



Flexibilities in LULUCF

in the compliance period of 2021-2025

DG CLIMA.C3: Land Economy &
Carbon Removals

6 May 2025

Provisions on Natural Disturbances (ND) and ‘managed forest land’ flexibility: views on their technical implementation in 2021-2025.

10 min each presentation + 5 min for questions

- **Introduction to the Natural disturbances and managed forest land flexibility provisions.**
- Robert Matthews (UK): **“I felt a great disturbance in the forest”**: Challenges in representing and accounting for natural disturbances and interannual variability.
- Peter Weiss (AT): **Identified problems of the method for estimating natural disturbances according to the LULUCF regulation.**

Roundtable with questions to Member States

LULUCF Compliance for the period 2021-2025

- Paving the way to a smooth compliance exercise of 2027
- This year, we are beginning with a **series of workshops** to support Member States and facilitate the compliance process, including the use of flexibilities
- **Good overview of EU & MS situation & needs by end 2025 / early 2026**

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ESR & LULUCF Compliance Workshop	MS Workshop by EEA & JRC	MS Workshop (EEA)
8 April, Brussels	6-7 May, Ispra	Sep/Oct 2025
<input type="checkbox"/> Overview of available flexibilities	<input type="checkbox"/> Best practices of natural disturbances identification and quantification	<input type="checkbox"/> Exchange between Member States on all open aspects linked to flexibilities
<input type="checkbox"/> Insights by Member States on natural disturbances and first exchange	<input type="checkbox"/> Best practices in managed forest land flexibility calculation	<input type="checkbox"/> Basis for a good overview of the EU and MS situation, well ahead of the 2027 compliance process
<input type="checkbox"/> Compliance exercise simulation	<input type="checkbox"/> Technical corrections to the Forest Reference Levels	

April Survey

Q1 Natural Disturbances:

Has your MS been impacted by a natural disturbance in the period 2021-2025?

If so, by which one? To what extent – have you performed a preliminary calculation?

If needed, would you have all the necessary information available to apply the flexibility?

Q2 Managed Forest Land Flexibility:

Does your MS intend to make use of the 'managed forest land' flexibility?

If so, what are the drivers?

Have you performed a preliminary calculation?

Q3 Forest Reference Level:

Has your MS performed a preliminary calculation of the technical correction?

Do you have all the necessary information needed?

Q4 Is there any other information you would need to facilitate the compliance exercise of 2027?

LULUCF Compliance Process in 2027

Accounting exercise (before compliance check):

- Reported values against historical benchmarks (such as forest reference level)
- Natural disturbances discounting

Comprehensive Review

Application of flexibilities under Article 12:

- Flexibility with ESR
- Transfer of LULUCF surpluses among Member States

Determination of EU-level compliance with the 'no-debit' commitment

Application of 'Managed Forest Land' Flexibility

Determination of Member States' individual compliance

AEAs from ESR

Surplus to ESR

Up to 20 Mt surplus
to period 2026-2030

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2027 (before compliance)

Reference levels

- Managed croplands, grasslands: historical average of the period 2005-2009
- Managed forest land: **Forest reference level**
- **In 2027: update of the FRL (technical correction)** in line with improved methodologies for GHG inventory reporting
- Article 8: methodology in Annex IV

Natural disturbances

- **Exclusion from accounting** GHG emissions resulting from natural disturbances in afforested land and managed forest land
- Any subsequent removals from those areas cannot be accounted for in the period 2021-2025
- Article 10; methodology in Annex VI
- Features into the National Inventory Report

Natural disturbances

- Art. 10 (irrespective of EU-level compliance with the 'no-debit' commitment)
 - Exclusion from accounting of emissions due to natural disturbances (insect outbreaks, wildfires, windfalls)
 - Only in afforested land and managed forest land
 - Calculation in accordance with Annex VI:
 - Background level = emissions *estimations* for specific natural disturbance type for the period from 2001 to 2020, excluding statistical outliers
 - Emissions in a given year (2021-2025) eligible if $>$ background level + margin (probability level of 95 %)
 - Not possible in areas where harvesting, salvage logging, prescribed burning or deforestation took place



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Flexibility with ESR

Article 12 LULUCF Regulation

1. Where, in the period from 2021 to 2025, total emissions exceed total removals in a Member State,

[...]

and that Member State has chosen to use its flexibility, and has requested to delete annual emission allocations under Regulation (EU) 2018/842, the quantity of deleted emission allocations shall be taken into account with respect to the Member State's compliance with its commitment, target or budget, respectively, set in accordance with Article 4 of this Regulation.

Flexibility with ESR

- Available only to a Member State with total accounted removals lower than total accounted emissions in all accounting categories for the entire compliance period 2021-2025
- May be used only for compliance under LULUCF:
 - no use of more annual emission allocations (AEAs) than needed to balance out the excessive accounted emissions above the 'no-debit' rule, or
 - up to the amount of AEAs available to the Member State.
- No transfers after EU compliance check for opening the managed forest land flexibility
- To be reported to the COM under Article 14 LULUCF

Transfers among Member States

Article 12 LULUCF Regulation

2. To the extent that, in the period from 2021 to 2025, total removals exceed total emissions in a Member State,

[...]

and after subtraction of any quantity taken into account under Article 7 of Regulation (EU) 2018/842, that Member State may transfer the remaining quantity of removals to another Member State. The quantity transferred shall be taken into account when assessing the **recipient Member State's compliance with its commitment**, target or budget, respectively, set in accordance with Article 4 of this Regulation.

Transfers among Member States

Article 12 LULUCF Regulation

3. In order to avoid double counting, **the quantity of net removals taken into account under Article 7 of Regulation (EU) 2018/842 shall be subtracted from that Member State's quantity available for transfer to another Member State pursuant to paragraph 2 of this Article.**

4. Member States should **use revenues, or their equivalent in financial value, generated by transfers** pursuant to paragraph 2 **to tackle climate change in the Union or in third countries.** Member States shall inform the Commission of any actions taken pursuant to this paragraph and shall make that information public in an easily accessible form.

5. Any transfer pursuant to paragraph 2 may be the **result of a greenhouse gas mitigation project or programme carried out in the selling Member State** and remunerated by the receiving Member State, provided that **double counting is avoided** and traceability is ensured.

Transfers among Member States

- Available only where a Member State's total accounted removals exceed total accounted emissions in all accounting categories for the entire compliance period 2021-2025
- Up to the amount of net removals above the 'no-debit' rule (after subtraction of any quantity used under Article 7 ESR to balance out its AEA deficit)
- May be used by a receiving MS only for compliance under LULUCF:
 - no transfers of more LRUs than needed;
 - no subsequent transfers to cover up for its AEAs deficit!
- Revenues or equivalent used for climate projects (to be reported to COM)
- To be reported under Article 14 LULUCF and Article 20 IR 2020/1208

LULUCF Compliance Process in 2027

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Determination of EU-level compliance with the 'no-debit' commitment


Application of 'Managed Forest Land' Flexibility

Determination of Member States' individual compliance



EU compliance

- 
- Check EU-level compliance with the ‘no-debit’ commitment

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- EU compliance unlocks the ‘managed forest land flexibility’

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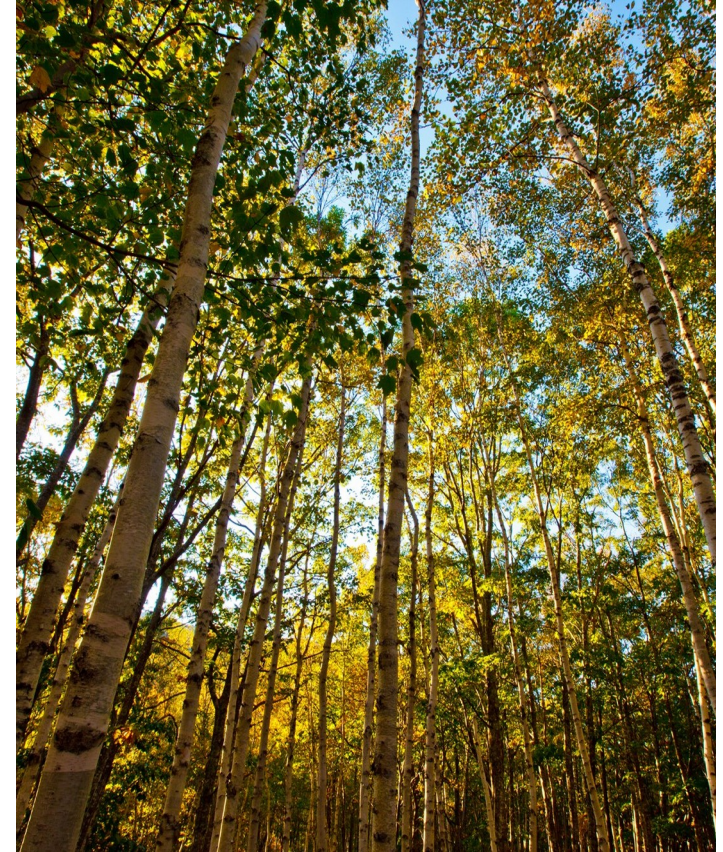
Determination of EU-level compliance with the 'no-debit' commitment

Application of 'Managed Forest Land' Flexibility

Determination of Member States' individual compliance

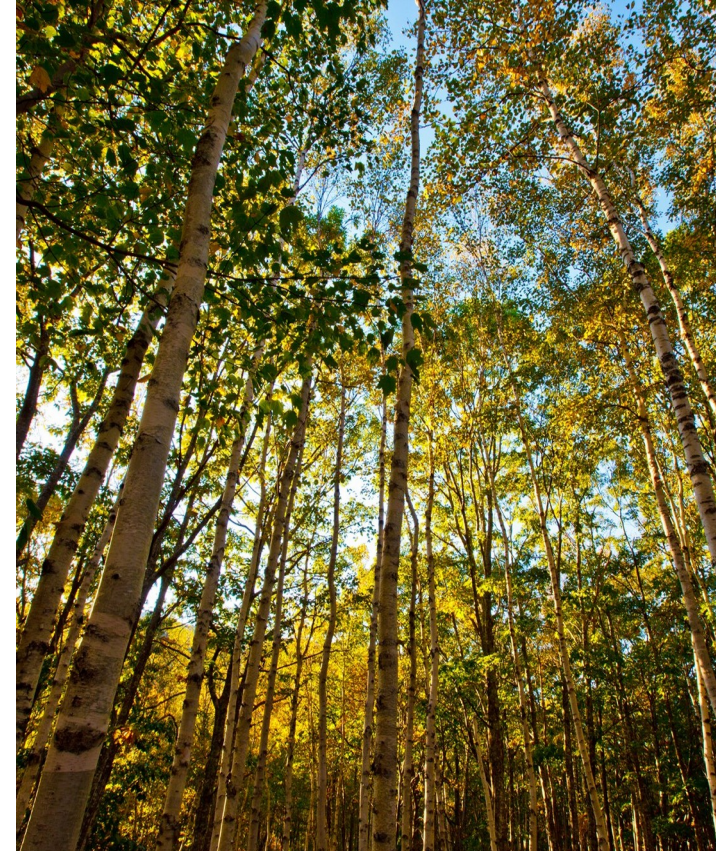
Managed forest land flexibility

- Art 13 (Subject to compliance with the 'no-debit' rule at the EU level)
 - 1) Compensation covers sinks accounted for as emissions against the forest reference level
 - 2) Need to include specific measures to ensure the conservation or enhancement, as appropriate, of forest sinks and reservoirs
 - 3) Allocation per MS (50% of annex VII)



Managed forest land flexibility

- Art 13 (Subject to compliance with the 'no-debit' rule at the EU level)
 - 4) If unused amount of annex VII still available, this amount can be also used to compensate the impact of natural disturbances ("second round") as submitted to the Commission-> Annex VI rules apply partially:
 - *calculation of the background level*
 - *No exclusion of emissions resulting from harvesting and salvage logging activities after natural disturbances*



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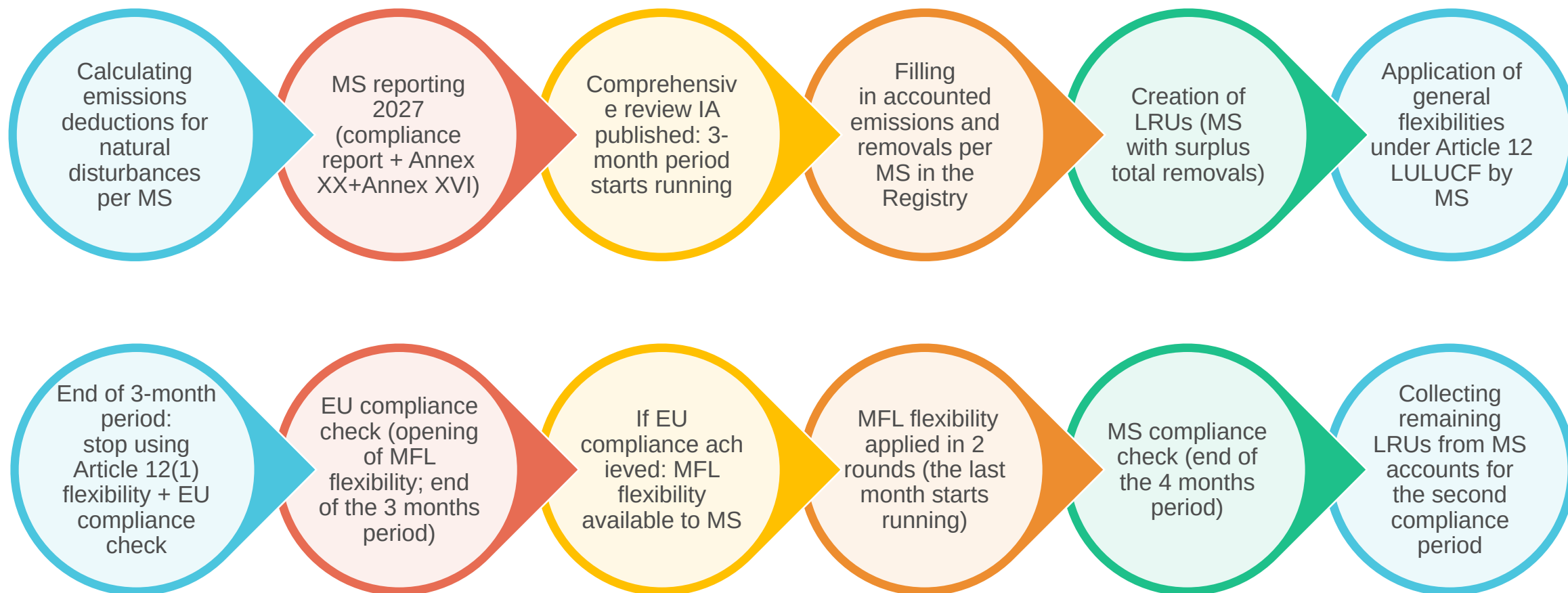
MS compliance

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- Check of individual MS compliance with the ‘no-debit’ commitment

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- Sum up of 27 MS compliance accounts

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- **Total LULUCF surplus (up to 20 MtCO₂eq.) to be taken over into the next compliance period 2026-2030**

Timeline of LULUCF compliance 2021-2025



LULUCF Handbook

- **Updated *Version 2* published on 15 May 2024**
- **Explains all elements** of the LULUCF Regulation, including the flexibilities
- Provides **practical tips, examples and case studies** to increase the quality of GHG inventory data
- **Disseminates knowledge and experience** GHG monitoring and evidence-based policy making
- Addressed to **everyone involved in land use policy making**

Handbook on the updated LULUCF Regulation EU 2018/841

Guidance and orientation for the implementation of the
updated Regulation

Version: 2

Date: 13.05.2024

EEA activity: FRAMEWORK SERVICE CONTRACT EEA/CET/22/001

[LINK](#)

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10 min each presentation + 5 min for questions

- **Introduction to the Natural disturbances and managed forest land flexibility provisions.**
- Robert Matthews (UK): **“I felt a great disturbance in the forest”**: Challenges in representing and accounting for natural disturbances and interannual variability.
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- Are you planning to implement these provisions?
- Which ND are you planning to include in your Background level?
- How do you plan to comply with the mandatory requirement for the implementation of ND provision (e.g., need for geographically identification, excluding subsequent removals, consistency of the background level with GHGI reporting, etc?)
- Do you expect any challenge in the implementation of the provision on ND?
- Which technical issues do you see on the 'managed forest land' flexibility provision?