



Voluntary Report – Voluntary - Public Distribution **Date:** September 30,2020

Report Number: E42020-0063

Report Name: EU Commission Unveils EU Climate Target Plan 2030

Country: European Union

Post: Brussels USEU

Report Category: Policy and Program Announcements, Climate Change/Global Warming/Food

Security

Prepared By: Sophie Bolla

Approved By: Lisa Allen

Report Highlights:

On September 17, the European Commission presented its 2030 Climate Target Plan, in which the main objective is the reduction of greenhouse gas (GHG) emissions to at least 55 percent below 1990 levels by 2030. The Plan includes proposed actions to achieve this objective, including a revision of the Renewable Energy Directive and the launch of an EU Carbon Farming Initiative.

General Information:

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

On September 17, as part of the European Green Deal, the European Commission (EC) presented its 2030 Climate Target Plan. The main objective is the reduction of greenhouse gas emissions to at least 55 percent below 1990 levels by 2030. This is a substantial increase compared to the existing target of 40 percent. The Climate Target Plan announces that annually between 2021 and 2030, the EU will need to invest EUR 350 billion (USD 408 billion) more than it did in the period 2011-2020 to achieve its 2030 target.

With the Climate Target Plan, the Commission also published an <u>impact assessment</u> that looks at which EU policies can be changed to help decarbonize the European economy. On food and agriculture, the impact assessment notes the importance of emissions reductions stemming from changing consumer choices towards healthy diets. According to the EC, this could be done mostly through a sharp decrease of consumption of animal products, which could potentially reduce emissions by more than 30 million tons by 2030.

The European Commission will now start preparing detailed legislative proposals on how this target can be achieved. To that end, the Climate Target Plan proposes a set of actions required to achieve the reduction objectives including:

- a revision of the Renewable Energy Directive
- the launch of an EU Carbon Farming Initiative

A future revision of the Renewable Energy Directive?

The Renewable Energy Directive for 2021-2030 (REDII) was adopted in 2018 and will enter into force on January 1, 2021. REDII introduces sustainability criteria for forestry biomass (wood pellets). For more information, please see GAIN Report 'EU Reaches a Political Agreement on Renewable Energy'.

In the Climate Target Plan, the EC notes that the EU should "protect and enhance the natural sink and [...] promote the bio-economy, including the use of durable harvested wood products, in full respect of ecological principles fostering biodiversity." To that end, the Commission proposes to revise the REDII sustainability criteria for forestry biomass to make sure that the EU uses "sustainably produced biomass and minimize the use of whole trees and food and feed-based crops to produce energy."

The European Commission has already published several scenarios that it could follow when it comes to re-opening REDII. More information is available in GAIN Report 'European Commission Launches Public Consultation on Possible Revision of REDII'.

EU Carbon Farming Initiative

In the Climate Target Plan, the Commission looks at options that could increase carbon removal and carbon storage. According to the EC, farmers and foresters have a role to play to enhance the carbon sink and farming practices that remove CO₂ from the atmosphere could contribute to the climate neutrality objective of the EU. For the Commission, these practices should be rewarded, either via the Common Agricultural Policy or other initiatives. That is why the Climate Target Plan proposes to

directly incentivize individual farmers or forest managers to store more carbon on their land and their forests. The Commission wants carbon farming and certification of carbon removals to be increasingly used to reach the 2030 target.

For that reason, the Commission will propose an EU Carbon Farming Initiative by the end of 2021. The aim of this Initiative will be to promote this new business model, which also provides farmers with a new source of income while decarbonizing agriculture. The Commission has already announced that it will develop a regulatory framework for certifying carbon removals "based on robust and transparent carbon accounting to monitor and verify the authenticity of carbon removals.1"

More Information:

- GAIN Report <u>European Commission Launches Public Consultation on Possible Revision of</u> REDII
- GAIN Report <u>European Commission Publishes Roadmap on its Upcoming EU Methane</u> <u>Strategy</u>
- GAIN Report <u>Green Deal Strategies for the EU Agri-Food Sector Present a Politically Ambitious</u> Policy Roadmap

Attachments:

¹ Please see "<u>European Communication on A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system</u>"

No Attachments.