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Subject: 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
= *Replies from Member States*

Delegations will find in the Annex the written contribution received from PT to the Presidency questions contained in document 10244/12.

PORTUGAL

How do Member States assess the proposed phased approach?

PRT is simultaneously satisfied and disappointed with this proposal.

We are satisfied to see progress in developing rules for proper accounting of the positive role that agriculture and forestry play in climate change mitigation. This is considered by Portugal as the missing piece in EU climate legislation and we are happy that we are now finally taking steps to close that gap.

We are disappointed because the COM proposal falls short to the mandate given to the COM by the Effort Sharing Decision – to include LULUCF in EU targets. LULUCF is an integral part of Kyoto Protocol Commitments and, under Durban LULUCF accounting rules, at least the activities afforestation, reforestation, deforestation and forest management are mandatory and count towards QELROs¹ for the second commitment period. This inconsistency needs to be addressed or we will face criticism at international level and risk difficult cross-compliance issues between compliance for EU purposes and compliance for KP purposes.

Portugal's strategy towards Kyoto compliance has always included LULUCF activities and we have been innovative in creating mechanisms (including financial mechanisms) to promote this contribution from agriculture and forestry. Further, in recent years, Portugal has invested significantly in improving the information basis for Kyoto reporting and accounting in this sector. The non-inclusion of LULUCF in EU targets for the second Commitment Period puts these investments at risk and will pose additional compliance problems for Portugal in the future. Additionally, it runs counter the consensual notion that all sectors must contribute to tackling climate change.

Therefore, we see urgency in moving towards the inclusion of LULUCF in the EU targets already in the second commitment period and as soon as possible and we think this issue can be taken up in conjunction with, but not limited to, the debate for higher ambition at EU level.

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 our view, the best way to stimulate climate mitigation action in this sector is to keep LULUCF in national and EU targets.

Portugal has voluntarily elected to account for cropland, grassland and forest management in the first commitment period.

¹ QELROs – Quantified Emission Limitation Reduction Objectives

This has triggered a high interest in the sector for better understanding carbon emissions and carbon sequestration in the sector and for developing actions and approaches to stimulate and/or give visibility to the contribution of this sector.

We have developed, through the Portuguese Carbon Fund, a programme for domestic reductions of emissions that is currently financing carbon sequestration in 25.000 ha of permanent biodiverse grasslands, an initiative involving more than 300 farmers and that is sequestering 450.000 ton of Carbon Dioxide per year. This project is expected to grow to more than 55.000 ha and 900 farmers this year. A new project, starting this year, will implement fire prevention measures in agri-forest systems that also increase soil carbon sequestration. These projects were made possible because there is a link between the contribution of LULUCF and our first commitment period target.

Complementary to this, we acknowledge and see value for climate change mitigation and adaptation in many of the individual measures contained in proposals for the Regulation on Support for Rural Development by the EAFRD ². We note that in this context, Member States will have to submit a Rural Development Programme to the Commission, where Member States will have to demonstrate that a pertinent approach on climate change mitigation and adaptation has been integrated into the programme. Given this legal obligation, and the role of the CAP in providing incentives for the sector, we see little added value in producing yet another action plan for LULUCF. We would rather see an articulation of both initiatives, in order to reduce the burden on Member States in developing programmes for different objectives and, later, on reporting requirements for the Commission.

² EAFRD – European Agricultural Fund for Rural Development