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From: Presidency
To: Delegations

Subject: Opportunities from the bioeconomy for agriculture and rural areas in the light of current challenges
- *Exchange of views*

With a view to the meeting of the Special Committee on Agriculture of 3 October 2022, delegations will find in the Annex a Presidency background paper on the abovementioned subject.

Opportunities from the bioeconomy for agriculture and rural areas in the light of current challenges

1. The bioeconomy plays a key role in the way towards climate neutrality

The bioeconomy addresses green transition by providing concrete, renewable solutions to sustainable production, sustainable consumption, reuse and recycle of materials to support more sustainable lifestyles. The bioeconomy can revitalize our cities as well as secure the vitality of rural areas and communities, increasing regional equality. New bio-based solutions also play a key role in tackling the **climate challenge** and have the potential to increase the EU **resilience**; for this reason, the EU must make the best use of the existing resources, such as those coming from agriculture, wood, forests and sea, and which could become important sources for bio-based products.

The bioeconomy offers broad **opportunities** to develop solutions based on biological material, many of which are not widely known: for example, product innovations for the broad substitution of fossil-based materials, the storage of carbon in products and their respective recycling processes, plastic-free packaging, wood-derived car batteries, or nano-cellulose applications in cancer research.

Fulfilling the objective of a carbon-neutral economy by 2055 requires to follow up on the EU Bioeconomy strategy and ensure a **wider uptake** of bio-based solutions, as they can contribute to solving the climate challenge while strengthening the resiliency of European value chains and generating new business and jobs.

It is possible to double gross domestic product impact of bioeconomy in Europe by 2035. To double GDP impact requires swift transition from producing bio-based raw materials for other continents to producing high value-added products in Europe.

The bioeconomy is a sector where Europe can achieve **global technology leadership** position by turning science to innovations. Examples of sectors in which European industries still hold a forerunner position include bio-based textile technologies, wood construction, bio-based 3D printing, biotechnologically produced proteins, algae-based functional ingredients just to name a few.

Bio-based products, when sourced, produced, and manufactured in Europe, contribute to **increased resilience and autonomy** of European economy. Bio-based raw materials are renewable and can be sustainably grown in the EU. Focus on added-value products, technology and services can support the creation of **high-quality jobs**.

2. The EU Bioeconomy strategy

The EU Bioeconomy strategy was adopted in February 2012. It addressed the production of renewable biological resources and their conversion into vital products and bioenergy.

After a review carried out in 2017, the initial strategy was **updated** in October 2018 with a focus on the concepts of sustainability and circularity including research and innovation at EU and MS level and key enabler to drive the renewal of industries, the modernization of primary production systems, the protection of the environment and the enhancement of biodiversity. The aim of the updated strategy was to accelerate the deployment of a sustainable European bioeconomy so as to maximize its contribution towards the 2030 Agenda, its Sustainable Development Goals (SDGs), and the Paris Agreement.

In November 2019, the Council adopted **conclusions on the updated Bioeconomy strategy** for Europe¹. In its conclusions, the Council expressed its support for the updated Bioeconomy Strategy and called upon the Commission “*to deliver a progress report and if appropriate with update of the action plan and/or the Strategy at the latest by 2022*”.

¹ Doc. 14594/19.

Following up that call, the Commission adopted the **EU Bioeconomy strategy progress report** in June 2022². Among its findings, the report highlighted that the bioeconomy is of key importance in achieving the objectives of the European Green Deal; in addition, it can help strengthening food security and address independence on energy, which are more and more central in the light of the Russian invasion of Ukraine. The report shows that the actions set out in the Bioeconomy strategy of 2018 are on track in achieving the strategy's main objectives.

The Commission will present the findings of the EU Bioeconomy strategy progress report on 6-7 October 2022 during the **high-level conference** 'The Bioeconomy - Enabling the European Green Deal in Challenging Times'.

In light of the background set above, the Presidency considers it opportune to hold an exchange of views on the bioeconomy in the context of the current challenges. To this end, at the meeting of the Special Committee on Agriculture on 3 October 2022, delegations will be invited to comment on the information presented above, focusing in particular on what they consider to be the **possible contribution of the bioeconomy to face the context of the current environmental, energy and food challenges**.

² European Commission, Directorate-General for Research and Innovation, *European bioeconomy policy : stocktaking and future developments : report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions*, Publications Office of the European Union, 2022.