EUKI Paludiculture in Baltics Workshop
19th June 2018 – Tallinn, Estonia

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Implications of the EU Climate and Agricultural Policies on organic soils and peatlands

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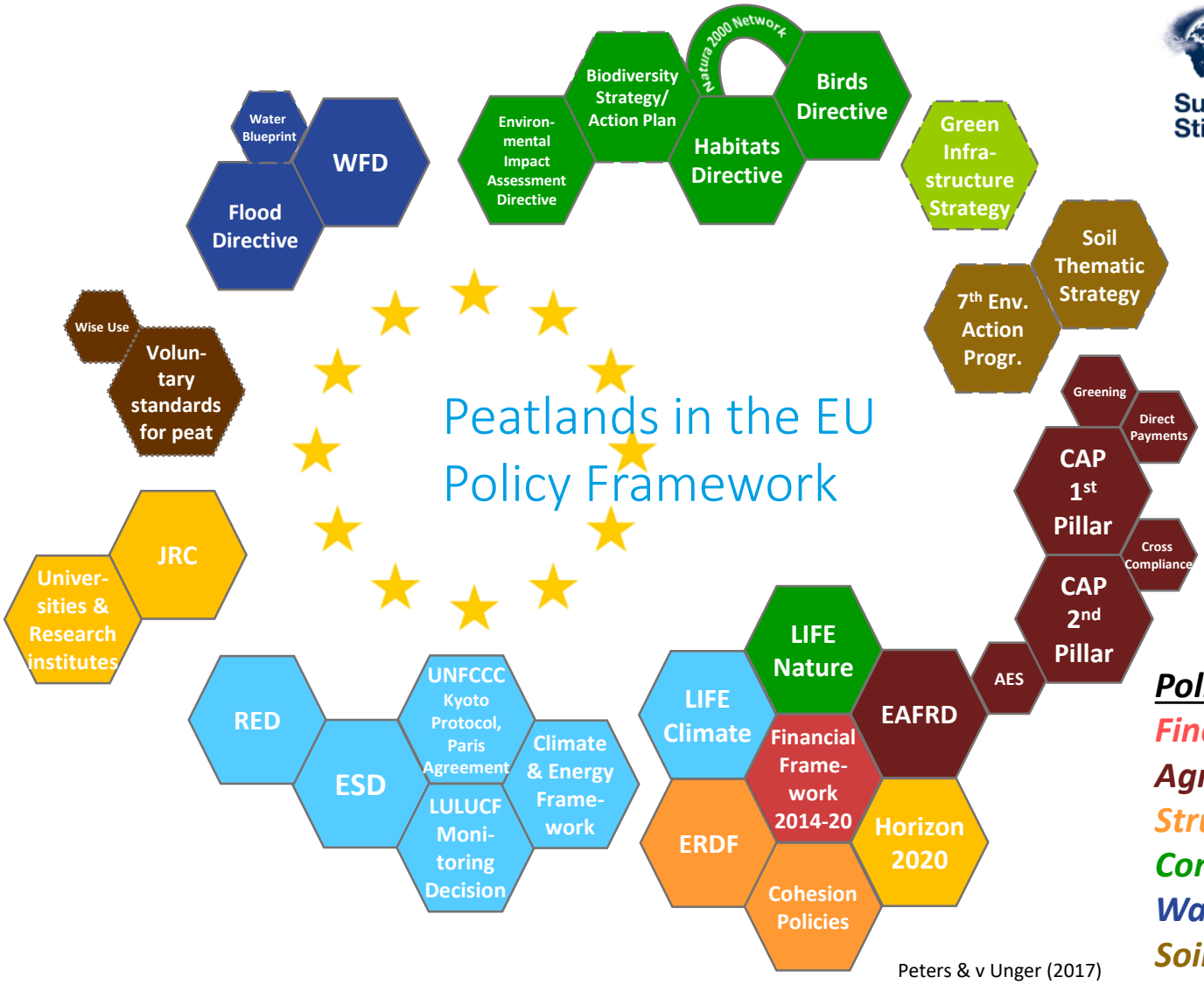
Peatlands in the EU Policy Framework



Peters & v Unger (2017)

Policy Fields:

Financial

Agriculture

Structural & Cohesion policies

Conservation & Biodiversity

Water

Soils

Climate & Energy

Research

Horticulture

Paris has made the world simple: we have one common goal!

Poland

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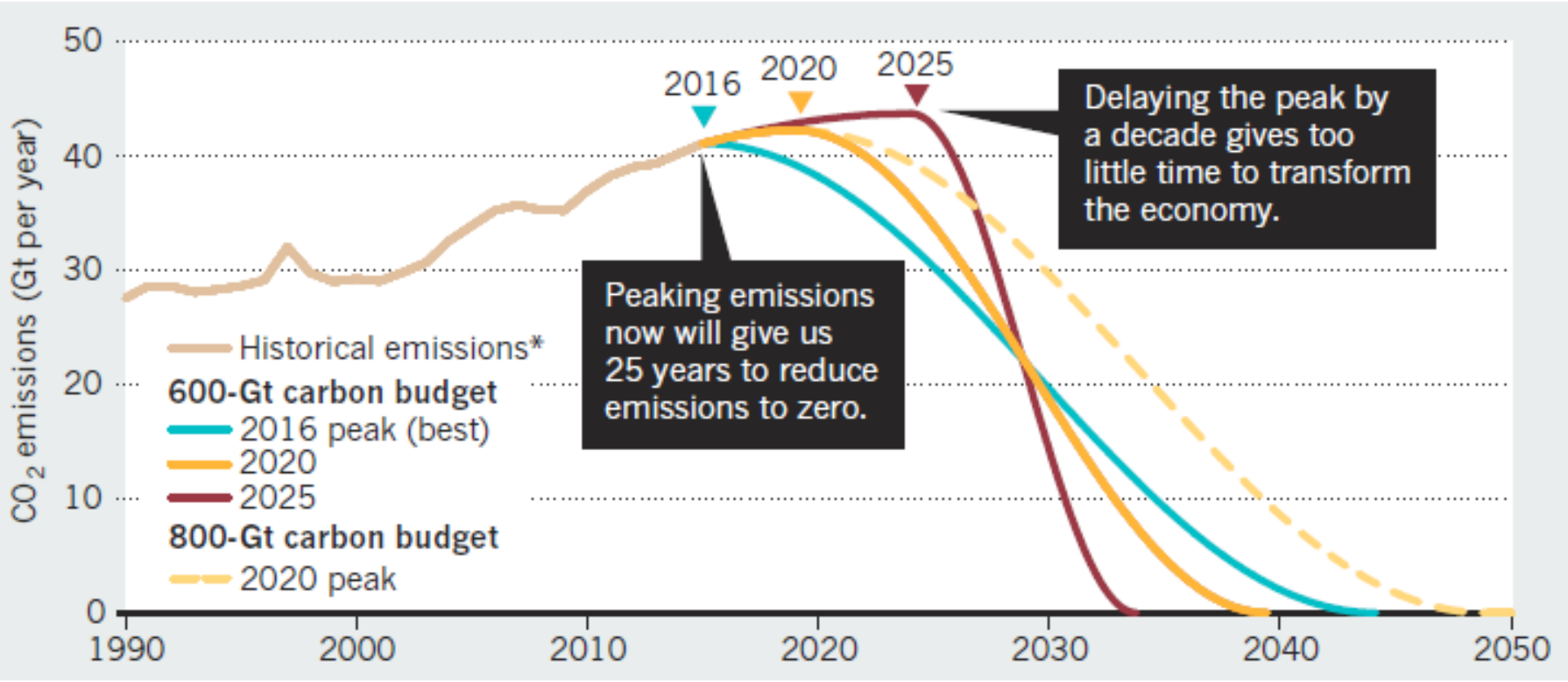
< 2° → 0 emissions by 2050: me, you, we all: no more excuses

The longer we wait, the faster we must reduce



Figueres et al. 2017

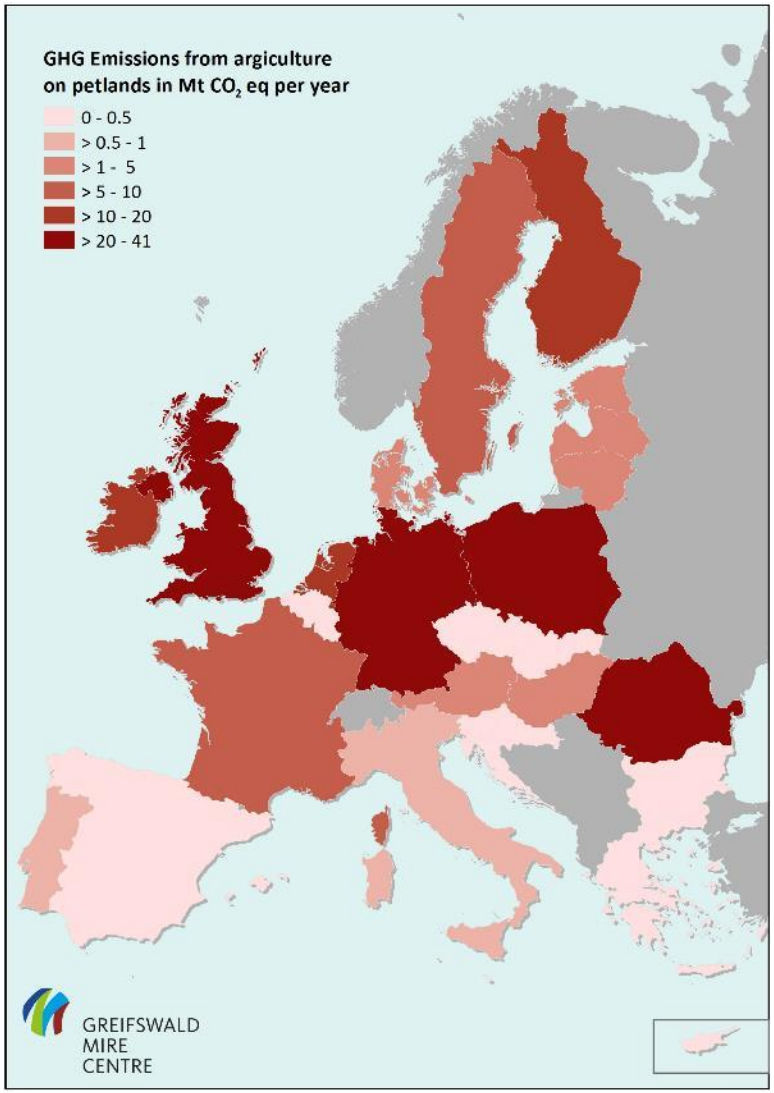
HTTP://GO.NATURE.COM/2RCPCRU

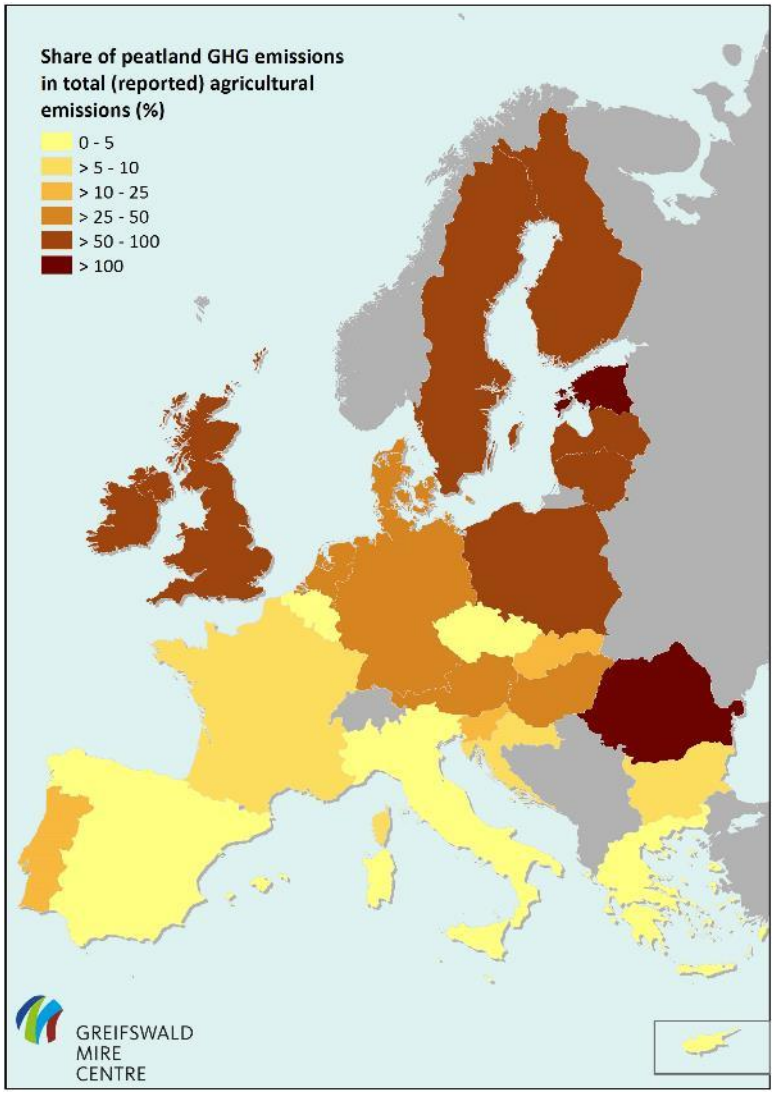
Indonesia leads the list of global top emitters, also without the enormous peatland fires…

Indonesia

But the European Union is a good second…
(…with ~270 Mt CO_2 eq/year)

Peatland emissions in EU





„GHG source and sink categories “

- Categories defined for GHG reporting according to UNFCCC and IPCC guidelines (CRF = Common Reporting Format)
- Emissions from peatlands represented in CRF4 and 5:
  - **CRF 4 Agriculture**: N_2O
  - **CRF 5 LULUCF**: CO_2, CH_4

Reporting and accounting

- GHG reporting on the basis of statistics and emission factors / models for National Inventory Reports
- Accounting in this context means making mitigation efforts accountable towards reduction targets

Climate & Energy

- So far, LULUCF sector not accounted towards the EU's 20 % GHG reduction targets for 2020 (Commitment towards Kyoto I & II)
- 2013 EU parliament decision gradually oblige GHG accounting of LULUCF:
- Accounting on Wetland Drainage and Rewetting (WDR) remains voluntary
- Accounting for cropland and grassland management mandatory for member states from 2021

→ Incl. most of peatlands in agricultural use

- most recently adopted IPCC Guidelines have to be followed (IPCC 2013 Wetlands Supplement)

Reference:

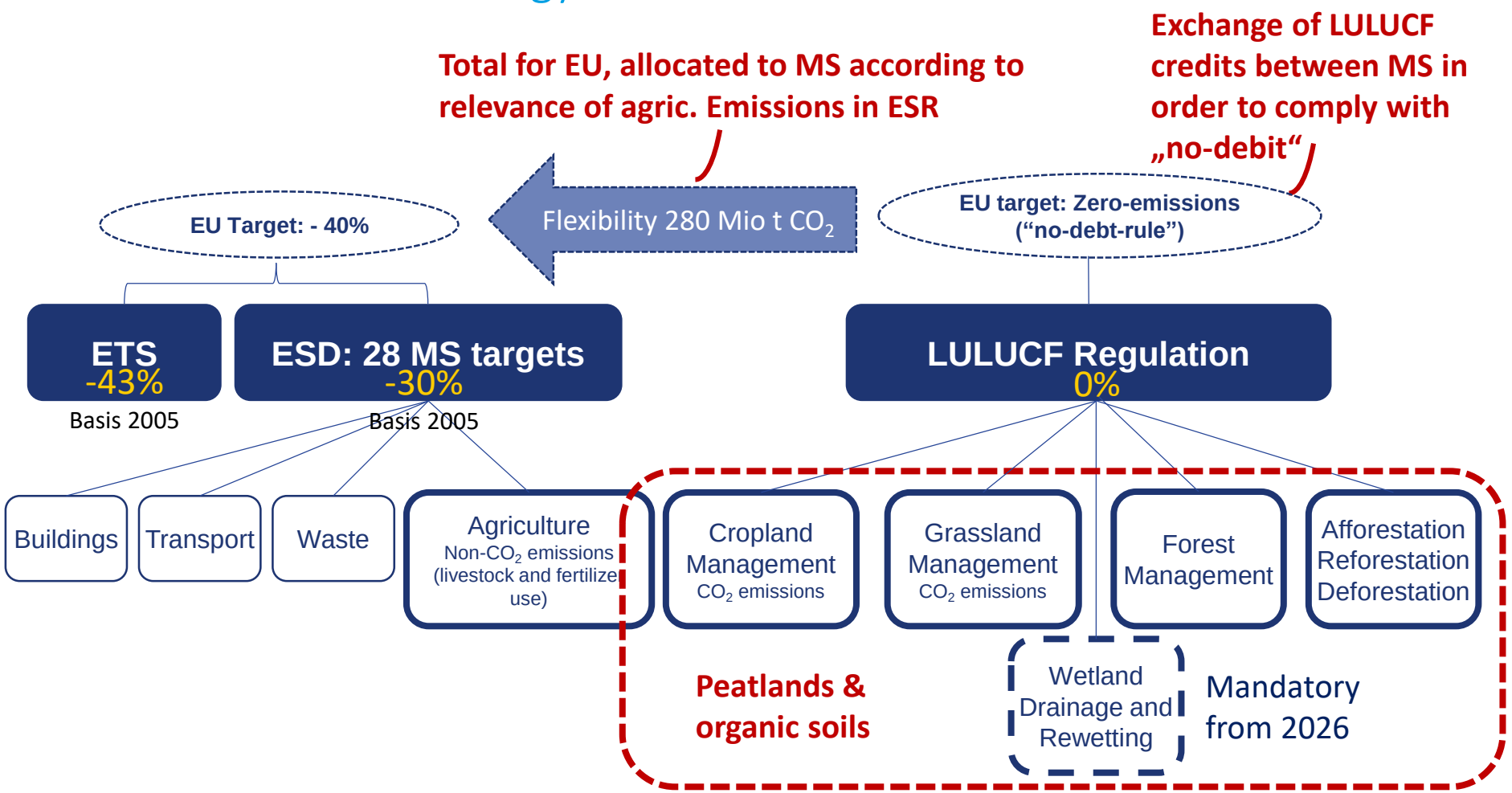
Decision No 529/2013/EU of the European Parliament and of the Council of 21 May 2013 on accounting rules on greenhouse gas emissions and removals resulting from activities relating to land use, land-use change and forestry and on information concerning actions relating to those activities

Climate and Energy

- Preparation of EU 2030 climate and energy framework (-40%):
  - → To comply with EU NDC to Paris Agreement
  - → LULUCF should be integrated for the first time!
- Decision of EU Parliament on Commission's proposal (Sept. 2017):
  - *"forests, agricultural land and wetland, including peatland, will play a central role"* → mandatory accounting for WDR from 2026
  - *"The bioeconomy, including material substitution such as in construction, and including bioenergy, plays an important role in the transition to a fossil-free economy."* → paludiculture

But: focus on forest sub-sector mask reductions from other land uses incl. peatlands (high emission reductions due to different accounting rules and extra flexibilities!)

2030 Climate & Energy Framework



Renewable Energy Directive (2009)

- No specific reference to paludiculture biomass

→ No incentives for paludiculture

- In contrast, biomass used from drained peat soils to fulfill obligations

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Renewable Energy Directive (2018)

- New target till 2030: from 20 % to 32 % renewables (decision of trialogue June 2018)→ Second generation biofuel sources needed (non-food crops)
- Stricter rules for peatlands envisaged in decision of EU Parl., Jan. 2018
- *"Fade out **palm oil** in biofuels and bioliquids completely by 2021."*
- *"Agricultural feedstock for the production of biofuels […] **should not be produced on peatland** or wetland where this would involve drainage of soil as the cultivation […] would result in **significant carbon stock loss** if the land was further drained for that purpose."*
- *BUT:"[…] Biomass fuels produced from agricultural biomass […] shall not be made from raw material obtained from land that was peatland in January 2008, **unless verifiable evidence is provided that the cultivation and harvesting of raw material does not involve drainage of previously undrained soil.**"* → old formulation came back into directive!

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Common Agricultural Policy (CAP)

- Remains main driver of peatland degradation due to payments for drainage-based agriculture
- Missing incentives for rewetting and paludiculture
- Sectoral policy approach hinders coherence with climate, water and biodiversity targets

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Common Agricultural Policy (CAP) – 1st pillar

- Loss of direct payments when land use changes
  - Certain „crops“ are not regarded as „agricultural crops“

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Pillar 1 direct payments: eligibility

phalaris

sedges

rush

reed, cattail

Heterogeneous vegetation with shrubs, reed

Common Agricultural Policy (CAP) – 1st pillar

- Loss of direct payments when land use changes
  - Certain „crops“ are not regarded as „agricultural crops“
  - Conflicts with GAEC standards (“Cross Compliance”)
- Obligation to maintain permanent grassland hampers conversion of grassland to wet crop uses (“Greening”)
- Competing subsidies (promoting dry use of organic soils, maintenance of drainage systems)

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Common Agricultural Policy (CAP) – 2nd pillar

- Voluntary measures dominate (funded via EAFRD)
  - low acceptance if obligations are ambitious ➔ few examples of raising water levels
  - support limited to 5 (7) years normally, reconversion possible
- Use of agri-environmental climate schemes (AES) to extensify fen grasslands, but not to raise water levels (often even prohibited)

→Focus on biodiversity, low benefit for climate action

- Rewetting often requires land ownership; public acquisition of land frequently limited by EU budget regulation
- Negative incentives: Investment aid or aid for marginal lands stabilise existing (dry) land use
- Admin. burden and budget limitations (esp. national co-financing)

Perspectives of new CAP post-2020

- Stronger linkage of payments to societal and environmental benefits esp. climate action (?)

→ Conditionality: GAEC 2 „Appropriate protection of wetland and peatland“ to protect carbon rich soils needs to ban drained peatlands → national guidelines needed

→ Efficient monitoring system (esp. for GHG emissions) needed

→ Financial allocation (earmarking) unclear

EU Commission (2018): Proposal for a […] establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council (COM(2018)392 final).

Perspectives of new CAP post-2020

- Overarching objectives set by EU

→ Clear GHG emissions target needed to fulfil Paris Agreement

- Flexibility of MS by national strategy plans to reach the goals

→ Chances for peatland-rich MS to create schemes in both pillars for paludiculture to fulfil climate goals (e.g. Eco schemes in 1st pillar, Agri-environmental climate schemes in 2nd pillar)

→ Risk of low environmental and climate ambitions in MS

Europe is not ready for peatland rewetting yet but it can get there if…

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Conclusions I
EU can get ready if…

- **…Climate action** is reinforced in the legislative process towards EU's 2030 targets, including robust mechanisms (e.g. in CAP) to incentivise climate-oriented rewetting and paludiculture;
- …Member States are supported to perform **accurate inventories of peatland GHG emissions** according to recent accounting guidelines (IPCC 2013) to emphasise paludiculture as a cost-effective mitigation measure;
- …**Preferential benefits for biomass grown in paludiculture** are created in the renewable energy framework to stop production of biofuels from drained organic soils.

Conclusions II
EU can get ready if…

- **…Common Agricultural Policy** (CAP) serves as the key corrective to mitigate ongoing degradation by strictly **penalising drainage-based agriculture** and **incentivising rise of water levels** e.g. with agri-environmental climate schemes (AES);
- **…Paludiculture** is regarded as a valuable alternative agricultural practice which should receive **preferential treatment** under CAP;
- **…Sufficient funding** for peatland management in EU's budget to the Member States via Agricultural, Structural and Cohesion Funds or LIFE funds is provided;

Täname tähelepanu eest!

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Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

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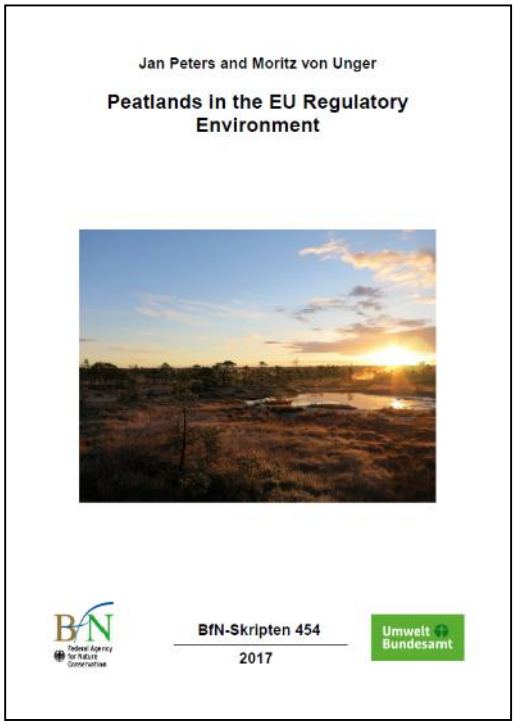
Further reading



Peters, J. & von Unger, M. (2017): Peatlands in the EU Regulatory Environment. BfN Skripten 454.

www.bfn.de/fileadmin/BfN/service/Dokumente/skripten/skript454.pdf

Wichmann, S. (2018): Economic incentives for climate smart agriculture on peatlands in the EU

http://incentives.paludiculture.com