



European
Commission

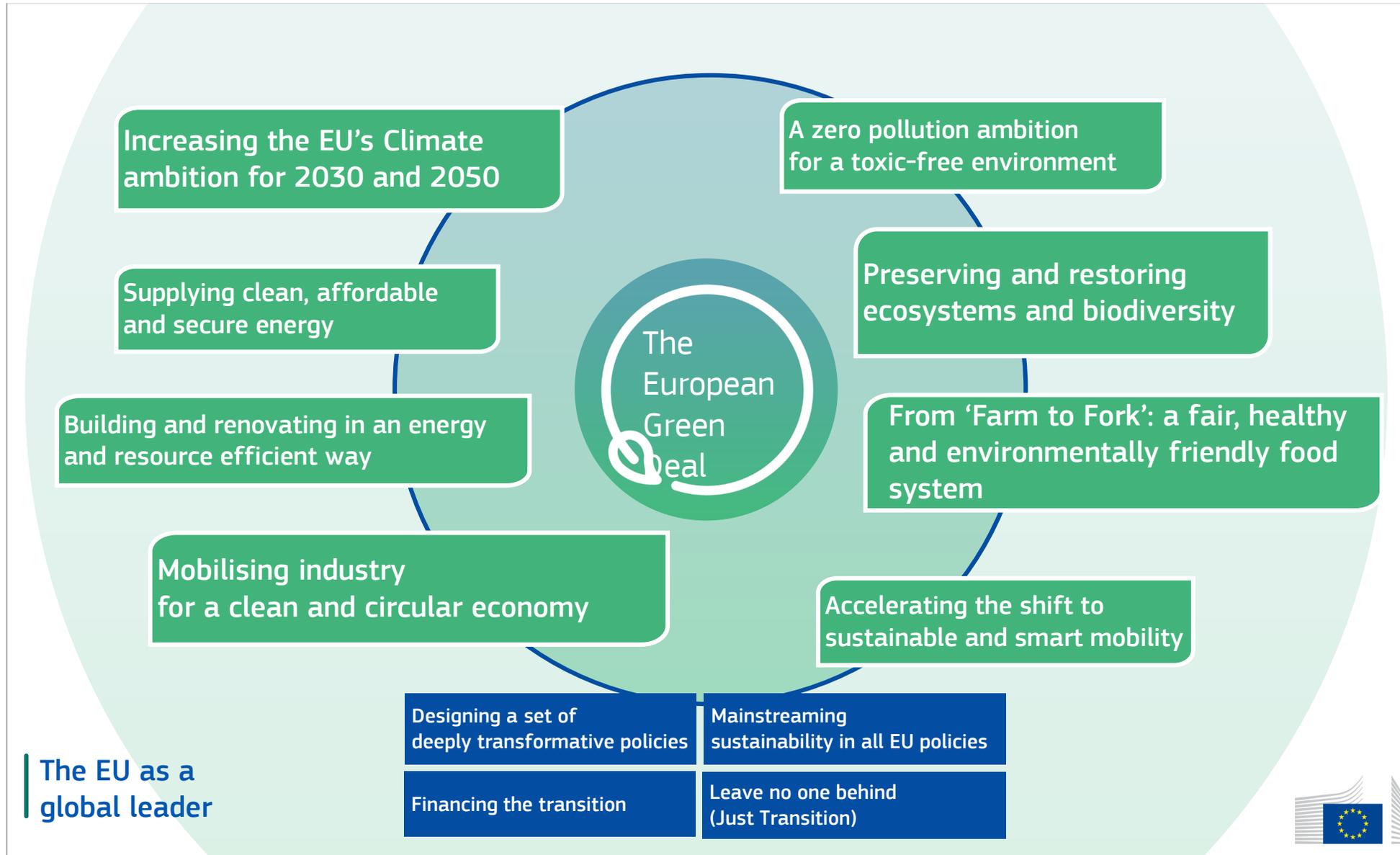
Fit for 55

Relevant to Agriculture and Forestry

AGRI.D4

5 Oct 2021

The European Green Deal





European Commission

1.134.199 follower

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Deal on the Climate Law!

The European Climate Law turns our European Green Deal targets into legal obligations:

- 📉 reducing net greenhouse gas emissions by at least 55% by 2030
- 🌍 reaching climate neutrality by 2050

Today's deal between the co-legislators also introduces:

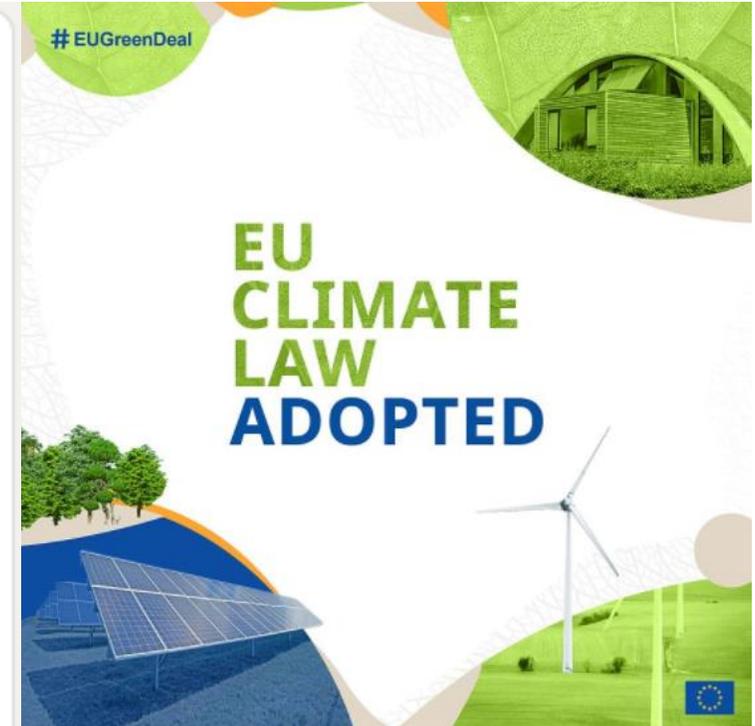
- ✅ a process for setting a 2040 climate target
- ✅ a commitment to negative emissions after 2050
- ✅ the establishment of European Scientific Advisory Board on Climate Change
- ✅ stronger provisions on adaptation to climate change

Climate neutrality will shape the EU's green recovery and a socially just green transition.

More here → <https://europa.eu/!dn66PW>

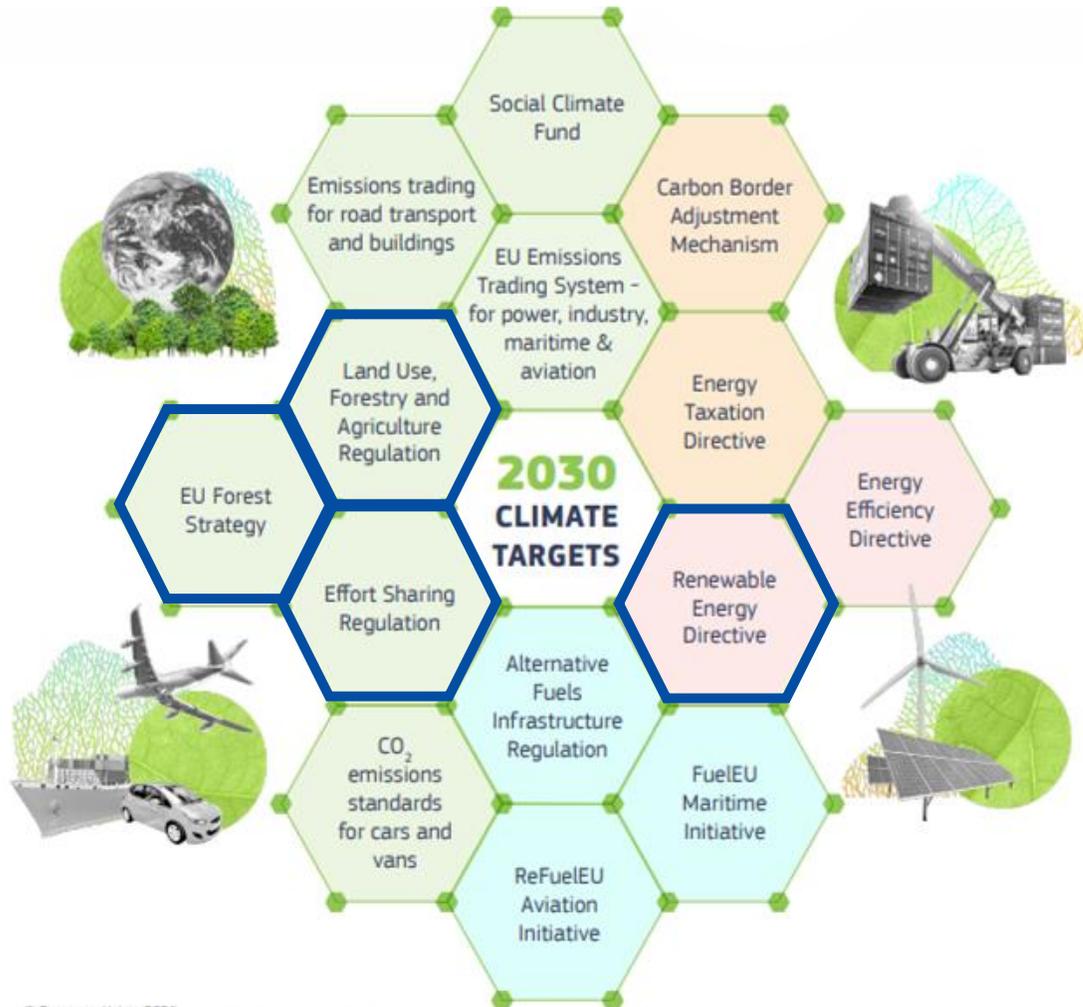
#EUGreenDeal #EuropeanUnion #ClimateAction

#EUGreenDeal



'Fit for 55'

On 14 July 2021, the Commission presented proposals for revision of main pieces of legislations to deliver EU's 2030 Climate Target (-55%) on the way to climate neutrality.



Targets

- Stronger ETS including in aviation
- Extending ETS to maritime, road transport, and buildings
- Updates Energy taxation Directive
- New Carbon Border Adjustment Mechanism
- [Updated ESR](#)
- [Updates LULUCF Regulation](#)
- [Updated Renewable Energy Directive](#)

Rules

- Stricter CO₂ performance for car & vans
- New infrastructure for alternative fuels
- ReFuelEU: more sustainable aviation fuels
- FuelEU: cleaner maritime fuels

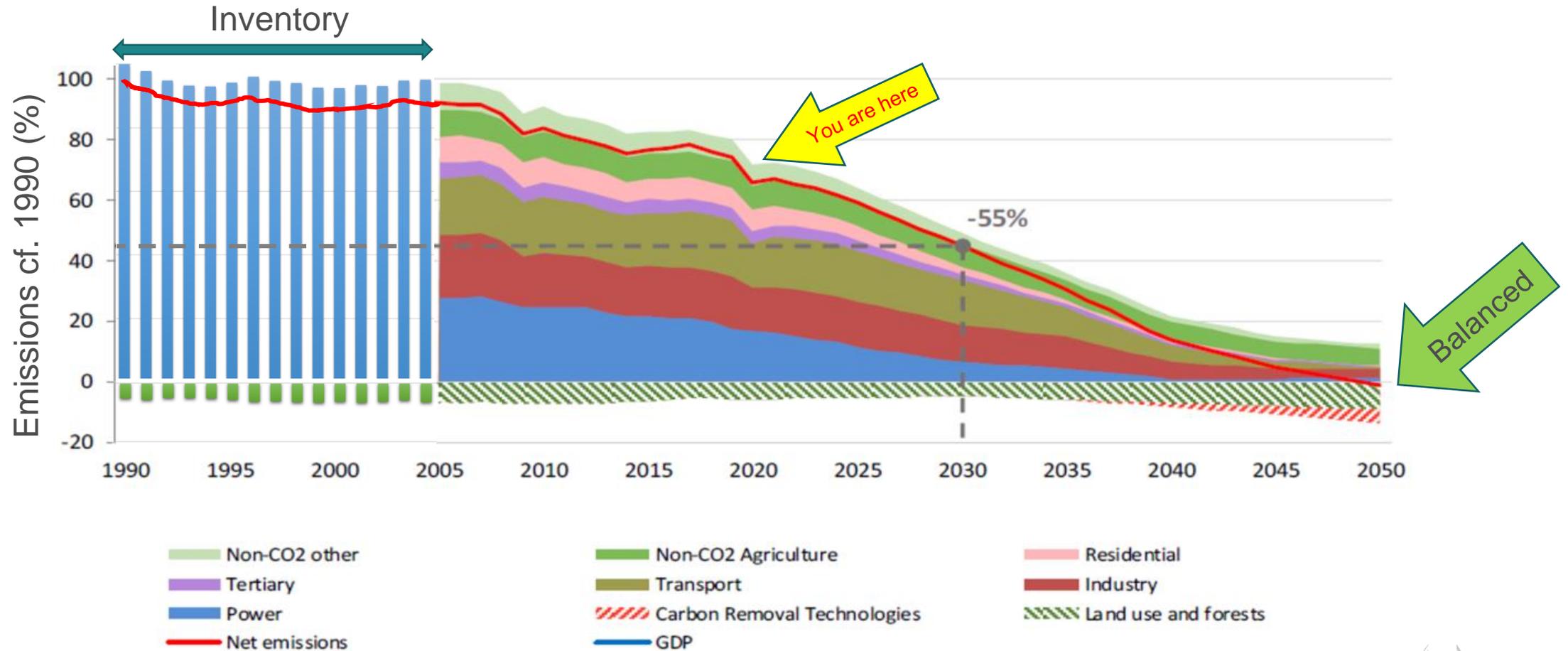
Support measures

- Using revenues and regulations to promote innovation, build solidarity and mitigate impacts for the vulnerable, notably through the new Social Climate Fund and enhanced Modernization and Innovation Funds.

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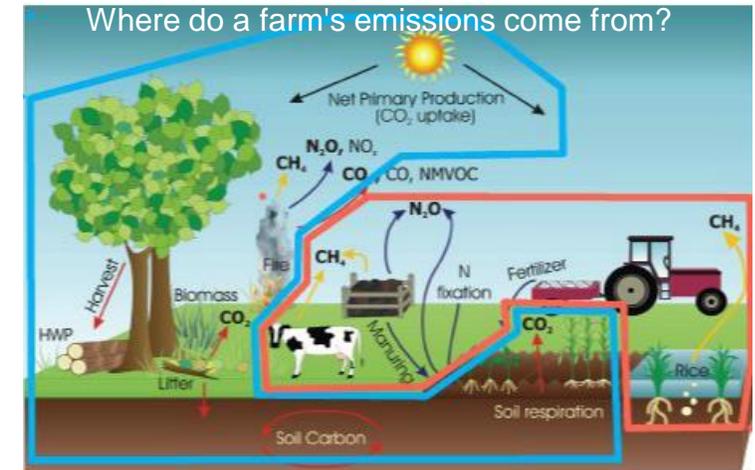
Pathway to climate neutrality in the impact assessment



Current ESR / LULUCF Regulation

ESR: Non ETS GHG emissions

- Agriculture has no specific emission reduction target. The ESR foresees a single target per each MS for transport, agriculture and building all together.
- **ESR** includes the non-CO₂ emissions from agriculture (CH₄ and N₂O from livestock, fertiliser use) > High emission abatement costs.
- To increase cost-efficiency, an amount of LULUCF credits can be used for ESR compliance.
- Based on the submitted Member States' National Energy and Climate Plans (NECPs), ESR targets are expected to be achieved.



LULUCF: Emissions and removals of CO₂ from soils and biomass

- **LULUCF** “no-debit” rule: each MS should not perform worse than in past reference period
- If removals > (<) minimum compliance level for a Member State = LULUCF credits (debits).
- LULUCF credits can be sold to other MS, banked for next period, compliance under ESR.
- No need to generate new credits for ESR compliance based on submitted NECPs



State of play

Decreasing carbon removals in forests, soils, and wood products
(19% of net removals in 2013 were lost in only five years)

Insufficient current ESR target. Stable (inc. non-CO₂) emissions from livestock, fertiliser use, soils.

Insufficient integration of the land sector into climate policies, Agriculture and LULUCF sectors are covered by two different pieces of legislation

Complex compliance rules under LULUCF and Effort-Sharing Regulation

Monitoring and reporting systems are not granular enough to pick up action (e.g. in CAP).

Achieving the higher targets

Simpler, more transparent and effective compliance rules and targets > move to reported data

Increase EU carbon removals to at least 310 Mt by 2030 > single EU target for the sink

Climate neutral EU land sector by 2035

Increased carbon removals **balance** reduced agricultural emissions, including from livestock and fertiliser use



Old target ⚠ Too low

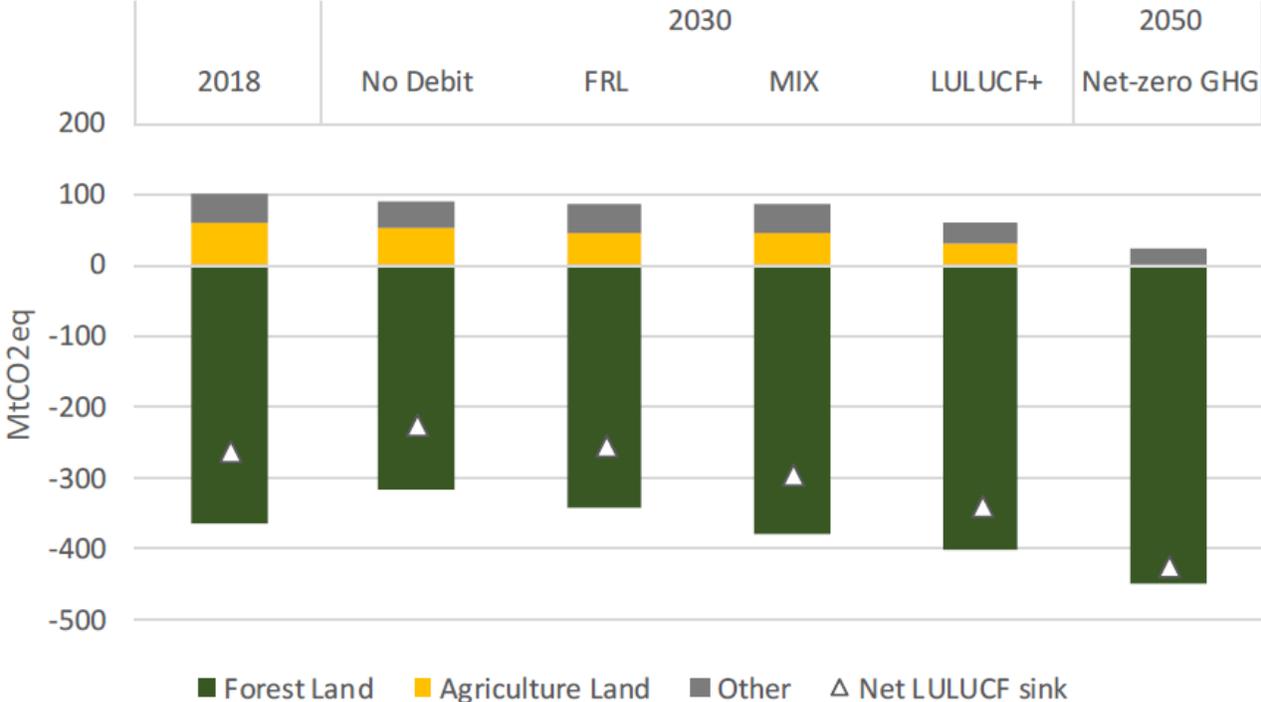
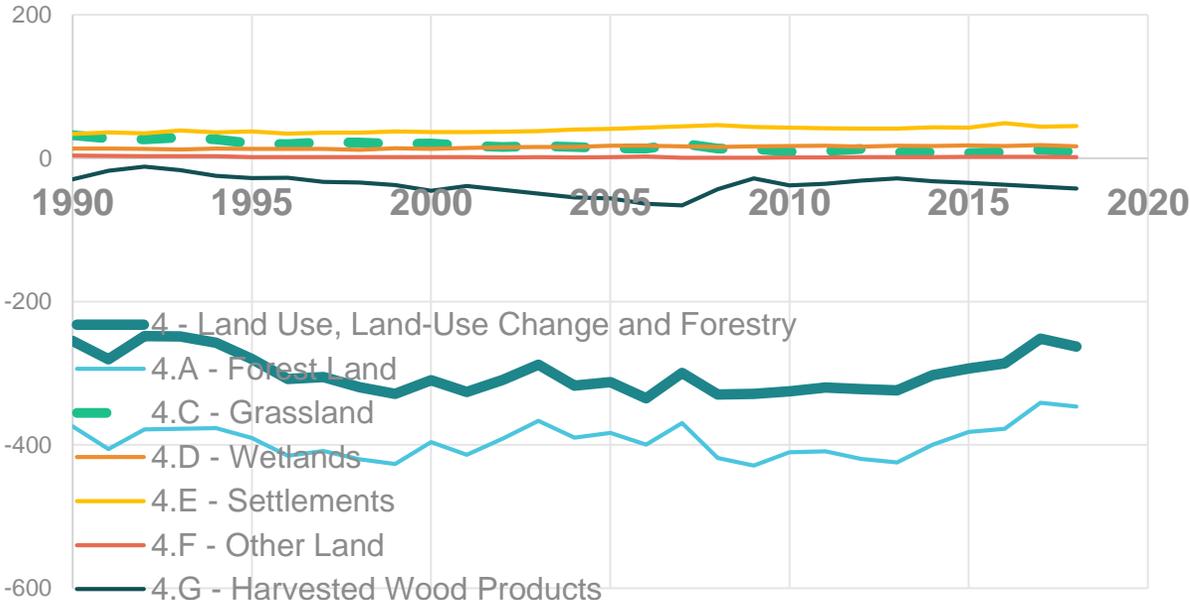
Current carbon sink

New target

Crucial role of the LULUCF in the coming years

- Significantly increase of the sink capacity is required, while providing biomass for renewables and bioeconomy (e.g. use of the harvested biomass in buildings), and face natural disturbances.
- Main contribution is from forest.
- Energy crops (perennials) a possibility to reduce pressure on forest sink.

EU27 Land Use Land Use Change and Forestry



Step-wise approach towards a climate-neutral land sector

Combine LULUCF national targets in 2030 with an EU-wide objective of land-based climate-neutrality in 2035

First compliance period

2021 to 2025 Member States keep current LULUCF commitments

> no-debit rule

Second compliance period

2026 to 2030 Member State targets in line with 310 Mt EU carbon removals in 2030.

ESR to reach 55% GHG reduction.

- > LULUCF target MS distributed based on the share of managed land area
- > Higher ambition for ESR

Climate neutral EU land sector by 2035

Member State targets to be proposed in 2025

> starting with a planning process for Member States (submit by mid-2024 in the NECP)

> Commission to carry out an impact assessment

Some considerations on new LULUCF target

ESR higher 2030 target: Impact assessment modelled a reduction of 20% for agriculture in 2035 (land neutrality) from current level.

LULUCF 2030 target = 15% higher than the current level of sink or 33% higher than its projection (baseline).

Assuming agriculture is able to reduce emissions by 20%, LULUCF should increase the sinks by 20% to reach neutrality in 2035

Big challenge to protect the current sink, as it has been decreasing substantially

(e.g. the EU27 sink in 2013 was -324 Mt CO₂eq, in less than 7 years we lost more than 62 Mt CO₂eq, higher than what we need to reach 310 MtCO₂eq in 10 years).

List of mitigation options considered in the IA models

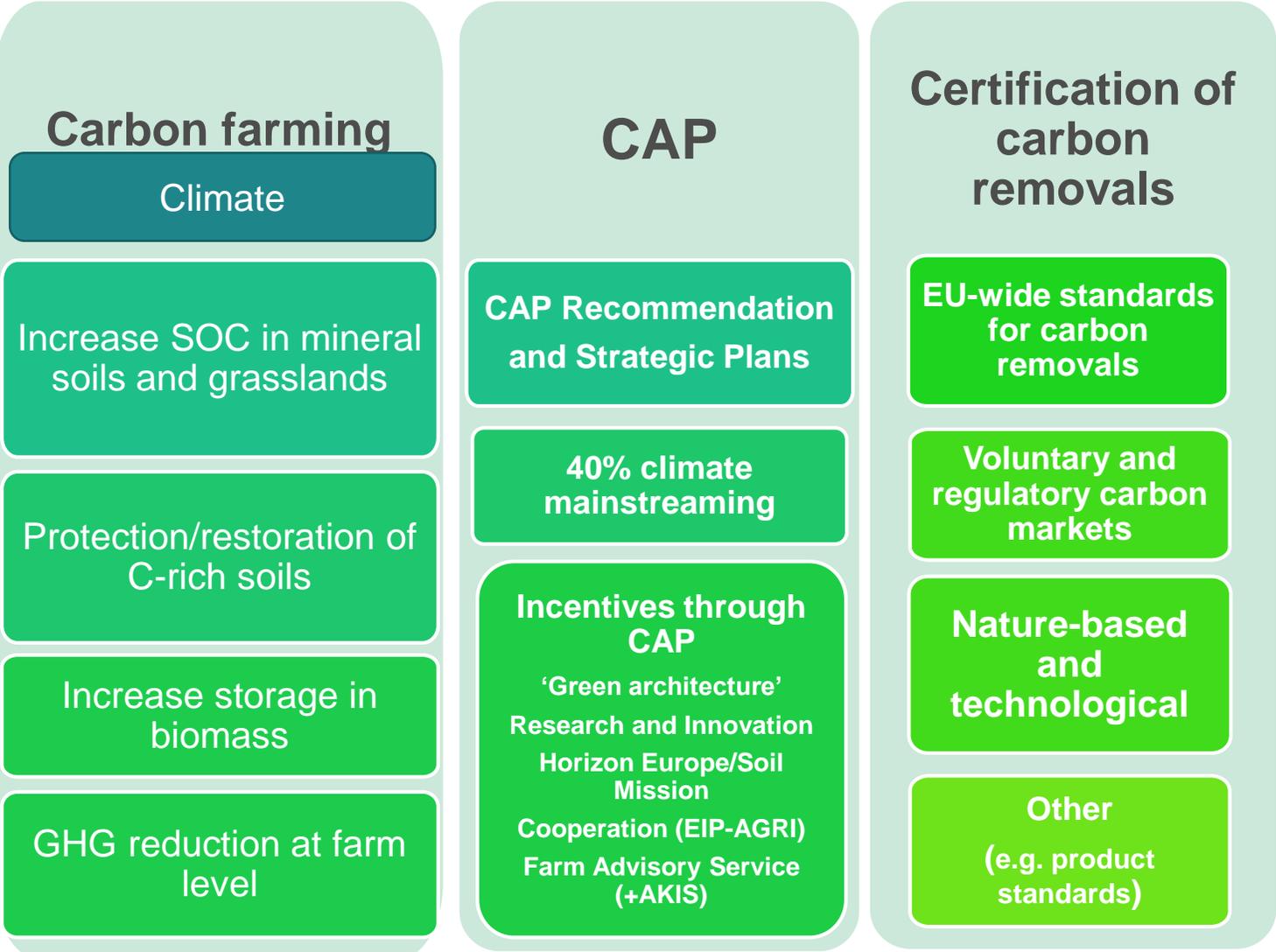
Mitigation options for non-CO2 emission reductions

- Ban of burning agriculture waste (CH₄)
- Breeding through selection: enhance productivity, fertility and longevity to minimize kg CH₄/kg milk (CH₄)
- Farm-scale anaerobic digestion with biogas recovery (CH₄)
- Feed additives and/or changed feed management practices (CH₄)
- Intermittent aeration and alternative hybrids (CH₄)
- Intermittent aeration, alternative hybrids and sulphate amendments (CH₄)
- Abandoning agricultural use of org soils (N₂O)
- Nitrification inhibitors (N₂O)
- Precision farming (N₂O)
- Variable rate technology (N₂O)

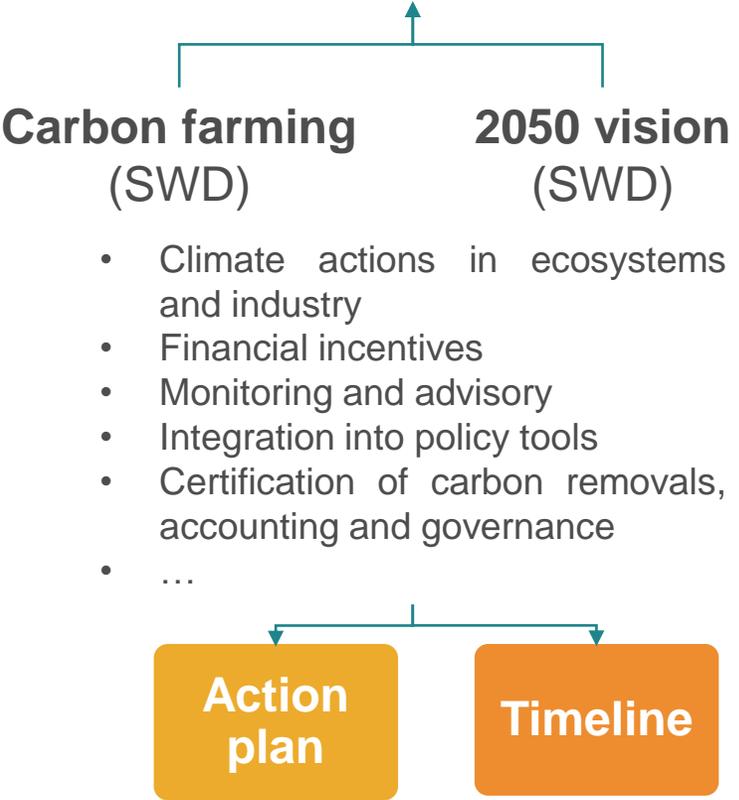
LULUCF mitigation options:

- Reduction of deforestation area
- Increase of afforestation area
- Change of rotation length of existing managed forests in different locations
- Change of the ratio of thinning versus final felling
- Change of harvest intensity (amount of biomass extracted in thinning and final felling activity)
- Change of harvest locations.

Carbon farming initiative (Farm to fork strategy)

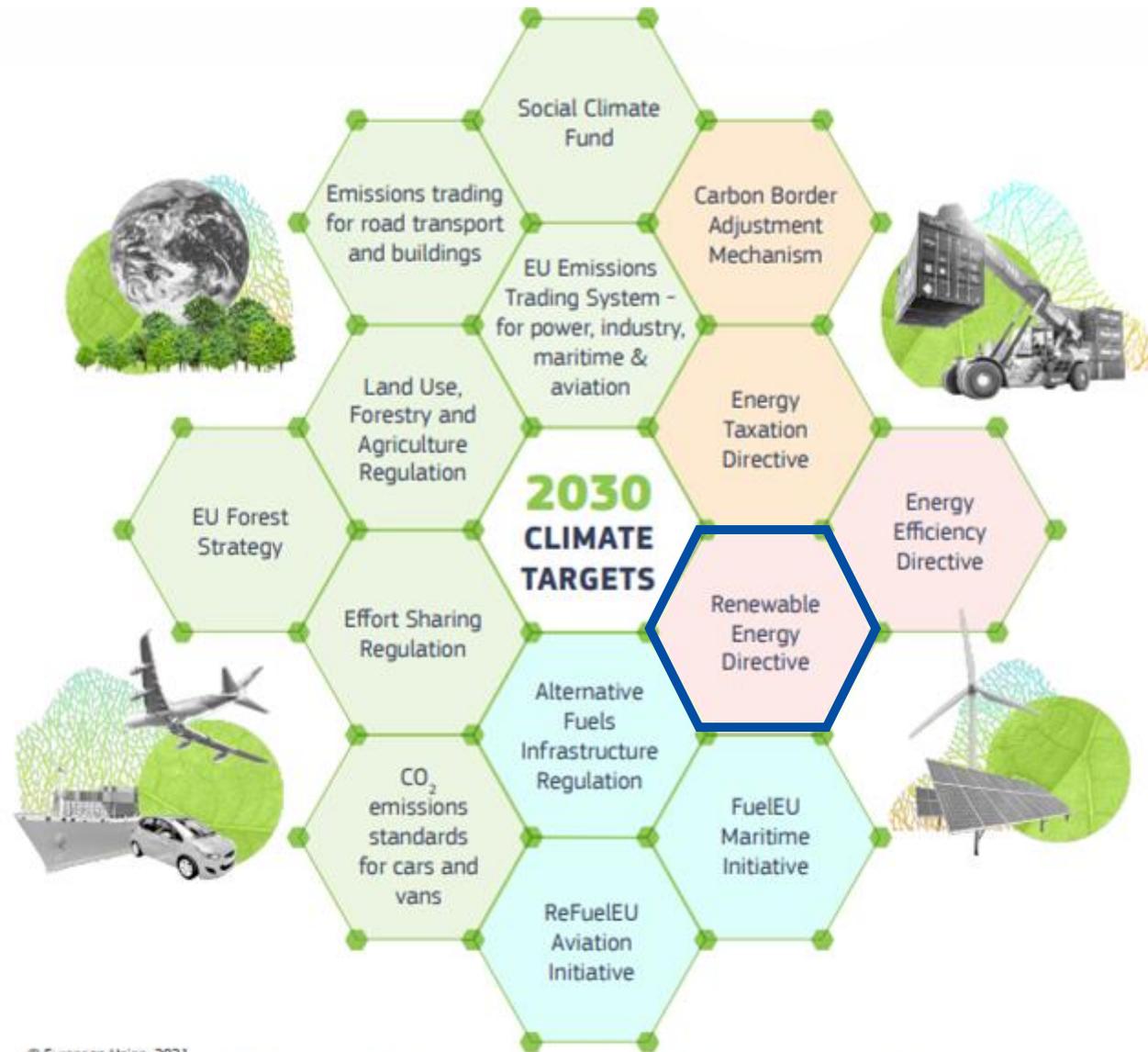


Restoring sustainable carbon cycles (Communication)



- Climate actions in ecosystems and industry
- Financial incentives
- Monitoring and advisory
- Integration into policy tools
- Certification of carbon removals, accounting and governance
- ...

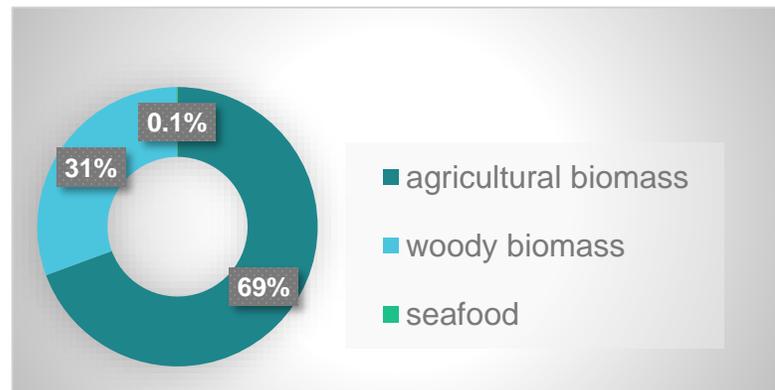
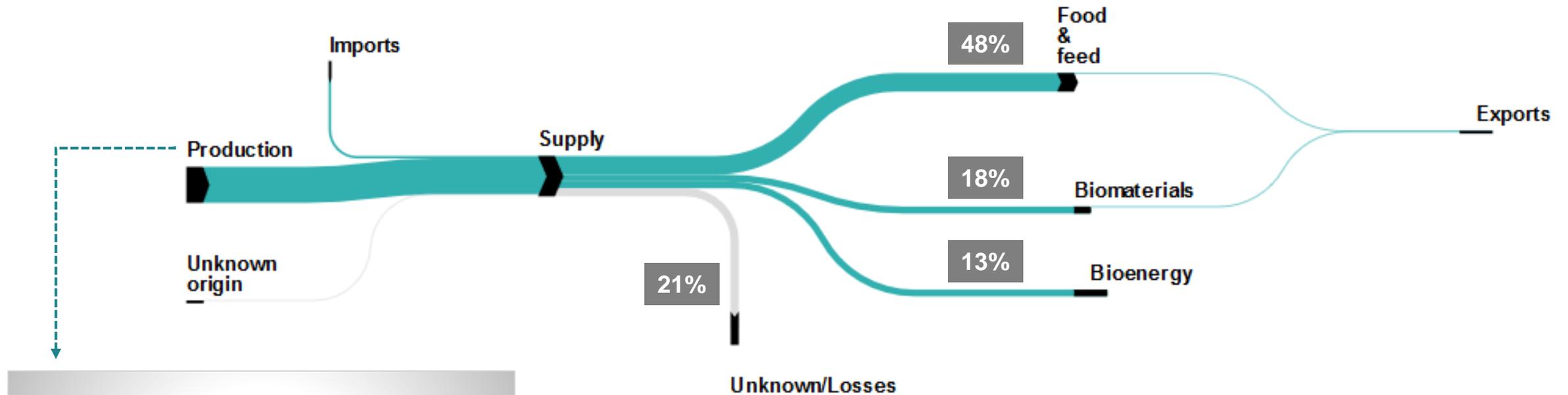




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Biomass flow in the EU (+UK)



To meet the climate objectives:

- Increased biomass needed
- Biomass sustainability to be ensured

Renewable Energy Directive in a nutshell

- Adopted in 2009, revised in 2018 (transposition deadline: June 2021)
[Directive \(EU\) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources](#)
- Establishes a new binding renewable energy target for the EU for 2030 of **at least 32%**
- Comprises measures for the different sectors to make it happen:
 - new provisions to enable citizens to play an active role in the development of renewables - enabling renewable energy communities and self-consumption of renewable energy
 - an increased 14 % target for the share of renewable fuels in transport by 2030
 - strengthened criteria for ensuring bioenergy sustainability

2021 revision

enhanced

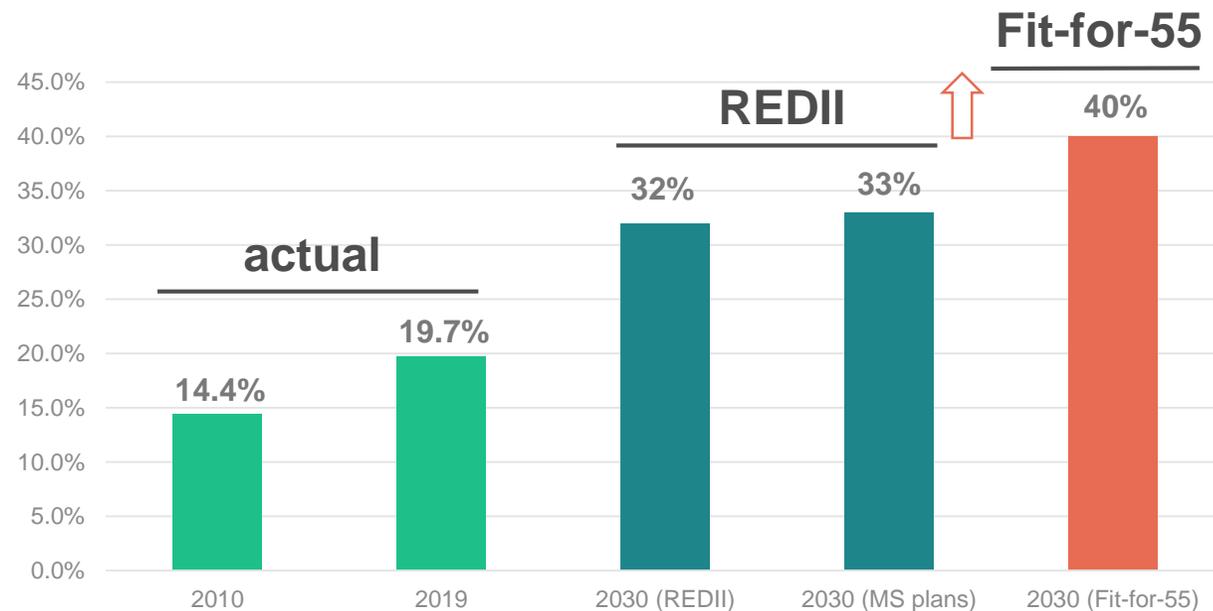
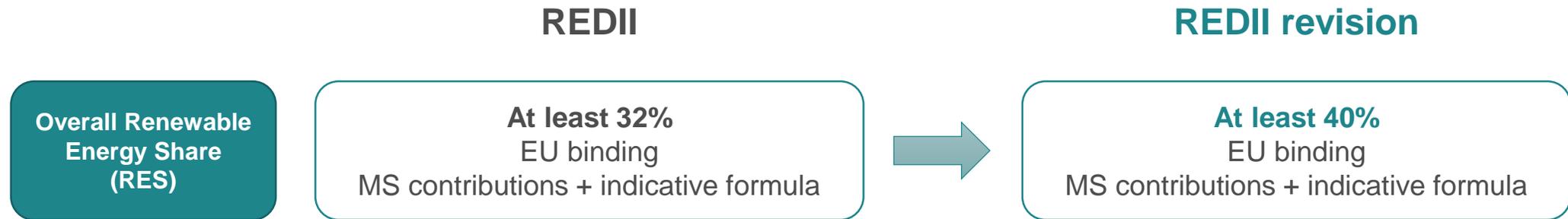
maintained

maintained

enhanced

- 
- Defines the sustainability criteria that biomass needs to comply with for the MS to include the bioenergy produced in their national targets
 - Introduce capping of food and feed-crop based biofuels (Art. 26)

Overall ambition – the EU-level target



Bioenergy sustainability: targeted strengthening EU criteria

REDII (enhanced sustainability criteria being implemented)

REDII revision (targeted strengthening)

Sustainability
criteria (no-go
areas)

Land criteria for agricultural biomass
Biodiversity/climate criteria for forest
biomass (risk-based approach)



New land criteria for forest biomass:
No sourcing from primary and highly biodiverse
forests, peatland and wetland
Minimise large clear-cuts

Application of EU
bioenergy & GHG
saving criteria

Only applicable to heat and power
installations equal or above **20 MW**
GHG saving criteria only for new
installations



Application also to small-scale installations equal
or above e.g. **5 MW**
GHG saving criteria apply also to **existing**
installations

Cascading
principle

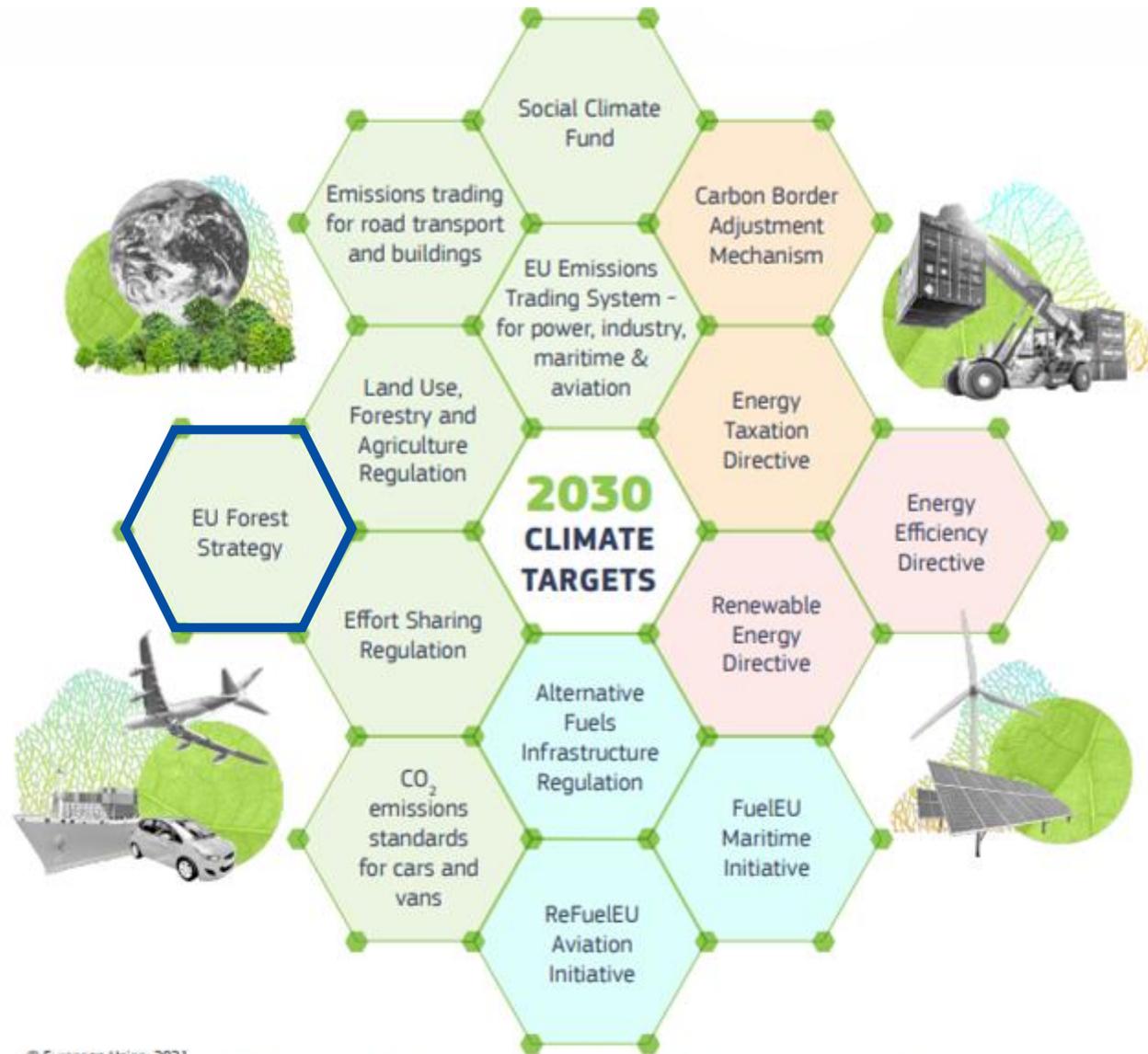
MS required to design support schemes with
the aim of **avoiding undue distortions** of
the raw material market



MS to minimise distortions of biomass market
No support for saw & veneer logs, stumps/roots
Delegated Act on cascading use of biomass
From 2026, no support for installations
producing electricity with forest biomass*



Revised **ETD** (different taxation rates for sustainable/non-sustainable energy sources)
Revised **ETS** (zero rating for biomass/biogas only if REDII compliant)
Revised **Energy Efficiency Directive** (EU and national energy savings obligations)



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New EU Forest strategy

Increase forest coverage in the EU in respecting ecological principles
Improve the resilience of forests in the EU



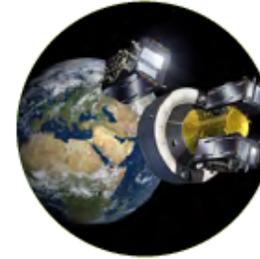
Protect and restore our forests by

- Strictly protecting remaining **EU primary and old-growth forests**
- Establishing legally binding **nature restoration targets** for forests
- **Planting 3 billion** additional trees by 2030
- Creating **payment schemes** for forest owners and managers for the **provision of ecosystem services**



Ensure that forests are managed sustainably by

- Encouraging the **bio-economy** sector to embrace sustainable principles
- Promoting the uptake of **sustainably harvested wood** in the **construction sector**
- Promoting win-win measures for all in **sustainable forest management**



Understand what is happening in our forests by

- Improving the **monitoring of the state of EU forests** including through better remote sensing
- Ensuring Member States develop **Strategic Plans** for their forests
- Encouraging **citizen involvement** through Map-My-Tree, to keep track of the **3 billion trees** roadmap
- Creating an inclusive space for **all stakeholders to discuss**

Rural areas and livelihoods in the narrative

- Forests are central to preserving lively and prosperous rural areas
- **Opportunity for the diversification of local economies and jobs in rural areas**
- additional **jobs and growth opportunities**
- In addition to the wood-based economy, forests offer a variety of equally important additional products and services, from food to ecotourism, nature tourism and nature-based wellbeing services
- Where no effective wood material utilisation is possible, **bioenergy will also continue to have a role to play**

Relevant actions

Strive to increase the uptake of rural development funds for the purposes of the strategy

Provide new means to share information on good practices to better design and implement forest-relevant interventions

A network of forest-dominant rural areas and municipalities will be promoted (LTVRA)

Promote the elaboration of coordinated and integrated regional, national and subnational programmes on the sustainable production of non-wood forest products

Strengthen the role of forestry in the European Innovation Partnership

PROMOTE the creation of “Forest Advisory Services” in the Member States

Set-up and promote ecosystem services payment schemes and roll-out of carbon farming practices, and in other EU financial instruments.

Facilitate the use of national funds for forestry measures and target them for PES in the forthcoming revision of the State aid guidelines

Carry out a study on behavioral science regarding the uptake of public funds by foresters to better identify further policy improvement routes.

Fit for 55 - Relevance for the sector

- Higher ambition of ESR can indirectly create pressure on agriculture in MS with high share of ESR emissions from agriculture, before 2030.
 - Higher sink target can boost the provision of biomass from agricultural sector (residues, dedicated biomass crops) in order to reduce the pressure on forest biomass.
 - Volatility of sink can result in higher pressure for the agricultural sector after 2030, in order to reach neutrality in 2035.
 - The new NECP proposed by MS in which the trajectory for the land neutrality is identified, can require CAP at MS level, or mainly the new CAP, to support this trajectory.
 - The 2035 policy horizon can provide for a clear long-term direction for the future (2028-2035)
- Common Agricultural Policy.**
- Potential opportunities for farmers and forester in selling credits to other sectors, within private voluntary scheme in the short-term, and in regulated market after 2035.
 - New monitoring requirement can stimulate the use of CAP data (LPIS/IACS) for improvement of MS GHG inventories.

Future CAP common specific objectives



Concluding remarks - the role of the CAP

- Integrate CAP data in the National inventories
- Promote practices and technologies to reduce non-CO2 emissions
- Promote soil carbon protection (in grassland and peatlands)
- Promote practices for soil carbon increase in depleted soils
- Promote afforestation and agroforestry
- Promote production of sustainable biomass
- Cover upfront investments, support advisory, transaction costs, innovation

Thank you



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