



Re: LULUCF and Starting Point in the non-ETS sectors

18th July 2016

Dear President Juncker,

This week you and your colleagues will make a final decision on a flagship climate instrument that tackles emissions from transport, building, agriculture and waste. Covering 60 per cent of the EU's emissions, getting this instrument right is crucial to keep temperature rises well below 2 °C, and striving for 1.5°C. This is the first major test of the EU's resolve to tackle climate change since the Paris Agreement was issued in December, and is therefore of international significance.

In order to really pass that test, the level of ambition in this instrument should be substantially raised from the current -30% target to well beyond -45% emission reductions by 2030. While we are waiting for the EU Member States to agree on such an increase of the target, we understand that there are two issues in the proposal that are being discussed within the College: the starting point and inclusion of land use and forestry.

Starting Point: The starting point for the new instrument should be set on the basis of a trajectory from actual 2016-2018 emissions. Since most Member States are expected to overachieve their 2020 ESD targets, starting at this level would avoid an additional 850 million tons of CO₂ in the atmosphere.¹ To ensure fairness, the starting point for those countries that will not meet their targets should be based on their 2021 ESD target. We believe this is a simple approach, which is an important attribute in a climate world full of jargon and accounting rules that alienate society.

LULUCF: Carbon removals from forests and land use should be promoted in addition to (and not replacing) emission reductions in the existing ESD sectors. In this way, forests and land will be crucial in helping the EU go 'below zero' as most IPCC scenarios show is needed. It is crucial that forests are not used to delay action. Of particular concern are the accounting rules for forest management, which are notoriously complex and are already leading to hundreds of millions of windfall credits in the current period.² Including these credits into the EU's new instrument would leave the EU wide open to criticism and risks overshadowing the EU's package as a whole.

¹ Calculating the 2021 – 2030 non-ETS carbon budget using the 2016-2018 average (default option) as the starting point leads to 22 491 Mt CO₂-e. Using as the starting point the more realistic 2016-2018 linear trajectory capped by the 2020 target if the latter is lower leads to a reduced (-850 Mt CO₂-e) carbon budget of 21 641 MT CO₂-e. Source: <http://www.caneurope.org/docman/position-papers-and-research/eu-ets-2/2927-can-europe-briefing-no-cheating-from-the-start-2030-climate-targets-for-eu-member-states/file>

² <http://www.euractiv.com/section/sustainable-dev/news/forestry-carbon-credit-loop-hole-could-be-used-to-game-climate-commitments/>



We urge you to use your influence to ensure that the instrument is not watered down in the final hours before the Commission issues its proposal.

Yours sincerely,

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Jos Dings, Executive Director, Transport and Environment

Jeremy Wates, Secretary General, European Environmental Bureau

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Femke De Jong, EU policy Director, Carbon Market Watch