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From:	General Secretariat of the Council
To:	Council
No. Cion doc.:	15045/21
Subject:	Council conclusions on the Commission communication on sustainable carbon cycles in the agricultural and forestry sectors - Approval

1. On 15 December 2021, the European Commission published its communication ‘Sustainable Carbon Cycles’¹ (15045/21), together with two Commission staff working documents² (15045/21 ADD 1-4).
2. That communication sets out an action plan for developing sustainable solutions to increase carbon removals. The agricultural and forestry sectors play a key role in this process, given that they have the capacity to remove and store carbon through carbon reservoirs. In light of this, one of the main focal points of the communication is that of carbon farming, a green business model that rewards land managers for taking up improved land management practices.

¹ COM(2021) 800 final.

² SWD(2021) 450 final, SWD(2021) 451 final.

3. At the Agriculture and Fisheries Council meeting on 17 January 2022, the Commission presented the communication and ministers exchanged views on the topic.
 4. The Special Committee on Agriculture (SCA) examined the communication in order to prepare Council conclusions on the agricultural and forestry aspects thereof.
 5. To that end, on the basis of a Presidency discussion paper (5588/22), the SCA held an initial exchange of views at its meeting on 31 January 2022, which provided guidance for the drafting of the conclusions. Carbon farming was also discussed at the informal meeting of ministers in Strasbourg on 8 February 2022.
 6. The SCA then examined three drafts of conclusions prepared by the Presidency and presented at the meetings on 14 February 2022 (5941/22), 7 March 2022 (5941/1/22 REV 1) and 14 March 2022 (5941/2/22 REV 2).
 7. The final draft did not give rise to any fundamental objections from delegations.
 8. The Permanent Representatives Committee approved the final draft conclusions, as set out in 5941/2/22 REV 2 and in the annex to this document, at its meeting on 30 March 2022.
 9. In light of the above, the final draft of the conclusions is submitted to the Agriculture and Fisheries Council, meeting on 7 April 2022, for approval as an ‘A’ item.
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DRAFT

**Council conclusions for agriculture and forestry on the European Commission's
communication on sustainable carbon cycles**

The Council of the European Union,

RECALLING:

- the Council conclusions of 15 November 2021 on the New EU Forest Strategy for 2030³,
 - the Council conclusions of 10 June 2021 on the new EU strategy on adaptation to climate change⁴,
 - the Council conclusions of 19 October 2020 on the 'Farm to Fork' strategy⁵,
 - the Council conclusions of 29 November 2019 on the updated bioeconomy strategy⁶,
 - the Council conclusions of 23 October 2020 on biodiversity and the need for urgent action⁷,
1. WELCOMES the European Commission's communication entitled 'Sustainable carbon cycles'.

³ 13537/21.

⁴ 9694/21.

⁵ 12099/20.

⁶ 14594/19.

⁷ 11829/20.

2. EMPHASISES the particularities of agriculture and forestry in the consideration of climate issues. Agriculture and forestry contribute to the overall effort to reduce emissions, which must remain the primary focus of European Union’s climate neutrality objective, and at the same time they are capable of absorbing and storing carbon through carbon pools (forests, forest soils and wood products, grasslands, agroforestry, agricultural soils, wetlands, etc.).
3. HIGHLIGHTS that the objective of sustainable food production remains the primary objective of the agricultural sector. STRESSES the importance of forests and their sustainable management as they fulfil multiple goals, including biodiversity conservation, the maintenance and enhancement of biomass production and their contribution to sustainable bioeconomy. EMPHASISES that agriculture and forestry are also significantly affected by climate change, which influences amongst others the storage potential and makes it necessary to adapt production systems and to increase the resilience of ecosystems.
4. RECOGNISES that, in order to achieve the Union’s climate objectives, in addition to the legislative work in progress on the ‘Fit for 55’ package, it is appropriate that voluntary incentives at the level of land managers are promoted to strengthen the Union’s carbon sinks by sustainably storing more carbon in agricultural, forest and other natural ecosystems and maintain the existing carbon stocks, and WELCOMES in this respect the intention to extend financial support, including from the private sector, in addition to the Common Agricultural Policy – which supports a broad range of carbon farming, carbon sequestration and other climate mitigation practices – and other public support.

5. SUPPORTS the approach of conceiving carbon farming as a new voluntary green business model, capable of providing an additional source of income for land managers, and encourages its deployment on the Union's territory; EMPHASISES, however, that the land manager's remuneration must provide sufficient incentives while avoiding significant negative impacts and changes in land use, such as by making land less affordable and available for land managers or causing a reduction of production.
6. EMPHASISES the need for targeted information and advisory services, including in the framework of existing policies and programmes, to promote knowledge transfer and training of land managers and other stakeholders, and CONSIDERS that fostering research and innovation activities could help achieve these goals.
7. RECALLS that at EU level, methane (CH₄) represents 56 % and nitrous oxide (N₂O) 39 % of greenhouse gas (GHG) emissions in agricultural production⁸, while carbon dioxide (CO₂) represents a minor proportion of GHG emissions. Moreover, TAKES NOTE that certain agricultural practices which may increase carbon sequestration can at the same time result in higher N₂O emissions and therefore RECOGNISES the potential benefit of an integrated approach to carbon farming.

⁸ Data for 2019 based on EU greenhouse gas inventories-27, European Environment Agency (EEA). These data do not include the emissions from energy consumption in the agricultural production. The detailed methodology is available in the set of indicators 'Greenhouse gas emissions from agriculture in Europe' published by the EEA on 15 December 2021.

8. CONSIDERS that the examples of practices identified by the Commission in its Communication as favourable to carbon storage in soils and other ecosystems are relevant, but EMPHASISES the need to take into account the diverse conditions of Member States, and their regions when assessing climate change mitigation practices. However, STRESSES that carbon farming practices need to adhere to environmental integrity, in particular, avoiding negative effects on biodiversity. In this light, ENCOURAGES the Commission, in cooperation with Member States, to provide further examples of improved land management practices, in addition to those set out in the communication, based on current scientific consensus.
9. RECOGNISES the existence of co-benefits associated with the abovementioned practices, which may contribute in particular to the preservation of biodiversity, as well as of water, soil and air quality.
10. SUPPORTS the Commission's intention to define a robust certification framework based on standardised and validated scientific methods and diagnostic instruments at the European level for monitoring, reporting and verifying the volumes of carbon stored and emitted and SUGGESTS that such framework include a requirement for the Commission to conduct an independent verification of the progress achieved on carbon farming, and report on it. UNDERLINES that, to ensure the credibility of this framework, high-quality criteria such as transparency, additionality, permanence and the avoidance of negative impacts on the environment and biodiversity must be at its core, and it should not discourage any current effort from land managers.
11. EMPHASISES that this future certification framework should be simple, should not cause disproportionate administrative burden in order to facilitate the participation by land managers and should not result in sanctions in case carbon sequestration is lower than expected for reasons independent from the land managers' actions.

12. SUPPORTS the timely setting up of a Union expert group consisting of Member States' representatives including from forestry, agriculture and environment to assist the Commission in taking into account existing best practices on carbon farming. SUGGESTS that this group could, in particular, help the Commission study all the existing international and national systems for accounting the GHG emission reductions and carbon storage in agriculture and forestry, as well as the carbon certification systems that already exist. INVITES the Commission to have regard to the work of the expert group with a view to assessing the potential implications of broadening the scope of the EU regulatory framework for the certification of carbon removals to agricultural GHG emission reduction, including an increased incentive for land managers to reduce GHG emissions at farm level.
13. EMPHASISES that the certification framework will have to incorporate the necessary flexibilities to take into account the specificities of Member States and their regions, and production systems (including the size of farms, parcels and forests, climatic conditions, soil types and cultivation practices), without compromising the environmental integrity of the scheme.
14. EMPHASISES that the regulatory framework for certification should be implemented in full coherence with other Union policies and their goals, avoiding double counting, carbon leakage, and without undermining the objective of food security.
15. ASKS FOR the future Union certification framework to be designed taking into account and, if possible, to be compatible with existing national initiatives sharing the same objective.
16. INVITES the Commission to explore whether and how the Union certification framework could cover a wider range of practices including agricultural GHG emissions and possibly the economic value of co-benefits without compromising the simplicity and clarity of the system.

17. INVITES the Commission to take into account the elements set out in these conclusions, specifically when drafting its legislative proposal for the establishment of a Union certification framework.
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