



Too many uncertainties for forests in the EU carbon removals certification proposal

EUSTAFOR position paper¹

The European State Forest Association (EUSTAFOR) remains a strong proponent of initiatives aiming to foster the concept of sustainable forest management (SFM)² and its deliverables, including enhancing carbon sequestration and storage. However, under the current climate change conditions, initiatives such as the carbon removals certification proposal could bring too much uncertainty to the sustainable management of European forests and their long-term durability, resistance, health and vitality. While delivering additional carbon removals is understandable from the climate change mitigation strategy viewpoint, the push for offsetting more emissions by forests might result in additional pressures on forest ecosystems and liability issues for forest managers. Therefore, EUSTAFOR holds significant concerns regarding the placement of forests and forestry within the current proposal and believes the focus should be on those ecosystems where carbon removals can be enhanced in the medium or long term run through, among others, restoring degraded habitats.

Thus, EUSTAFOR calls on Member States (MS) to strengthen their national forest legislations enforcing sustainable forest management and identifying areas where improvements are needed. State forest management organizations, members of EUSTAFOR, with their long experience and expertise, could actively support national authorities in fulfilling this task.

In its previous <u>communication</u>, EUSTAFOR emphasized that EU carbon removals certification should incentivize long-term climate benefits over short term carbon offsets. In the climate mitigation context, besides looking at how much CO2 can be removed from the atmosphere, the stronger focus should be on how to secure the long-term existence of healthy and resilient ecosystems as well as the flow of sustainable, renewable raw materials that will replace as much as possible the use of fossil-based materials, hence directly preventing the inflow of new non-biogenic carbon to the atmosphere. EUSTAFOR clearly sees a strong climate benefit of forest ecosystems through climate smart and sustainable forest management, which helps to adapt European forest to climate change and brings quality wood as a raw material with high potential to store carbon in the long term. Such an approach, along with baselines

² According to the <u>Helsinki resolution</u>, SFM is: "the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfill, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems".



¹ Any statement in this document is to be considered as a reflection of the best available professional expertise and does not necessarily reflect the political commitments of individual member states.



determined by Member States based on their local circumstances should be included in the Carbon Removals proposal. This will emphasize not only the importance of carbon removals but also the substitution of fossil carbon.

EUSTAFOR's concerns are summarized in the following key three points:

Unknown realistic potential and the added value of the new certification:

The proposal suggests a complex system that will require significant investments in monitoring and reporting, especially the proposed assessment of the carbon benefit to be provided by the operator, and the subsequent audit by a certification body. On the other hand, no assessment on the realistic potential of additional removals, and their impact on emission reductions was elaborated until now. Therefore, the proposed certification system should be first assessed from a cost/benefit ratio point of view. The initiative should be pursued only after ensuring that the additional removals are possible and will potentially bring long-term climate benefits without serving solely as an offsetting scheme.

Unclear evaluation of carbon removals activities and deliverables:

As the key objective of the regulation is to facilitate the deployment of carbon removals with a neutral impact on or co-benefits with certain sustainability objectives, the question is how the sustainability aspects will be evaluated in the certification. There is a risk that, if an operator is incentivized to apply certain measures potentially focused on biodiversity that eventually will not bring additional carbon compared to the baseline, that action might be assessed as a false carbon removal claim, while attributing the liability on the operator.

EUSTAFOR would caution against certifying carbon removal measures which are solely designed for carbon offsetting or carbon credit trading reasons. EUSTAFOR would rather support methodologies to acknowledge activities that seek to redesign habitats for long term climate benefit or supporting biodiversity aims where an element of forest stand redesign are required.

High expectations entail high liability for land managers:

Having in mind climate change impact on forests and general uncertainties regarding future management strategies there is the potential to support beneficial activities through the creation of a "climate fund" that will invest in innovation and implementation of practices and technologies for better carbon removals. This will require financial tools that should be arranged by Member States as they deem it feasible. Such new efforts should be properly reflected in national LULUCF accounting rules, and not used for offsetting and trading carbon credits that will blur the overall emissions reduction. EUSTAFOR believes that the certification framework in this phase should only work on the criteria for carbon removals eligibility, and only once there is a clear strategy







on how to increase carbon removals and the emitting sectors are left only with hard-to-abate residual emissions, the rules on the use of additional carbon removals should be discussed.

To conclude, EUSTAFOR underlines that the ultimate goal of forest-related policies in the EU should be to promote sustainable and multifunctional management of forests, respecting all three pillars: environmental, economic, and social. Whether and how certain aspects of sustainable forest management, such as carbon removals, could be improved and could deliver more than today, should be first subject to sylvicultural research and serious impact assessments leading into well-informed policy decisions. Only then, certification systems can be considered as facultative instruments of a voluntary status.

