12. Agroforestry & EU "Fit for 55 Package" (Jul 21)

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EURAF is an NGO, established in Paris on 16/11/2012, with a French Registration number of <u>W343014937</u>. and a Transparency Register ID of <u>913270437706-82</u>). It aims "to promote the adoption of agroforestry practices across Europe by supporting efforts to develop awareness, education, research, policy making and investments which foster the use of trees on farms". It has a network of 31 affiliated entities in 23 countries.

The fit for 55 package contains several draft regulations relevant to agroforestry, principally the Forest Strategy 2030, the amended LULUCF Regulation. EURAF has five recommendations: a) Member States should use the 10 component agroforestry typology in their CAP strategic plans and LULUCF inventories, b) Member States need to improve the consistency of their reporting of Trees outside Forests in submissions to the FAO, c) monitoring and rules for "tree-landscape-features" need to be clarified by Member States; d) Member States are urged to implement the agroforestry Eco Scheme listed by the Commission. e) all member states are urged to include agroforestry in Pillar II of their CAP Strategic Plans.

The "Fit for 55 Package"

On the 14th July the EU Commission released its "Fit For 55 Package": a suite of regulations and policies detailing how the EU plans to implement a 55% reduction in emissions compared to 1990 levels by 2030. This target was announced in September 2020, and is embedded in the <u>EU Climate Law</u>, along with a commitment to climate neutrality by 2050. It contains 12 initiatives - three of which are particularly relevant to agroforestry.

 The new Forest Strategy (COM(2021)572) is accompanied by a lengthy staff working document (link) on how the 3 billion extra trees promised in the Biodiversity Strategy should be established and monitored, and a second document (link) explaining the rationale of the Strategy itself. Agroforestry is



mentioned in four sections of the Strategy: i) in the context of "active and sustainable reforestation and afforestation and tree planting" (p15), where it is recognised that "agroforestry and silvopastures, landscape features and the establishment of ecological corridors" are needed on agricultural land; ii) in the description of the EUs increased climate ambition (p17) where "Member States are encouraged to accelerate the roll out of carbon farming practices, for instance via eco-schemes of agroforestry or rural development interventions to cover biodiversity-friendly re- and afforestation investments, agroforestry and other non-productive investments ..." iii) in the context of ecosystem services (p22), where ... "research and innovation on agroforestry systems and other trees outside the forests will be reinforced"; and iv) as part of the first Milestone of the Commission's Roadmap to implement the pledge to plant 3 billion additional trees by 2030 in the EU which promises to "address agroforestry as well as urban trees'.

2. The amended <u>LULUCF Regulation</u> (link) promises an integrated Land Use pillar (titled AFOLU - "Agriculture, Forestry and Other Land Use") from 2030 onwards. EURAF has been calling for this since our submission to the LULUCF consultation in 2015, and it has long been IPCC policy. The AFOLU sector will fully integrate carbon and non-carbon emissions from all IPCC categories of land and avoid the current artificial distinctions in methods and targets between forestry and agriculture. An overall GHG removal target of 310 million tonnes of CO2 equivalent is set for the LULUCF sector by 2030. This is much less than the target of 500-600 million tonnes suggested by NGOs like FERN, CAN and the European Environmental Bureau, but it is probably realistic since estimates of LULUCF sequestration in forestry are continuously decreasing¹. A commitment is made to net zero emissions from the AFOLU sector by 2035. This is a big step, and it puts a lot of pressure

¹ e.g. the Scottish Government recently recalculated its figures and decided that it was now a <u>net emitter</u> from the LULUCF sector - despite a healthy afforestation programme.

on MS to ensure emissions reduction in both agriculture and forestry. The amended Regulation stresses the need to reduce emissions in cropland and grassland, and *agroforestry* is mentioned seven times.²

3. The EU Emissions Trading System will be revised to reduce emissions in the ETS sectors by 43% compared to 2005 levels. Emission allowances will decline at an annual rate of 2.2% from 2021 onwards, compared to 1.74% currently. The Market Sustainability Reserve will be strengthened, along with other technical changes and funding mechanisms. However, there is no mention of including forestry or agroforestry projects in the ETS. This contrasts to <u>earlier rumours</u>, and to <u>international precedent</u>. EURAF regrets this omission, and notes that afforestation and reforestation projects were included in early drafts of the ETS (<u>Schlamadinger et al 2005</u>), Forestry and agroforestry projects should at least have been mentioned in the current revision.

Implications for Agroforestry Policy and CAP Monitoring in Member States.

EURAF welcomes the five mentions of agroforestry in the new Forest Strategy and the seven mentions in the revised LULUCF Regulation. The recognition that trees outside the forest have a large role to play in achieving the planting target of 3 billion extra trees by 2030 is also welcome, as are the measures noted in the <u>working paper</u> to better monitor forests and trees outside forests. Our five recommendations are:

- Member States should introduce the EURAF Agroforestry Typology in their CAP monitoring systems (LPIS) to ensure that agroforestry areas and landscape features are consistently recorded from 2023
- Member States should ensure consistent recording of "Other Wooded Land" and "Other Land With Tree Cover" in their FAO reporting and ensure carbon sequestration by trees in grassland and cropland is consistently recorded in their annual GHG inventories.
- 3. The new CAP GAEC-9 category means that arable farmers must maintain 4% of non productive areas (including fallow and tree landscape features) or a total of 3% non productive areas + 4% of permitted productive features including catch crops, cover crops, N-fixing crops and "hectares of agroforestry". CAP monitoring methods in MS must step up to the challenge of means of the permitted by the permitted by

Tree location	Agroforestry System	Agroforestry Practice									
		Agricultural Land	Forest Land								
	Silvopastoral agroforestry	1 Wood pasture	9 Forest grazing								
Trees inside parcels	Silvoarable agroforestry	2 Tree alley cropping 3 Coppice alley cropping 4 Multi-layer tree-gardens	10 Muiti-layer tree gardens								
	Permanent crop agroforestry	5 Orchard intercropping, 6 Orchard grazing.									
	Agro-silvo-pasture	7 Alternating cropping and grazing									
Trees between parcels	Tree Landscape Features (protected by CAP Conditionality Rules)	8 Tree-Landscape-Features : (protected hedges, scattered individual trees, trees in line, small groups of trees)									
Trees in settlements	Urban agroforestry	homegardens,	allotments, etc.								

challenge of recording these areas accurately by the beginning of 2023.

- 4. Similarly, the area occupied by agroforestry <u>Ecoschemes</u>, and Pillar II schemes should be consistently recorded by MS in their LPIS systems by 2023.
- 5. All Member States should make due provision for agroforestry in their CAP Strategic Plans. This applies particularly to the 16 MS where agroforestry was omitted in the December 2020 "Recommendations on CAP Strategic Plans".

<u>AT</u>	<u>BE</u>	<u>BG</u>	<u>HR</u>	<u>CY</u>	<u>CZ</u>	<u>DK</u>	<u>EE</u>	<u>FI</u>	<u>FR</u>	<u>DE</u>	<u>GR</u>	<u>HU</u>	<u>IR</u>	<u>IT</u>	<u>LV</u>	<u>LT</u>	<u>LU</u>	MT	<u>NL</u>	<u>PL</u>	<u>PT</u>	<u>R0</u>	<u>SK</u>	<u>SI</u>	<u>ES</u>	<u>SE</u>	
0	0	0	0	2	1	0	0	0	4	1	6	0	1	2	0	0	0	0	0	1	6	1	0	0	2	0	27

EURAF welcomes the commitment in the Farm to Fork Strategy to promoting carbon farming as a new green business model that creates a new source of income for actors in the bioeconomy, and the announcement in the Circular Economy Action Plan that a regulatory framework would be developed before the end of 2021 for certifying carbon removals based on robust and transparent carbon for monitoring, accounting and verification. We also welcome the series of workshops and technical handbook published by DG-CLIMA in May 2021 and note that agroforestry and conservation of organic soils are recognised as **the two front-running measures** for Europe (see EURAF's presentation - Agroforestry for Carbon Farming).

² Amendments to Article 2 (definitions) of the current LULUCF Regulation are set out which prepare the ground for a link to the Land Parcel Identification System system (for CAP payments) and the potential introduction of payments by results to individual farmers.