

# The new CAP proposal

## Enabling sustainable energy transition in agriculture and forestry

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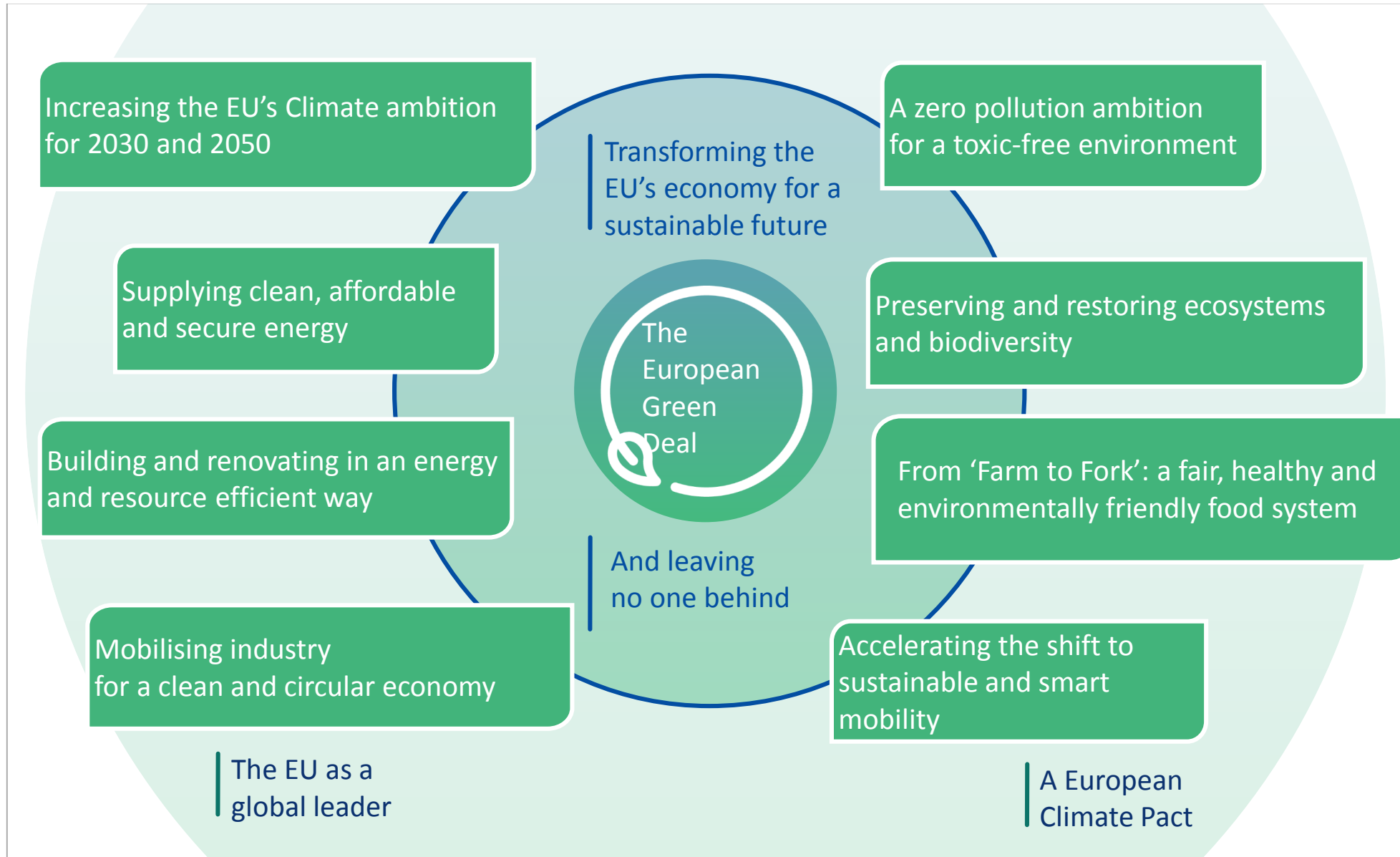
EUROPEAN COMMISSION, DG AGRICULTURE AND RURAL DEVELOPMENT

VIRTUAL | 26<sup>TH</sup> February 2021

# Content

- Political context and Clean energy transition
- Future Common Agricultural Policy (CAP)
- Enabling sustainable energy transition in rural areas

# The European Green Deal – new economic model for EU



# Political context

Clean energy for all  
Europeans  
2016

RED II  
LULUCF  
2018

**Green Deal**  
2019

Future CAP

2015

2017

2019

2020

Energy Union Strategy  
[NECPs]

Commission Communication  
"The Future of Food and Farming"

High ILUC-risk  
Regulation

Farm to Fork Strategy  
Biodiversity Strategy

- Climate neutral Europe by 2050
- Need to decarbonise the EU / Reduce GHG emissions
- Transition to clean energy needed
- Important role of Rural areas



European Commission

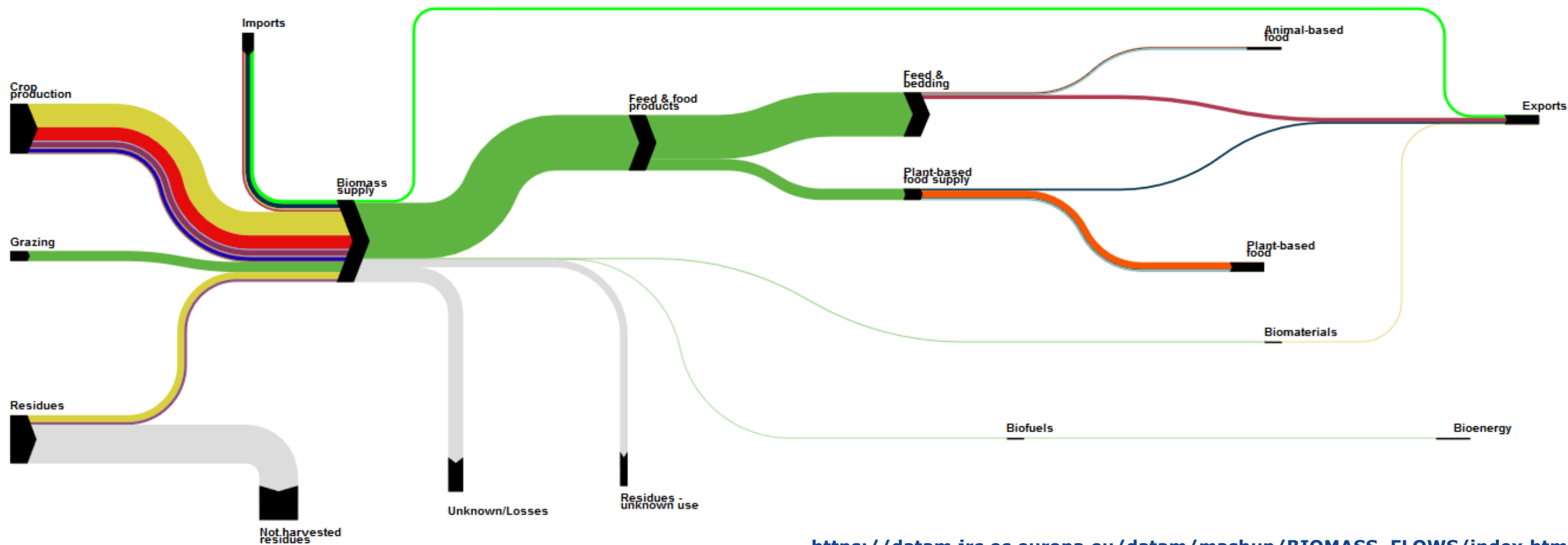
Imports: 135,267

Production: 791,571

Uses: 644,938

Exports: 107,029

# Biomass flow in the EU



# Content

- Political context and the Bioeconomy sector
- **Future Common Agricultural Policy (CAP)**
- Enabling sustainable energy transition in rural areas

# Future CAP common specific objectives



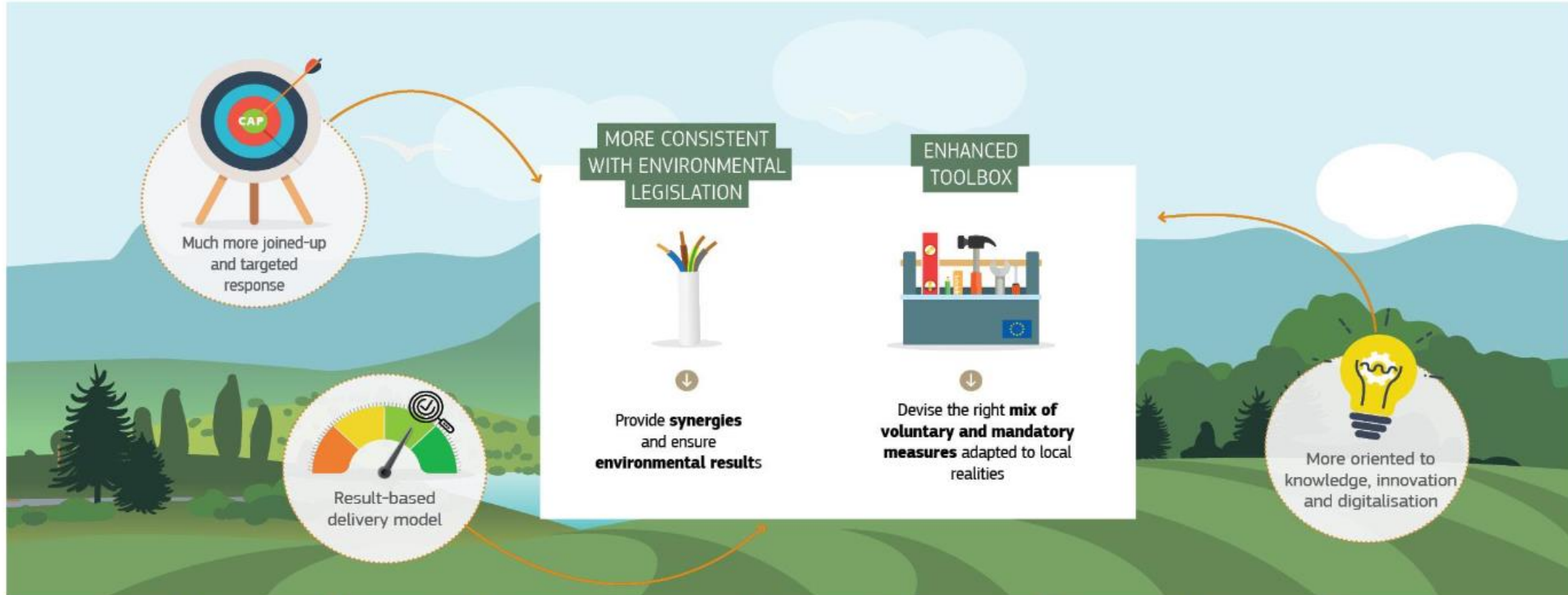
## CAP allocation 2021-2027

- 40 % of the overall financial envelope of the CAP to climate objectives
- At least 30% of the total EAFRD contribution to the CAP Strategic Plan for interventions addressing the specific environmental and climate-related objectives, including Bioenergy



# The Future Common Agricultural Policy:

Proposed June 2018/ on-going work by co-legislators



ENSURE  
FAIR INCOME



INCREASE  
COMPETITIVENESS



REBALANCE  
POWER IN  
FOOD CHAIN



CLIMATE CHANGE  
ACTION



ENVIRONMENTAL  
CARE



PRESERVE  
LANDSCAPES &  
BIODIVERSITY



SUPPORT  
GENERATIONAL  
RENEWAL



VIBRANT  
RURAL AREAS



PROTECT  
FOOD & HEALTH  
QUALITY



European  
Commission



# New delivery model - Key steps towards the CAP Strategic Plan

1/ SWOT analysis ← Context (impact) indicators



ENV/CLIM/ENER national plans

2/ Identification, prioritisation and ranking of needs



3/ Intervention strategy



*Setting GAEC standards*

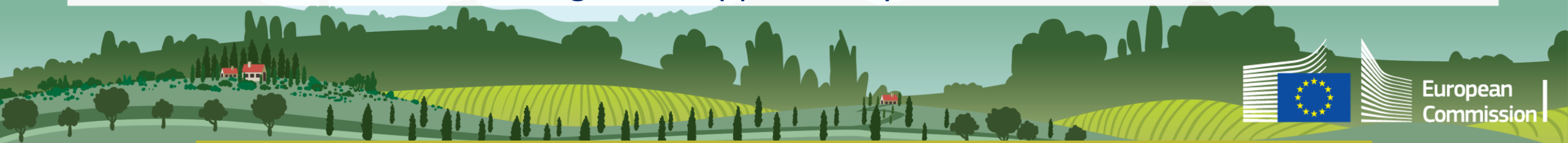


*Selection of the interventions  
& financial allocations*



*Targets for result indicators*

CAP Strategic Plan approved by the Commission



## EU SPECIFIC OBJECTIVES

Contribute to climate change mitigation and adaptation, as well as **sustainable energy**

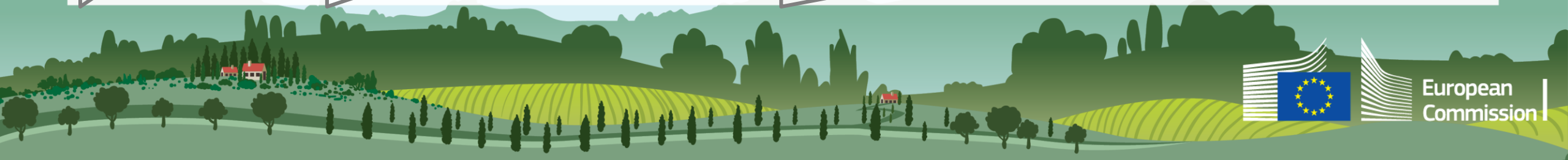
Promote employment, growth, social inclusion and local development in rural areas, including **bio-economy and sustainable forestry**

## IMPACT INDICATORS

- ...
- **I.12 Increase sustainable energy in agriculture:** Production of renewable energy from agriculture and forestry

## RESULT INDICATORS

- ...
- **R.15 Green energy from agriculture and forestry:** Investments in renewable energy production
- **R.16 Enhance energy efficiency:** Energy savings in agriculture
- -----
- **R. 32 Development of the rural bioeconomy:** number of bioeconomy businesses developed with support



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# ***CAP Funding and EAFRD***

- **EAFRD**
  - Transitional Regulation to end-2022: RDP amendment
  - EURI: RDP amendment (measures; target indicators)
- **EAFRD Financial support**
  - Investments (Measure 4)
  - Farm and business development (Measure 6)
  - Infrastructure (Measure 7)
  - Forestry (Measure 8)
- **Cooperation, knowledge exchange and information**
  - AGRI European Innovation Partnership (EIP-AGRI)
  - AKIS – Agricultural Knowledge and Innovation Systems



# ***Additional resources for rural development from the European Union Recovery Instrument (EURI)***

- **Around €8.5 billion to support rural development measures through RDPs, however, programming and monitoring will be separate**
- **At least 37% of the resources should be devoted to measures beneficial to the environment and climate, animal welfare and LEADER; 55% should support investments, farm and business development, basic services & village renewal and cooperation to promote economic and social development in rural areas, digital economic recovery and agri-environmental-climate objectives**





## ***EAFRD 2023 Target Indicators % Completed 2014-2019***

- Investment in renewable energy production: **26%** of €2.3bn (€602m)
  - 45% approved
- Investment in energy efficiency: **27%** of €2.8bn (€771m)
  - 48% approved

***Huge % of unused CAP rural development  
spending on clean energy***

## ***EAFRD Measures (rural development)***

- **Measure 4 – investments in physical assets – renewable energy**
  - Bioenergy for self-consumption
  - Agricultural biomass
  - Farm and business development
  - Energy efficiency compliance
- **Measure 6 – farm and business development**
  - Business start-up aid for non-agricultural activities in rural areas







## ***EAFRD Measures (rural development)***

- **Measure 7 – basic services and village renewal in rural areas**
  - **Support for investment in creation, improvement, and expansion of small-scale infrastructure, incl. investments in renewable energy and energy saving**
  - **Produce and use renewables in rural municipalities eg district heating network**
  - **RDP derogation for large-scale infrastructure**

## ***EAFRD Measures (rural development)***

### **Measure 8 – Forestry**

- **Measure 8.1 – afforestation and creation of woodland**
  - **Fast-growing trees for energy production**
- **Measure 8.6 – investments in forest technologies, processing, mobilising and marketing of forest products**
  - **Production of material for energy generation**



# *Cooperation, knowledge exchange and information*

## Continuation of the agricultural European Innovation Partnership (EIP)

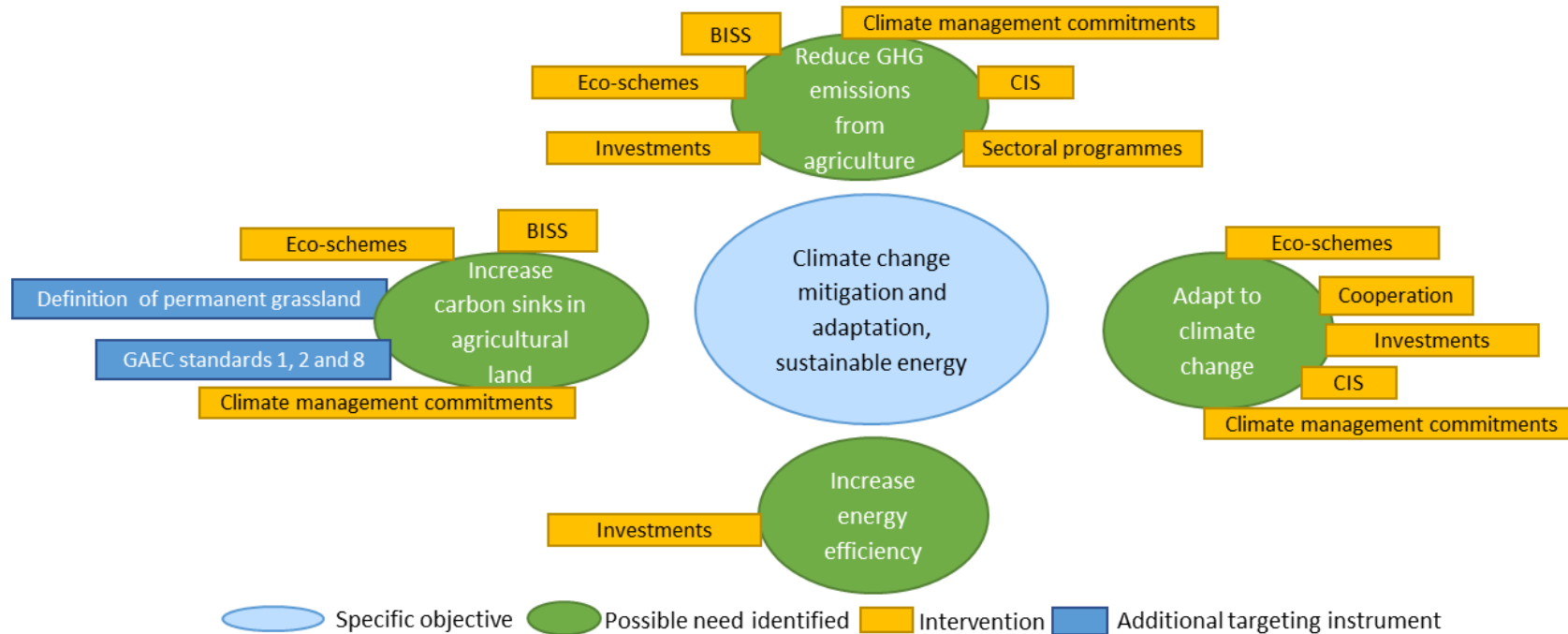
- Each CAP strategic plan will include a section on how to **stimulate the exchange of knowledge and innovation & the development of digital technologies in agriculture**

## Strengthening of the Agricultural Knowledge and Innovation System (AKIS)

- **Advice, training, innovation and knowledge support** in Rural Development
- Specific budget of **EUR 9 billion in Horizon Europe** for agriculture, food, bioeconomy and rural development

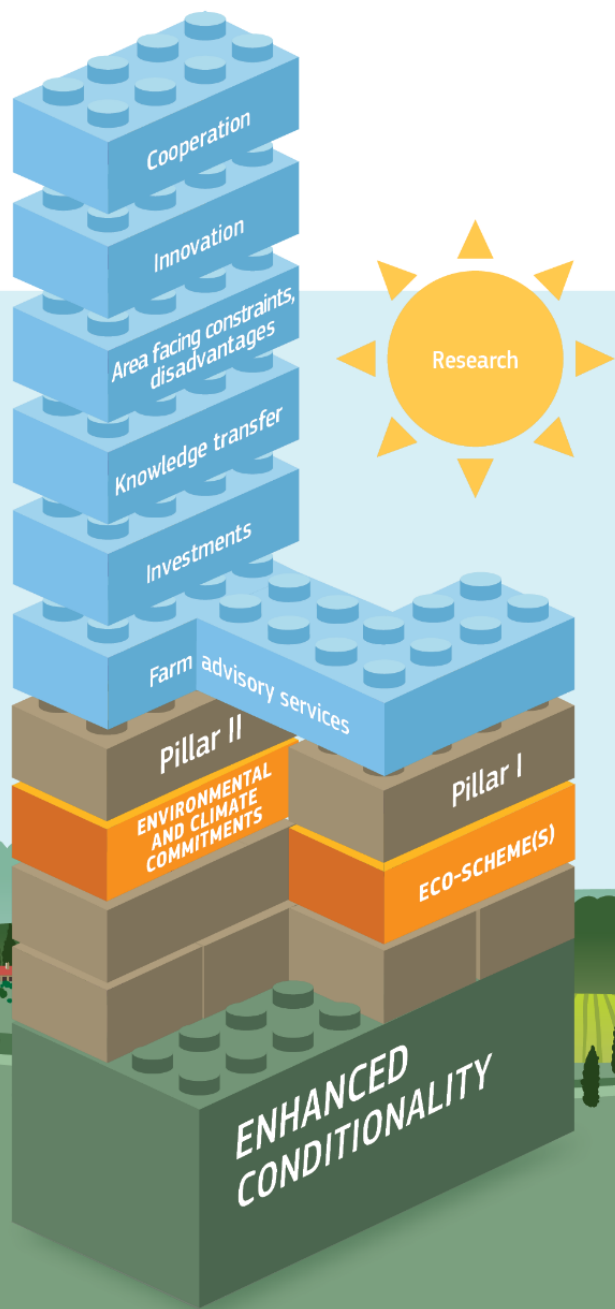


# New CAP: examples of Funded Interventions



## Concluding remarks

- **The transition to clean energy plays an important role in mitigating EU emissions and reaching net carbon neutrality**
- **The proposal of the future CAP:**
  - has an increased budget for environment and climatic objectives
  - provides tools to promote clean energy transition
  - gives MS the flexibility needed to adapt to local specificities
- **Farmers to play a more active / central role**
- **Importance to design MS National Strategic Plans supporting the transition to clean energy**



Thank you very much for your attention

CLIMATE

ANIMAL WELFARE

WATER

SOIL

ANIMAL & PLANT HEALTH

BIODIVERSITY



European Commission