



**COUNCIL OF
THE EUROPEAN UNION**

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to: Coreper/Council

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Subject: **PREPARATION OF THE COUNCIL (ENVIRONNEMENT) MEETING
ON 11 JUNE 2012**

Proposal for a Decision of the European Parliament and of the Council on
accounting rules and action plans on greenhouse gas emissions and removals
resulting from activities related to land use, land use change and forestry
- Orientation debate

I. INTRODUCTION

1. The Commission adopted the above-mentioned proposal on 12 March 2012. The purpose of the proposal is to establish a harmonised legal framework for comprehensive and robust accounting rules for the land use, land use change and forestry (LULUCF) sector, thus extending accounting of anthropogenic greenhouse gas emissions to all economic activities in the EU. Specifically it aims at increasing the visibility of mitigation efforts in agriculture, forestry and related industries, providing a basis for designing appropriate policy incentives e.g. in the Common Agricultural Policy, and levelling the playing field between Member States.

2. Although emissions and removals from LULUCF are already reported under the UNFCCC and partially accounted for under the Kyoto Protocol, the sector is not currently included in the Union's climate commitments under the Climate and Energy Package. However, in accordance with Article 9 of Decision No 406/2009/EC (the "Effort Sharing Decision"), the Commission was required to assess the modalities for the inclusion of emissions and removals from activities related to LULUCF in the Union reduction commitment and to make a proposal, as appropriate.
3. The Commission's proposal does not provide for the inclusion of the LULUCF sector in the EU's climate commitments at this stage, but is presented as a first step towards this by establishing the appropriate policy context. As an intermediate step towards the sector's full integration into current policies, it proposes that Member States should establish, for each accounting period, national action plans on measures to limit or reduce emissions and to maintain or increase removals from the LULUCF sector.
4. The proposal reflects key elements of the revised LULUCF accounting rules, which were agreed in Durban in December 2011 and which will apply from the beginning of a second commitment period under the Kyoto Protocol. However, some of its provisions differ from the decisions taken in Durban, such as in particular the proposed mandatory accounting for cropland management and grazing land management and concerning the accounting rules for natural disturbances.

II. STATE OF PLAY

5. The European Parliament's ENVI Committee appointed Mr Kriton Arsenis (S&D) as Rapporteur for the file on 12 April. The vote in the Committee is scheduled for 10-11 October. The Council decided to consult the Economic and Social Committee and the Committee of the Regions on 26 March.

6. The Commission presented the proposal to the Working Party on the Environment on 26 March. The Working Party has since discussed the proposal at three meetings, most recently on 21 May, and completed a first round of examination of the proposal and the impact assessment. Several delegations have also submitted written comments.
7. Although discussions in the Council are still at a relatively early stage, certain issues have already emerged as central to the discussions including in particular:
 - The proposed phased approach and its implications;
 - The role and implementation of the proposed national action plans;
 - The relationship between the Commission's proposal and the relevant decisions in the UNFCCC framework.

III. QUESTIONS FOR THE ORIENTATION DEBATE

8. On the basis of the discussions so far and with a view to obtaining guidance for further work, the Presidency has drafted the following two questions:
 - *How do Member States assess the proposed phased approach?*
 - *How can Member States best stimulate the mitigation potential of the LULUCF sector at this stage, and how can all actors involved best share the experiences gained, e.g. through means such as the proposed LULUCF Action Plans?*

In order to facilitate the orientation debate, delegations are invited to send their written replies to the questions to the Presidency (riksch@um.dk) and the General Secretariat of the Council (sari.hanninen@consilium.europa.eu) by Thursday 7 June (COB).