



Brussels, **04 OCT. 2016**
Ares(2016)

Subject: Joint letter on EU climate policy 2030 - Danish Swedish and Finnish agricultural producers and forest owners

Dear Messrs Hvidtfeldt, Marttila and Jonsson,

Thank you for your letter sent on 14 July 2016, relating to the concerns of farmers and foresters in Denmark, Sweden and Finland. The Commissioner has asked me to reply on his behalf.

On 20 July 2016 the Commission adopted two key proposals to ensure the achievement of the EU commitments under the Paris Agreement on climate change: the Effort Sharing Regulation (ESR) setting the greenhouse gas emission reduction targets for Member States for 2030¹ and a proposal on integrating the land use sector into the EU's 2030 climate and energy framework². These proposals, together with last year's proposal for the [revision of the EU Emissions Trading System \(ETS\)](#)³, will ensure the EU is on track to reduce emissions domestically by at least 40% by 2030.

The Commission proposals follow the guidance provided by EU leaders in October 2014 and reconfirmed in March this year. They ensure a fair distribution of efforts in the EU that can be achieved in a cost-effective manner while ensuring environmental integrity.

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¹ COM(2016) 482

² COM(2016) 479

³ COM(2015) 337

The proposal on the ESR sets national binding targets for Member States for 2030 from 0% to -40% compared to 2005. The targets take into account differences in GDP per capita and for some higher income Member States adjustments are made to address concerns related to cost efficiency.

The proposal on the ESR allows Member States to reduce emissions flexibly across sectors and over time. Member States can also finance emission reductions in other Member States where costs are lower, thus facilitating investment flows across the EU. It foresees also two new flexibilities: (1) a number of higher income Member States with potential cost efficiency challenges can make use of a limited amount of allowances from the ETS to comply with the targets under the ESR, including Denmark, Finland and Sweden; (2) Member States can use a number of emission reductions credits from the land use sector to comply with their national targets, although this amount is strictly limited to ensure the environmental integrity of these targets. The distribution of this flexibility takes the lower mitigation potential of agriculture into account and gives Member States with a higher share of agriculture non-CO₂ emissions in the ESR higher access to this flexibility option.

The Commission proposal on the integration of the land use sector also follows the agreement by EU leaders that all sectors should contribute to the EU's 2030 emissions reduction target. The proposal keeps the land use sector as a separate component of the 2030 climate and energy framework. Under the proposal, Member States are required to ensure that accounted greenhouse gas emissions for land use are compensated by an equivalent removal of CO₂ from the atmosphere. The proposal also sets out accounting rules to determine compliance for the land use sector, building on the existing accounting rules developed under the Kyoto Protocol, while updating and improving them to make the governance of the sector more robust and fit for purpose. The proposal does not lay down any accounting or reporting obligations for private parties.

The Commission proposals are now for consideration by the European Parliament and Council. I would like to use this opportunity to thank you for your valuable input and I count on your involvement for turning these Commission proposals into effective legislation that will facilitate the transition to a low carbon economy.

Yours sincerely,



Jos DELBEKE