24. Agroforestry & Parliament's report on Sustainable Carbon Cycles

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EURAF is an NGO, based in Montpellier and Brussels (Transparency Register ID of <u>913270437706-82</u>). 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.

EURAF welcomes approval of the "compromise amendments" to the COMENVI draft report ('own-initiative procedure - rapporteur MEP Bernhuber, EPP/AT) on the "Sustainable Carbon Cycles Communication". The agreed text reinforces the importance of agroforestry and agroecological farming principles within carbon farming and stresses the need for targets to be included in revised versions of the CAP Strategic Plans. EURAF however regrets a) that stress is not put on the updating of carbon farming and LULUCF targets in revisions of national Energy and Climate Plans - which are due to be sent to Brussels in draft form by June 2023; b) that there is no requirement for Member States to consult on these plans or to make them public; c) that Parliament failed to comment on the chronic under-achievement of Member States in meeting their tree planting targets, and the risk that this poses to achievement of the EU's "Fit for 55" targets.

1 Introduction

On 15.12.21 the EU Climate Action Directorate published its "Sustainable Carbon Cycles Communication" (see

<u>Parliament summary</u>). This has been the subject of much debate in and around Parliament (see opposite)

To provide a considered opinion from the European Parliament, COM-ENVI published a draft "own initiative report" (on 15.6.22) for which Alexander Berhueber MEP was Rapporteur. This led to:

- COM-AGRI draft opinion <u>PE732.867</u>
 (27/10/2022) incorporating <u>AGRI amendments</u>;
- COM-ITRE opinion <u>PE734.179</u> (27/10/2022) incorporating <u>ITRE amendments</u>;
- ENVI amendments (<u>1-250</u>) + (<u>251 495</u>).



2 COMENVI Compromise Motions

COMENVI approved on 1/3/23 the full list of <u>compromise motions</u>, and plenary vote is anticipated in April 2023 on these. The revised paragraphs affecting agriculture and forestry, as opposed to blue carbon and carbon capture and storage, are the following.

- Para 1. Underlines the Union's objective to prioritise swift and predictable emission reductions and, at the
 same time, enhance removals by natural sinks, in line with the European Climate Law; acknowledges
 the potential of the sustainable carbon cycles initiative to contribute to the EU net carbon removal target of
 at least net 310 megatons (Mt) by 2030 while taking into account the 'do no significant harm' principle, as
 mentioned in the Commission communication on sustainable carbon cycles, as well as the need to avoid
 double counting and to ensure environmental integrity;
- Para 2 Stresses that agriculture and forestry should play a significant role in achieving the EU
 carbon removal target from the land use sector and, like all economic sectors, should contribute to the
 EU's climate neutrality goal; underlines that healthy natural ecosystems can constitute an important source
 of long-term removals;
- Para 2a. Notes that net removals from terrestrial ecosystems in the EU have been on a declining trend over the last decade, largely driven by the deteriorating situation in forest ecosystems as underlined in the Communication; notes that enhancing the resilience of forest and agriculture ecosystems is

- absolutely necessary in order to cope with the consequences of climate change in the EU, and to maintain a chance of respecting our climate objectives;
- Para 4 Emphasises that the sustainable production of food with a view to ensuring food security is an
 objective of agriculture, and that the availability of sustainable renewable raw materials is an objective of
 forestry and agriculture; underlines that climate change and biodiversity loss both significantly affect these
 sectors, and thus food security; underlines that biodiversity loss, and the lack of resilience to adapt to
 climate change are already affecting the production capacity of the food system and of forestry in
 the EU;
- Para 4a Recognises that the use of nature-based materials in the construction sector can substitute
 for more carbon intensive conventional materials; recognises that there are trade-offs to take into
 account to ensure that the lifecycle of those materials do not jeopardise the existing carbon stock and do
 no harm to biodiversity.
- Para 5 Stresses that ensuring healthy soils is essential for improving soil fertility, increasing adaptive
 capacity, and mitigating GHG emissions; underlines that soil protection and restoration are essential to the
 achievement of EU and international climate and biodiversity goals, and the transition towards sustainable
 food systems; emphasises, therefore, that there should be no delay in the expected EU Soil Health
 Law, as the common legislative framework will work towards these aims;
- Para 5a Stresses that the sequestration of carbon in soils, ecosystem and biodiversity protection and
 restoration are deeply interlinked and contribute to enhanced soil resilience and climate adaptation by
 improving soil structure, increase water retention capacity and have a positive impact on plants and crops,
 while simultaneously decreasing the risk of soil erosion; calls in that regard on the Member States to
 introduce coherent soil protection in national CAP Strategic Plans;
- Para 5b Highlights that increasing carbon in soil brings multiple benefits, including improved soil quality and fertility, increased resistance to disease-causing pathogens, increased resilience to extreme weather and better nutritional quality. Moreover, increasing soil organic matter in degraded soils will supply enough nutrients to maintain crop yield, therefore insists on sustainable soil management and recalls the importance of agroecological practices that improve carbon sequestration in soil, such as cover cropping, crop rotation, organic farming, maintaining grasslands (without ploughing), conversions from cropland to permanent grassland, the extensification of livestock farming in defined areas, mixed farming integrating livestock and cropping systems, and agroforestry;
- Para 6 Takes note of the Commission's intention to put in place a framework for the identification of
 activities that unambiguously remove carbon from the atmosphere; stresses that this new monitoring,
 reporting and verification (MRV) framework, after having shown its effectiveness and reliability in delivering
 sustainable and long-term removals, should be the basis for further measures to incentivise those new
 types of carbon removal activities;
- Para 9. Stresses that the growing interest in carbon farming should be an opportunity for farmers to transform their business model and to better reward farmers that are engaging in a transition towards agro-ecological and sustainable agroforestry practices; considers that carbon farming can be a voluntary activity, and therefore the financial reward for carbon farming should compensate for additional efforts of farmers and foresters compared to their obligations under EU and Member States laws; notes that carbon farming initiatives can be financed via the Common Agricultural Policy and/or other public funding instruments such as state aid, private initiatives such as market-based solutions, or through a combination of these funding options; considers that carbon farming should be developed on the basis of a credible and effective policy framework taking into account the need for a clear set of rules for those farmers and foresters who decide to implement carbon farming practices; insists that the successful implementation of carbon farming depends on a holistic management of all pools of carbon in soils, materials and vegetation, integrating the fluxes of carbon dioxide, methane, and nitrous oxide for both land and livestock; in addition, underlines the importance of ensuring a fair farm gate price and remuneration; stresses that carbon farming incentives must not lead to negative side effects, such as land grabbing by large companies and the use of these lands for carbon offsetting purposes and not for actual emissions reductions.
- Para 10 Underlines the need to take into account preliminary work / efforts made by the frontrunners
 on this issue, having in mind Member States' and farmers' different starting points, and insists on ensuring
 equitable carbon farming opportunities for farmers and foresters across the EU; emphasises that an
 effective carbon farming scheme should not penalise those seeking to take the first step towards more
 sustainable carbon farming practices;

- Para 11. Stresses that sequestration of carbon in the soil and biomass should be considered a valuable
 contribution to addressing ongoing climate change; emphasises that the land and forestry sector have a
 natural maximum carbon storage capacity; points out that carbon sequestration may be subject to external
 factors that are not always within the control of the farmers and might jeopardise the duration of removals;
 stresses the need to ensure a clear definition of permanence and rules for liability of possible
 reversals;
- Para 12. Notes that certain CAP instruments can incentivize carbon sequestration practices; calls
 for the integration of carbon farming into upcoming CAP National Strategic Plans (NSP) in line with
 Member States assessment and needs, to ensure that local natural conditions and other circumstances
 are adequately reflected; underlines that carbon farming must be coherently implemented with existing
 and forthcoming legislation, nature restoration law, the EU soil health law, as well as the sustainable
 food systems framework;
- Para 12a Encourages the Commission as well as public and private initiatives to raise awareness on the
 valuable environmental co-benefits that carbon farming practices can provide; insists that carbon
 farming can help with the transition to agroecological carbon farming at farm level;
- Para 15. Takes note of the Commission proposal of the regulation on establishing a Union certification
 framework for carbon removals aiming to ensure the high quality of carbon removals in the EU, and to
 establish an EU governance certification system to avoid greenwashing by correctly applying and enforcing
 the EU quality framework criteria in a reliable and harmonised way across the Union
- Para 17 Stresses that measures to increase carbon removals, whether via natural carbon sinks or through technologies, can be financed by public and/or private funds; believes that financing from the value chain could be explored;
- Para 17a Recalls that public funding under the Common Agricultural Policy (CAP), revenues generated
 from the EU Emissions Trading System (EU ETS) and funds from other Union programs, such as the LIFE
 programme, the Cohesion Fund, the Horizon Europe programme, the Recovery and Resilience Facility, the
 Just Transition Fund, can already support carbon sequestering and biodiversity-positive approaches
 in forests and agricultural lands and should be further targeted for that purpose;
- Para 18. Calls on the Commission to revise current funding options in order to reward practices
 which have climate and environmental benefits that are scientifically proven and lead to the
 sustainable and long-term increase of carbon sequestration in soils and other biogenic carbon
 pools while ensuring societal co-benefits; underlines that research and innovation concerning sustainable
 carbon cycles should be stimulated and financed, using different EU financial instruments, such as the
 LIFE and Horizon Europe programmes or the Innovation Fund;
- Para 19. Welcomes the increased interest of the European Investment Bank in funding climate and environment initiatives; calls for the creation of a dedicated financial instrument, which would be fully compatible with the European Green Deal objectives, for sustainable, safe, reliable and permanent carbon removals and clear ecosystem restoration outcomes that yield multiple benefits while minimising the risks; calls for this instrument to target in particular small operators which do not generally have access to traditional financial services
- Para 20 Stresses the need for increased cooperation and exchange of information and sharing the
 best practices among stakeholders in order to promote better knowledge and deeper
 understanding of the opportunities and risks in the implementation of carbon cycling initiatives;
- Para 21 Calls for advisory services in forestry and agriculture, such as the Agricultural Knowledge
 and Innovation System (AKIS), to contribute with broader knowledge and information to support
 sustainable practices that enhance carbon sequestration while promoting biodiversity and nature
 restoration, and to ensure easy access to this information including the use of digital solutions where
 relevant; calls furthermore on AKIS to set up a knowledge-sharing digital platform, providing technical
 advice to land managers and providing feedback to Member States;
- Para 21a Considers that, addressing the knowledge gap, especially among farmers and foresters, is essential for the effectiveness and sustainability of carbon farming; calls on the Commission and the Member States to boost knowledge transfers through targeted training and education programmes, and access to dedicated advisory and extension services to increase the uptake of carbon farming by land managers, farmers and foresters; stresses the benefits of cooperatives in terms of investment and synergies aiming at increasing CO2 removals; calls on Member States to allocate an appropriate amount of resources for Advisory and Technical assistance in their Rural Development Plans 2023-2027 accordingly; calls on the Commission together with the Member States to accelerate the provision of advice and technical guidance, which shall take into account local circumstances;

Para 22. Insists on the need to enhance international cooperation with third countries and
international institutions in order to promote sustainable carbon removals at global level and to
contribute to the goals of the Paris Agreement; encourages international political cooperation to provide
adequate funding for the protection and restoration of ecosystems;

3 EURAF Comments on the Compromise Motions

The European Agroforestry Federation:

- **commends** the balanced approach taken by the ENVI Committee, and welcomes the mentions of agroforestry and sustainable agroforestry systems in paragraphs 5b and 9
- **commends** the stress placed on updating the CAP Strategic Plans to include Carbon Farming (paras 5a and 12)
- **regrets** that there is no mention of the fact that the Commission has asked MS to include LULUCF targets in their updated National Energy and Climate Plans (Table 1). The draft NECPs are due to be sent to Brussels by June 2023, so the need is pressing.
- regrets that there is no requirement for Member States to consult on their draft NECPs, or even to make the data public.
 The new targets will be very difficult for many MS to meet and land use planning should be as open and collaborative as possible.
- regrets that Parliament has not commented on the historic underachievement of tree-planting targets in Europe. In the 2014-23 CAP, of the 600kha of afforestation planned by member states, only 40kha had been achieved by Feb 2023. Of the 74kha of new agroforestation planned by MS, only 4k ha had been achieved by the same date. Of the 3 billion additional trees planned between 2020 and 2030 only 9.5 million trees had been planted by the same date.
- regrets that Parliament has not focused on the need to share national data on agricultural and forestry land use and emissions at a farm scale for carbon farming and LULUCF calculations. The CAP Land Parcel Identification System is uniquely suited to this task but the Commission appears no longer to be insisting that Member States maintain minimum standards, nor seeking to coordinate Member States' approaches to quantification of Landscape Features (a key component of carbon farming). Publication of the Commission's announced GreenData4ALL initiative is much delayed (due 2022), and some member states do not appear

мѕ	Base(2016-18)	Additional	2030 (Ktonne)
AT	-4771	-879	-5650
BE	-1032	-320	-1352
BG	-8554	-1163	-9718
CY	-289	-63	-352
CZ	-401	-827	-1228
DE	-27089	-3751	-30840
DK	5779	-441	5338
EE	-2112	-434	-2545
ES	-38326	-5309	-43635
FI	-14865	-2889	-17754
FR	-27353	-6693	-34046
GR	-3219	-1154	-4373
HR	-4933	-593	-5527
HU	-4791	-934	-5724
IE	4354	-626	3728
IT	-32599	-3158	-35758
LT	-3972	-661	-4633
LU	-376	-27	-403
LV	-6	-639	-644
MT	4	-2	2
NL	4958	-435	4523
PL	-34820	-3278	-38098
PT	-390	-968	-1358
RO	-23285	-2380	-25665
SE	-43366	-3955	-47321
SI	67	-212	-146
SK	-6317	-504	-6821
EU	-267704	-42296	-310000

to be meeting the terms of the EU Inspire Directive for public access to geospatial data (link)

Figure 1 National targets for LULUCF emissions (positive) or sequestration (negative) by 2030, as agreed by Council on 10.11.22. Showing the baseline values for 2016-18, and additional targets Figures are in kilo tonnes of CO2 equiv.



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