend on both living biomass and soils. Thus, the current LULUCF goals will not be reached and making the targets even more ambitious would not be justified and the levels should be set on a reasonable level.

On the question for combining sinks and sources to a common AFOLU pillar, MTK is open on having an AFOLU pillar with certain constraints. ALOFU should not be built by compensating other Member States' emissions. This is why the AFOLU pillar should only be based on national targets.

1) [E.g. Valade et al. \(2017\)](#)



Wood-based bioeconomy should be a corner stone in EU climate policies

MTK is highlighting that the substitution effect must have strong recognition in the future EU policies. MTK encourages the EU Commission to publish a strong EU Bioeconomy Strategy that would acknowledge that producing forest-based, fossil-free renewable materials and energy would help reduce emissions and contributes to the enhancement of biodiversity while securing economic competitiveness.

The European forests and their sustainable management will continue to play a key role in the transition towards an EU bioeconomy. This means that policies impacting forest management should always consider multifunctionality and different management practices across the EU. By supporting forest owners in practicing sustainable management, it would allow to produce a range of wood-based materials – from construction materials, textile fibers and renewable wood-based fuels, to innovative applications as bio-chemicals – that all play a key role in substituting fossil fuels and fossil fuel-based materials.

The future EU Bioeconomy Strategy should be built upon the fact that private forest owners have a strong position in the value chain and thus administrative requirements for management should be minimized. During the past years, the EU has proposed lots of restrictive legislation for forestry through increased targets for conservation and restoration without well encompassing the economic values forests have. To maintain the supply and availability of biobased materials, MTK is not in favor of restricting sustainable forest management and harvesting levels as this could shift the wood-based investments to other continents where sustainability standards are significantly lower than in Europe. In Finland, biomass is produced according to standards that are among the highest in the world in terms of sustainability.

In terms of energy provisions, MTK does not support to further legislate the cascade principle. The principle of cascading is already implemented in practice through the markets of different wood uses. If embedded into EU legislation, it would hamper the market functions and the substitution of fossil-based materials. This also applies to the sustainability criteria that have been made stricter during past years as part of the renewable energy directive. MTK finds that the sustainability criteria – that have changed during several EU Commission's legislative periods – do not give positive signals to the industry that needs to make decisions over a long timescale. Also, the wood energy market is key in supporting forest owners to manage their forests – which enhances the growth of forests – by providing them an opportunity to get revenue from management operations.

Assessment of current LULUCF and CRCF policy

The Finnish Union of Agricultural Producers and Forest Owners finds that the current EU LULUCF policy has failed to deliver necessary results as the EU is not on track to achieve the targets set. The top-down policy design has not resulted in a successful outcome.

MTK thinks that the best EU tool for promoting climate actions by the LULUCF sectors is carbon farming channeled by the CRCF-legislation. There is a chance that via carbon farming the right investment signals and funding for climate action can be leveled up. To secure this, the EU should focus on developing the demand side for carbon farming by the CRCF-legislation. So far, the CRCF credits do not have a place in the EU climate

1) [E.g. Valade et al. \(2017\)](#)



framework. This is a missing piece in the framework and should have a high priority in the policy design, so that farmers and forest owners can engage in the climate work in an even more efficient way.

1) [E.g. Valade et al. \(2017\)](#)