## 69. Agroforestry and agri-environmental metrics in the EU

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EURAF is an NGO, based in Montpellier and Brussels (Transparency Register ID of 913270437706-82). It aims "to promote the adoption of agroforestry practices across Europe by supporting efforts to develop awareness, education, research, policy making and investments which foster the use of trees on farms". It has a network of 31 affiliated entities in 23 countries.

This Briefing replaces <u>PB07</u> "Agroforestry and CAP Monitoring (2020)"

This briefing is a response to a <u>discussion paper</u> from DGAGRI on "Governance and Performance of the CAP", circulated to a Civil Dialogue Group technical meeting on 12.4.24. We conclude that ...

- Agricultural data needs to be collected in a common geospatial framework linked to forestry, climate, soils, environment, energy and economics and automated as much as possible .. with the help of initiatives like the Farm Sustainability Tool (FaST) and recent regulations like the <u>IFS</u>, <u>SAIO</u>, <u>FSDN</u> and <u>CRCF</u>!
- The CAP (2023-27) has not significantly moved from a "compliance model" to a performance model" since farmers still have to provide detailed annual information in IACS, Digital Farm Books and Area Monitoring Systems etc.
- Result and Output indicators in the CAP "Performance, Monitoring and Evaluation Framework" track targets, expenditures, areas and beneficiaries relating to around 950 interventions of Member States related to Articles 31, 70 and 74-75 of the CAP Regulation. But there is multiple allocation of these statistics to Result Indicators and to Specific Objectives .. leading to double-counting.
- A suite of quantitative "Impact Indicators" is needed for EU Agriculture, driven by data collected at field, farm or municipality scale (NUTS4) and which can monitor the impact of specific CAP measures or interventions (including forestry).
- The Soil Monitoring and Forest Monitoring Regulation provide a range of standard indicators and methodologies, but should comply with definitions already used by Member States in annual GHG reporting and UNFCCC Accords.

Question 1 "Combining <u>Performance</u> on implementation and performance on objectives" (aka "What data should be collected to help the CAP deliver its objectives?")

(Topics: communication on achievements, efficient support to beneficiaries, strategic programming, assurance, planning of outputs, results, policy objectives, stakeholders' expectations, capacity building, annual performance report, performance review, safeguards, controls.)

- 1. Improve metrics for the new CAP Delivery Model to truly be based on "performance" rather than "compliance". The new CAP is claimed by the Commission (link) to have changed from a "compliance" model to one based on "performance". However, the current "Performance, Monitoring and Evaluation" metrics are in large part lists of spend or beneficiaries on measures which Member States subjectively "map" against the 10 Specific Objectives or 44 Result Indicators (on a 1-to-many basis), or the 37 Output indicators (on a 1:1 basis). This means that impressive totals can be produced of money spent or beneficiaries for each result indicator or specific objective, without real knowledge of the proportional spend on each indicator (Figures 2 and 3) or the impact of that spend at farm-scale. Agricultural data for CAP 23-27 is available through three new platforms: the Result Indicators Dashboard, the Catalogue of <u>CAP Interventions</u>, and the Financial Allocation to <u>CAP Specific Objectives</u> (overall budgets). However, there has been little check (so far) on the consistency of indicator codes used for some interventions. For example, a number of measures dealing specifically with agroforestry are not attributed to the forestry/agroforestry code (R.17), nor to the code for annual support of newly established forestry/agroforestry (O.16) (Figure 4). Much greater farm-scale use is therefore advocated for CAP "Impact Indicators" at farm-scale, perhaps by adding them to LPIS systems, or making them available through the new FaST Tool (qv).
- 2. **Provide total tree-planting metrics in the EU.** Some Member States finance forestry and agroforestry through funds outside the CAP, using the Agricultural Block Exemption Regulation (PB#19). They say

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they do this to "reduce bureaucracy"<sup>2</sup>, but it means that the EU has little visibility on the "business as usual"<sup>3</sup> tree-planting numbers - which are assumed to be similar to the 300 million/year "additional trees" target. The Commission's <u>MapMyTree</u> portal should therefore report both the "state-funded" and the "additional" trees planted in Europe, and whether they are established in forest, agriculture or settlements.

3. Improve landscape-feature metrics in the Nature Restoration Regulation (NRR). Use of the term "non-productive trees" in the Biodiversity Strategy and the NRR caused great confusion. The final compromise text improved this, but the wording is still vague. The revised text suggests that Member States can develop their own metrics to monitor High Diversity Landscape Features and to ensure that these areas increase to target areas set by the MS themselves (Table 1). Landscape-feature metrics at an EU scale are extremely broad-brush: CAP Result Indicator 34 (money spent on landscape features) is confusing, as it includes money spent on permanent crops like olives and vineyards. Impact Indicator 21 data at a pan-EU scale is provided by the JRC using LUCAS subsampling, and the EEA using Copernicus data for "woody" landscape features. Yet both datasets are only available at NUTS3 level (link). The EU-funded DigitAF Project offers an alternative method using Copernicus tree-cover-density and Corine grassland/cropland categories at 100x100m pixel resolution (Figure 1). This "tree-desert" map is also available at NUTS3 level Additional analysis using IACS/ LPIS data is needed at national level to quantify landscape features at farm-scale. This level of resolution is needed to support future CAP Pillar II "payment by results" schemes, and to link to carbon-farming certification.

AF/LF T	AF-??=	MS =	Article =	Code =	0.16 (total) =	R.17 (total) =	Measure =
1			Art 70	3.7	€281,384		Management of agroforestry systems (boslandbouwsystemen)
2	1		Art 70	3.9			Management agreements for the maintenance of woody small landscape elements
1	1	CZ	Art 70	26.7	€1.357.200		Caring for an established agroforestry system
1		CZ	Art 73-74	42.73	, ,	€3.917.700	Establishment of an agroforestry system
1	1	DE	Art 31	DZ-0403 -			Maintaining agroforestry management on arable land and permanent grassland
2	1	EL	Art 70	P3-70-1.2			Support for the protection of the rural landscape
12	1	EL	Art 31	P1-31.05 –		€66,564,568	Improvement of agroforestry ecosystems, rich in landscape elements
2	1	EL	Art 31	P1-31.10 -			Protection of landscapes and environmentally significant agricultural systems agricultural systems
1		ES	Art 70	6502.2	€27,069,248		Maintenance of Forests and Agroforests
1		ES	Art 73-74	6881.1		€68,809,809	Non productive investments in aforestation and agroforestry systems
2	1	FI	Art 70	Environment 10			Management of agricultural nature and landscape
2	1	FR	Art 70	70.22			Agri-environmental and climate commitments: "Restoration of the landscape mosaic and fire prevention" - Corsica
2	1	HR	Art 70	70.7			Preservation of landscape features
2	1	IT	Art 70	SRA25 ACA25			Protection of tree crops with environmental and landscape value
1		IT	Art 70	SRA28	€66,080,718	€66,080,718	Support for maintenance of forestation/afforestation and agroforestry systems
1		IT	Art 73/74	SRD05		€47,387,981	Forestation/afforestation and agroforestry systems on agricultural land
2	1	IT	Art 31	ES 3			Safeguarding of olive trees of particular landscape value
2	1	LT	Art 31	TI05eko1.5			Maintenance of Landscape Elements
2	1	NL	Art 70	1.70.1			Agricultural nature and landscape management (ANLb)
1	1	PL	Art 70	1.8.8			Afforestation and afforestation premiums and agroforestry schemes
1		PL	Art 73-74	I 10.13.		€5,998,785	Establishment of agroforestry systems
2	1	PT	Art 70	C.1.1.2.2			Permanent Crops and Traditional Landscapes
1		PT	Art 70	C.1.1.3			Agroforestry Mosaic (Attributed to O.14 and R.14, R31, R.33)
1		PT	Art 70	D.2.2			Management of the montado (agroforestry) by Results
1		PT	Art 73-74	C.3.2.2		€3,360,000	Setting up agroforestry systems
1		PT	Art 73-74	F.2.2		€300,000	Investment in the creation and regeneration of agroforestry systems
2	1	SL	Art 70	IRP 18.03			Biodiversity and landscape
1		SK	Art 70	70.01	€2,932,150	€2,932,150	Protection and maintenance of trees within the established Agroforestry system
1		SK	Art 73-74	73.01		€2,932,150	Establishing an agroforestry system

**Table 1**: Measures in Member States which specifically refer to agroforestry (green) or landscape (yellow). They are inconsistently coded by MS Indicators for tree establishment/restoration (Result Indicator R.17) or annual tree-planting maintenance payments (Output Indicator O.16).

<sup>&</sup>lt;sup>2</sup> Some MS do this to enable 100% annual-maintenance payments - but this is possible in the CAP 23-27. Others (e.g. Ireland) do it to allow annual maintenance payments for up to 20 years - which is not possible in the current CAP.

<sup>&</sup>lt;sup>3</sup> Also expected to be 300 million per year but is probably far short.

## Question 2 "Designing efficient <u>administrative processes</u> to support delivery" (aka how can the data be collected?)

(Topics interventions, support schemes, efficient processes, monitoring and reporting requirements, digitalisation, geographical & sectoral diversity, coherence in requirements, technical support.

- 4. **Agroforestry data can be collected as part of Framework for Sustainable Investment and CRCF** (2020/852). The SFI informs investors on whether an economic activity is environmentally sustainable by setting common EU-wide criteria. The Delegated Acts for Climate (2021/2139) and Environment (2021/2178) are important, as is the EU Taxonomy Navigator. EURAF has submitted a technical proposal to include agroforestry in the taxonomy (PB#28) and is working on Policy Briefings for the other aspects of sustainability listed ("do no significant harm") in the SFI, i.e.: adaptation (PB#27), water quantity and quality (PB#64), pollution (PB#65), biodiversity (PB#66) and the circular economy (PB#67)
- 5. Improve the linkage of CAP statistics to the GreenData4All Initiative. This initiative will evaluate the incomplete implementation by Member States of EU INSPIRE Directive (2007). It aims to move Europe's green and digital transformation by updating EU rules on environmental geospatial data and on public access to environmental information. GreenData4All should enable greater sharing of data between the public & private sectors and with the general public, and "unlock the full benefits of data sharing for data-driven innovation and evidence-based decisions". It is very relevant to the sharing of the soils and land-use information needed for Carbon Removals certification and for LULUCF reporting to have a clear distinction between agricultural and forest parcels.
- 6. **Updates are needed to the Forest Monitoring Regulation** (COM/2023/728) EURAF welcomes the draft FMR and supports improved monitoring of forests and trees-outside-forests, particularly for LULUCF and CRCF purposes. The indicators in Annex I are excellent<sup>4</sup>. Those in Annex II<sup>5</sup> need significant consultation with MS and industry. EURAF notes that there are large areas of grassland recorded in national LPIS systems which meet the FMR's definition of "forest", yet are legally classified as grassland and are in receipt of CAP BISS payments. The legal indicator of "forest land" is provided by national forestry laws, national cadastres and LULUCF reporting. Imposing a single EU "forest" definition in the FMR will sow confusion. An alternative approach is to develop integrated rural cadastres which merge forest inventories and CAP-LPIS agricultural geostatistics, as has been done superbly in the Spanish SIGPAC system. EURAF has developed a Pilot Project proposal to support research on how to extend this integrated rural cadastre to other MS.
- 7. Integrate the Directive on Soil Monitoring and Resilience with the FaST tool. This proposal (COM2023-415) requires the creation of "soil districts" throughout the territory of Member States. Soil districts should "constitute the basic governance units to manage soils and to take measures to comply with the requirements laid down in this Directive, in particular with regard to the monitoring and assessment of soil health" BUT the Directive indicates that there need not be more "districts" than the number of NUTS1 units, of which there are 92 in the EU. This is too coarse a spatial division to be of use to the CRCF. The draft SMR experts MS to implement an enhanced LUCAS topsoil monitoring programme and to integrate with national databases of soil properties. EURAF is awaiting progress with farm-scale recording of soil data in the Farm Sustainability (FaST) Platform from Member States by the end of 2024, as committed in the Sustainable Carbon Cycles Communication (PB#25) and in Article xxx.

## Question 3 Fostering an inclusive dialogue and building trust? (aka why is data collected)?

(Topics: shared management, collaboration, partnership principle and involvement of stakeholders, involvement of national, regional and local authorities, penalties vs. incentives, trust, diversity, subsidiarity.

8. Advertise prominently the projected land-sector GHG shortfall in National Energy and Climate Plans (NECPs) Member States show little evidence of having modified their CAP Strategic Plans to help meet 2030 LULUCF (-310 MtCO2e) and Effort Sharing targets, or implementing methodologies to link

<sup>&</sup>lt;sup>4</sup>a) forest area, b) tree cover density, c) forest type, d) forest connectivity, e) defoliation, f) forest fires (events, burnt-areas, severity, post-fire erosion, post-fire recovery) g) wildfire risk assessment, h) tree cover disturbances.

<sup>&</sup>lt;sup>5</sup>a) forest available for wood supply or not available for wood supply; b) growing stock volume per ha; c) net annual increment per ha; d) stand structure; e) tree species composition and richness; f) European Forest Type; g) removals; h) deadwood; f) location of forest habitats in Natura 2000 sites; j) abundance of common forest birds; k) location of primary and old-growth forests; l) protected forest areas; protected forest areas; m) production and trade of wood products; n) forest biomass for bioenergy.

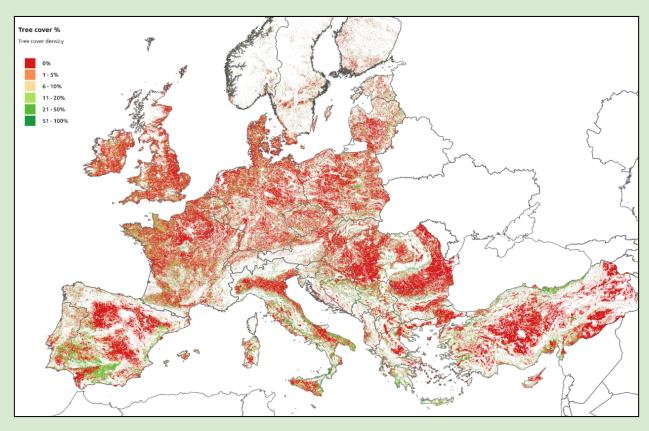
CAP statistics with GHG accounting. The June 2023 update was very late for most MS (BG, AT, PL were missing at Christmas and AT is **still missing**). DG CLIMA has published guidance on "improving the contribution of land-use, forestry and agriculture to enhancing climate, energy and environment ambition" (May 2023) and their December 23 "EU-wide assessment" pulled no punches on how little had been achieved by MS.

- 9. Raise visibility of the LULUCF Regulation (2018/841). This regulation was updated in 2023 (2023/839) to set ambitious new EU and national targets. The amended Regulation has removed certain flexibilities from 2025 onwards, or made them dependent on the EU as a whole reaching its targets. The Regulation, in Annex II, also defines "forest land" using the Marrakesh Accord (2021) thresholds. This definition should have been used in the EU Forest Monitoring Regulation (PB#15), since GHG emission calculations are of primary importance. It was disappointing that the Communication on Europe's 2040 climate target removed the 2035 land-sector neutrality commitment at the last minute (COM 2024 final). EURAF issued a press release indicating that agroforestry could contribute 56 MtCO2e by 2040 if a planting programme of 750 kha/yr starts in 2025. EURAF published v4 of Briefing #17 "agroforestry and the LULUCF Regulation on 10.7.24
- 10. Monitor the use being made of the Guidelines on Biodiversity-Friendly Afforestation, Reforestation and Tree Planting (March 2023). EURAF helped produce these practical recommendations to support authorities, forest and landowners, and managers and civil society to better implement biodiversity-friendly afforestation, reforestation and tree-planting projects at the local level. Are there further steps which can encourage their uptake? Are they being referred to in national guidelines can a study be undertaken?
- 11. **Delay implementation of the Deforestation Regulation** (PE/82/2022/REV/1). This comes into effect on 30/12/2024. It imposes strict rules of due diligence to all companies wishing to place affected products on the European market, or to export them. Products must be deforestation-free, produced in accordance with relevant local legislation, and covered by a due diligence statement (with geospatial location information). Products covered are: cattle, cocoa, coffee, oil palm, soya, wood, and rubber. EURAF supports the joint statement of European forestry primary producers, notes that further clarification is awaited on the application of the EUDR to agroforestry areas, and shares the concern of CIFOR-ICRAF that the regulation's reporting requirements risk excluding the most vulnerable commodity producers in the global South from various markets. EURAF also notes that only a small minority of developing countries<sup>6</sup> use the FAO reporting thresholds in the definition of "Forest" (PB#25).
- 12. Plan for sequential funding and integration between CAP Measures and Carbon Farming Certification. EURAF's Policy Briefing #8 suggests integrated planning for carbon farming. Starting with CAP Pillar I Ecoschemes (Article 31) for planning and baseline sampling in year 0, followed by Pillar II Investment measures (Article 74) in year 1, and Pillar II AECM (Article 70) for annual maintenance support in years 2-5, and subsequent "adoption" into carbon-certification schemes in five-year tranches i.e. yrs 6-10, 11-15, 16-20 etc. Mapping and registration of trees outside forests (ToF) as "landscape features" could give guarantees of "permanence" for carbon-certification.
- 13. Investigate extending the Carbon Border Adjustment Mechanism (CBAM) to agriculture and forestry (PE/7/2023/REV/1) aims to ensure that imports have paid a price for the carbon emissions produced during their manufacturing. This makes the carbon cost of imports comparable to domestic production, safeguarding the EU's climate goals. It will apply to specific goods like cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen industries that have high carbon emissions and are at risk of carbon leakage. It currently excludes forestry and agricultural imports, despite amendments suggested by COMAGRI, and many other views (e.g. Allan Matthews 2022). Note that any CBAM calculations will have to be based on the legal UNFCCC definition of forest rather than that used in the EUDR.
- 14. Clarify the role of the Green Claims Directive (COM/2023/166) in relation to other measures of "sustainability". The GCD will require companies to substantiate the voluntary green claims they make in business-to-consumer commercial practices, by complying with a number of requirements regarding their assessment (e.g. taking a life-cycle perspective). It reports that methodologies underpinning emissions-offsets vary widely and are not always transparent, accurate, or consistent.

<sup>&</sup>lt;sup>6</sup>Only 4 (Cambodia, Philippines, Korea, Togo) of the 48 UNFCCC non-Annex I countries have forest definitions which correspond to the EUDR, and only 1 (Norway) of the non-EU UNFCCC Annex I countries. Only 5 EU Member States apply the EUDR definition nationally (DK, FR, IT, LU, SE).

15. **Develop a new White Paper for "Agroforestry and productive landscape features".** "High Diversity Landscape Feature" targets (10%) were removed from the NRR, and GAEC 8 (4%) is being removed from CAP-conditionally through "simplification", BUT there is a new commitment in the simplification proposals for <u>all</u> MS to ensure that Article 31 ecoschemes <u>support the maintenance and establishment of landscape features.</u> This is welcome, but consistent monitoring is also needed through Result Indicator 17.4 (area of landscape features established). Currently, member states often do not split R.17 area targets and reporting into the four areas which were requested in the CSP Regulation and Delegated Act (R17.1 afforestation, R17.2 forest-restoration, R17.3 agroforestation, R17.4 lines of woody landscape features)

**Figure 1:** Caption: Tree-Cover-Density (TCD) on agricultural land in the 39 EEA countries. Areas of white are non-agricultural areas. Red areas are priority planting zones where TCD is particularly low. Source: Copernicus TCD-2018 superimposed on Corine agricultural land for 2018. Each pixel covers 1 ha m (100 m x 100 m). The map was produced for the EU DigitAF project by Planet Inc and the European Forest Institute.



<sup>&</sup>lt;sup>7</sup> Press release 15.3.2024. "GAEC 8 on non-productive features: EU farmers will have to maintain existing landscape features on their land but will no longer be obliged to dedicate a minimum part of their arable land to non-productive areas, such as fallow land. Instead, they may choose, on a voluntary basis, to keep a share of their arable land non-productive - or establish new landscape features (such as hedges or trees) - and thereby receive additional financial support via an eco-scheme that all Member States will have to offer in their CAP Strategic Plans. All EU farmers will be incentivised to maintain non-productive areas beneficial for biodiversity without fearing loss of income". COM 2024 139 Article 1 (Amendments to Regulation 2021/2115) confirms that (3) in Article 31, the following paragraph 1a is inserted: '1a. As a part of the eco-schemes referred to in paragraph 1, Member States shall establish and provide support for schemes covering practices for the maintenance of non-productive areas, such as land lying fallow, and for the establishment of new landscape features, on arable land. These schemes shall be voluntary for active farmers and groups of active farmers.' This amendment is also included in the Council's agreed text

Figure 2 Financial allocation of interventions to CAP Specific Objectives (SOs) in the EU (billion Euros) (1. Ensuring a fair income for farmers, 2. Increasing competitiveness, 3. Improving the position of farmers in the food chain 4. Climate change action, 5. Environmental care. 6 Preserving landscapes and biodiversity, 7 supporting generational renewal, 8. Vibrant rural areas, 9 Protecting food health quality, 10. Fostering knowledge and innovation.

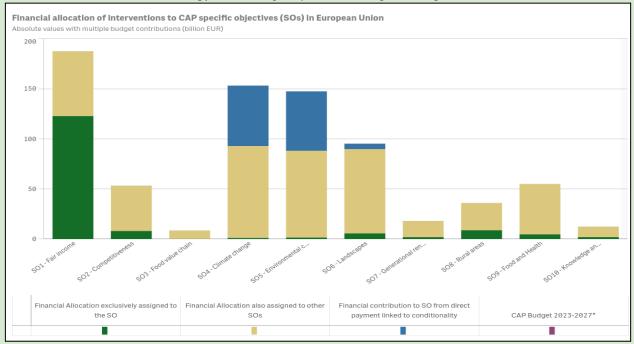
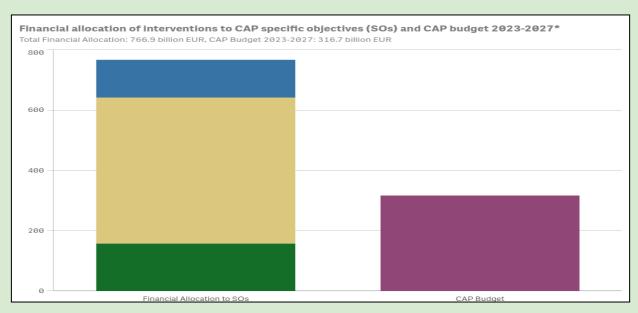


Figure 3 Financial allocation of interventions to CAP Specific Objectives (SOs) and CAP Budget 2023-27. The CAP Budget 2023-2027 includes EU funding, Member States co-financing and additional national financing. Financial allocations of interventions to Specific Objectives are larger than the CAP budget because the same intervention/measure can be linked to more than one Specific Objective.'





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