

Land use, land use change and forestry (LULUCF)

2021/0201(COD) - 14/03/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 497 votes to 97, with 43 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council Amending Regulations (EU) 2018/841 as regards the scope, simplifying the compliance rules, setting out the targets of the Member States for 2030 and committing to the collective achievement of climate neutrality by 2035 in the land use, forestry and agriculture sector, and (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review.

The European Parliament's position adopted at first reading following the ordinary legislative procedure amended the Commission proposal as follows:

Subject matter

This Regulation sets out rules concerning:

- commitments of Member States for the land use, land use change and forestry ('LULUCF') sector that contribute to achieving the objectives of the Paris Agreement and meeting the greenhouse gas emission reduction target of the Union for the period from 2021 to 2025;
- accounting of greenhouse gas emissions and removals from the LULUCF sector and checking the compliance of Member States with the commitments for the period from 2021 to 2025;
- a 2030 Union target for net greenhouse gas removals in the LULUCF sector;
- targets for net greenhouse gas removals in the LULUCF sector for Member States for the period from 2026 to 2030'.

Commitments are targets

For the period from 2021 to 2025, each Member State should ensure that greenhouse gas emissions do not exceed greenhouse gas removals, calculated as the sum of total emissions and total removals on its territory in all of the land accounting categories referred to in Regulation.

The EU 2030 target for net greenhouse gas (GHG) removals in the land, land use change and forestry sector will be set at **310 million tonnes CO₂ equivalent**.

In order to ensure the collective achievement of the 2030 Union target while taking into account the interannual variability of the greenhouse gas emissions and removals in the LULUCF sector, it is appropriate to set for each Member State a commitment to achieve a sum of net greenhouse gas emissions and removals for the period from 2026 to 2029 (**the 'budget for 2026 to 2029'**) in addition to the national target for the year 2030.

Flexibilities, governance and monitoring

Considering the specificities of the LULUCF sector in each Member State, as well as the fact that Member States need to increase their performance to achieve their national binding targets, a range of flexibilities

should remain at the disposal of the Member States, including trading surpluses and the extension of forest-specific flexibilities, while respecting the environmental integrity of the targets.

To the extent that, in the period from 2021 to 2025, total removals exceed total emissions in a Member State, or, in the period from 2026 to 2030, the difference between the sum of the greenhouse gas emissions and removals on the territory of a Member State and the commitment, target or budget set for that Member State is negative, that Member State may transfer the remaining quantity of removals to another Member State.

Member States should use revenues, or their equivalent in financial value, generated by transfers to tackle climate change in the Union or in third countries. Member States should inform the Commission of any actions taken pursuant to this paragraph and shall make that information public in an easily accessible form.

A mechanism will also ensure that Member States receive compensation if **natural disasters**, such as forest fires, occur.

The rules for governance should be set out in a manner promoting early action towards achieving the intermediate Union climate target for 2030 and the economy-wide climate neutrality objective of the Union, following the trajectory for the years 2026 to 2029 introduced by this amending Regulation. The principles laid down in Regulation (EU) 2018/842 should apply *mutatis mutandis*, with a multiplier calculated in the following way: 108 % of the gap between a Member State's budget for 2026 to 2029 and the corresponding net removals reported will be added to the figure reported for 2030 by that Member State. In addition, any deficit accumulated by 2030 by each Member State should be taken into account where the Commission submits proposals concerning the post-2030 period.

Monitoring, reporting and verification of emissions and removals will be improved, including by using **more geographical data and remote sensing**, so that EU countries' progress towards achieving their targets can be followed more accurately.

Corrective action

In order to allow swift and effective action, where the Commission finds that a Member State is not making sufficient progress towards its 2030 target, taking into account the trajectory, the budget for 2026 to 2029 and the flexibilities under this Regulation, a corrective action mechanism will apply to help that Member State get back on the trajectory towards 2030, by ensuring that additional actions are taken, leading to enhanced net greenhouse gas removals.

The Commission may issue an opinion regarding the robustness of the submitted corrective action plans within four months. The Member State concerned will take utmost account of the Commission's opinion and may revise its corrective action plan accordingly. If the Member State concerned does not address the opinion or a substantial part thereof, that Member State will provide a justification to the Commission.

Review

The Regulation will be reviewed taking into account, *inter alia*: (i) international developments; (ii) efforts to achieve the long-term objectives of the Paris Agreement; and (iii) Union law, including on nature restoration.

The Commission will submit a progress report no later than six months after the first global stocktaking agreed under the Paris Agreement. Where appropriate, the Commission will present legislative proposals.