

Brussels,
(2020)

FINAL MINUTES

Meeting of the Civil Dialogue Group “Environment & Climate Change”

Friday 22 November 2019

Chair: Mr Martin Längauer (COPA)

Organisations present: All Organisations were present, except AnimalHealthEurope, Beelife, CAN Europe, CEMA, EBB, ECVC, EFA, EFNCP, EOCC, Eurocommerce, Europa Bio and FEFANA.

1. Approval of the agenda

The chair informed that agenda point 6 on the IPCC special report on climate change and land will be deleted as no external speaker was available to present the report.

The agenda was approved with this change.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

– APPROVAL OF THE AGENDA AND MINUTES OF THE PREVIOUS MEETING

The agenda was approved with the deletion of point 6. The minutes of the last meeting were approved by the members of the CDG.

– ELECTION OF THE CHAIRMANSHIP

The Commission stated that one application for the position of the chair and one for the position of the vice-chair have been received. Mr Martin Längauer introduced himself for the position of the chair and Ms Célia Nyssens introduced herself for the position of the vice-chair.

The Commission stated that the vote will be made by raising hands as a secret vote was not requested

During the vote Mr Martin Längauer was elected by the members as chair with one abstention (Slowfood). Ms Célia Nyssens was elected as vice-chair with one abstention (ELO) and one against (CEPM).

– **CARBON FARMING STUDY – UPDATE ON PROGRESS TOWARDS EU GUIDELINES – DG CLIMA**

DG Clima C3 representative gave a presentation on the progress of the commission study on carbon farming.

The chair opened the floor for discussion by stating that the proposed measures are more ambitious than current ones and they have to be accounted for in GHG emission accounting. He said that carbon farming will do its part to climate action.

WWF highlighted that the engagement with the supply chain as in the Austrian example is just the beginning. Spill-overs to other parts in sustainability have to follow.

EURAF asked whether the indicators to be used in carbon farming will be linked to existing ones and how the collection of data can be turned into benefits.

EEB highlighted the difference between functional and societal benefits of different farming practices and insisted that functional benefits should be emphasised by regulation.

COPA emphasised the good dialogue with the Commission and various stakeholders in carbon farming. Robust accounting for carbon sequestration, more information and a fair distribution of added value in the value chain is needed so that farmers can have a more substantial role in climate action. In France the Cap2er project is planned to be enlarged to arable farming. In general the interests of the agricultural sector and the society overlap in carbon farming and soils. A question remains how to tackle conflicts of interest.

The DG CLIMA C3 representative replied that the indicators are based on the CAP and a standard set of sustainability indicators is supposed to be elaborated. In the French example profitability is the key driver and certain conditions e.g. extension services have to be in place to achieve goals. Data sharing and open access is necessary. Agricultural data has been tested to create added value in crop rotation and soil quality measurements. Regarding conflicts of interest climate is one objective. The Commission is developing good examples to produce better and sustainable food. Different objectives have to be harmonised. The Commission welcomes the positioning of COPA on carbon markets.

– **UPDATE ON THE SUSTAINABLE FINANCE TAXONOMY PROPOSAL IN THE AGRICULTURAL SECTOR – DG AGRI**

DG Agri D4 representative gave a presentation on the sustainable finance taxonomy proposal in the agricultural sector.

EURAF emphasised that agroforestry is a more comprehensive topic than hedges and can deliver on adaptation, mitigation and carbon sequestration efforts as well as on other environmental goals. Sustainable finance indicators should map with CAP indicators. It should also be noted that agroforestry should not be mixed with afforestation.

Birdlife asked to what individual units this applies and are their binding elements? To reach net-zero by 2050 a substantially contribution of 20% to GHG emissions will not be enough.

FDE asked why some of the manufacturing sectors are excluded and what would be the consequence of being out of the scope? Will the taxonomy apply differently to listed and unlisted companies? What about economic sustainability?

WWF asked to what extent an activity has to be sustainable to be eligible for claiming sustainable?

EEB asked whether an impact assessment has been conducted and who will monitor compliance with the criteria?

CEJA asked if there are planned to be protection of farmers for access to land?

COPA stated that the agricultural sector must be included in a more comprehensive manner in the platform on sustainable finance to ensure a transition to sustainable food production and an impact on climate action. Some of the political statements in the TEG report on taxonomy are unacceptable and COPA asks how the platform will develop its thinking? The role of permanent grasslands and multi-annual grasslands in crop rotation systems should be acknowledged. COPA and COGECA also informed that they have created a task force on sustainable finance to raise the importance of the topic.

The DG Agri D4 representative replied on agroforestry that it was not included at this stage and it will depend on the platform whether it will be included in the future. The presentation and expertise of DG Agri is on the agricultural sector and manufacturing is the responsibility of another TEG's subgroup. DG AGRI D4 highlighted that the framework of the regulation is to classify whether an economic activity is sustainable and not evaluating the degree of sustainability. In this respect an economic activity has to contribute substantially to the objectives and not significantly harming others. An impact assessment has not been conducted as there are not criteria yet and also social aspects on rural communities were not discussed in the TEG. The platform will have a reporting and monitoring system in collaboration with the Commission. The composition of the platform is a negotiating point in the interinstitutional negotiations on the taxonomy regulation.

The CDG recommends to communicate to the participants of the interinstitutional negotiations the need of an inclusive and balanced representation of the different sectors in the platform on sustainable finance.

– **EXPERIENCES WITH THE RESULTS-BASED PAYMENTS PILOTS – IEEP**

The IEEP representative gave a presentation on results payments schemes in on-farm pilots 2014-2018.

The Chair thanked for the presentation and highlighted the interesting opportunities for RBPS at national level.

EURAF pointed out that RBPS have also climate benefits and that mitigation and adaptation measures will be boosted by biodiversity. EURAF asked how can farmers be prevented from inventing species; and if the payments are compliant with the WTO green box?

Birdlife asked how high is the level of ambition in the projects, and how can it be ensured that the results are not achieved just by business as usual?

CEJA representative asked if there are any measures to actively engage intensive farmers who might not be otherwise be interested?

COPA emphasised that through management measures and result indicators that are under the influence of the farmers, and realistic goals, RBPS can raise the motivation of farmers on delivering on nature and biodiversity. It was highlighted that local and regional cooperation (e.g. the Netherlands) between different actors will have a positive outcome on the general acceptance. Soil biodiversity can also play a role and should be taken into account. A particular question was raised on how the potential risks of zero payments are tackled?

COPA suggested and the members of the CDG agreed that the CDG should communicate to the Commission that studies on RBPS should continue.

The IEEP representative replied that these pilots were designed as pure results-based payments, but hybrid schemes are common in France and Germany, where the results-based payment is a top-up to a management-based payment on the same parcel of land. On monitoring and verification of result-indicators she noted that in a full-scale scheme there may be a few farmers who try to cheat, and others who make recording errors when monitoring their own scores, but as with management-based payments these would be picked up during inspections by paying agencies. Experience has shown that although farmers who have a zero payment score may be shocked initially, this is an incentive for them to seek advice on how to improve their land management to achieve a better score the next year. The pilots are compatible with the WTO green box requirements because the payment calculation is based on an expert view of the costs/income foregone of the management required to achieve each level of result-indicator score. Thus the payments increase with increasing levels of biodiversity performance. She confirmed that the indicators used in the pilots were science-based and statistically tested. She pointed out that CAP environmental ambition is rising and that, despite 30 years' experience of management based agri-environment schemes very, very few of these have been evaluated for their impact on biodiversity. Governments will need to incentivise and encourage intensive farms (e.g. using specialist advisory services) to adopt RBPS, both

for biodiversity and other objectives. Soil organic matter and soil condition might be an interesting topic for further RBPS pilots.

– **IPPC SPECIAL REPORT ON CLIMATE CHANGE AND LAND**

This point was deleted from the agenda.

– **AOB**

There were no other business.

4. Conclusions/recommendations/opinions

As a recommendation the CDG agreed to communicate the need of an inclusive and balanced representation of the different sectors in the platform on sustainable finance to the participants of the interinstitutional negotiations.

The CDG also encourages the Commission to continue studies on result-based payment schemes.

5. Next steps

The CDG did not agree on any other further steps.

6. Next meeting

The CDG did not agree on the date of the next meeting.

7. List of participants - Annex

Disclaimer

The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information.

List of participants– Minutes
Civil Dialogue Group “Environment & Climate Change »
 Friday 22 November 2019

ORGANISATION	NUMBER OF DELEGATES
BIRDLIFE EUROPE	1
CEJA	2
CELCAA	2
CEPM	1
COGECA	3
COPA	4
ECPA	1
EEB	1
EFFAT	1
ELO	3
EURAF	2
EURO COOP	1
FERTILIZERS EUROPE	2
FOODDRINK EUROPE	2
IFOAM EU	1
NOTE TAKER (COPA-COGECA)	1
PAN EUROPE	1
SACAR	1
SLOW FOOD	1
WWF	2

