



ICTSD-IPC Platform

EU-CAP Reform and Climate Change

F. Fischler
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Outline

- The European Goals
- Biofuel Policy
- CAP Reform post 2013



The European Goals



European Goals

Keep global warming below 2° C

(European Council 2005)

By 2020:

CO₂ emissions - 20% (-30%)

Renewable energy sources 20%

Biofuels 10%

(European council 2007)



Legally-binding Targets for Member States

(1)	(2)	(3)
Targets 2020	Reduction target in sectors not covered by the EU ETS compared to 2005	Share Renewables in the final energy demand by 2020
AT	-16,0%	34%
FR	-14,0%	23%
DE	-14,0%	18%
IT	-13,0%	17%
PL	14,0%	15%
ES	-10,0%	20%
SE	-17,0%	49%
UK	-16,0%	15%



Biofuel Policy



Biofuel

European Goals:

2010: 5.75 % of total consumption

2020: 10.0 % of total consumption



Bioethanol and Biodiesel

Production Capacity 2007 (in mio. t):

		Bioethanol	Biodiesel
global		35	9
thereof:	Brasil	14,5	0,7
	USA	14,5	1,9
	EU-27	3,0	6,1
thereof:	GER	0,6	3,0
	FRA	0,5	0,6
	ITA	-	0,5

(Source: Ch. Bickert, DLG-News)



Bioethanol and Biodiesel

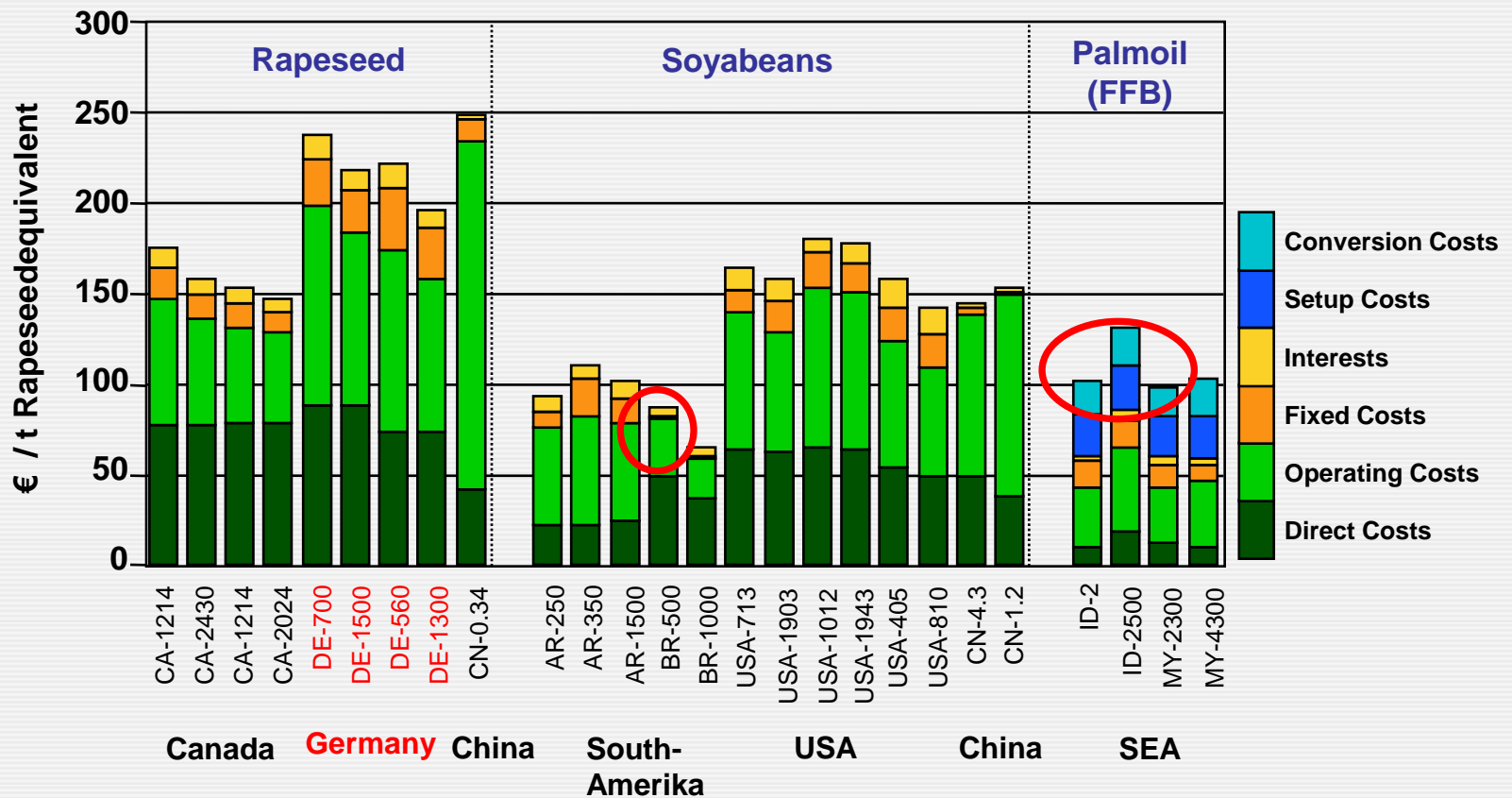
Land Resource for the Production of Biofuels:

	Brasil	USA	EU15
Share of Biofuels 2004	21,6 %	1,6 %	0,8 %
Land needed in % of Cereals-, Oilseeds- & Sugararea 2004	8	5	4
Goals set for Biofuels	10 %	10 %	10 %
Land needed in % of Cereals-, Oilseeds- & Sugararea 2004	3	30	52

(Source: St. Tangermann, M. Lampe)



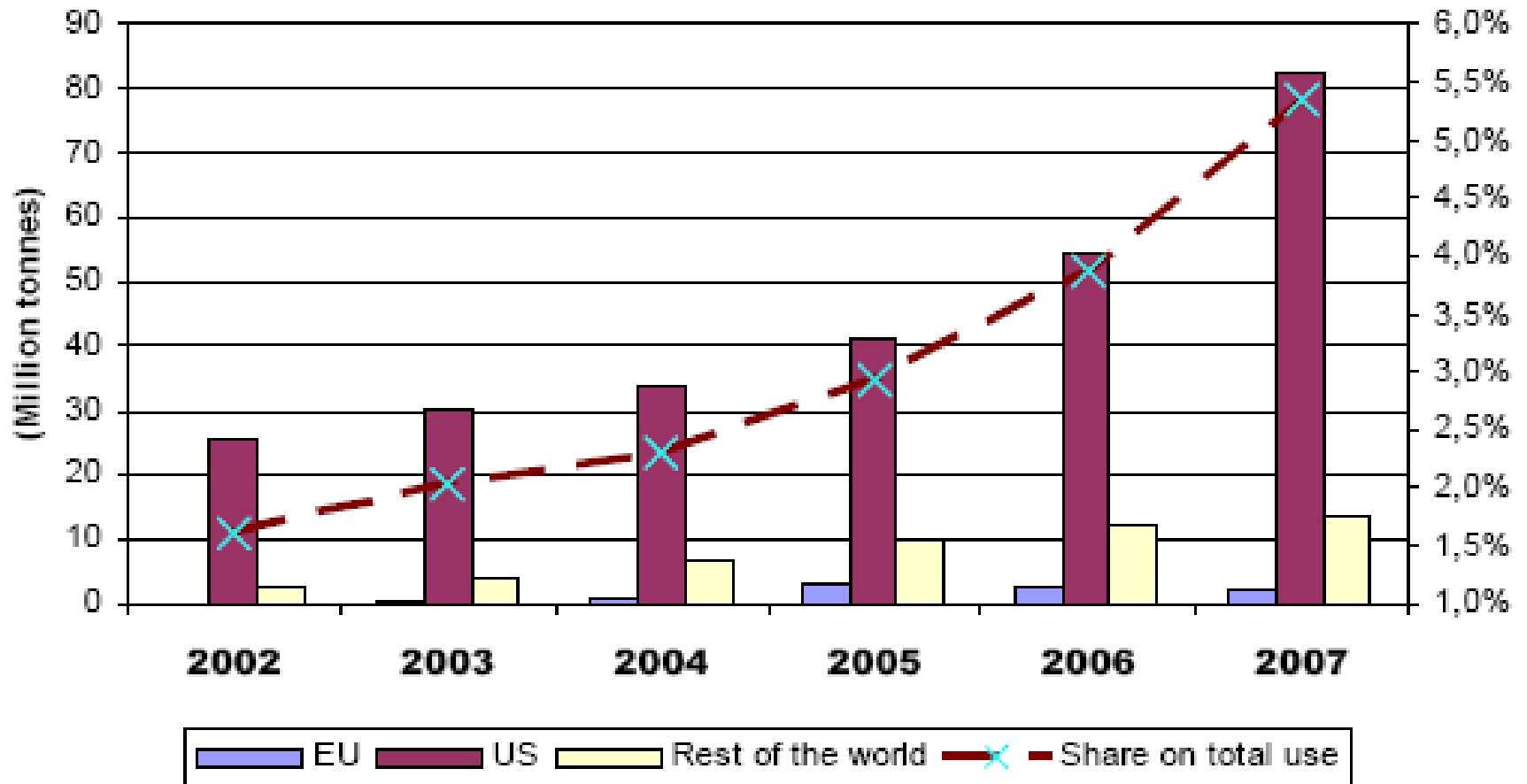
Oilseeds: Production Costs¹⁾ 2002



1) without land costs



Cereals consumption for ethanol and other uses



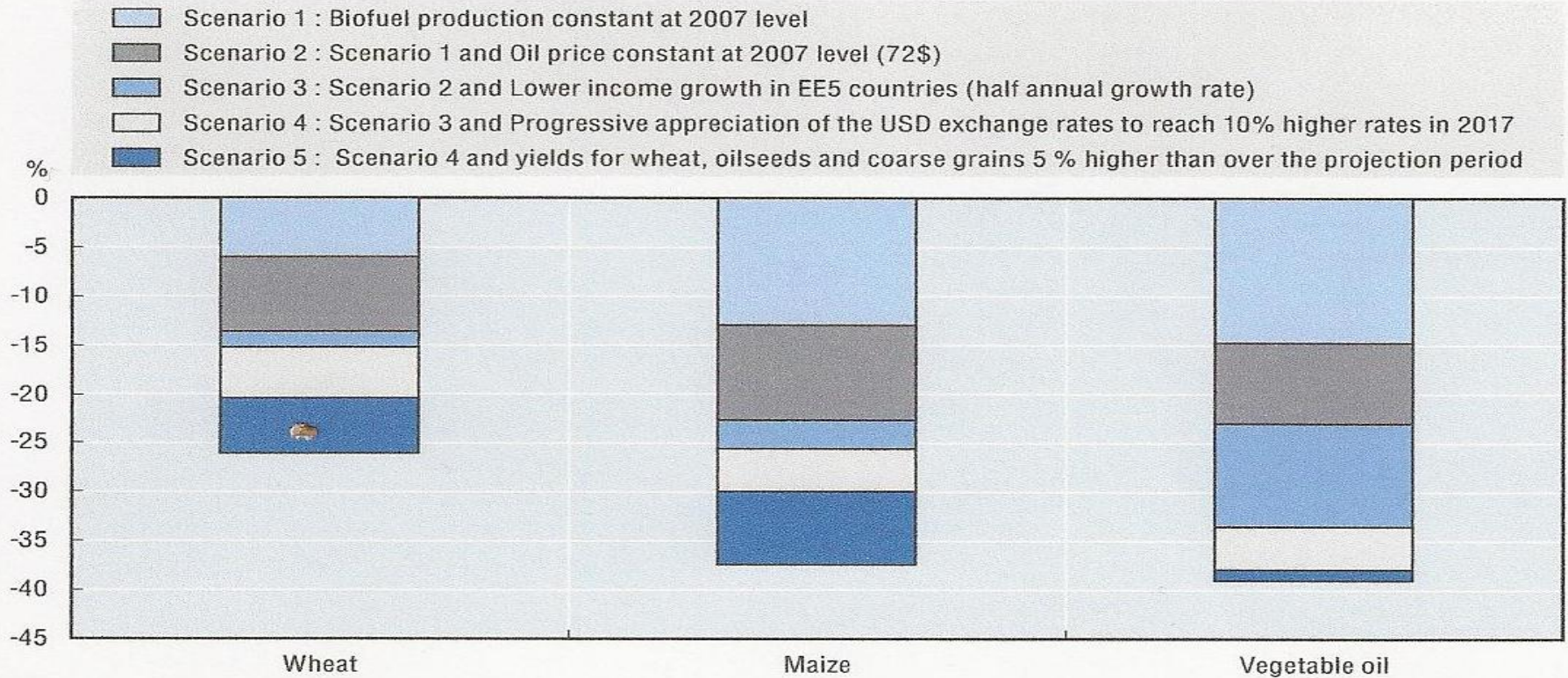


The production of Bioethanol in the EU 2005 - 2007

- World production share 7%
- Cereal consumption for bioethanol production
 - 2005: 2.7 Mio to
 - 2006: 2.5 Mio to
 - 2007: 1.9 Mio to
(equ. 0,75 % of EU cereal production)



Figure 2.5. Sensitivity of projected world prices to changes in five key assumptions, percentage difference from baseline values, 2017



Source: OECD and FAO Secretariats.



Consequences for the European Biofuel Policy

- Get the priorities right
 - Food – Feed – Fuel
- 10 % target without the availability of the 2nd generation not achievable
- Increase R&D
- Develop sustainability standards based on GHG avoidance



CAP-Reform 2013



Market organisations light

- Phasing out of intervention and export subsidisation
- Abolition of most of the production quotas

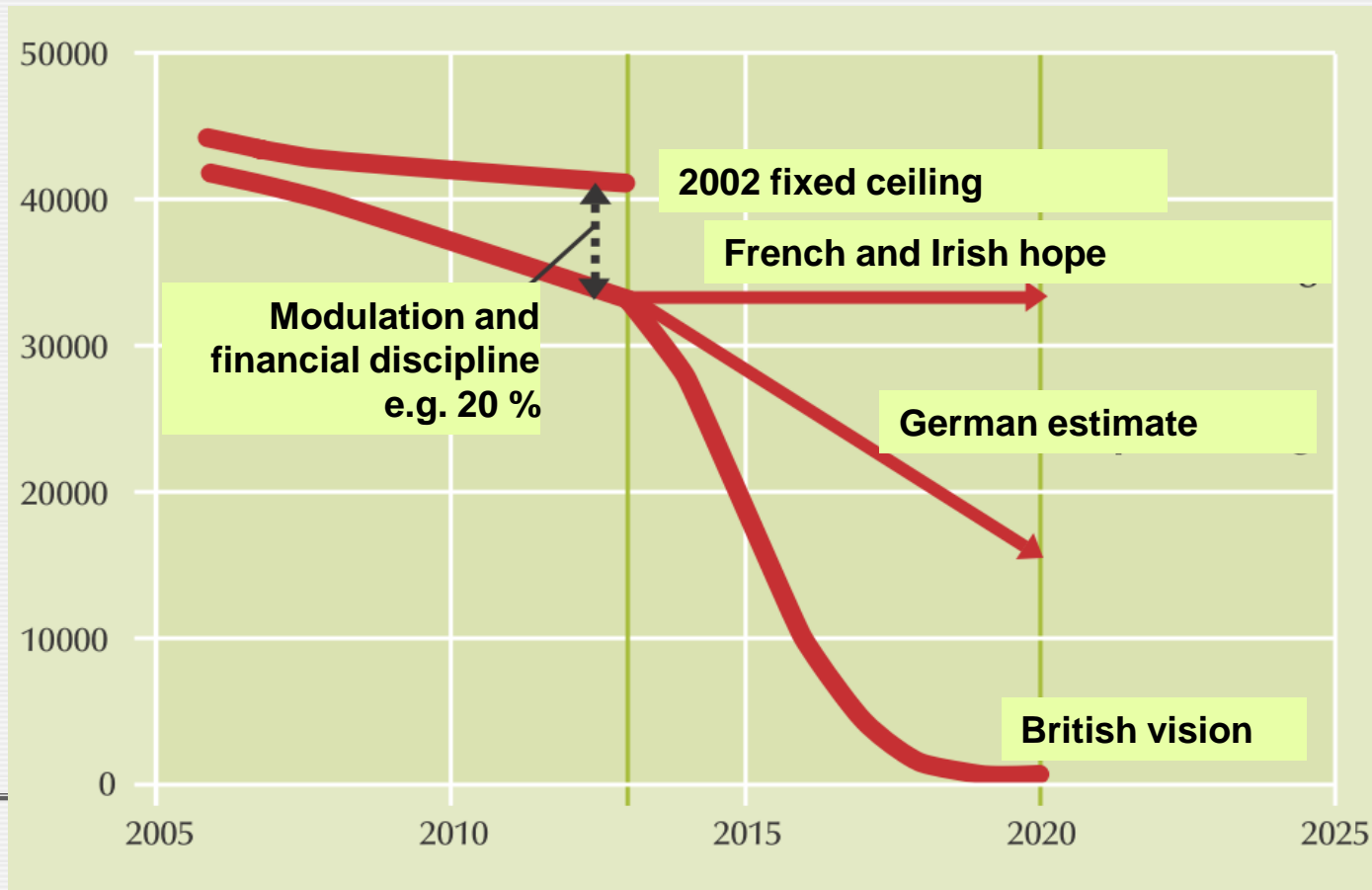
New instruments?

- Safety nets
- Advanced crop insurance schemes
- Export promotion
- Future markets



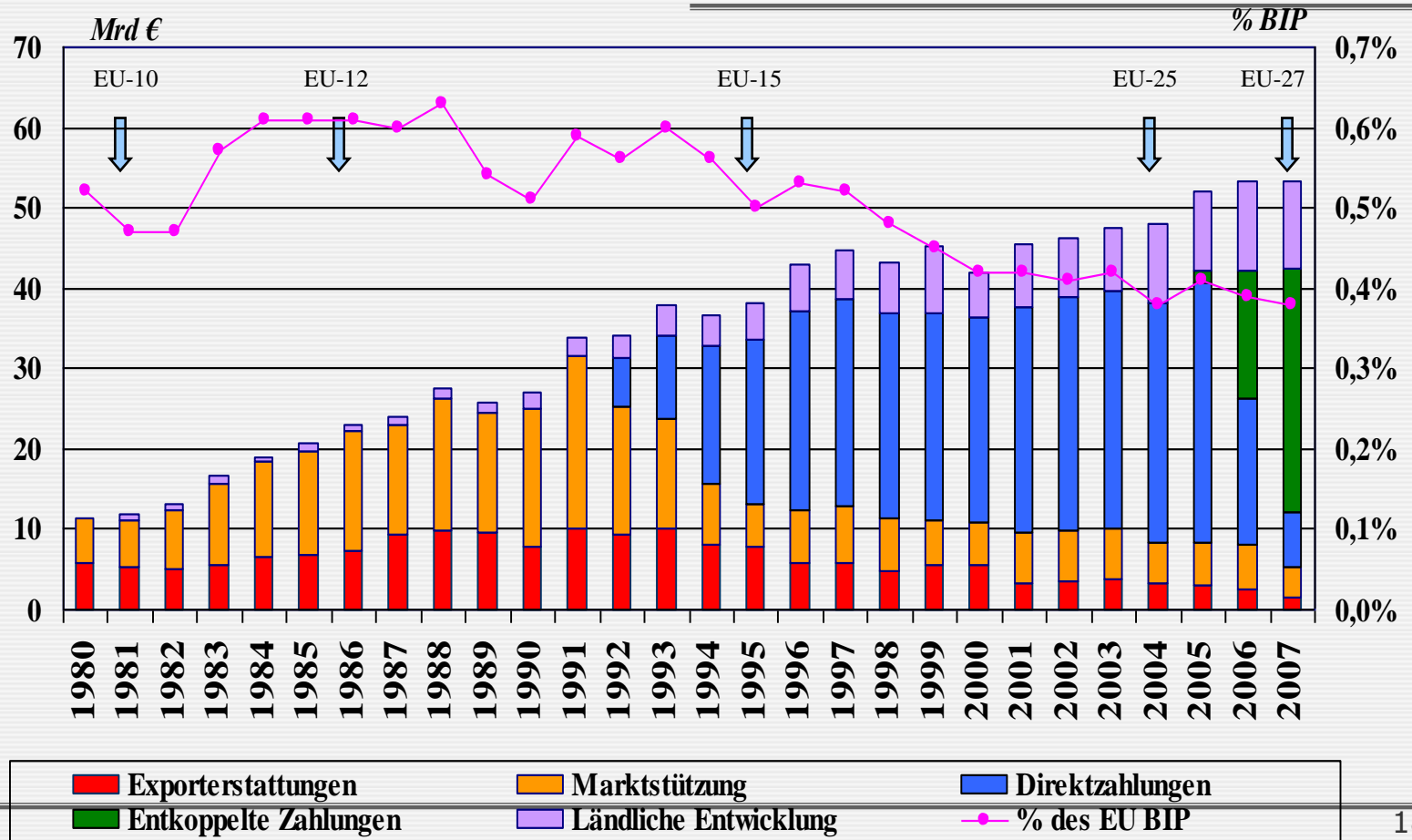
Direct payments

Possible development of the 1st pillar





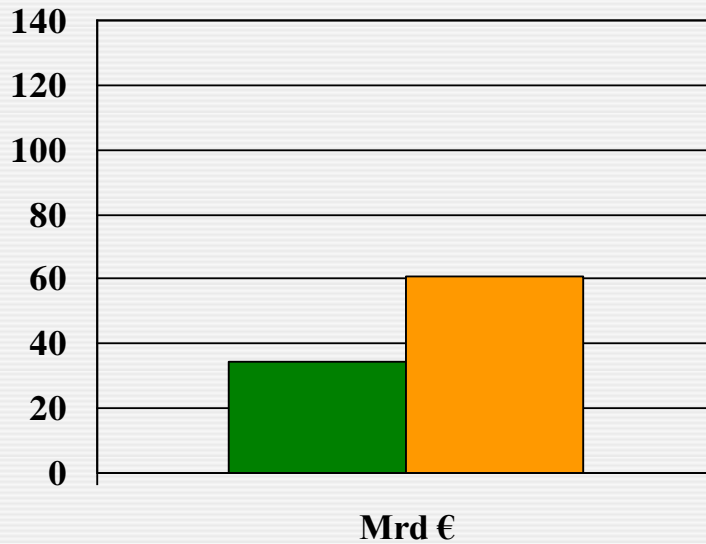
Development of CAP expenditures and CAP reform





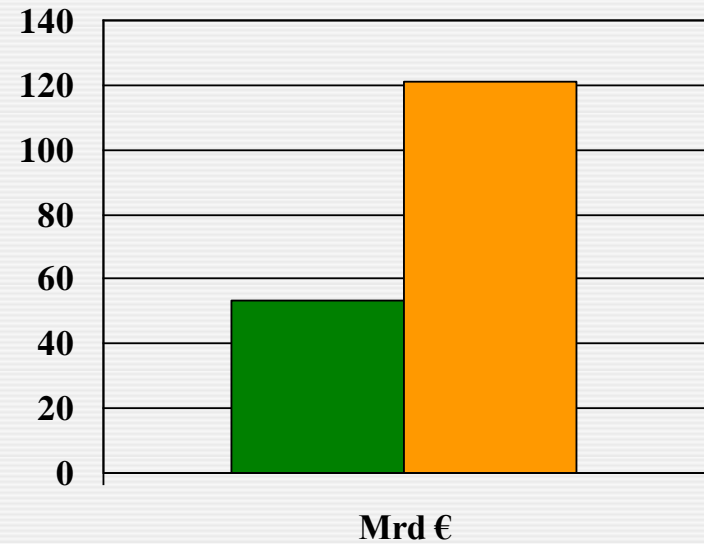
Development of CAP share of EU budget...

CAP Costs 1992



■ CAP Expend. ■ EU Budget

CAP Costs 2007

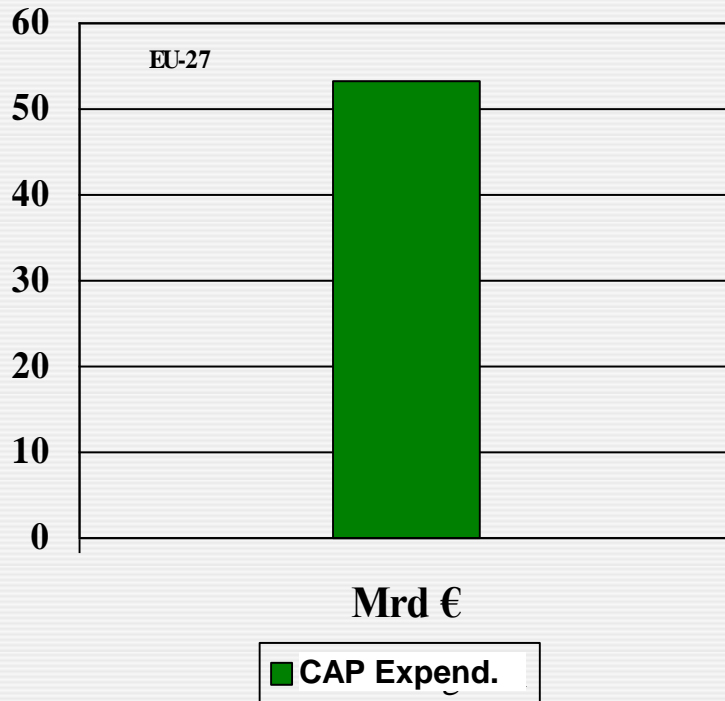


■ CAP Expend. ■ EU Budget

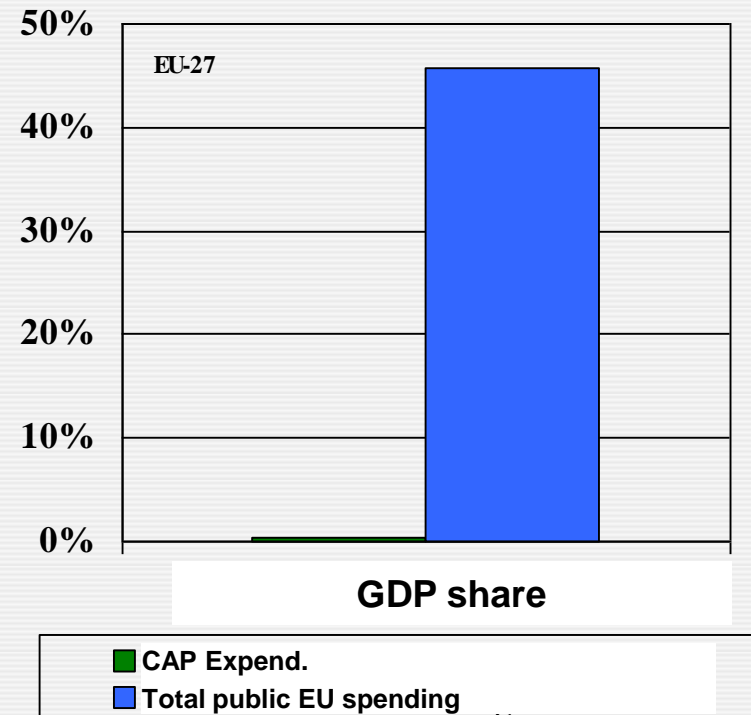


...and different views of CAP costs...

CAP Costs 2007 (absolute)



CAP Costs 2007 (relative)





Relevant CAP-reform measures in relation to climate change

- R&D
- Regional Product designations (food miles)
- Investment support to steer the production of renewables
- Investment support of carbon sequestration
 - Extensive and organic farming
 - Low or no tillage practices
- Support of adaptation measures
 - Water management and irrigation
 - Support of investments for plant growing
 - Animal welfare measures



Thank you for your attention!