



1.6.2017

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change (COM(2016)0479 – C8-0330/2016 – 2016/0230(COD))

Rapporteur: Elisabeth Köstinger

SHORT JUSTIFICATION

For a successful transition to a low-carbon economy, a stable climate policy framework is needed. In order to launch the process of decarbonisation and to implement it sustainably, all sectors must make a corresponding contribution. The inclusion of the LULUCF sector in the climate protection policy of the European Union from 2021 onwards is therefore an important component of a forward-looking climate policy.

Agriculture and forestry fulfil an environmental, economic and social function for society. This multifunctional role of sustainable agriculture and forest management must be recognised in European climate policy. Incentives to reduce greenhouse gases must therefore be consistent with ensuring security of supply and a clear commitment to maintaining Europe as a location for the production of sustainable food and biomass. Agriculture and the sustainable use of biomass are not at odds with climate ambitions, but should be considered as part of the solution.

In order to create a fair starting position, the sector's inputs must in any case be taken into account. European agriculture has already reduced its emissions by 24% since 1990.

At the same time, it is vital to make a clear distinction between fossil and biogenic greenhouse gases. Agriculture and forestry must not be degraded to CO₂ sinks for other emitters. The substitution effect of bioenergy, bioeconomy and the use of wood products must be acknowledged. The revival of the 'Green Economy' is a very important component in achieving climate change targets.

The following amendments to the Commission proposal should therefore be emphasised:

1) Pioneers of sustainable agriculture must not be penalised.

Member States which have already adopted environmental and climate measures in recent years must be able to offset them when calculating the base year for agriculture.

2) There are significant differences between Member States as regards forest areas and sustainable forest management.

It is therefore necessary not only to focus on positive climate protection effects through afforestation measures, but also to recognise in particular the potential for climate protection through sustainable forest management and the use of biomass.

3) When setting the forest reference level, a system should be developed which respects the subsidiarity principle.

The criteria to be taken into account by the Member States in determining the forest reference level must respect the sustainable use of biomass, the implementation of an EU bioeconomic strategy and security of energy supply. As requested in the European Parliament's report on the New EU Forestry Strategy¹, the Standing Forestry Committee should be strengthened and consulted by the Commission on technical assistance.

¹ Report on 'A new EU Forest Strategy: for forests and the forest-based sector' (2014/2223 (INI)), 7 April 2015

4) Delegated acts should be used exclusively to amend non-essential elements of the basic act.

AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) ***On 10 June 2016 the Commission presented the proposal for the EU to ratify the Paris agreement. This legislative proposal forms part of the implementation of the Union's commitment to economy-wide emission reductions as confirmed in the intended nationally determined reduction commitment of the Union and its Member States submitted to the Secretariat of the United Nations Framework Convention on Climate Change ('UNFCCC') on 6 March 2015.¹⁰***

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<http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>

Amendment

(3) ***The Council ratified the Paris Agreement on 5 October 2016, following the consent given by the European Parliament on 4 October 2016. The Paris agreement entered into force on 4 November 2016 and aims at keeping the increase in global temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels, in a manner that does not threaten food production and food security. The agreement also emphasises the role of sustainable forest management in reaching the target of balancing emissions and removals. This legislative proposal forms part of the implementation of the Union's commitment to economy-wide emission reductions as confirmed in the intended nationally determined reduction commitment of the Union and its Member States submitted to the Secretariat of the United Nations Framework Convention on Climate Change ('UNFCCC') on 6 March 2015.¹⁰***

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<http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>

Justification

An update of the text further to ratification of Paris Agreement is essential. Recital 3 also needs to be complemented with a reference to art. 2.1b of the Paris Agreement regarding food production and art. 5 on the role of sustainable management of forests for reaching the target

of balancing emissions and removals.

Amendment 2

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) The Paris Agreement, inter alia, sets out a long-term goal in line with the objective to keep the global temperature increase well below 2°C above pre-industrial levels and to pursue efforts to keep it to 1.5°C above pre-industrial levels. In order to achieve **this goal**, the Parties should prepare, communicate and maintain successive nationally determined contributions. The Paris Agreement replaces the approach taken under the 1997 Kyoto Protocol which will not be continued beyond 2020. The Paris Agreement also calls for a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, and invites Parties to take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases, including forests.

Amendment

(4) The Paris Agreement, inter alia, sets out a long-term goal in line with the objective to keep the global temperature increase well below 2°C above pre-industrial levels and to pursue efforts to keep it to 1.5°C above pre-industrial levels. ***It also aims to increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production.*** In order to achieve **the purpose of the Paris Agreement**, the Parties should prepare, communicate and maintain successive nationally determined contributions. The Paris Agreement replaces the approach taken under the 1997 Kyoto Protocol which will not be continued beyond 2020. The Paris Agreement also calls for a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, and invites Parties to take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases, including forests. ***Parties acknowledge that mitigation and adaptation action should follow a fully transparent approach, taking into account ecosystems, and should be based on and guided by the best available science.***

Justification

The recital concerning the Paris Agreement should be supplemented by a reference to its Article 2(1)(b) to highlight that the sector has multiple objectives and challenges, as well as to its Article 7.

Amendment 3

Proposal for a regulation

Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) To achieve the negative emissions required to meet the Paris Agreement goals, removals of greenhouse gases from the atmosphere through land use, land use change and forestry (LULUCF) must be robust, and should not only be used to offset emissions reductions from other sources. As removals through LULUCF are reversible, they should not be used to compensate for emissions and should be treated as a separate pillar in the Union climate policy framework.

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

Amendment

(5) The European Council of 23-24 October 2014 also acknowledged the multiple objectives of the agriculture and land use sector, with their lower mitigation potential as well as the need to ensure coherence between the Union food security and climate change objectives. The European Council invited the Commission to examine the best means of encouraging the sustainable intensification of food production, while optimising the sector's contribution to greenhouse gas mitigation and sequestration, including through afforestation, and to establish policy on how to include land use, land use change and forestry ('LULUCF') into the 2030 greenhouse gas mitigation framework as soon as technical conditions allow and in any case before 2020.

(5) The European Council of 23-24 October 2014 also acknowledged the multiple objectives of the agriculture and land use sector, with their lower mitigation potential as well as the need to ensure coherence between the Union food security and climate change objectives. ***In addition, the implementation of technology solutions in agriculture and forestry sectors contribute to enhancing production and reducing the environmental footprint.*** The European Council invited the Commission to examine the best means of encouraging the sustainable intensification of food production, while optimising the sector's contribution to greenhouse gas mitigation and sequestration, including through afforestation, and to establish policy on how to include land use, land use change and forestry ('LULUCF') into the 2030

greenhouse gas mitigation framework as soon as technical conditions allow and in any case before 2020.

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The LULUCF sector can contribute to climate change mitigation in several ways, in particular by reducing emissions, and maintaining and enhancing sinks and carbon stocks. In order for measures aiming in particular at increasing carbon sequestration to be effective, the long-term stability and adaptability of carbon pools is essential.

Amendment

(6) ***In combating climate change, the challenge is to reduce current CO₂ levels in the atmosphere and to reduce emissions.*** The LULUCF sector can contribute to climate change mitigation in several ways, in particular by reducing emissions, and maintaining and enhancing sinks and carbon stocks, ***by replacing fossil fuels with renewable energy from forest biomass and by harnessing the removal potential of organic materials from sustainable forestry management and their potential as a substitute for fossil fuels, taking into account the entire life cycle of these materials, from the production of the raw material to the processing and manufacturing stages. The bioeconomy and bioenergy are an indispensable path towards a fossil-free and green economy.*** In order for measures aiming in particular at increasing carbon sequestration to be effective, the long-term stability and adaptability of carbon pools is essential.

Amendment 6

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) ***Advanced management practices can contribute significantly to reducing greenhouse gas emissions in the LULUCF sector. Promoting the***

development of innovative practices and encouraging landowners to make use of advanced management practices, such as precision agriculture, precision forestry and smart farming are potential means of helping Member States to reach their targets.

Justification

Precision agriculture and forestry can reduce emissions by optimising the use of, for instance, fuels, fertilisers and pesticides. This way of smart farming is beneficial for farmers, forestry managers and the environment.

Amendment 7

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Common agricultural policy measures and national policies have an impact on the emissions profile of cropland, grassland and wetlands. With regard to the base period for the land accounting categories provided for in this Regulation, the calculation should take into account the agri-environmental measures implemented by the Member States during this period.

Justification

The importance of recognizing agri-environmental measures is that the early movers would not be penalized.

Amendment 8

Proposal for a regulation
Recital 9

Text proposed by the Commission

Amendment

(9) Emissions and removals from forest land depend on a number of natural circumstances, age-class structure, as well

(9) Emissions and removals from forest land depend on a number of natural circumstances, age-class structure, as well

as past and present management practices. The use of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their interannual variation. The relevant accounting rules should instead provide for the use of reference levels to **exclude** the effects of natural and country-specific characteristics. In the absence of the international review under the UNFCCC and the Kyoto Protocol, a **review** procedure should be established **to ensure transparency and** improve the quality of accounting in this category.

as past and present management practices **that differ substantially between the Member States**. The use of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their interannual variation. The relevant accounting rules should instead provide for the use of reference levels to **address** the effects of natural and country-specific characteristics, **such as the inability to manage forests in Croatia due to the occupation of its territory, the Croatian War of Independence, and wartime and post-war circumstances**. **The relevant accounting rules should also provide for coherence and requirements for sustainable forest management of Forest Europe (Ministerial Conference on the Protection of Forests in Europe)**. In the absence of the international review under the UNFCCC and the Kyoto Protocol, a **transparent** procedure should be established **for the Member States to** improve **auditability and** the quality of accounting in this category.

Amendment 9

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) **When the Commission chooses to be assisted by an expert review team in accordance with Commission Decision (C(2016)3301) in the review of national forestry accounting plans, it should build on the good practice and experience of the expert reviews under the UNFCCC, including as regards participation of national experts and recommendations, and select a sufficient number of experts from the Member States.**

Amendment

(10) **The procedure for setting the forest reference level by the Member States should be transparent and aligned with the requirements for sustainable forest management of Forest Europe (Ministerial Conference on the Protection of Forests in Europe)^{1a}. The Commission should assist the Member States by building on the good practice and experience of the expert reviews under the UNFCCC. In this context, it is appropriate for the Commission to provide technical assistance on the verification of compliance with the criteria set out in**

Annex IV, following the consultation of the Standing Forestry Committee established by Council Decision 89/367/EEC^{1b}.

^{1a} Forest Europe - Ministerial Conference on the Protection of Forests in Europe, Intergovernmental Negotiating Committee for a Legally Binding Agreement on Forests in Europe: <http://www.foresteuropa.org/>.

^{1b} Council Decision 89/367/EEC of 29 May 1989 setting up a Standing Forestry Committee (OJ L 165, 15.6.1989, p. 14).

Amendment 10

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The internationally agreed IPCC Guidelines state that emissions from the combustion of biomass can be accounted as zero in the energy sector with the condition that these emissions are accounted for in the LULUCF sector. In the **EU**, emissions from biomass combustion are accounted as zero pursuant to Article 38 of Regulation (EU) No. 601/2012 and the provisions set out in Regulation (EU) No. 525/2013, hence consistency with the IPCC Guidelines would only be ensured if these emissions should be covered accurately under this Regulation.

Amendment

(11) The internationally agreed IPCC Guidelines state that emissions from the combustion of biomass can be accounted as zero in the energy sector with the condition that these emissions are accounted for in the LULUCF sector. In the **Union**, emissions from biomass combustion are accounted as zero pursuant to Article 38 of Regulation (EU) No. 601/2012 and the provisions set out in Regulation (EU) No. 525/2013, hence consistency with the IPCC Guidelines would only be ensured if these emissions should be covered accurately under this Regulation. ***Accounting rules for bioenergy laid down in this Regulation should not impede the use of sustainable biomass in the energy sector through generation of emissions in the LULUCF sector.***

Justification

The potential of Bioenergy for the replacement of fossil fuels needs to be reflected in a correct

way.

Amendment 11

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) The increased sustainable use of harvested wood products can substantially limit emissions *into* and enhance removals of greenhouse gases from the atmosphere. The accounting rules should ensure that Member States accurately reflect in accounts the changes in the harvested wood products pool when they take place, ***to provide incentives for*** enhanced use of harvested wood products with long life cycles. The Commission should provide guidance on methodological issues related to the accounting for harvested wood products.

Amendment

(12) The increased sustainable use of harvested wood products can substantially limit emissions ***by the substitution effect (considering the energy and CO₂ intensity of other sectors, e.g. cement production accounts for roughly 8% of global CO₂ emissions)***, and enhance removals of greenhouse gases from the atmosphere. The accounting rules should ensure that Member States accurately reflect in accounts the changes in the harvested wood products pool when they take place, ***and to recognise, welcome and incentivise*** enhanced use of harvested wood products with long life cycles, ***thus reducing the use of other, non-biodegradable materials, such as plastic***. The Commission should provide guidance on methodological issues related to the accounting for harvested wood products.

Amendment 12

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) Natural disturbances, such as wildfires, insect and disease infestations, extreme weather events and geological disturbances that are beyond the control of, and not materially influenced by, a Member State, may result in greenhouse gas emissions of a temporary nature in the LULUCF sector, or may cause the reversal of previous removals. As reversal can also be the result of management decisions,

Amendment

(13) Natural disturbances, such as wildfires, insect and disease infestations, extreme weather events and geological disturbances that are beyond the control of, and not materially influenced by, a Member State, may result in greenhouse gas emissions of a temporary nature in the LULUCF sector, or may cause the reversal of previous removals. As reversal can also be the result of management decisions,

such as decisions to harvest or plant trees, this Regulation should ensure that human-induced reversals of removals are always accurately reflected in LULUCF accounts. Moreover, this Regulation should provide Member States with a *limited* possibility to exclude emissions resulting from disturbances that are beyond their control from their LULUCF accounts. However, the manner in which Member States apply those provisions should not lead to undue under-accounting.

such as decisions to harvest or plant trees, this Regulation should ensure that human-induced reversals of removals are always accurately reflected in LULUCF accounts. Moreover, this Regulation should provide Member States with a possibility to exclude emissions resulting from disturbances that are beyond their control from their LULUCF accounts. However, the manner in which Member States apply those provisions should not lead to undue under-accounting ***and should not discourage Member States from taking preventative measures to reduce the risk of natural disturbances.***

Amendment 13

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) Depending on national preferences, Member States should be able to choose adequate national policies for achieving their commitments in LULUCF, including the possibility of compensating emissions from one land category by removals from another land category. They should also be able to cumulate net removals over the period 2021-2030. Trading among Member States should continue as an additional option to help compliance. Following the practice in the second commitment period of the Kyoto Protocol, there should also be a possibility for a Member State to use its overachievement under Regulation [] on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change ***in order to ensure its***

Amendment

(14) Depending on national preferences, Member States should be able to choose adequate national policies for achieving their commitments in LULUCF, including the possibility of compensating emissions from one land category by removals from another land category. They should also be able to cumulate net removals over the period 2021-2030. Trading among Member States should continue as an additional option to help compliance. Following the practice in the second commitment period of the Kyoto Protocol, there should also be a possibility for a Member State to use its overachievement under Regulation ***No (EU) .../... on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change while guaranteeing a clear***

compliance with its commitment under this Regulation.

distinction between emissions and removals of fossil and biogenic greenhouse gases. Therefore the annual net removals from deforested land, afforested land, managed forest land, managed cropland and managed grassland should be limited to agriculture. Member States should be able to use up to 425 million tonnes of any net removals resulting from the provisions of this Regulation, with a view to fulfilling their obligations under the Effort Sharing Regulation.

Amendment 14

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) In order to provide for the appropriate accounting of transactions under this Regulation, including the use of flexibilities and tracking compliance, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the technical adaptation of definitions, values, lists of greenhouse gases and carbon pools, the update of *reference levels*, the accounting of transactions and the revision of methodology and information requirements. These measures shall take into account the provisions in Commission Regulation No 389/2013 establishing a Union Registry. The necessary provisions should be contained in a single legal instrument combining the accounting provisions pursuant to Directive 2003/87/EC, Regulation (EU) No 525/2013, Regulation // on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and this Regulation. It is of particular importance that the Commission carry out appropriate

Amendment

(18) In order to provide for the appropriate accounting of transactions under this Regulation, including the use of flexibilities and tracking compliance, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the technical adaptation of definitions, values, lists of greenhouse gases and carbon pools, the update of *categories in the pool of harvested wood products*, the accounting of transactions and the revision of methodology and information requirements *in order to reflect changes in the IPCC Guidelines, as adopted by bodies of the UNFCCC or of the Paris Agreement*. These measures shall take into account the provisions in Commission Regulation No 389/2013 establishing a Union Registry. The necessary provisions should be contained in a single legal instrument combining the accounting provisions pursuant to Directive 2003/87/EC *of the European Parliament and of the Council of 13 October 2003^{1a}*, Regulation (EU) No 525/2013, Regulation

consultations during its preparatory work, including at expert level conducted in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and Council receive all documents at the same time as Member States' experts, and their experts have systematic access to meetings of Commission expert groups dealing with the preparation of delegated acts.

No (EU) .../... on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union, and this Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level conducted in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016^{1b}. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and Council receive all documents at the same time as Member States' experts, and their experts have systematic access to meetings of Commission expert groups dealing with the preparation of delegated acts.

^{1a} Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

^{1b} OJ L 123, 12.5.2016, p. 1.

Amendment 15

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) This Regulation should be reviewed as of **2024** and every **5** years thereafter in order to assess its overall functioning. This review can also be informed by the results of the global stocktake of the Paris Agreement.

Amendment

(19) ***In the light of the 2018 Facilitative Dialogue, the Commission shall report to the European Parliament and to the Council by 28 February 2019 on the adequacy of the level of ambition of this Regulation.*** This Regulation should be reviewed as of **2023** and every **3** years thereafter in order to assess its overall functioning. This review can also be informed by the results of the global

stocktake of the Paris Agreement.

Amendment 16

Proposal for a regulation

Article 2 – paragraph 1 – introductory part

Text proposed by the Commission

1. This Regulation applies to emissions and removals of the greenhouse gases listed in Annex I, section A, as reported pursuant to Article 7 of Regulation (EU) No 525/2013 occurring in any of the following land accounting categories on the territories of Member States during the period from 2021 to 2030:

Amendment

1. This Regulation applies to emissions and removals of the greenhouse gases listed in Annex I, section A, as reported pursuant to Article 7 of Regulation (EU) No 525/2013 occurring in any of the following land accounting categories on the territories of Member States ***and other accounting categories*** during the period from 2021 to 2030:

Amendment 17

Proposal for a regulation

Article 2 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) harvested wood products.

Amendment 18

Proposal for a regulation

Article 3 – paragraph 1 – point g a (new)

Text proposed by the Commission

Amendment

(ga) A forest reference level is an estimate of the average annual net emissions or removals resulting from managed forest land within the territory of the Member State in the periods from 2021 to 2025 and from 2026 to 2030.

Justification

The definition of a forest reference level set out in Article 8(1) should be set out in Article 3 alongside the other definitions.

Amendment 19

Proposal for a regulation

Article 3 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to adapt the definitions in paragraph 1 to ***scientific developments or technical progress and to*** ensure consistency between those definitions and any changes to relevant definitions in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories ('IPCC Guidelines').

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to adapt the definitions in paragraph 1 to ensure consistency between those definitions and any changes to relevant definitions in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories ('IPCC Guidelines'), ***as adopted by bodies of the UNFCCC or of the Paris Agreement.***

Amendment 20

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

For the period from 2021 to 2025 and from 2026 to 2030, taking into account the flexibilities provided for in Article 11, each Member State shall ensure that emissions do not exceed removals, calculated as the sum of total emissions and removals on their territory in the land accounting categories referred to in Article 2 combined, as accounted in accordance with this Regulation.

Amendment

For the period from 2021 to 2025 and from 2026 to 2030, taking into account the flexibilities provided for in Article 11, each Member State shall ensure that emissions do not exceed removals, calculated as the sum of total emissions and removals on their territory in the land accounting categories ***and other categories*** referred to in Article 2 combined, as accounted in accordance with this Regulation.

Amendment 21

Proposal for a regulation

Article 5 – paragraph 1

Text proposed by the Commission

1. Each Member State shall prepare and maintain accounts that accurately

Amendment

1. Each Member State shall prepare and maintain accounts that accurately

reflect the emissions and removals resulting from the land accounting categories referred to in Article 2. Member States shall ensure the accuracy, completeness, consistency, comparability and transparency of their accounts and of other data provided under this Regulation. Member States shall denote emissions by a positive sign (+) and removals by a negative sign (-).

reflect the emissions and removals resulting from the land accounting categories *and other categories* referred to in Article 2 *in accordance with the reporting guidance adopted by bodies of the UNFCCC or of the Paris Agreement for the period 2021-2030*. Member States shall ensure the accuracy, completeness, consistency, comparability and transparency of their accounts and of other data provided under this Regulation. Member States shall denote emissions by a positive sign (+) and removals by a negative sign (-).

Amendment 22

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. Member States shall prevent any double counting of emissions or removals, in particular by accounting for emissions or removals resulting from more than one *land* accounting category under one category only.

Amendment

2. Member States shall prevent any double counting of emissions or removals, in particular by accounting for emissions or removals resulting from more than one accounting category under one category only.

Justification

It is proposed that Harvested Wood Products would be included as a separate inventory and accounted category. This would be consistent with 2006 IPCC Guidelines and UNFCCC reporting practice. This would result changes in paragraphs 5.1, 5.2 and 5.4.

Amendment 23

Proposal for a regulation Article 5 – paragraph 4

Text proposed by the Commission

4. Member States shall include in their accounts for each *land* accounting category any change in the carbon stock of the carbon pools listed in Annex I, section B. Member States may choose not to include

Amendment

4. Member States shall include in their accounts for each accounting category any change in the carbon stock of the carbon pools listed in Annex I, section B. Member States may choose not to include in their

in their accounts changes in carbon stocks for carbon pools where the carbon pool is not a source, except for above-ground biomass and harvested wood products on managed forest land.

accounts changes in carbon stocks for carbon pools where the carbon pool is not a source, except for above-ground biomass and harvested wood products on managed forest land.

Amendment 24

Proposal for a regulation Article 5 – paragraph 6

Text proposed by the Commission

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to amend Annex I in order to reflect changes in the IPCC Guidelines.

Amendment

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to amend Annex I in order to reflect changes in the IPCC Guidelines, ***as adopted by bodies of the UNFCCC or of the Paris Agreement.***

Amendment 25

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

1. Member States shall account for emissions and removals resulting from managed cropland calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed cropland in its base period ***2005-2007.***

Amendment

1. Member States shall account for emissions and removals resulting from managed cropland calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed cropland in its base period ***or its base year determined under the UNFCCC. The choice of accounting reference shall be communicated to the European Commission by 31 December 2018. Member States may offset agri-environmental measures implemented during the base period.***

Amendment 26

Proposal for a regulation

Article 7 – paragraph 2

Text proposed by the Commission

2. Member States shall account for emissions and removals resulting from managed grassland calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed grassland in its base period **2005-2007**.

Amendment

2. Member States shall account for emissions and removals resulting from managed grassland calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed grassland in its base period ***or its base year determined under the UNFCCC. The choice of accounting reference shall be communicated to the European Commission by 31 December 2018. Member States may offset agri-environmental measures implemented during the base period.***

Amendment 27

Proposal for a regulation

Article 7 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Where agri-environmental measures are included in the base period as referred to in paragraphs 1 and 2, Member States may incorporate measures such as:

- climate change measures and climate protection;***
- promotion of biological and genetic diversity;***
- promotion of soil fertility; and***
- water protection measures.***

Justification

The regulation should not penalize Member States that already implemented several agri-

environmental measures in compliance with the programmes of the CAP. Those Member States should be able to benefit from their good performance in this period. When calculating their emissions and removals in a base period, agri-environmental measures already implemented should be taken into account.

Amendment 28

Proposal for a regulation Article 7 – paragraph 4

Text proposed by the Commission

4. Member States that have chosen to include managed wetland in the scope of their commitments in accordance with Article 2 shall account for emissions and removals resulting from managed wetland, calculated as emissions and removals in the periods from 2021 to 2025 and/or from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed wetland in its base period **2005-2007**.

Amendment

4. Member States that have chosen to include managed wetland in the scope of their commitments in accordance with Article 2 shall account for emissions and removals resulting from managed wetland, calculated as emissions and removals in the periods from 2021 to 2025 and/or from 2026 to 2030 minus the value obtained by multiplying by five the Member State's average annual emissions and removals resulting from managed wetland in its base period ***or its base year determined under the UNFCCC. The choice of accounting reference shall be communicated to the European Commission by 31 December 2018.***

Amendment 29

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. Member States shall account for emissions and removals resulting from managed forest land, calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five its forest reference level. ***A forest reference level is an estimate of the average annual net emissions or removals resulting from managed forest land within the territory of the Member State in the***

Amendment

1. Member States shall account for emissions and removals resulting from managed forest land, calculated as emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five its forest reference level.

periods from 2021 to 2025 and from 2026 to 2030.

Justification

The definition of a forest reference level set out in Article 8(1) should be set out in Article 3 alongside the other definitions.

Amendment 30

Proposal for a regulation Article 8 – paragraph 2

Text proposed by the Commission

Amendment

2. *Where the result of the calculation referred to in paragraph 1 is negative in relation to its forest reference level, a Member State shall include in its managed forest land accounts total net removals of no more than the equivalent of 3,5 per cent of the Member State's emissions in its base year or period as specified in Annex III, multiplied by five.* **deleted**

Amendment 31

Proposal for a regulation Article 8 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

Member States shall determine the new forest reference level based on the criteria set out in Annex IV, section A. They shall submit to the Commission a national forestry accounting *plan* including a new forest reference level, by 31 December 2018 for the period from 2021 to 2025 and by 30 June 2023 for the period 2026-2030.

Member States shall determine the new forest reference level based on the criteria set out in Annex IV, section A. They shall submit to the Commission a national forestry accounting *report* including a new forest reference level, by 31 December 2018 for the period from 2021 to 2025 and by 30 June 2023 for the period 2026-2030.

Amendment 32

Proposal for a regulation Article 8 – paragraph 3 – subparagraph 2

Text proposed by the Commission

The national forestry accounting *plan* shall contain all the elements listed in Annex IV, section B and include a proposed new forest reference level based on the continuation of *current* forest management practice *and intensity, as documented between 1990-2009 per forest type and per age class in national forests*, expressed in tonnes of CO2 equivalent per year.

Amendment

The national forestry accounting *report* shall contain all the elements listed in Annex IV, section B and include a proposed new forest reference level based on the continuation of *active, sustainable* forest management practice *in accordance with the best available data and adopted national forest programmes and policies*, expressed in tonnes of CO2 equivalent per year *and, on the Member State's current sustainable forest management policies and measures. It shall also be based on the sustainable forestry management principles and the national strategies published by Member States in this area up to the date of submission of the forest reference level and on long-term analyses carried out with a view to fulfilling the objective set out in Article 4.1 of the Paris Agreement, namely to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century.*

Amendment 33

**Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 3**

Text proposed by the Commission

The national forestry accounting *plan* shall be made public and shall be subject to public consultation.

Amendment

The national forestry accounting *report* shall be made public and shall be subject to public consultation.

Amendment 34

**Proposal for a regulation
Article 8 – paragraph 4**

Text proposed by the Commission

4. Member States shall demonstrate

Amendment

4. Member States shall demonstrate

consistency between the methods and data used to establish the forest reference level in the national forestry accounting *plan* and those used in the reporting for managed forest land. At the latest at the end of the period from 2021 to 2025 or from 2026 to 2030, a Member State shall submit to the Commission a technical correction of its reference level if necessary to ensure consistency.

consistency between the methods and data used to establish the forest reference level in the national forestry accounting *report* and those used in the reporting for managed forest land. At the latest at the end of the period from 2021 to 2025 or from 2026 to 2030, a Member State shall submit to the Commission a technical correction of its reference level if necessary to ensure consistency.

Amendment 35

Proposal for a regulation Article 8 – paragraph 5

Text proposed by the Commission

5. *The Commission shall review the national forestry accounting plans and technical corrections and assess the extent to which the proposed new or corrected forest reference levels have been determined in accordance with the principles and requirements set out in paragraphs (3) and (4) as well as Article 5(1). To the extent that this is required in order to ensure compliance with the principles and requirements set out in paragraphs (3) and (4) as well as Article 5(1), the Commission may recalculate the proposed new or corrected forest reference levels.*

Amendment 36

Proposal for a regulation Article 8 – paragraph 6

Text proposed by the Commission

6. The Commission shall adopt delegated acts in accordance with Article 14 to amend Annex II in the light of the *review* carried out pursuant to paragraph (5) to update Member State forest reference levels based on the national

Amendment

5. *As specified in Annex IV, the Commission shall facilitate the technical assessment of the national forestry accounting report submitted by a Member State and of any technical corrections or adjustments, with a view to assessing the extent to which the proposed new or corrected forest reference levels have been determined in accordance with the principles and requirements set out in paragraphs 3 and 4 as well as Article 5(1). The Commission shall provide technical recommendations to the Member States and compile a synthesis report.*

Amendment

6. The Commission shall adopt delegated acts in accordance with Article 14 to amend Annex II in the light of the *technical assessment* carried out pursuant to paragraph 5 to update Member State forest reference levels based on the

forestry accounting *plans* or the technical corrections submitted, and any recalculations made in the context of the *review. Until the entry into force of the delegated act, Member State* forest reference *levels* as specified in Annex II shall continue to apply for the period 2021-2025 and/or 2026-2030.

national forestry accounting *reports* or the technical corrections submitted, and any recalculations made *by the Member State* in the context of the *technical assessment. In the event that a Member State has not updated its* forest reference *level, the value* as specified in Annex II shall continue to apply for the period 2021-2025 and/or 2026-2030.

Amendment 37

Proposal for a regulation

Article 9 – paragraph 1 – introductory part

Text proposed by the Commission

In accounts pursuant to Article 6(1) and 8(1) relating to harvested wood products, Member States shall reflect emissions and removals resulting from changes in the pool of harvested wood products falling within the following categories using the first order decay function, the methodologies and the default half-life values specified in Annex V:

Amendment

Member States shall reflect emissions and removals resulting from changes in the pool of harvested wood products falling within the following categories using the first order decay function, the methodologies and the default half-life values specified in Annex V:

Amendment 38

Proposal for a regulation

Article 9 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Member States shall account for emissions and removals resulting from the changes in the pool of harvested wood products, as the total of emissions and removals for each of the years in the periods from 2021 to 2025 and from 2026 to 2030.

Justification

HWP is genuinely a result of human-induced/anthropogenic activity, and therefore HWP would be accounted similar manner as afforested land. This means that real changes in carbon stocks associated with HWP would be included into accounting.

Amendment 39

Proposal for a regulation Article 9 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

The Commission shall, by 31 December 2019, adopt a delegated act in accordance with Article 14 in order to update the categories in the pool of harvested wood products with additional products such as sustainable, innovative, bio-based products that have a positive substitution effect as well as the default half-life values specified in Annex V.

Justification

In order to better acknowledge the carbon storage of future innovative sustainable bio-based products in LULUCF accounting, the Commission should suggest additional categories for the Harvested Wood Products pool.

Amendment 40

Proposal for a regulation Article 10 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to revise the methodology and information requirements in Annex VI in order to reflect changes in the IPCC Guidelines.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to revise the methodology and information requirements in Annex VI in order to reflect changes in the IPCC Guidelines, ***as adopted by bodies of the UNFCCC or of the Paris Agreement.***

Amendment 41

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

1. Where total emissions exceed removals in a Member State and that Member State has *deleted* annual emission allocations under Regulation [] on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 this quantity shall be taken into account for the Member State's compliance with its commitment pursuant to Article 4.

Amendment

1. Where total emissions exceed removals in a Member State and that Member State has *chosen to delete* annual emission allocations under Regulation *No (EU) .../...* on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030, *as one of the flexibility options* this quantity shall be taken into account for the Member State's compliance with its commitment pursuant to Article 4.

Amendment 42

**Proposal for a regulation
Article 14 – paragraph 2**

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Article 3, 5, 8, 10 and 13 shall be conferred on the Commission for an indeterminate period of time from the [date of entry into force].

Amendment

2. The power to adopt delegated acts referred to in Article 3, 5, 8, **9**, 10 and 13 shall be conferred on the Commission for an indeterminate period of time from the [date of entry into force].

Justification

Aligning the article with the amendment on Art.9.

Amendment 43

**Proposal for a regulation
Article 15 – paragraph 1**

Text proposed by the Commission

The Commission shall report to the European Parliament and to the Council by 28 February **2024** and every *five* years thereafter on the operation of this Regulation, its contribution to the EU's overall 2030 greenhouse gas emission reduction target and its contribution to the goals of the Paris Agreement, and *may* make proposals *if appropriate*.

Amendment

In the light of the 2018 Facilitative Dialogue, the Commission shall report to the European Parliament and to the Council by 28 February **2019** *on the adequacy of the level of ambition of this Regulation. The Commission shall report to the European Parliament and to the Council by 28 February 2023 and every *three* years thereafter on the operation of*

this Regulation, its contribution to the EU's overall 2030 greenhouse gas emission reduction target and its contribution to the goals of the Paris Agreement, *with a view to keeping this Regulation in line with relevant decisions adopted by bodies of the UNFCCC or of the Paris Agreement*, and *shall* make proposals.

Amendment 44

Proposal for a regulation Annex I – point B – point f

Text proposed by the Commission

(f) *for* afforested land and managed forest land: ***harvested wood products***.

Amendment

(f) ***harvested wood products from both*** afforested land and managed forest land.

Justification

It is proposed to include HWP as a separate category, to exclude harvested wood products from the forest reference level and, thus a necessary modification to the text accordingly.

Amendment 45

Proposal for a regulation Annex II – table 2 – title

Text proposed by the Commission

Member State forest reference levels ***including harvested wood products***

Amendment

Member State forest reference levels

Amendment 46

Proposal for a regulation Annex IV – part A – paragraph 1 – point c

Text proposed by the Commission

(c) Reference levels should ensure a robust and credible accounting, to guarantee that emissions and removals ***resulting from biomass*** use are properly

Amendment

(c) Reference levels should ensure a robust and credible accounting, to guarantee that emissions and removals ***from managed forest land*** use are properly

accounted for;

accounted for *and that emissions are balanced towards removals*;

Amendment 47

Proposal for a regulation

Annex IV – part A – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) *Reference levels shall include the carbon pool of harvested wood products, providing a comparison between assuming instantaneous oxidation and applying the first-order decay function and half-life values;*

deleted

Amendment 48

Proposal for a regulation

Annex IV – part A – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) Reference levels should take into account the objective of contributing to the conservation of biodiversity and the sustainable use of natural resources, as set out in the *EU* Forest Strategy, Member States' national forest policies, and the *EU* Biodiversity *Strategy*;

(e) Reference levels should take into account the objective of contributing to the conservation of biodiversity and the sustainable use of natural resources *for production of both energy and other fossil-based material substitution purposes*, as set out in the *Union's* Forest Strategy, Member States' national forest *programmes and* policies, and the *Union's Bioeconomy and Biodiversity Strategies*; *A Member State which has recently introduced or which wishes to introduce a new policy for forest management and exploitation resulting in an increase in wood harvesting shall not be penalised with debits under this Regulation, provided that that policy is proactive and sustainable and does not lead to a reduction in the long-term absorption capacity of the Member State's forests.*

Amendment 49

Proposal for a regulation

Annex IV – part A – paragraph 1 – point g

Text proposed by the Commission

(g) Reference levels shall be consistent with greenhouse gas inventories and relevant historical data and shall be based on transparent, complete, consistent, comparable and accurate information. In particular, the model used to construct the reference level shall be able to reproduce historical data from the national greenhouse gas inventory.

Amendment

(g) Reference levels shall be consistent with greenhouse gas inventories and relevant historical data and shall be based on transparent, complete, consistent, comparable and accurate information. ***Greenhouse gas inventories shall be aligned with relevant decisions adopted by bodies of the UNFCCC or of the Paris Agreement.*** In particular, the model used to construct the reference level shall be able to reproduce historical data from the national greenhouse gas inventory.

Amendment 50

Proposal for a regulation

Annex IV – part B – title

Text proposed by the Commission

B. Elements of the national forestry accounting ***plan***

Amendment

B. Elements of the national forestry accounting ***report***

Amendment 51

Proposal for a regulation

Annex IV – part B – paragraph 1 – introductory part

Text proposed by the Commission

The national forestry accounting ***plan*** submitted pursuant to Article 8 of this Regulation shall contain the following elements:

Amendment

The national forestry accounting ***report*** submitted pursuant to Article 8 of this Regulation shall contain the following elements:

Amendment 52

Proposal for a regulation

Annex IV – part B – paragraph 1 – point f – point 2

Text proposed by the Commission

(2) Emissions and removals from forests **and harvested wood products** as shown in greenhouse gas inventories and relevant historical data,

Amendment

(2) Emissions and removals from forests as shown in greenhouse gas inventories and relevant historical data,

Amendment 53

Proposal for a regulation

Annex IV – part B – paragraph 1 – point f – point 3

Text proposed by the Commission

(3) Forest characteristics, including age-class structure, increments, rotation length and other information on forest management activities **under ‘business as usual’**;

Amendment

(3) Forest characteristics, including age-class structure, increments, rotation length and other **relevant** information on forest management activities

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change
References	COM(2016)0479 – C8-0330/2016 – 2016/0230(COD)
Committee responsible Date announced in plenary	ENVI 12.9.2016
Opinion by Date announced in plenary	AGRI 12.9.2016
Rapporteur Date appointed	Elisabeth Köstinger 30.8.2016
Discussed in committee	5.12.2016
Date adopted	30.5.2017
Result of final vote	+: 20 –: 13 0: 3
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Daniel Buda, Matt Carthy, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Philippe Loiseau, Ulrike Müller, Maria Noichl, Marijana Petir, Bronis Ropé, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Tibor Szanyi, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Bas Belder, Franc Bogovič, Hannu Takkula
Substitutes under Rule 200(2) present for the final vote	Christofer Fjellner

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

20	+
PPE	Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Christofer Fjellner, Esther Herranz García, Peter Jahr, Jaroslaw Kalinowski, Elisabeth Köstinger, Marijana Petir
ECR	Bas Belder, Beata Gosiewska, Zbigniew Kuźmiuk
ALDE	Jan Huitema, Ulrike Müller, Hannu Takkula
ENF	Edouard Ferrand, Philippe Loiseau

13	-
S&D	Eric Andrieu, Viorica Dăncilă, Maria Noichl, Ricardo Serrão Santos, Tibor Szanyi, Marc Tarabella
ALDE	Ivan Jakovčić
GUE/NGL	Luke Ming Flanagan, Maria Lidia Senra Rodríguez
Verts/ALE	Martin Häusling, Bronis Ropé
EFDD	John Stuart Agnew, Marco Zullo

3	0
S&D	Clara Eugenia Aguilera García, Paolo De Castro
GUE/NGL	Matt Carthy

Key to symbols:

+ : in favour

- : against

0 : abstention