

2016 EU Agricultural Outlook Conference

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- I would first and foremost like to thank the organisers for their kind invitation to speak as part of this Climate change session.

(Role of Agriculture in the fight against climate change)

- The findings of the IPCC 5th Assessment Report highlight how essential it is for agriculture and forestry to contribute to achieving our long term goal of limiting global temperature increase to less than 2°C compared to pre-industrial levels.
- The IPCC also states that negative impacts on crop yields will greatly increase above this threshold, some studies predicting yield reductions for major crops of up to 25% by 2050.
- Agriculture also has to continue to address global pressure on food security, including the challenge of increasing the global food supply in a sustainable way in order to feed the 9 billion people expected in 2050.

- It is therefore necessary to increase agricultural production, yet this must be done in a sustainable way. We should take into account all environmental challenges (such as deforestation, biodiversity, soil, air, water), and at the same time safeguard livelihoods for people in rural areas.
- Natural resource limits means that most (four-fifths) of this production increase must come from yield increases, or intensification, rather than expanding production areas.
- Adapting to the impacts of climate change therefore, while enhancing mitigation from agriculture and producing more food will be the triple challenge that we must face up to.

(The impact of the Paris Agreement on agriculture)

- The Paris Agreement has the goal of putting the world on track to limit global warming to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5°C.
- The Agreement also spells out that the contribution from agricultural land use and forests in reaching the long term climate mitigation objectives will be critical.
- Why? Because these sectors are the only ones which not only create emissions but are also significant carbon sinks. Moreover, these sinks need to be conserved and enhanced to improve their long-term contribution to climate mitigation. The Agreement also includes an acknowledgement of the importance of food security.

- The importance of agriculture is reflected in the Nationally Determined Contributions submitted by countries as part of the Paris Agreement, where the majority of countries have included actions on agriculture.
- Another central element of the Paris Agreement are its firm commitments on climate finance to support the poorer and more vulnerable countries. The EU has a strong record of support, with approximately 5 billion euro provided to help African agriculture.

(Effort Sharing and LULUCF)

- In line with the objectives of the Paris Agreement on Climate Change, the EU has committed to reduce domestic greenhouse gas emissions by at least 40 per cent by 2030 compared to 1990 levels. This is an ambitious target and to achieve it, all the sectors are called to contribute.
- The European Council of October 2014 provided guidance in this regard. Heads of State and Government agreed on a -30% GHG reduction target for sectors not covered by the EU emissions trading system, which should be split into binding national targets.
- The Effort Sharing Regulation proposal of July follows this guidance. National targets are within a range between 0 and minus 40% to reflect fairness, and accompanied by a number of flexibilities to ensure cost efficiency, while keeping environmental integrity.
- The Effort Sharing Regulation continues to cover sectors like transport, buildings, waste and non-CO2 agriculture.

It does not prescribe to Member States which sectors should contribute to which extent, and Member States can also use emission reductions in other Member States if they are more cost efficient.

- The European Council also acknowledged the multiple objectives of agriculture and the lower mitigation potential. We all agree on the need to ensure an appropriate balance between EU's food security and climate change objectives.
- EU Agricultural non-CO2 emissions at EU 28 level have shown a successful decreasing trend, having reduced by around 23% since 1990.
- Nevertheless, we do see that the future mitigation potential of non-CO2 emissions in the sector is being more limited compared to other sectors, where technological substitutions are more readily available.
- Therefore a new flexibility between Effort Sharing sectors and land use sectors has been introduced. Up to 280 Mt over the period 2021-30 can be covered by credits from land use and forestry emissions.
- This flexibility amount is well balanced and corresponds to a very significant part of the mitigation needs from agriculture.

(Impact of ESR and LULUCF on Agriculture)

- The land use sector (LULUCF) is for the first time included in our EU domestic reduction target. The LULUCF proposal establishes a "no debit" commitment at EU level.

- Together with the Effort Sharing proposal and its flexibilities, this will help preserve and strengthen the capacity of our agricultural soils to capture CO₂. Extra mitigation will be achieved through providing efficient accounting incentives developing climate-smart agricultural practices.
- Innovation and research will be key to developing this pathway. These measures will need to be consistently designed to also address the effects of climate change, to ensure sustainable production and the provision of goods and services by farmland and forests.
- Agriculture, land use and Forestry are easily targeted as "part of the problem", but they are also very much "part of the solution" – even more so when we consider the increased importance they will play in our future economy and society.
- It is important to note the EU decision under the current multiannual financial framework to dedicate at least 20% of its budget to climate related action. This ensures the mainstreaming of climate change into all sectors, including the CAP and development cooperation.

(Concluding comments)

Ladies and Gentlemen,

- Climate change is clearly of particular importance to the agriculture sector. This sector is the most exposed to the risks of global warming – just when demand for food and feed is increasing.

- The Paris Agreement and related EU climate legislation combine a twin objective: the safeguard of food security and food production systems, while making sure that agriculture contributes to greenhouse gas mitigation. This is mirrored in the UN 2030 Sustainable Development Goals. Innovation and research will be essential to develop this pathway successfully.
- Given the limits on available resources – especially land - sustainable intensification is key to ensuring that our future agriculture food systems are productive, low-carbon and resilient.
- While EU policies have supported a significant reduction in EU Agriculture emissions since 1990, further efforts are needed to contribute to the EUs decarbonisation efforts. The Effort Sharing and the LULUCF regulations provide the appropriate mix of ambitious targets, enhanced flexibilities and robust governance to facilitate the appropriate contribution of the agriculture and land use sector.
- But what is really central to this process is the involvement of all relevant stakeholders, from science to public authorities and individual farmer. In this context, it is very encouraging to see the strong engagement of you all present here today.

I thank you for your attention