Re: Copa and Cogeca’s view on the Fit for 55 package as an enabling framework for agriculture and forestry

Dear Commissioner,

European farmers and agri-cooperatives welcome the political agreement reached on the European Climate Law and its recent swift adoption by the European Parliament and the Council. For farmers, forest owners and their cooperatives, contributing to achieving the net greenhouse gas reduction target for 2030 and 2050 means daily action both in mitigation and adaptation on the fields and in forests to ensure food security, provide fibre and timber while stewarding natural resources amid the historic increase in environmental, economic, and public health challenges.

Copa and Cogeca see the European Climate Law as the cornerstone piece of legislation that paves the way for climate change mitigation and adaptation in Europe in the coming decades. It is now up to enabling legislative instruments to deliver on the ambitious and realistic objectives that build on the climate change mitigation potential of the land-based sectors and enable them to operate viably. The revised elements of the Fit for 55 package, especially the Emissions Trading System Directive (ETS), the Effort Sharing Regulation (ESR), and the Land Use, Land Use Change and Forestry Regulation (LULUCF) are key for agriculture and forestry to efficiently deliver on climate objectives in a fair cross-sectoral manner and to provide sustainable economic growth.

While the ETS has proven to be one of the most successful instruments to reduce greenhouse gas emissions, its bureaucracy places a high burden on economic stakeholders. The ETS Directive’s upcoming revision should serve the purpose of improving transparency and simplicity and enhancing policy coherence with other climate-related policy instruments. Provided that the ETS scope is extended to the transport and building sector, reduction targets for the sectors that remain under the ESR should be lowered accordingly. Copa and Cogeca support linking the ESR to cost-effective reduction potentials until a viable regulation alternative is proven feasible. The net greenhouse gas reduction ambition enshrined in the Climate Law dedicates a key role to net carbon sinks. In order to improve the state of carbon sinks and increase their capacity to over 225 million tonnes CO₂eq. by 2030, farmers, forest owners and their cooperatives need clarity and simplicity in regulations besides strong economic incentives to make political ambitions a reality.

The revised LULUCF regulation will be of paramount importance to ensure that the land-based sectors operate according to their capacity and deliver on emission reductions and carbon removals. With regard to some of the important principles from the current regulation, European farmers and agri-cooperatives call on the Commission to maintain the ‘no-debit rule’
and enhance the ‘gross-net accounting’ method and flexibility with the Effort Sharing Regulation. While we support the current structure of the LULUCF Regulation for the coming decade, exploring a potential separate climate policy strand that merges AFOLU emissions could be considered after 2030. Such a new EU climate policy pillar should only be introduced after a thorough impact assessment and specialised public consultation with soil management-specific accounting for GHG gas emissions and carbon removals.

In terms of practices on the ground, Sustainable Forest Management (SFM) must be the main tool to steward the principal carbon sink that is forests to enhance carbon sequestration and storage in wood products and manage forests amid increasing biotic and abiotic impacts. SFM practices should be promoted, taking into account specific Member State and regional conditions, instead of the over-regulation of solid biomass sustainability criteria in the context of the revision of the Renewable Energy Directive (RED II).

In addition, in the revision of RED II, the decarbonisation of agriculture is one of the biggest challenges, especially concerning off-road vehicles, which are heavily dependent on liquid fuels. Therefore, agriculture will need liquid biofuels to allow existing machinery to continue to be used. As certified crop-based biofuels constitute the most-used biofuels in the EU, it is reasonable to assume that the transport emission savings result largely from their use. Since at least 80% of new vehicles will contain an internal combustion engine beyond 2020, the EU will continue to rely on liquid fuels. The obligation on fuel suppliers should be strengthened and be translated into an effective incorporation of renewable energy for all fuel suppliers without exception. Crop-based biofuels must not be excluded from the toolbox. The 7% cap on crop-based biofuels should be reassessed and revised upwards to provide flexibility to each Member State. The use of different multipliers that inflate the RES-target achievement without really reducing GHG emissions should be eliminated in RED III. Copa and Cogeca call on the Commission for a long-term and stable policy for crop-based and advanced biofuels.

Besides forests, agricultural soils and biomass are the second major component of the terrestrial carbon sink, where carbon removals based on robust certification schemes will be indispensable. Among the current EU climate policy endeavours, Copa and Cogeca consider the Farm to Fork Strategy’s carbon farming initiative as one of the most promising policy vehicles for enabling the agricultural sector to support climate change mitigation while providing food security. The European farmers and agri-cooperatives call on the Commission to uphold the political momentum stemming from the recent political agreement on the Climate Law for establishing a policy framework for a market-based carbon-crediting scheme via a novel carbon market.

EU farmers, forest owners and their cooperatives see the arrival of the Fit for 55 package as an opportunity to enable a fair cross-sectoral approach in the EU climate and agricultural policy. Besides reduced emissions, the solution lies in ensuring the long-term economic viability of and a simplified, transparent regulatory framework for the land-based sectors.

Yours faithfully,

Cc: Ms Florika Fink-Hooijer, Director-General of the Directorate-General for Environment