

Cefic position on the Commission proposal on Land use, land use change & forestry (LULUCF Regulation)

Cefic welcomes the European Commission's 'Fit for 55' package and supports strong action on climate change in line with the scientific advice provided by the Intergovernmental Panel on Climate Change (IPCC). We welcome the European Commission's 'Fit for 55' package as a crucial step towards the EU climate-neutrality objective by 2050. A successful implementation will require ambition across the whole economy, including an ambitious industrial policy creating the enabling framework for the transformation of Europe's industrial base. Policies also need to be backed up with a sectorial strategy providing more details on how the Commission expects different sectors of the economy (industry, power, buildings, transport, agriculture) to contribute to the overall objectives until 2030 and beyond. This sectorial strategy should also include regular check points regarding progress on the enabling conditions for the transition of each sector, support for the deployment of breakthrough technologies, availability of resources and private finance, to further ensure the implementation of the policies.

The use of sinks as means to balance hard-to-abate emissions is a valid, long-term perspective and will be necessary to achieve climate neutrality by 2050, as supported by the EU's and IPCC's scenarios work.

Greater investments into natural sinks and carbon removal technologies are needed and we welcome the Commission's intent to create greater policy incentives for investments. The certification of carbon removals is an important first step in this direction.

We regret though that LULUCF as a flexibility is only accessible to member states. We welcome the Commission's approach, which foresees that in the longer term, new sectors that have (almost) exhausted their emissions reduction possibilities could be integrated under a combined instrument where residual emissions are offset by natural sinks. We believe it could be an appropriate solution to compensate industrial emissions which cannot be eliminated in the longer term, due to the absence of suitable technological options.

The future legislative framework will also need to balance between the LULUCF objectives and progress in the bioeconomy. We therefore welcome the enlarged scope of article 9 to carbon storage products in general: carbon storage is not limited to wood-based materials and product and there are other forms of long-life bio-based materials and products, like fiber-based textiles or bio-polymers, which deserve similar recognition. Cefic is at the Commission disposal to provide input on additional carbon storage products from the chemical industry that have a carbon sequestration effect. We believe it is important in this regard to ensure consistency with other pieces of legislation notably the EU ETS and the Effort-sharing regulation.

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About Cefic

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.1 million jobs and account for 15% of world chemicals production.