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NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Opportunities of the bioeconomy in the light of current challenges with special emphasis on rural areas - Exchange of views

Delegations will find in the <u>Annex</u> a background note from the Presidency on the abovementioned subject, as well as three questions to steer the ministerial debate at the "Agriculture and Fisheries" Council on 30 January 2023.

Opportunities of the bioeconomy in the light of current challenges with special emphasis on rural areas

The first EU bioeconomy strategy was adopted in 2012 and was updated in 2018. In 2019, the Council adopted conclusions on the EU bioeconomy strategy and encouraged the Commission to present a progress report on the implementation by 2022. The Commission adopted the progress report on 9 June 2022.

Since 2018, there have been changes both in EU policy and in society as such. The climate crisis is one of today's major challenges. At policy level, the work with climate and environmental issues has progressed since 2018. In 2019, the Commission presented the Green Deal, which, together with the actions it included, has effects on the bioeconomy. On a societal level, the pandemic and the Russian aggression against Ukraine have had effects on Europe and accentuated the need for strengthened resilience.

The role of bioeconomy in the changed political and societal context needs renewed attention. The bioeconomy can contribute to addressing several of today's challenges – climate, jobs, competitiveness, energy, and resilience. Making use of the full potential of the bioeconomy requires a holistic approach.

The bioeconomy has a particularly strong connection to rural areas where it stimulates green and innovative jobs and the diversification of income. Development of rural areas is also a necessity for the bioeconomy as such. The bioeconomy is to a large extent based in rural areas and the possibility to live, work and study in rural areas is fundamental. Development of new value-added chains contribute to valorising local and regionally available biomass.

In current policy, there are initiatives on EU-level specifically targeting bioeconomy and rural areas. Among those are EIP-AGRI and the CAP.

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The aim of the Presidency is to adopt council conclusions on the bioeconomy in light of current challenges, having in mind a holistic and cross-cutting approach. With a view to the work on drafting Council conclusions, the Presidency wants to have a discussion with ministers on what policy changes are needed in order to support the bioeconomy's opportunities to contribute to current challenges, with a special emphasis on the role of the bioeconomy for rural areas.

The Presidency will invite Member States to exchange views on the following questions:

- 1. What challenges and opportunities do you see for the bioeconomy today?
- 2. What further actions could the EU take to further unlock the potential of the bioeconomy in the future?
- 3. How have the role and needs of the primary sector and rural areas in the bioeconomy evolved in the past years?

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