



Council of the
European Union

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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Special Report No 16/2021 from the European Court of Auditors entitled
"*Common Agricultural Policy and climate - Half of EU climate spending but
farm emissions are not decreasing*"
- *Approval draft Council conclusions*

1. The Permanent Representatives Committee instructed the Working Party on Financial Agricultural Questions (WP AGRIFIN) to examine the above mentioned Special Report in accordance with the rules laid down in the Council conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors (doc. 7515/00 + COR 1).
2. At its video-meeting on 22 September 2021, WP AGRIFIN discussed the above mentioned Special Report as well as the Commission's replies to that report.

3. In the light of those discussions, the Presidency drew up draft conclusions. From 15 to 21 October, delegations were consulted during a first informal written consultation on these draft Council conclusions (WK 12145/2021 & WK 12756/2021). From 29 October to 5 November, delegations were again consulted on revised draft Council conclusions (WK 13084/2021 & WK 13441/2021). A third and final round of informal written consultation took place from 11 to 18 November (WK 13616/2021 & WK 14349/2021).
 4. At its video-meeting on 30 November 2021, WP AGRIFIN reached informal agreement on the draft conclusions related to the Special Report as set out in the Annex to this note.
 5. In accordance with the Council conclusions of 8 May 2000, the Permanent Representatives Committee is hereby invited to suggest to the Council that it approve the draft Council conclusions as set out in the Annex to this note as an 'A' item at a forthcoming session.
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Draft Council conclusions

Special Report No 16/2021 from the European Court of Auditors entitled:

"Common Agricultural Policy and climate - Half of EU climate spending but farm emissions are not decreasing"

THE COUNCIL OF THE EUROPEAN UNION

1. WELCOMES the Court's Special Report No 16/2021 entitled "Common Agricultural Policy and climate - Half of EU climate spending but farm emissions are not decreasing", which assesses the impact of the EU's Common Agricultural Policy (CAP) on greenhouse gas emissions;
2. TAKES NOTE of the Court's findings and recommendations to the Commission, which concern reducing greenhouse gas emissions from the agricultural sector as well as emissions from cultivated drained organic soils, and which call upon the Commission to regularly assess the CAP's contribution to climate mitigation; RECALLS that the CAP also contributes to reaching other key objectives with regard to biodiversity, water and air quality, and social and economic needs;
3. NOTES that the Court's findings mainly address agriculture in relation to greenhouse gas emissions; BELIEVES, however, that an analysis of the agricultural sector and climate mitigation should also take into account: the need for sufficient and affordable foodstuff, taking the impact of climate change and of a growing population into account; the impact of a decrease of livestock numbers on the economy, jobs and livelihood of rural areas; the impact of a reduction of fertilisers on the level of production and on the degree of self-sufficiency; and the effects of 'carbon leakage', where production is relocated in third countries, leading to increased imports with overall higher, environmental costs;

4. RECALLS that agricultural emissions after 2010 stabilised and, at the same time, production increased and emissions per unit of product decreased but ACKNOWLEDGES that efforts need to be stepped up in order to reach the EU's emissions reduction ambitions; REMINDS that assuring the availability of food supplies is a key objective of the CAP and that agricultural production cannot completely eliminate greenhouse gas emissions, such as resulting from agricultural biological processes (e.g. methane gas from ruminants);
5. UNDERLINES that all sectors of the economy will have to step up efforts in order to reach the 2030 and 2050 climate targets; EXPECTS the CAP to make an important contribution in this regard by, amongst other things, reducing greenhouse gas emissions from livestock, fertilisers, and carbon-rich soils, while at the same time preserving biodiversity and rural livelihoods, and by reducing pressure on water quality and providing high quality food;
6. RECALLS that, in the new CAP programming period, the CAP Strategic Plans of the Member States shall set out *inter alia* how their proposed green architecture will help reaching the agreed CAP objectives set at EU level; RECALLS FURTHER that these objectives include achieving a more sustainable type of farming and implementing the EU's environmental and climate commitments;
7. REMINDS that, in the CAP for the period 2023-2027, conditionality is enhanced and covers all direct payments, also with regard to the protection of peatlands and wetlands; REMINDS FURTHER that 25% of the direct payments will be allocated to new eco-schemes and 35% of the rural development budget is ring-fenced for climate action and the environment;
8. INVITES the Commission to assess at appropriate intervals the effect of the CAP and of other factors driving greenhouse gas emissions on climate mitigation, taking into account the Member States' reports on the implementation of their Strategic Plans.