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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

### Policy Fields:

**Financial**

**Agriculture**

**Structural & Cohesion policies**

**Conservation & Biodiversity**

**Water**

**Soils**

**Climate & Energy**

**Research**

**Horticulture**

Peters & v Unger (2017)

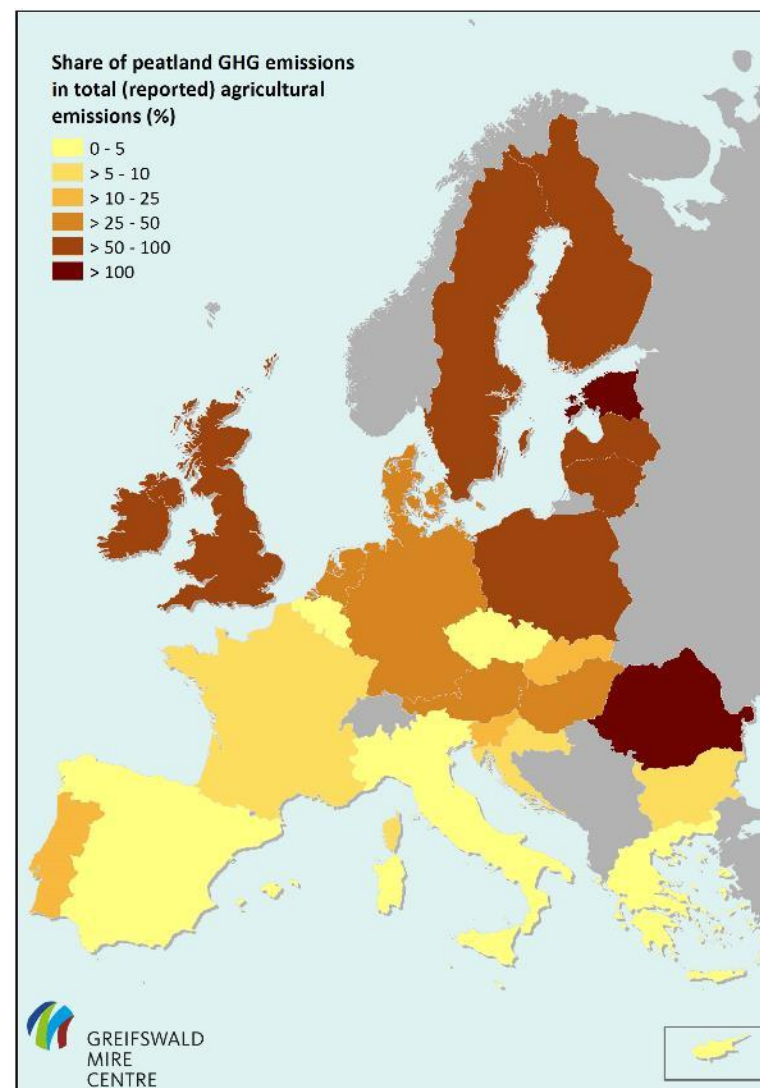
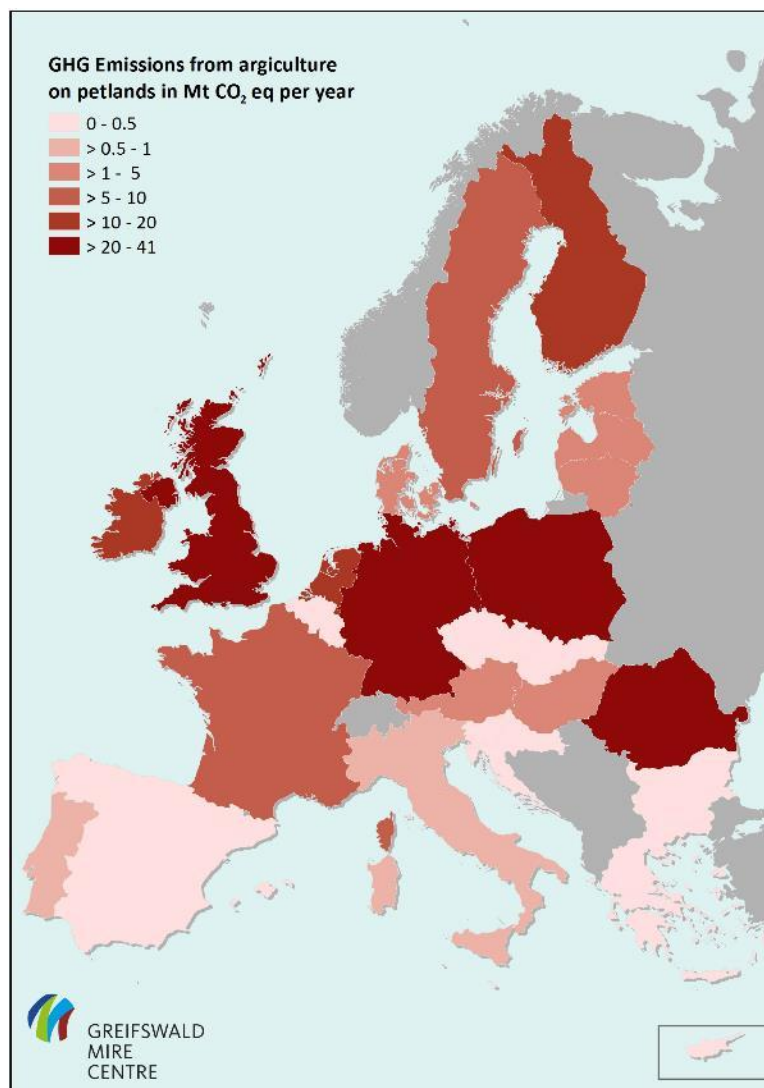
## Climate & Energy

### „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:**  $\text{N}_2\text{O}$
  - **CRF 5 LULUCF:**  $\text{CO}_2$ ,  $\text{CH}_4$

### 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

### 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

Total for EU, allocated to MS according to relevance of agric. Emissions in ESR

Exchange of LULUCF credits between MS in order to comply with „no-debit“

EU Target: - 40%

Flexibility 280 Mio t CO<sub>2</sub>

EU target: Zero-emissions  
("no-debt-rule")

**ETS**  
-43%

Basis 2005

**ESD: 28 MS targets**  
-30%

Basis 2005

Buildings

Transport

Waste

**Agriculture**  
Non-CO<sub>2</sub> emissions  
(livestock and fertilize  
use)

**Cropland  
Management**  
CO<sub>2</sub> emissions

**Grassland  
Management**  
CO<sub>2</sub> emissions

**Forest  
Management**

**Afforestation  
Reforestation  
Deforestation**

**Peatlands &  
organic soils**

Wetland  
Drainage and  
Rewetting

**Mandatory  
from 2026**

**LULUCF Regulation**  
0%

## 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





## 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





## Common Agricultural Policy (CAP) – 1<sup>st</sup> 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 uses (“Greening”)
- Competing subsidies (promoting dry use of organic soils, maintenance of drainage systems)

## Pillar 1 direct payments: eligibility



phalaris



sedges



rush



reed,  
cattail



Heterogeneous vegetation  
with shrubs, reed



## Common Agricultural Policy (CAP) – 2<sup>nd</sup> 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
- 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 low input agriculture 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 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 1<sup>st</sup> pillar, Agri-environmental climate schemes in 2<sup>nd</sup> pillar)
  - Risk of low environmental and climate ambitions in MS



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



## Conclusions I

### 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;
- **...Status of peatlands within the Water Framework Directive** is strengthened through defining clear guidelines for implementing agencies how to integrate peatlands into River Basin Management Plans;



## Conclusions II

### 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.

# Thanks for your attention!

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Building and Nuclear Safety

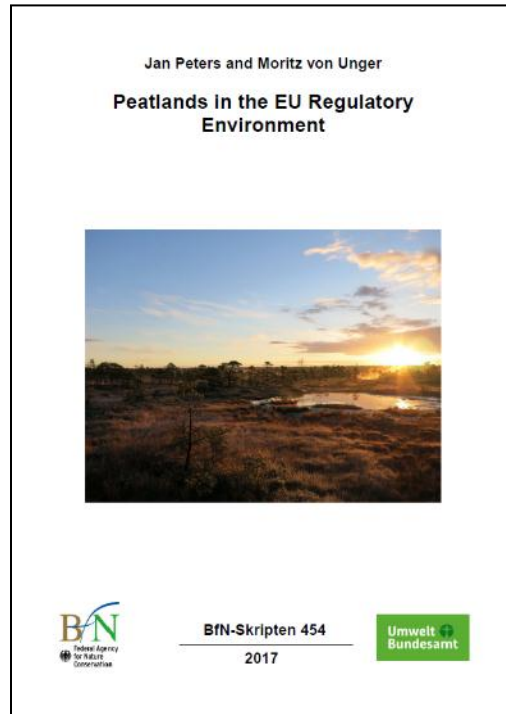
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## Further reading



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](http://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>