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NOTE

From:	General Secretariat of the Council
To:	Special Committee on Agriculture/Council
Subject:	Conclusions on the opportunities of the bioeconomy in the light of current challenges with special emphasis on rural areas <i>- Approval</i>

Following the confirmation by delegations of non-objection to the annexed text of Council conclusions on the above subject, in the framework of a “silent consultation” with deadline 11 of April 2023, the SCA/Council are invited to approve these Conclusions without any change during their meetings on the 17th and 25th of April 2023 respectively.

On the occasion of the public debate to be held for their adoption during the Council meeting of the 25th of April 2023, Member States are invited to further highlight their priorities and to point out their concerns on the future development of a sustainable and circular bioeconomy.

The Council of the European Union

RECALLING:

- The Council conclusions on the updated Bioeconomy Strategy from 29 November 2019;
- The Council conclusions on the Farm to Fork Strategy;
- The Council conclusions on the New EU Forest Strategy for 2030;
- The Council conclusions on a Sustainable Blue Economy;

TAKING NOTE OF:

- The European Green Deal;
- The Farm to Fork Strategy;
- The New EU Forest Strategy for 2030;
- The Biodiversity Strategy for 2030;
- The EU Soil Strategy for 2030;
- The Circular Economy Action Plan;
- The Common Agricultural Policy and Member States' Strategic Plans;
- The Fit-for-55 and REPower EU goals;
- The Commission's progress report on the implementation of the EU Bioeconomy Strategy;
- The Commission's Communication on the Long-Term Vision for EU's Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040;
- The Commission's Communication on a Green Deal Industrial Plan for the Net-Zero Age;
- The Union's international commitments on sustainable development, trade, environmental protection and climate adaptation and mitigation;
- The results of the high-level conference 'The Bioeconomy - Enabling the European Green Deal in Challenging Times' held on 6-7 October 2022 in Brussels;
- The results of the conference 'Living in the Bioeconomy' organised by the Swedish presidency on 27-28 February 2023 in Stockholm;

HIGHLIGHTING

The important role of the sustainable and circular bioeconomy in facing current challenges, particularly as regards climate, biodiversity, energy and food security, and its importance for the Union's economy, notably for providing essential products, increasing competitiveness, diversifying income, and creating jobs in rural and coastal areas, while contributing to the Union's drive for green transition and increased resilience, in the framework of a holistic and cross-cutting approach that ensures coherence between policy areas. °

1. EMPHASISES the bioeconomy's role for EU's resilience and for meeting current challenges, considering in particular that bio-based products, when sustainably sourced and produced, can contribute to increased resilience and self-sufficiency capacity. RECOGNISES that both the climate challenge and the illegal, unjustified, and unprovoked Russian war of aggression against Ukraine have further accentuated the need to enhance the transition towards clean and renewable energy, sustainable fossil free materials, and sustainable, resilient, and fair food systems.
2. ACKNOWLEDGES that the bioeconomy, building on sustainably produced biomass and residual materials, is both an enabler and the result of the green and just transition, contributing to the Sustainable Development Goals by equally considering environmental, social, and economic dimensions of sustainability. EMPHASISES the central role of a sustainable and circular bioeconomy for the climate and the environment, and for achieving the objectives of the European Green Deal and its strategies.

3. STRESSES that the bioeconomy is a cross-sectorial and holistic concept that can balance all three dimensions of sustainability; and EMPHASISES that the bioeconomy strengthens and interacts with the circular economy through renewable resources and resource-efficient use of bio-based side streams from agriculture, food production, forestry, fishery, aquaculture and water, and from organic waste streams including from households. STRESSES that in the bioeconomy sectors are often interconnected which contributes to synergies and broadening and strengthening of the relationship between these sectors. ACKNOWLEDGES that the bioeconomy is highly dependent on healthy and resilient ecosystems, and synergies between the bioeconomy and biodiversity should be promoted in the development and deployment of a sustainable and circular bioeconomy.
4. WELCOMES the progress report on the implementation of the EU Bioeconomy Strategy and the general positive development made in implementing the Action Plan, including the development of national and regional bioeconomy strategies and the mobilisation of private investments, start-ups and research and innovation in bio-based industries. AGREES that the effects of the illegal, unjustified, and unprovoked Russian war of aggression against Ukraine, e.g. on food and energy security, must be taken into account in the future implementation on the Action Plan; and that a strong EU Bioeconomy Strategy focusing on all three dimensions of sustainability can contribute to achieving the goals outlined in the European Green Deal. NOTES further that the report highlights the need to address and resolve multiple pressures on land and sea, as well as to ensure more sustainable consumption patterns.
5. EMPHASISES the role of bioeconomy for vibrant rural areas, for mobilising primary producers in climate action and in the green transition, and for creating and maintaining jobs, growth, and equal opportunities across the whole of the EU and its regions. STRESSES the importance of sustainable solutions in rural areas and of ensuring enhanced and diversified incomes in the bioeconomy sectors for primary producers, landowners, small and medium sized enterprises, and other rural actors, including through new value-added chains and business models in which these producers are fully integrated.

6. ACKNOWLEDGES the importance of bioeconomy for bringing innovation to rural areas and the role of using currently available funding instruments, in a complementary manner, including Common Agricultural Policy, Horizon Europe, European Regional Development Fund, European Maritime, Fisheries and Aquaculture Fund, European Recovery and Resilience Fund, Cohesion Fund, European Life and Innovation Fund and Just Transition Fund. ACKNOWLEDGES the importance of initiatives such as smart villages, the EIP-AGRI, and the new concept of start-up villages.
7. ACKNOWLEDGES the role of the sustainable and circular bioeconomy for valorising locally and regionally available resources through the development of new cross-sectorial and inter-connected sustainable and socially fair value-added chains. In this regard, STRESSES the importance of recognising and making use of regional and local specificities, including the specificities of small, geographically isolated economies and outermost regions.
8. RECOGNISES the value of the bioeconomy for the implementation of the EU's Long-Term Vision for Rural Areas and EU Rural Action Plan, as well as the importance of bioeconomy in promoting cohesion in rural areas, including social fairness and just transition.
9. STRESSES the importance of the food system transition, and to further explore the potential of the bioeconomy, innovative methods and other nature-based practices, to provide healthy and nutritious food and feed, while considering the precautionary principle.
10. EMPHASISES the potential of bio-based resources in sectors such as chemical industry, construction, textile and packaging, and of increased market demand for bio-based materials in industrial ecosystems and wider value chains. HIGHLIGHTS the importance of carbon storage in renewable materials and products.

11. ACKNOWLEDGES the importance of innovative nutrient management, reuse and recycling, sustainable farming using bio-based fertilisers, and sustainable livestock production such as area based livestock production, and EMPHASISES their contribution in closing the loop of nutrient cycles, which minimise nutrient losses and pollution and at the same time offer alternatives to fossil-based or imported nutrients and promote an independent and viable European farming system that reinforces food security.
12. NOTES that bioeconomy was included as an integral aspect of a specific objective in the Common Agricultural Policy 2023-2027 and INVITES the Commission to provide an overview and to follow up on how bioeconomy has been addressed by Member States' Strategic Plans. ENCOURAGES the Commission to consider introducing bioeconomy as a specific objective in other policies and instruments.
13. EMPHASISES the importance of having an inclusive approach when developing the bioeconomy, and especially the need to involve and work closely with primary producers and STRESSES the role agriculture and forest cooperatives. HIGHLIGHTS the importance of engaging the younger generation for a successful development of the bioeconomy.
14. STRESSES the multifunctional role of forests, and the important role of forest owners and managers, active sustainable forest management, and the forest-based sector for the bioeconomy. EMPHASISES that resource efficient and sustainable production and use of forest-based products promote carbon storage and provide substitutes to fossil resources and contribute to the sustainable and circular bioeconomy as well as other objectives of the European Green Deal.
15. ACKNOWLEDGES the potential of the EU Blue Bioeconomy including the algae sector for creating employment in coastal and rural areas, recovering European Seas and freshwater resources, and delivering low carbon footprint products to the European market.

16. STRESSES the role of resource efficient and sustainably produced bioenergy in helping to decrease the dependence on fossil energy sources including to reduce EU's dependence on Russian fossil sources.
17. ACKNOWLEDGES that ensuring food security is of strategic importance to the EU. RECOGNISES the potential of agri-food waste for producing alternative bio-based resources for sustainable application in different sectors and of non-conventional water sources for irrigation. STRESSES that biomethane production from bio-waste and bio-based side streams reduces the environmental and climate footprint of agriculture, transport, and other sectors.
18. RECOGNISES the strong role of industrial dimension in the green, digital and fair transition, in particular the role of SMEs, entrepreneurs, and start-ups engaged in innovative value chains. RECOGNISES the need to bring the research and innovation advancements closer to the market and ensure better competitiveness of bio-based products on the market and the need to ensure enhanced alignment of RDI and industrial policies to support the goal of accelerating the transition from research to industrial production, including through consideration of the development of a bioeconomy industrial alliance and clustering. ACKNOWLEDGES the importance of empowering small and medium sized actors as they often lack means for research and innovation and therefore cannot scale up. NOTES that the Commission's Communication on a Green Deal Industrial Plan for the Net-Zero Age refers to the development of bio-based substitutes.
19. EMPHASISES the need for a skilled workforce to enable the development of the bioeconomy, not the least in rural areas. WELCOMES the Commission's efforts to promote education and skills development related to bioeconomy. RECOGNISES the need to further develop accessible bioeconomy related education systems, including vocational training.

20. HIGHLIGHTS research, innovation, and investment as key enablers of the transition towards a sustainable and circular bioeconomy in the EU. ACKNOWLEDGES the possibilities of various existing EU and Member State funding instruments and the need to mobilise additional investment flows from private sources to further support the deployment of a sustainable bioeconomy. ENCOURAGES the Commission to promote the uptake of innovative tools and technologies and make them accessible to all farmers including livestock breeders, aquaculture farmers and foresters. RECOGNISES the need for further deployment of innovation in the framework of Agricultural Knowledge and Innovation System (AKIS) as well as the important role of partnerships, testing and piloting environments in the bioeconomy.
21. ACKNOWLEDGES the efforts made by the Commission in enhancing the knowledge base for policies through the Knowledge Centre for Bioeconomy and the Bioeconomy Monitoring System; and EMPHASISES the role of research and innovation and Horizon Europe, including European research and innovation partnerships such as the Circular Bio-based Europe Joint Undertaking (CBE JU), European Innovation Partnerships and Smart Specialisation Strategies in supporting it.
22. ACKNOWLEDGES the progress of the BIOEAST initiative. ENCOURAGES the Commission and Member States to strengthen this cooperation and REITERATES the need to support the development of sustainable and circular bioeconomy systems in Member States where progress is slow, through policy support and other mechanisms, including through similar initiatives, possibly with the involvement of partner countries. RECOGNISES the value of collaborative networks between regions for exchanging experiences, knowledge, and best practices. Knowledge transfer towards the less developed regions and rural areas should be facilitated. INVITES therefore the Commission to analyse how knowledge transfer and participation in research and innovation activities in the less developed regions and rural areas, including outermost regions, can be promoted.

23. ACKNOWLEDGES the need for international cooperation within the field of bioeconomy to address common global challenges. Also ACKNOWLEDGES the opportunity that the bioeconomy offers in contributing to international processes and commitments.
24. CALLS on Member States and their regions to further deploy a sustainable and circular bioeconomy in a holistic and coordinated way and to further work on bioeconomy policies as enabling framework for guiding a sustainable and fair transition and to better integrate bioeconomy in other policies. NOTES the risk of an emerging biomass availability gap and ACKNOWLEDGES the role of national and regional strategies for sustainable biomass. HIGHLIGHTS the importance of cross-border cooperation in the development of the bioeconomy.
25. CALLS on the Commission to better integrate bioeconomy in all policies and ensure coherent and effective policies that support the development of the bioeconomy across the whole value chain and enable taking advantage of the solutions it provides, while addressing regulatory barriers. NOTES the need for a holistic, coherent, predictable, and long-term policy framework for the uptake of European innovative bio-based solutions and for the development of sustainable bioenergy. STRESSES the need for European policy to take into account and make use of regional and local specificities regarding bioeconomy.
26. NOTES that several legal proposals have been adopted or are currently being negotiated within the framework of the European Green Deal, which aim to set the EU on the path to a green transition, with the ultimate goal of reaching climate neutrality by 2050 and support the transformation of the EU into a fair and prosperous society with a modern and competitive economy.
27. URGES the Commission to improve its impact assessments to better consider policy consistency between legal acts, strategies, and the development of the bioeconomy, their joint contribution to Union goals, and their cumulative effect on land use, the supply of raw material and energy resources.

28. INVITES the Commission to present before the next strategic period, subsequent to an in-depth assessment of actions at the EU level, an updated EU Bioeconomy Strategy and Action Plan on the basis of these Council conclusions, taking into account the Progress Report on the EU Bioeconomy Strategy and the changes in Europe and in the surrounding world. INVITES the Commission in the meantime to report to the Council annually on its related actions.
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