



EU climate policy framework and the contribution of the Common Agricultural Policy (CAP)

Overview on the policy framework and CAP funding opportunities for climate resilience relevant investments and actions in rural areas

DG AGRI, Unit B.2

Climate policy framework

Climate policy context

Climate Law

- EU objective on **Climate for 2030, 2040 and neutrality by 2050**

Fit for 55: Revised Effort Sharing regulation (ESR)

- Higher ambition (-40%) to reduce non-ETS emissions (including CH₄ and N₂O from agriculture)

Fit for 55: Revised Land Use, Land Use Change and Forestry (LULUCF) Regulation

- Ambitious target for net carbon removals in soils, forests and wood products: -310 Mtons by 2030

Communication Europe's 2040 climate target

- Recommends a 90% 2040 climate target
- A vision beyond 2030
- Land, food and bioeconomy

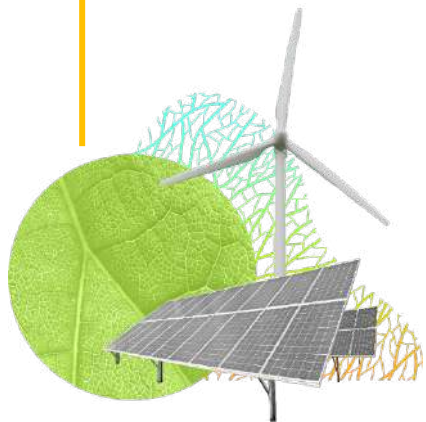
Union certification framework for permanent carbon removals, carbon farming and carbon storage in products

- Communication on Sustainable Carbon Cycles
- CO₂, N₂O and pilot for CH₄

Communication on Managing Climate Risks – Protecting people and prosperity

- European Climate Risk Assessment (EUCRA) report
- Actions: Governance; Tools; Structural policies; Finance; Food Security

Common Agricultural Policy



- **Higher ambition to reduce non-ETS emissions (including CH₄ and N₂O from agriculture)**
- **Land use, Forestry and Agriculture**
- Set higher ambitions for the enhancing Europe's natural carbon removals
- Strengthen sustainability criteria for bioenergy
- Incentivise good practices in biomass

Securing our future - Europe's 2040 climate target

Recommends a 90% 2040 climate target

Presents a vision for the EU beyond 2030

Fit for 55 framework and other measures agreed for 2030 remain unchanged

Legislative proposal for the 2040 target & design of the post-2030 policy framework – next Commission

Land, food and bioeconomy

- European farmers and foresters offer vital services for **ecosystems**, **food** system and **bioeconomy** ensuring food security
- Emission reductions due to mitigation of CH₄ from livestock. (e.g. selective breeding, feed additives, anaerobic digestion with biogas recovery), and of N₂O in agricultural soils (restoration of drained organic soils, variable rate technology, nitrification inhibitors).
- Combined implementation has impacts on agricultural land and farming practices (e.g. nutrient surplus, fertiliser, pesticides, intensity of farming practices).
- Shift from intensive to extensive grazing, livestock numbers decline.
- Entire **food value chain** approach.
- Business opportunities in a sustainable bioeconomy through sustainably sourced bio-based materials, carbon farming and incentives for sustainable practices that generate revenues to support the transition

Why certify carbon removals?

“High-quality certification will help scaling up of financing for carbon removals”

Potential opportunities for farmers and forester in selling credits within the value chain and outside the value chain, within private voluntary scheme in the short-term, and in regulated market after 2030 (?).

MAIN GOALS OF THE PROPOSAL



Accelerate the deployment of verifiable, **high-quality carbon removals**



Encourage industries, farmers and foresters to adopt **effective carbon removal solutions**



Counter greenwashing, focus on high quality removals and build trust by focusing on trustworthy removals



Ensure the EU's capacity to **quantify, monitor and verify** carbon removals



Stimulate a wide variety of result-based **financing options by private or public sources**

CRITERIA FOR A ROBUST EU CERTIFICATION SYSTEM

The EU certification framework can **only be used to certify carbon removals that meet the following QU.A.L.ITY criteria:**



Quantification

Carbon removal activities are measured accurately and deliver unambiguous benefits for the climate



Additionality

Carbon removal activities go beyond standard practices and what is legally required



Long-term storage

Certificates clearly account for the duration of carbon storage and distinguish permanent storage from temporary storage



Sustainabil-ITY

Carbon removal activities must support sustainability objectives such as climate change mitigation and adaptation, biodiversity, circular economy, water and marine resources



To operationalise the EU quality criteria, the Commission, supported by an expert group, will develop **tailored certification methodologies** for the different types of carbon removal activities



European
Commission

Commission Communication

“Managing Climate Risks – Protecting people and prosperity” and European Climate Risk Assessment (EUCRA) report

Press release: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1385

EUCRA identifies 36 key risks for Europe, grouped in five clusters (including Ecosystems and Food).
<https://www.eea.europa.eu/publications/european-climate-risk-assessment>

Include the following messages:

- An integrated policy approach considering multiple policy objectives is essential
- Analysis of risk ownership - identifying responsibility for managing risks, notably between EU and MS level. Most of the major climate risks are co-owned by the EU and its Member States. Therefore, coordinated and urgent additional action is required at all governance levels.
- Several cases for cascading risks are identified and particularly relevant in the land sector.

The policy framework for boosting climate resilience

Governance

- Greater clarity about responsibilities and which risks are managed at the EU level and which at Member State level
- EU level processes to better embed climate risk
- Member States to ensure adequate capacities for addressing risks

Tools

- Improved access to data, models and scenarios that are needed for informed decision-making, from early warning systems to long-term planning
- Continued support for capacity-building and provision of guidelines, and better use of existing tools

Structural policies

- Member States to reflect climate risks in spatial planning decisions and measures to protect critical infrastructure
- Stronger EU solidarity mechanisms to better incentivise the anticipation of risks

Financial resilience

- Ensure climate resilience is at the heart of all EU spending decisions
- Public and private financial institutions and industry to better mobilise private investment
- Member States to consider resilience in their public procurement

Common Agricultural Policy

EU farm sector – key figures

Number of farms **9.1 million**

Agricultural area (UAA) **157 million ha
(38,4% of total land)**

Average farm size **17.4 ha**

Source: Eurostat 2020

- 62.3% - **arable land**
- 30.5% - **permanent grassland**
- 7.1% - **permanent crops**



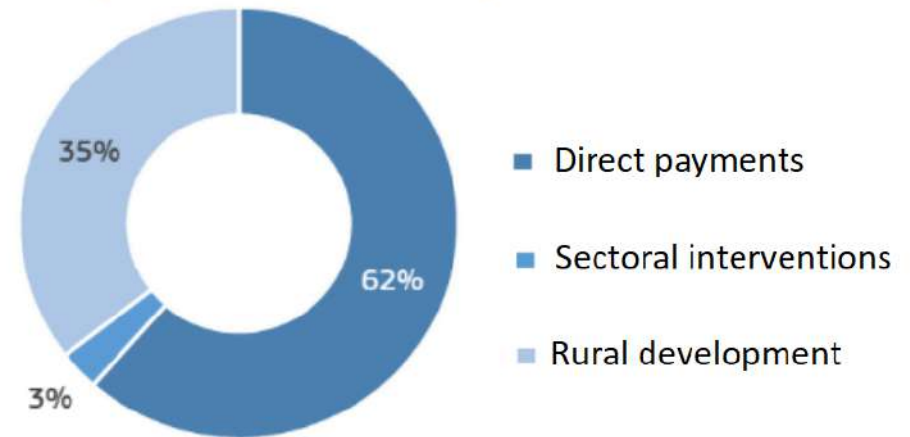
Financial aspects of the CAP (3)

Total public expenditure (EU + national funds)



 **Additional national financing
Other EU and national funds**

Distribution of the total public expenditure (€307 billion)



CAP Strategic Plans – shared management

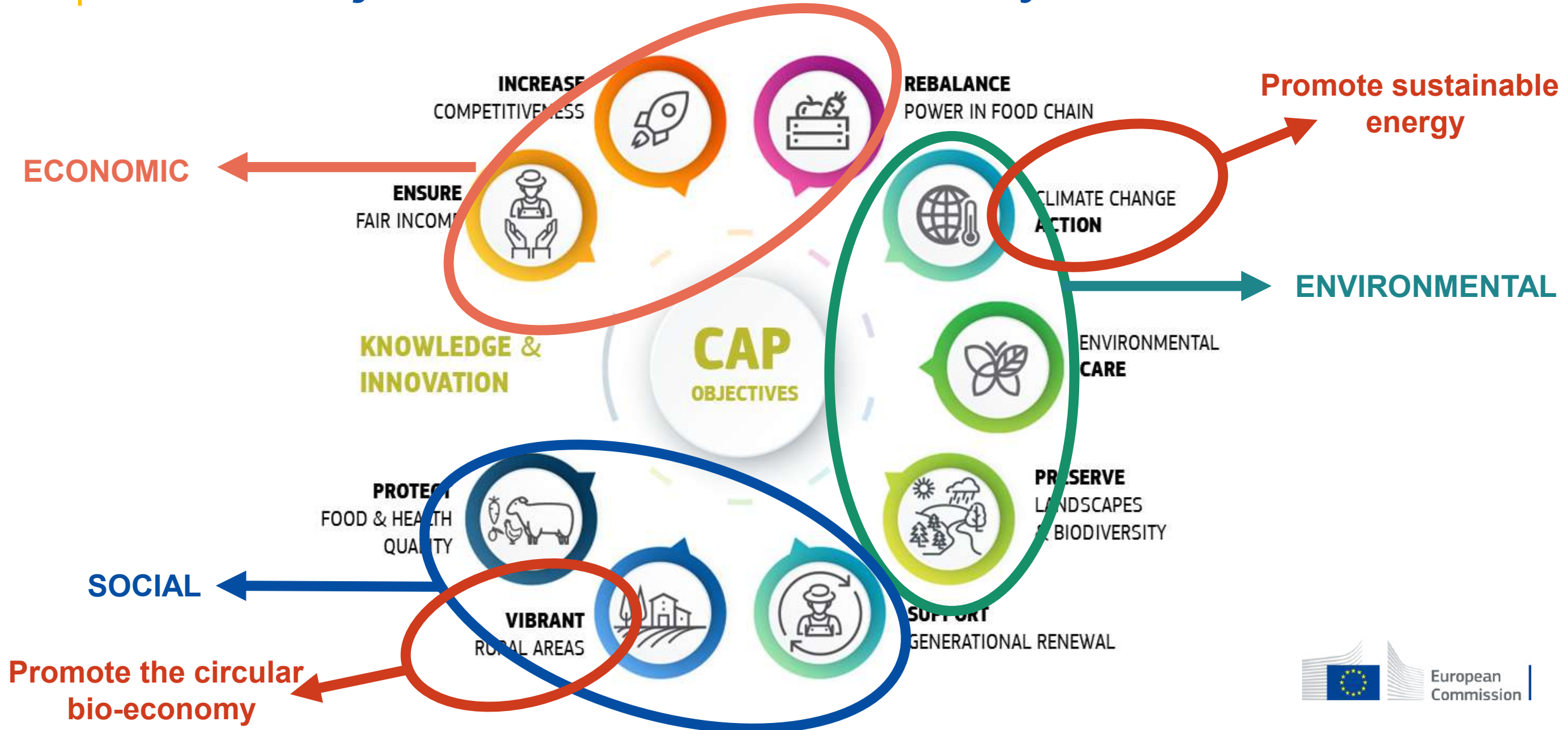
- **Single CAP plan** for all interventions with a common monitoring system
- **Strategic approach** based on SWOT and needs assessment → involvement of stakeholders and relevant authorities
- **Structured dialogue** with Member States
- **MS drew up** and submitted the CAP Plan
- CAP Plan was **approved by the Commission**
- **Implementation** of the CAP Plans has started in **2023**

INFO

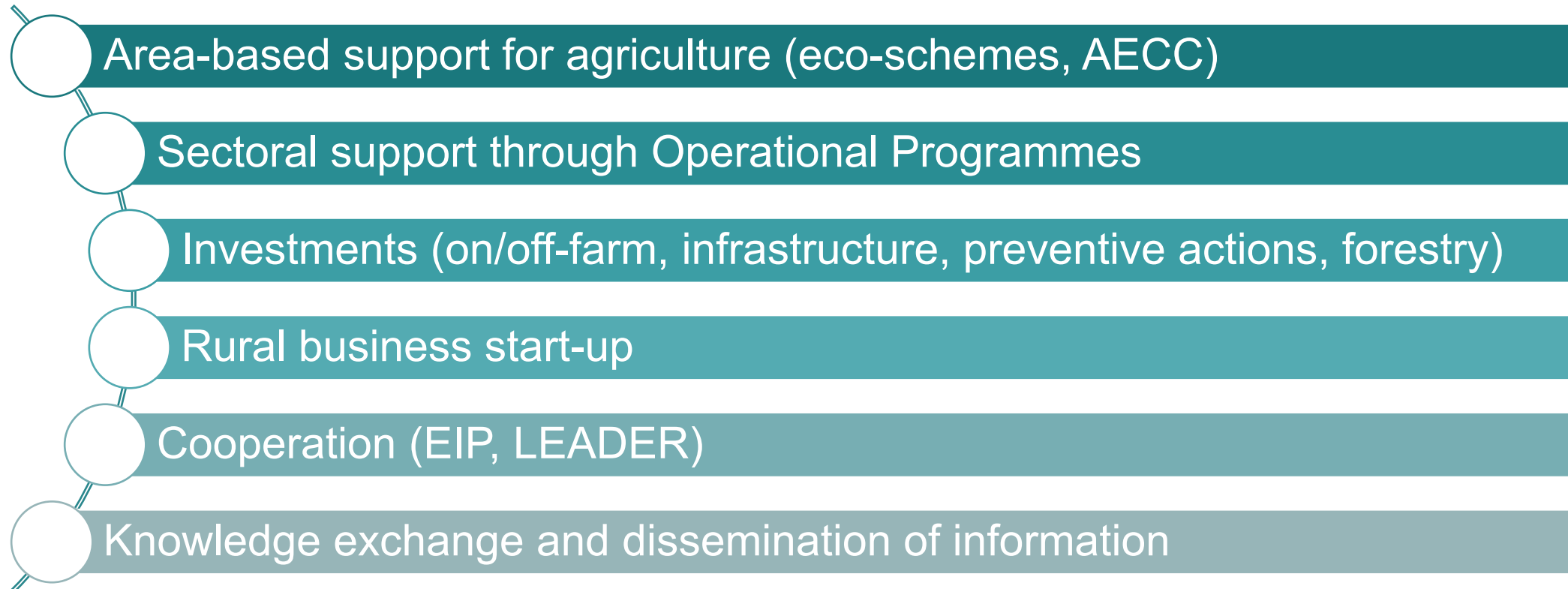
https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans_en



CAP Objectives & sustainability dimensions



CAP support instruments for climate resilience



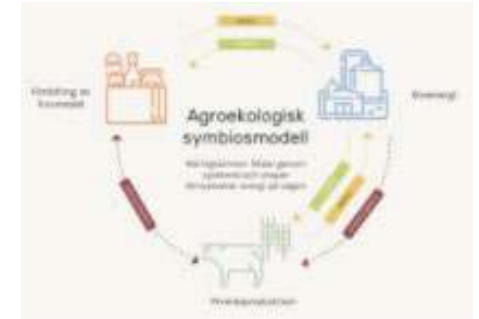
Climate EU-targets under CAP 2023-2027

- **R.12:** Climate adaptation practices supported in **25% of the EU farmland**
- **R.13:** **2.4% of EU livestock units** receiving support to reduce emissions of greenhouse gases and/or ammonia, including manure management
- **R.14:** 35% of the EU's farmland supported for actions for both **carbon sequestration** and reduction of N₂O emissions
- **R.15:** renewable energy production capacity of almost **1.500 MW**
- **R.16:** share of EU-farms benefiting from CAP climate investment support **1,8%**
- **R.27:** about **130 000** green investment projects supported in rural areas
- **R.28:** Number of persons benefitting from support for knowledge and innovation: almost **2 110 000 persons**



BE Waasland Region – Promoting renewable energy in cities and the countryside: Support from the EAFRD was used for an initiative promoting energy efficiency that addresses climate change through targeted actions at grassroots level. https://eu-cap-network.ec.europa.eu/good-practice/waasland-region-promoting-renewable-energy-cities-and-countryside_en

FI A biogas plant investment: From local farming to a new partnership in circular economy: Investment in a biogas plant allows for formation of a new partnership between local farmers and a food producer contributing to the circular economy. https://enrd.ec.europa.eu/projects-practice/biogas-plant-investment-local-farming-new-partnership-circular-economy_en



FR Energy transition education and animation: An educational association focused on environmental education and local development used EAFRD funds from the LEADER measure to organise a series of activities to inform young people about the energy transition and new sustainable practices. https://eu-cap-network.ec.europa.eu/good-practice/energy-transition-education-and-animation_en



EU SMART VILLAGES

a new tool for rural communities

- SV principles: **innovative / smart strategies and solutions, participation of rural citizens.**
- **Smart Rural 21 & Smart Rural 27** (2019-2024): two preparatory actions to **test the concept on the ground** and to create a supportive policy framework.
- **Lighthouses examples:** [Stanz \(Austria\)](#): local energy communities, [Tomarzyn \(Poland\)](#): generative agriculture, [Häradsbäck \(Sweden\)](#): self-sufficiency and resilience.
- More examples on [Geomapping tool - Smart Rural 27](#)): smart solutions related to climate activities, bioeconomy, resource-efficiency, low carbon, renewable energy etc.
- **Most relevant EGD themes in the Smart Villages Context:** Farm-to-fork strategy, smart mobility, clean, affordable and secure energy, energy & resource efficiency, biodiversity, climate ambitions, circular economy, zero pollution.
- **Main lessons:** addressing global challenges with local approaches, investing in capacity-building of rural communities, fostering knowledge exchange.

SMART VILLAGES & CAP Strategic Plans (2023-2027)



- Preparation & implementation of smart villages strategies.
- Through **COOPERATION** (specific intervention for SV, LEADER) or **INVESTMENTS**.
- Contribution to **SO8** (promotion of local development) mostly, but also **SO4** (climate change mitigation & adaptation) and **SO6** (biodiversity, eco-systems services).
- **LEADER** is expected to support Smart Villages in **18 out of 28 CPSs**.
- **R.40** 'Smart transition of the rural economy: **629** smart villages strategies/projects. The value is expected to be increased after the selection of LEADER LAGs and LDS.
- **CSPs Interventions linked directly or indirectly to EGD:**
e.g.: food supply chains (IT), refurbishment of underused buildings (AT), contribution to environmental objectives and climate change mitigation in villages (HR, IR, PL, SE, SI).

Questions for reflection

- Can the agricultural sector become neutral by 2050? What are the main obstacles?
- What are the best mechanisms to achieve carbon neutrality in rural areas, including the agricultural sector?
- What is the role of carbon pricing? Is it enough with supporting farming practices beneficial for climate?

Thank you



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