



20th October 2009

Dear Minister Connie Hedegaard,

The undersigned organisations are concerned that the EU does not yet have a clear and progressive position on the accounting rules for Land Use, Land Use Change and Forestry (LULUCF) currently being revised in the UN negotiations on climate change.

**We ask you to ensure:**

- **that any reference level advocated by the EU is historical, corrected only for emissions from extreme natural disturbances**
- **that the “reference level with a band to zero” is removed from the options considered by the EU.**

Consolidating a strong position at the upcoming Environmental Minister's Council is critical, as choosing the right set of rules can move developed country emission reduction targets by several percentage points and the targets of individual countries by 20-30 % or more. The environmental integrity of the rules for LULUCF is crucial for the integrity of an overall climate agreement.

**The current lack of a strong EU position means that the EU negotiators in the UN keep the door open for the worst accounting options. We ask you to close that door and call for a simple historical reference level, so the EU can live up to its expected role of ensuring environmental integrity in the climate negotiations.**

Detailed recommendations may be found in the attached annex.

Yours sincerely,

Birdlife International  
 Canadian Parks and Wilderness Society  
 Dansk Ornitologisk Forening - Birdlife  
 Denmark  
 FERN  
 Grian - Greenhouse Ireland Action Network  
 KULU - Kvindernes U-landsudvalg,  
 Denmark  
 La Maison de l'Enfant et de la Femme  
 Pygmees, Central African Republic

Nature&Youth, Denmark  
 Nepenthes, Denmark  
 Quercus - National Association for Nature  
 Conservation, Portugal  
 Pro Natura - Friends of the Earth  
 Switzerland  
 Rainforest Action Network  
 Rainforest Foundation UK  
 Sustainability Watch Latin America  
 The Wilderness Society



## ANNEX - Detailed LULUCF recommendations

- Any reference level used must be historical

Many EU countries currently propose that forest management accounting should be accomplished by comparison with a reference level based on historical data but corrected for “age class legacy effects” and other ill-defined factors. Often this is interpreted to mean that an increase in emissions can be removed from accounting if it can be predicted in projections, for example because a large portion of a country’s forests will be old enough to be logged.

**Such accounting does not address the urgent need to reduce and reverse global greenhouse gas emissions within the next 5-10 years.**

**In addition, removing emissions from increased logging due to “age class legacy effects” is based on the false assumption that forest management is a priori sustainable and thus in the long term carbon neutral.** This assumption simply is not valid in most Annex I countries, including EU member states. Where the assumption is violated, emissions will not be accounted for. Importantly, emissions associated with the increased use of biomass for energy production will not be accounted for, as energy from biomass is treated as carbon neutral in the EU. This will create a significant loophole in EU carbon accounting for energy production.

The impact of a historical reference level for forest management accounting may vary widely among EU member states. However, that the impact on the EU as a whole is expected to be small and thus differences may be redistributed within the EU.

- The "reference level with a band to zero" must be removed from consideration

**Risking the creation of an extraordinarily large loophole, several EU countries also argue for an asymmetrical accounting system that uses a reference level with a “band to zero.”**

Such a band would erase from accounting all emissions from the forest sector that do not actually turn the forests into a net source of greenhouse gases; it hides decreases in greenhouse gas uptake by the forests until the uptake becomes zero. Almost all Annex I countries have a net uptake of greenhouse gases in their forests. This solution would



allow all these countries to deplete their forest carbon sinks with no consequence for their accounting. In some countries, this could be a massive loophole, with a potentially very large fraction of total emissions unaccounted for.

- **Accounting must be transparent and verifiable**

**A reference level that takes into account ill-defined "national circumstances" or modelled projected emissions creates grave potential problems with transparency and verification.**

Setting such a reference level would turn LULUCF accounting into a black box, making it difficult to verify whether the reference level is correct and reported reductions in emissions are real. The method could easily be transferred to the accounting rules for reducing emissions from deforestation and forest degradation in developing countries (REDD) where transparency is crucial. Thus the EU needs to seriously consider the risks associated with LULUCF rules not only for the transparency of Annex I accounting but also for REDD.

**In summary, we ask you to ensure that the EU promotes rules for forest management accounting which:**

- Do not undermine emission reduction efforts in other sectors;
- Allow clear comparison between developed country emission reduction targets;
- Are transparent and easily verifiable, eg. not based upon model projections;
- Do not undermine efforts to create transparent rules in the negotiations on reducing emissions from deforestation and forest degradation in developing countries (REDD);
- In the case of accounting that compares current emissions to a reference level, reflect what the atmosphere sees in terms of change from historical levels.