

## **Factsheet: Climate Action through Support for Farmers and Forest Owners LULUCF as Part of “Fit for 55”-Proposal**

The EPP insisted in the negotiations for the Climate Law that not only the reduction of greenhouse gases will be counted into the target but also so-called sinks. That means the storage of CO<sub>2</sub> in forests, soil and through modern technology. In the negotiations, the European Parliament achieved that the Commission gave a declaration that the sinks in the so-called LULUCF Regulation should increase above 300 million tons of CO<sub>2</sub> compared to 265 million tons currently. On the other hand, the amount of emission reduction in other areas was fixed to 52,8% which means that areas like industry, transport and buildings need to reduce their emissions by 12,8% more than under the current legislation. The increase of the sinks-target under LULUCF, if fully implemented, will bring the European Union to a net reduction of 57% in 2030 which means an overachievement of the net -55% target. The Commission intends to fully implement its commitment.

The leaked proposal indicates that the Commission wants to increase the target to 310 Mio. tonnes per year. The 310 Mio. tonnes refer to CO<sub>2</sub> that is stored in soil, in forests and in long-living wood products. The increase is possible at a very low cost. Calculations by experts range between 5 to 10 € per tonne of CO<sub>2</sub>.

The Commission intends to simplify accounting rules. It is important to note that agricultural land in the European Union is decreasing and this can be used for afforestation and specific offers to farmers. Member States can use, for example, money from the eco schemes or from the second pillar of the Common Agriculture Policy for afforestation and for so-called agro-forestry which means that at agriculture lands trees and hedges will be added.

The Commission also intends to simplify the state aid procedures so that the member states can support afforestation, sustainable forest management and agro-forestry in their territory more easily.

On top of that, private money should be used. Farmers and forest owners should use a carbon credit scheme, for example, to participate in efforts of other sectors such as aviation and private companies such as food producing companies. These can be carbon neutral when they support afforestation and methodologies to increase sinks in agriculture.

A very important point in this text is also the restoration of peatlands and wetlands. Restoration of peatlands and wetlands is one of the most effective measures to protect the climate. Farmers must get incentives for restoration and at the same time should still be able to earn money in the rewetted peatlands and wetland. A good example how this could work is the project Moor Futures in the north of Germany, Mecklenburg-Vorpommern (see link here: <https://www.moorfutures.de/>).

Greens, Left and some NGOs have criticised the possibility to use sinks because the effectiveness of these sinks is not stable. Of course, there can be forest fires or bark beetle and a forest can turn from a sink to a source but the Commission will include mechanisms for reserve and assurance. This means that even if unforeseen problems occur, the achievement of the 310 Mio. tonnes CO<sub>2</sub> storage will be possible.

**Conclusion:**

As far as I can judge at the moment, the proposal for LULUCF is fully in line with the EPP priorities for the Fit for 55 package and the climate law. It is a huge opportunity for cost-effective protection of the climate. I will create economic opportunities and jobs for farmers and forest owners.