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NOTE

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Subject:	Agriculture and climate *- Information from the Presidency* *- Presentation by the Commission* *- Exchange of views*

In view of the "Agriculture and Fisheries" Council of 17 May 2016, delegations will find attached a document provided by the Presidency on the above-mentioned subject. Please note that the annex of the document is similar to the annex of document 8534/16 that was discussed at the SCA on 10 May.

ANNEX

Note from the Presidency on agriculture and climate

Paris Climate Agreement

On December 12, 2015, the Paris Climate Agreement was reached. This agreement aims to keep the global average temperature rise to well below two degrees compared to the pre-industrial level and to strive to restrict this temperature increase to 1,5 degrees. The agreement is geared towards the reduction of greenhouse gas emissions, the protection and enhancement of carbon sinks and adaptation to climate change effects.

Implementation of the Paris Climate Agreement in the EU

The EU has committed to achieve at least 40% greenhouse gas emission reductions domestically in 2030 (compared to 1990). Last year, the Commission presented its proposal for the ETS sector and this proposal is currently being discussed in the Council and the European Parliament. For the emissions from the non-ETS sectors (covered by the Effort Sharing Decision), the Commission intends to adopt legislative proposals before the summer break. The non-ETS sectors include agriculture, transport, buildings, waste and light industry. The land use sector (LULUCF)[1] will, for the first time, also be fully included within the emission reduction target.

Agriculture and climate

As acknowledged by the European Council Conclusions in October 2014, agriculture is a particular sector pursuing multiple societal objectives, in particular food security, while offering a limited mitigation potential. At the same time, agriculture is one of the most exposed sectors to the risks and adverse effects brought by the changes of climate itself.

[1] Land Use, Land Use Change and Forestry

Agriculture (excluding carbon dioxide emissions from land use and land use change) represents today about 10% of the overall EU greenhouse gas emissions. Because of the limited cost efficient mitigation potential, this share is expected to increase while the other sectors decarbonise. Still, like other economic sectors, agriculture is called to reduce its emissions according to its cost-efficient reduction potential. This should be done without undermining its production potential and while adapting to climate change. It should be noted that agricultural emissions (excluding carbon dioxide emissions from land use and land use change) have reduced by 23 per cent since 1990. In a previous AGRIFISH Council (October 22, 2015), Ministers stressed the importance of research, innovation and the role of agricultural policy to drive in this direction.

Agriculture is and must be regarded as part of the solution: agriculture can contribute to carbon storage in soils and forests. And agriculture can help other sectors to mitigate their emissions by production of biomass for the development of the bio-economy sector which could replace fossil materials.

Since 2008, Member States' carbon emissions and removals are taken into account under the Kyoto Protocol. As the Kyoto Protocol will be replaced by the Paris Agreement, the upcoming legislative proposal shall integrate the land use sector in the EU's climate framework from 2021 onwards. This means, for example, accounting of emissions resulting from the conversion of grassland into arable land or sequestration of carbon into the soil (e.g. increase of organic substance or re-wetting of peat land) will become part of this legislative framework.

The emissions in this sector are dependent on soil type and use, but also on biological processes. There is a variation between years and areas, partly as a consequence of climate change effects (temperature and precipitation) in areas. The existing rules on accounting for these emissions and removals under the Kyoto Protocol need to be incorporated within the new framework with a view to streamlining and, where necessary, improving them.

The upcoming legislative proposals should deal with the following key elements: distribution of the mitigation efforts between Member States; overall elements of flexibility; how to integrate in the new framework the land use sector and in particular its relations with agriculture; and how to account for its emissions and removals. The existing framework under the Kyoto Protocol and the European Council Conclusions of October 2014 are a point of departure for the Commission's proposals and must be followed.

The large variety in the emissions quantities between Member States leads to a range of viewpoints of member states – which is also evident from the written consultation that took place – in which they elaborate different ideas. Denmark and Ireland[2] and Finland, for example, have written a non-paper aimed at the emissions from the agricultural sector, Poland organised a ministerial conference discussing flexibility between LULUCF and ETS and several member states are known to have ideas of their own.

Agriculture and bio-economy

Bio-economy is about the ongoing integration of the production of biomass in – among other sectors – agriculture, forestry and fisheries with the use of biomass in sectors such as the food industry, the chemical industry and energy. In order to create a "carbon neutral" society this integration is crucial and offers alternatives to petroleum: not just as a fuel, but also as a building block for a wide range of products (such as plastics).

On April 12 and 13 of this year the Netherlands presidency organised a conference on bio-economy, leading to a Manifesto[3] containing the following elements:

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[2] 7362/16

[3] See http://www.bioeconomyutrecht2016.eu/

Bio-economy is an economy that is independent of fossil fuels and offers opportunities for Sustainable Development Goals such as (combating) climate change and food security

Bio-economy contributes to the "jobs & growth"-agenda of the EU

In order to develop the bio-economy more cooperation is needed between agriculture, research & innovation and industry

It is evident that biomass production and therefore agriculture, too, play an important role in the procurement of commodities in a bio-economy. The bio-economy can thus provide an impulse for local economies and craftsmanship. However, it is clear that agriculture already needs to provide food and feed for a growing world population. It is therefore necessary to find a good balance between the needs of the bio-economy and the conditions set by food security. In this respect, putting waste streams to use offers a chance. Also, the transition to a bio-economy calls for a sensible management of nutrients and soil use in order to safeguard soil fertility. This fits within the concept of *circular economy.* The climate change legislative framework should also provide the right incentives for enhancing carbon sequestration and the development of the bio-economy, while ensuring environmental integrity.

It should be noted that combating food waste and food losses, and the prevention of waste streams, remains the starting point. This subject will be put on the agenda of the Agrifish Council of June 27th and 28th separately, given its specifics and its interest to this Council formation.

Questions for discussion

In order to focus the discussion in the Council, the presidency invites delegations to address the following questions:

The European Council acknowledges the role of carbon sequestration of agriculture, including afforestation, in mitigating climate change. How do you think this could be taken into account and incentivized in the new 2020-2030 climate framework and other EU policies?

Agriculture is also one of the most exposed sectors to the risks brought about by the adverse effects of climate change itself. How do you think the new framework should promote win-win measures and promoting both climate mitigation and adaptation?

Agriculture and forestry can also contribute to reduce emissions in other sectors by providing biomass for the replacement of fossil materials. What possibilities do you see for the agricultural sector to contribute to the transition to a bio-economy? How could the new 2020-2030 climate framework and/or other EU policies encourage this transition?
