EU Climate Action – an overview

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Sandro NIETO SILLERAS

Directorate General for Climate Action European Commission











Outline of the presentation

Policy tools

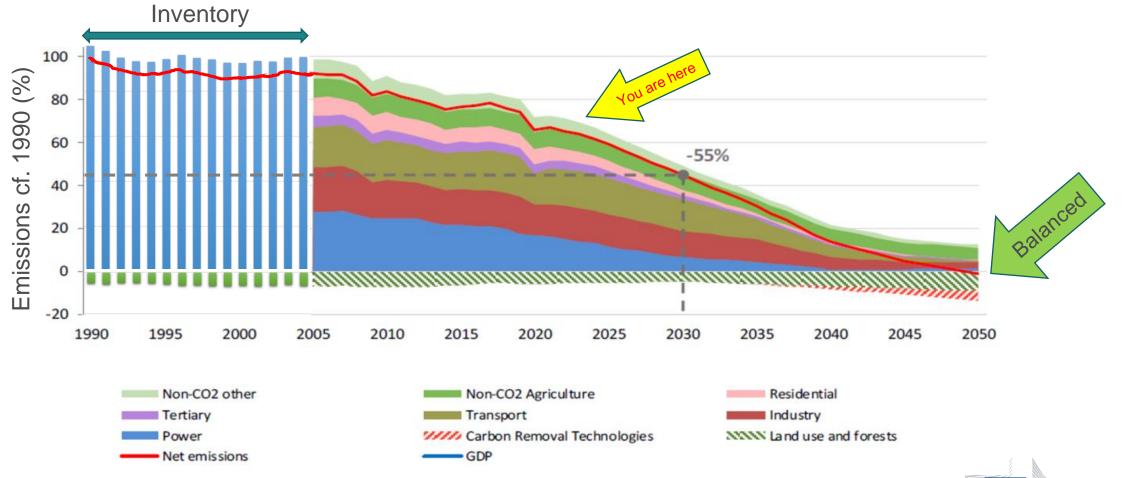
- 1. The EU climate policy framework towards climate neutrality
 - Climate Law
 - Effort Sharing Regulation
 - Land Use, Land Use Change and Forestry (LULUCF) Regulation
 - Taxonomy
- 2. Communication on Sustainable Carbon Cycles
- 3. The EU Methane Strategy
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- 5. Climate and the EU budget
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The EU climate policy framework towards climate neutrality



Pathway to climate neutrality: Climate Law





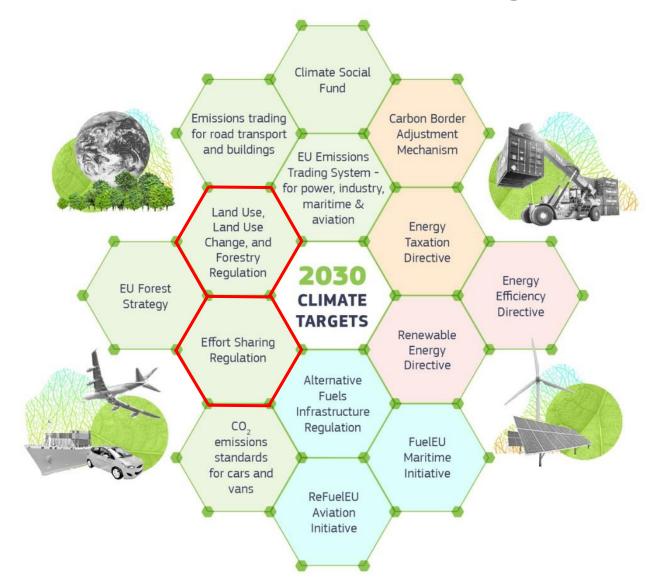




- The Climate Law enshrines into legislation the EU objective to become climate-neutral by 2050.
- The 2030 Climate Target Plan raises the EU's ambition on reducing greenhouse gas emissions to at least 55% below 1990 levels by 2030.
 - "The implementation of combined food waste prevention measures could reduce up at least 10% of the climate change impact of the EU food system." (source: the <u>impact</u> <u>assessment</u>)
- In July 2021, the Commission adopted a set of proposals to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990.



The Fit for 55 Package – Overview



Two pieces of legislation are particularly relevant for the food-producing sector:

- The Effort Sharing Regulation
- The Land Use, Land Use Change and Forestry (LULUCF) Regulation



New Effort Sharing Regulation

Current 2030 target

-29 % compared to 2005

New 2030 target

-40%

in line with cost efficient projections at the EU level



ESR scope maintained

- Accountability: each Member State has a binding annual greenhouse gas emission limit for the period 2021–2030
- <u>Subsidiarity</u>: the choice of measures to fulfil these commitments is left to the Member States.



The Land sector – Status quo

Decreasing carbon removals in forests, soils, and wood products

Stable emissions from livestock, fertiliser use, soils

Complex compliance rules under LULUCF and Effort-Sharing Regulation



Reverse the trend

Simpler, more transparent and effective compliance rules and targets

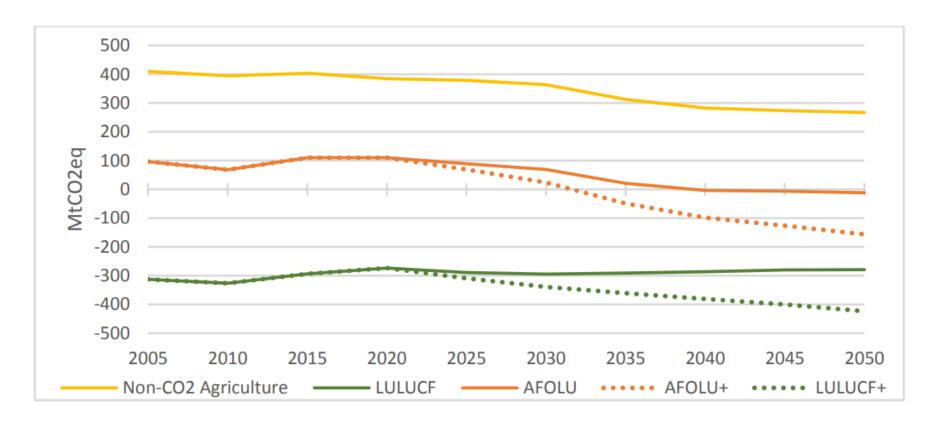
Increase EU carbon removals to at least 310 Mt by 2030

Climate neutral EU land sector by 2035

Increased carbon removals to balance reduced agricultural emissions, including from livestock and fertiliser use



Towards a climate-neutral land sector



Projected emissions and removals from the Agriculture and LULUCF sectors, EU27. Source: Impact Assessment accompanying the Climate Target Plan (SWD(2020) 176 final)



State of play in the legislative procedure

- 14th July 2021: Commission <u>proposal</u> to amend the LULUCF Regulation
- 8th June 2022: European Parliament adopted its opinion
- 28th June 2022: Council reached a general approach
- Next: trilogues



EU Taxonomy

- A classification system establishing a list of environmentally sustainable economic activities to help scale up sustainable investment
- 2020: main <u>Regulation</u> with six objectives: CC Mitigation, CC Adaptation, water, circular economy, pollution, biodiversity and ecosystems
 - Sustainable = substantially contributing to one objective while not significantly harming the other ones
- 2021: first <u>Delegated Act</u> on sustainable activities for CCM and CCA
 - Does not include agriculture
- 2022: second Delegated Act for the other four objectives (upcoming)
 - ➤ May include agriculture for its substantial contribution to biodiversity



EU Taxonomy – process

- 2018-2020: Commission gave mandate to a Technical Expert Group (TEG) to support the development of technical criteria for the EU taxonomy. In March 2020, it adopted a <u>final report</u> with a <u>technical annex</u>.
- 2020-2022: Commission is advised by a permanent Expert Group called <u>Platform on Sustainable Finance (57 members and 11 observers from</u> industry, academia, civil society, financial sector) to assist in the further development of the taxonomy.
- After receiving the <u>recommendations from the PSF</u>, the Commission:
 - Is preparing the next Taxonomy Delegated Act (any deviation from PSF recommendations to be justified)
 - Will publish it for stakeholders' feedback (6 weeks)



Communication on Sustainable carbon cycles

COM(2021) 800 final



Sustainable carbon cycles

To achieve climate neutrality at the latest by 2050 and negative emissions thereafter, the EU needs to increase carbon removals and establish sustainable carbon cycles.



Drastically reduce the use of fossil carbon



Increase carbon removals



Recycle and reuse carbon



Carbon farming



A green business model rewarding land managers for improved land management practices, resulting in carbon sequestration in ecosystems and reducing the release of carbon to the atmosphere.

Benefits of carbon farming:



Increased carbon removals



Additional income for land managers



More biodiversity and nature



Increased climate resilience of farm and forest land



Carbon farming - examples



Afforestation and reforestation according to ecological principles



Targeted conversion of **cropland to fallow**, or of set-aside areas to **permanent grassland**



Use of conservation tillage, catch crops, cover crops and increasing landscape features



Agroforestry and other forms of mixed farming



Restoration, rewetting and conservation of **peatlands** and wetlands



Blue carbon: coastal wetlands, regenerative aquaculture, marine permaculture

Carbon farming

Challenges

By 2028:

 Access to verified emission and removal data for all land managers

By 2030:

 Contribute to reaching LULUCF target of 310 Mt CO2eq net removals



Study on the polluter-pays principle in agriculture

Report 2021 /16 from the European Court of Auditors on CAP and climate:

"In line with the EU's increased climate ambition for 2030, the Commission should assess the potential to apply the polluter-pays principle to emissions from agricultural activities, and reward farmers for long-term carbon removals"

- Project starting in September 2022
- Study on design options for applying the PPP to GHG emissions from the agricultural sector and for rewarding farmers for long-term carbon removals
- Stakeholder activities: expert roundtable, public workshop, online survey



Next step: A regulatory framework for the certification of carbon removals

Set robust criteria to identify high-quality carbon removals tailored to different types

- Quantification
- Additionality
- Long-term sequestration
- Sustainability

Establish a governance framework to ensure a transparent certification process

- Reliable rules and procedures
- Third-party validation and verification
- Robust registries

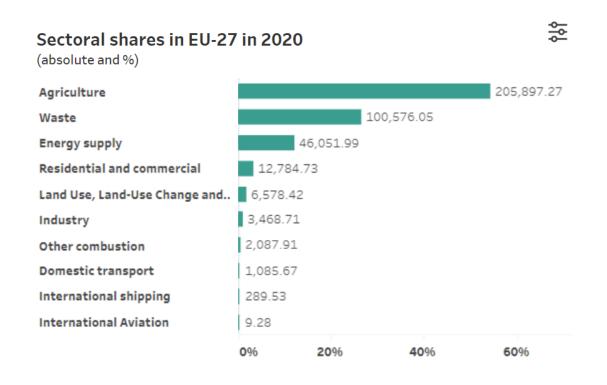


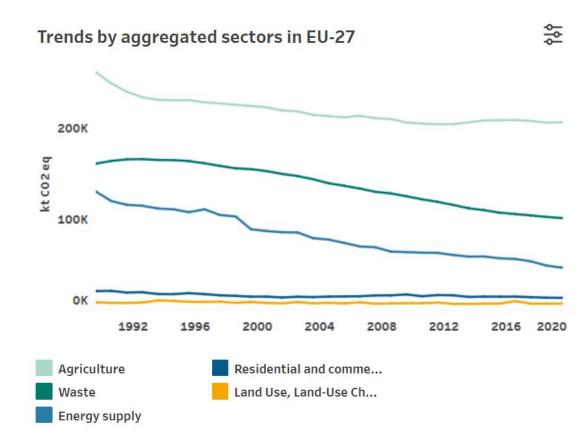
The Methane Strategy

An EU strategy to reduce methane emissions COM(2020) 663 final



Methane emissions in the EU







Reporting

 More accurate measurement and reporting methodologies for methane emissions [...] will contribute to a better understanding of the problem and better inform subsequent mitigation measures.

Objective: "make Tier 3 methane reporting by energy, chemical and agricultural companies more widespread across the EU"

- Challenge in the agricultural sector: high number of actors involved
 - temporary objective: apply Tier 2 approaches & improve disaggregation of emission factors
 - final objective: achieve Tier 3



Establishing an international methane emissions observatory

- tasked with collecting, reconciling, verifying and publishing anthropogenic methane emissions data at a global level
- Initially covering oil and fossil gas sectors, to be extended to agriculture once comparably reliable methodologies are established
- ✓ Launched at G20 Summit on the eve of the COP26 in Glasgow



Satellite detection, Copernicus and aerial monitoring

✓ Copernicus Atmosphere Monitoring Service: satellites + ground measurement stations to monitor atmospheric CH4 concentrations and detect leaks

Review of relevant environmental and climate legislation

- ✓ <u>Proposal</u> to expand the scope of the **Industrial Emission Directive** to cover largest cattle, pig and poultry farms and more focus on methane
- ✓ Fit for 55 review of Effort Sharing Regulation



Opportunities in biogas production

- Non-recyclable human and agricultural waste (i.e. manure) and residue streams can be utilised in anaerobic digesters to produce biogas or in biorefineries to produce bio-materials and intermediate bio-chemicals
- ✓ Biomethane Action Plan (accompanying the REPower EU Plan)
- √2022 LIFE call for proposal encourages projects which address production of biogas and biomethane from waste and residue streams
- ✓ Upcoming guidance for the revision of National Energy and Climate Plans will focus on REPower EU Plan, including Biomethane production



Promising mitigation practices for the agricultural sector

- breeding, herd health and animal welfare
- improving animal diets (mix of feed materials), feed additives, and feeding techniques
- valorising waste and residue streams from agriculture and waste sectors through anaerobic digestion
- manure management (use in fertilisers and biogas generation)
- societal shift to more balanced diets

Mitigation Adaptation Feed production Land use & Land Manure resource management Mixed cropmanagement management Fertilizer Animal livestock systems Agroforestry feeding management Herd size Animal feeding strategies Precision farming Promote strategies Shifting human market and Animal species / dietary trends trade Breedina Disease control



Actions for the agriculture sector

- ✓ setting up an expert group on methane emissions
- develop an inventory of best practices, available technologies and innovative technologies (upcoming)
- propose a <u>digital carbon-navigator template</u> (upcoming)
- ✓ encourage methane-reduction measures and carbon farming measures in CAP Strategic Plans



EU Climate Pact

Talking about

climate

Narratives

Myths

"To give everyone

a voice and a space to design climate actions; share information;

launch new and support existing activities; showcase solutions that others can follow"

Triggering action

Supporting Connecting

Yes I can!

#EUClimate **Pact**

Working together

Online &

offline spaces



EU Climate Pact: Who?

Public administrations regions, cities,

local authorities

Multipliers
organisations &
networks with
existing climate
actions

Youth organisations & networks

Civil society

local community, grassroots organisations, activists Citizens

consumers, households

Education schools

Academia

scientific, research and innovation organisations & networks

Businesses

Non and for-profit, social innovators, trade unions, investors, philanthropies

Media



Climate and the EU budget

- Long-term budget (2021-2027) of €1.074 trillion
- Next Generation EU, temporary recovery instrument of €750 billion
- At least 30% of EU budget 2020-2027 will be spent on climate-related action, the highest share of the largest European budget ever
- Member States develop own individual Recovery and Resilience plans, each of which will include minimum 37% climate expenditure





LIFE programme



- EU's financial instrument supporting environmental, nature conservation and climate action projects
- > Budget for the upcoming funding period **2021-2027 5.45 billion**
- Divided into two sub-programmes: environment and climate action
- LIFE climate action supports projects in the development of innovative ways to respond to the challenges of climate change in the EU and has **two priority areas**:
 - Climate change mitigation and adaptation
 - Clean energy transition
- In 2020 the Commission has approved an investment package of more than €280 million for 120 new LIFE programme projects
- Link: https://cinea.ec.europa.eu/programmes/life_en



Climate negotiations

- The EU and all its member countries are among the 197 Parties of the UN convention to fight climate change (<u>UNFCCC</u>).
- Global Climate Action Agenda:
 - Outside of the formal intergovernmental negotiations, countries, cities and regions, businesses and civil society members across the world are already taking action for the climate.
 - The EU and its member countries play an active role in promoting and sponsoring specific initiatives.
 - Tracking initiatives by non-state actors: The <u>Non-State Actor Zone for Climate Action</u>
 (NAZCA) set up by the UNFCCC allows non-state actors to register their climate
 commitments.
 - Link: Global Climate Action Agenda (europa.eu)



Links

- European Green Deal: <u>link</u>
- Climate Law: <u>link</u>
- Legislative proposal on a new Regulation for Land use, forestry, and agriculture: <u>link</u>
- Sustainable Carbon Cycles communication: <u>link</u>
- Carbon Farming: <u>link</u>
- Farm to Fork strategy: <u>link</u>
- Common Agricultural Policy: <u>link</u>



Thank you



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