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NOTE

From:	General Secretariat of the Council
To:	Delegations
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Subject:	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 (First reading) - General approach = Delegations' contributions

With a view to the Council (Environment) on 13 October 2017, delegations will find in the Annex a proposal from Finland.

ANNEX

FINLAND

LULUCF Regulation

Recital (14d)

More forested and in particular smaller forested Member States are more dependent on managed forest land to balance emissions in other accounting categories and will therefore be affected to a higher degree and will have a limited potential to increase their forest coverage. The percentage should be increased on the basis of forest coverage and land area so that Member States with a very small land area and very high forest coverage compared to the Union average, **and most forested Member States with a declining harvest intensity during the reference period,** would be granted the highest percentage of their sink for the reference period. **The most forested Member State face particular difficulties in reducing emissions from land use changes from forest land to other land uses, and should be granted time limited access for compensation of these land use changes.**

Article 11a

Proposal for a new paragraph 2 (bis):

Where the result of the calculation referred to in Article 6(1) is positive, the Member State concerned is entitled to compensate emissions resulting from land reported as forest land converted to cropland, grassland, wetlands, settlements and other land to 31 December 2020, provided that

a) **it reported for the period 2000 to 2009 pursuant to Article 7 of Regulation (EU) No 525/2013 an average forest cover exceeding 63% of its total land area, and**
b) **the conditions listed in paragraphs 2(a) and (b) of this Article are met.**

Annex VII: Maximum amount of compensation available under the managed forest land flexibility referred to in Article 11a(3)(a)

Member State	Reported average forest sink 2000-2009 in million tonnes CO2 equivalent per year	Compensation limit expressed in million tonnes of CO2 equivalent for the period 2021-2030
…	…	…
Finland	-36,79	**-117,6**

Justifications

- Finland has the highest forest cover in the EU and faces particular difficulties for the land use changes from forest land to other land categories. Also the potential for afforestation is limited for the same reasons.
- It is proposed that countries with the highest forest cover would have possibility include also land use changes to the flexibility in limited manner, so that the emissions from the historical land use changes, prior to the start of the first period could be included in the flexibility under specific circumstances.
- Finland is particularly affected by the choice of the reference period (2000-2009) due to the low and declining intensity during the reference period. Therefore it is suggested that Finland receives equal percentage of compensation as the more forested and smaller Member States.