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## **MEETING DOCUMENT**

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From:	General Secretariat of the Council
To:	Working Party on the Environment
Subject:	Non-ETS (LULUCF): WPE 2 May - IT comments on the LULUCF proposal

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With a view to the WPE on 2 May delegations will find comments from Italy on the above.

## **Italy proposal for article 8 and Annexes III and IV**

### *Article 8*

#### **Accounting for managed forest land**

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 periods from 2021 to 2025 and from 2026 to 2030.~~

#### Explanation

*As proposed by others MSs, we support to delete the last sentence. The “forest reference level” definition should be moved to Article 3.*

- ~~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.~~

#### Explanation

*As proposed by others MSs, we ask to delete this paragraph.*

*The use of LULUCF credits is already limited by ESR flexibility (article 7 of ESR proposal) where further limitations are foreseen for managed forest land. In this context a further CAP is pointless. The 3,5% cap was developed within the Durban LULUCF decision under the IICP of the Kyoto Protocol (Decision 2/CMP.7) and is linked to the high uncertainties associated with the lack of robust criteria for the definition of the forest management reference level established under the decision.. The new rules established under this Regulation are based on historical data avoiding policy assumptions that make the accounting system for managed forest land more robust, transparent, verifiable and well balanced. Consequently there is no need for any extra limitation.*

32. 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 report on all the elements listed in Annex IV, section B, national forestry accounting plan including a proposed 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.

The ~~national forestry accounting plan shall contain all the elements listed in Annex IV, section B and include a~~ proposed new forest reference level will be based on the continuation of [current] forest management practice and intensity, as documented between [1990-2009] per forest type and, if appropriate, per age class structure in national forests, expressed in tonnes of CO<sub>2</sub> equivalent per year.

Such report ~~The national forestry accounting plan~~ shall be made public ~~and shall be subject to public consultation.~~

<u>Explanation</u>
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- *We suggest using the terminology “report” instead of “national forestry accounting plan” throughout the text.*
- *On the criteria for establishing the forest reference levels, these should be fully verifiable, robust, and transparent and based on the current management avoiding policy assumptions.*
- *Regarding the reference period, we believe that the new forest reference level should consider more recent data that can better represent the “current management” criteria.*
- *Age class structure may be not relevant for all Member States, especially in the Mediterranean context, thus their use could be not applicable in some cases.*
- *No public consultation needed since it has already taken place at the draft stage or in the context of the national reports.*

43. Member States shall demonstrate consistency between the methods and data used to establish the new 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.
54. The Commission shall facilitate a technical review of the review the national forestry accounting plans reports set out in paragraph 2 and technical corrections ~~and assess with a view to enable an assessment of~~ 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 (32) and (34) as well as Article 5(1). The Member State, being technically reviewed may interact with the Commission during the reviewed of its submission in order to address to the questions and to provide additional information as requested by the review team. To the extent that this is required in order to ensure compliance with the principles and requirements set out in paragraphs (32) and (34) as well as Article 5(1), the Commission shall compile a synthesis report including recommendations in order to improve transparency at the latest by 31 December 2019 for the period from 2021 to 2025 and by 30 June 2024 for the period 2026-2030, and shall made the synthesis report public available may recalculate the proposed new or corrected forest reference levels. At the latest by 31 December 2020 for the period from 2021 to 2025 and by 30 June 2025 for the period 2026-2030, a Member State shall submit to the Commission a recalculation of its reference level if required by the technical review.

Explanation

*Recalculation by the Commission impinges on the competence of the Member States then it should be carried out by national experts following the review report. Procedures and timing for the review are detailed.*

65. By 2020 the ~~The~~ Commission shall adopt an implementing delegated ~~acts~~ in accordance with Article 14 [...] to amend Annex II in the light of the review carried out pursuant to paragraph (54) to update Member State forest reference levels based on the report according to paragraph 2 ~~the national 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].~~

No support for delegated acts.

**Annex III: Base years for the purposes of calculating  
the cap pursuant to Article 8(2)**

Member State	Base Year
Belgium	1990
Bulgaria	1988
Croatia	1990
Czech Republic	1990
Denmark	1990
Germany	1990
Estonia	1990
Ireland	1990
Greece	1990
Spain	1990
France	1990
Italy	1990
Cyprus	-
Latvia	1990
Lithuania	1990
Luxembourg	1990
Hungary	1985-87
Malta	-
Netherlands	1990
Austria	1990
Poland	1988
Portugal	1990
Romania	1989
Slovenia	1986
Slovakia	1990

Finland	1990
Sweden	1990
United Kingdom	1990

**Annex IV: ~~National forestry accounting plan~~ Report** containing a Member State's updated forest reference level

A. Criteria for determining forest reference levels

Member State forest reference levels shall be determined in accordance with the following criteria:

- ~~(a) Reference levels shall be consistent with the goal of achieving a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century;~~

*It is not clear the link between the RL and the balance between emissions and removals. In our view the full accountability of the sector is key towards achieving the balance target as defined by article 4.1 of the Paris agreement, providing the right incentives for the sustainable management of the land use sector. We do not see the link with the reference level itself. We seek clarification by the Commission on this paragraph.*

- (b) Reference levels shall ensure that the mere presence of carbon stocks is excluded from accounting;
- (c) Reference levels should ensure a robust and credible accounting, to guarantee that emissions and removals resulting from biomass use are properly accounted for;
- (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;~~

*The second part of the sentence is not relevant for the definition of the reference level and should be deleted*

- (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;
- (f) Reference levels shall be consistent with the national projections of anthropogenic greenhouse gas emissions by sources and removals by sinks reported under Regulation (EU) No 525/2013;
- (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.

B. Elements of the national ~~report forestry accounting plan~~

*As previously mentioned (see comments in paragraph 8.3), the term “plan” is not appropriate in this context. We should refer to a report that the Member States submit for review, where all criteria, data, methods are fully described according to the criteria outlined in the Regulation.*

The national report on the Reference Level forestry accounting plan submitted pursuant to Article 8 of this Regulation shall contain the following elements:

- (a) A general description of the construction of the reference level and a description on how the criteria in this Regulation were taken into account;
- (b) Identification of the carbon pools and greenhouse gases which have been included in the reference level, reasons for omitting a carbon pool from the reference level construction, and demonstration of the consistency between the pools included in the reference level **and the pools included in most recently submitted greenhouse gas inventory**;

*Consistency should be ensured between pools in the RL and the pools in the latest inventory, not among pools in the reference level.*

- (c) A description of approaches, methods and models, including quantitative information, used in the construction of the reference level, consistent with the most recently submitted national inventory report and documentary information on forest management practice and intensity;
- ~~(d) A description of how stakeholders were consulted and how their views have been taken into account;~~

*The report should contain only methodological details for setting the reference level.*

- (e) Information on how harvesting rates are expected to develop under different policy scenarios;
- (f) A description of how each of the following elements were considered in the construction of the reference level:
  - (1) Area under forest management;
  - (2) Emissions and removals from forests and harvested wood products as shown in greenhouse gas inventories and relevant historical data,
  - (3) Forest characteristics, including age-class structure, increments, rotation length and other information on forest management activities under ‘business as usual’;
  - (4) Historical and future harvesting rates disaggregated between energy and non-energy uses.