





Options and opportunities for the biogas sector from CAP perspective

Mario Milouchev, Director Directorate E « Rural development I and preaccession assistance » DG Agriculture and Rural Development

> Conference « Biogas across Europe » Brussels, 8th November 2018





- Convinced:
- "of the value of rural resources capable of delivering sustainable solutions to current and future societal challenges that concern all citizens of the Union such as assuring a safe and sustainable provision of quality food, developing the circular economy, **broadening the bio-**<u>economy</u>, fostering resource efficiency, combating climate change and reducing the reliance on fossil fuels "





# Importance of the Bioeconomy for the CAP post-2020 recognised by policy makers:

- Commission Communication "The Future of Food and Farming"
- Commission for CAP post-2020 proposals the BIOECONOMY is in one of the 9 specific objectives, namely "Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry"





# Placing biogas production in circular and sustainable farming business models...

### ...means creating further economic, environmental and climate benefits. How?





# Economic benefits of integrating biogas production in circular farming models:

- Costs savings due to fuels savings, and reduced chemical fertilizers use replaced by the by-product of the biogas production (the digestate);
- Improve farmer resilience and income as a result of the diversification;
- Further opportunities for farmers to create new value chains (i.e. by using other by-products from the biogas production)





# Environmental benefits of integrating biogas production in circular farming models

 Avoiding the "food versus fuel dilemma"incentivising the use of biomass for biogas production, which does not take away additional land and qualifies as "advanced" biogas.





# Other environmental/climate benefits of integrating biogas production

• Adaptation of some of the agricultural practices favourable for the soil health and fertility (lower soil compaction and soil erosion); for example:

- winter cropping;

- no tillage/strip tillage; etc.

• The production of gas from manure for example:

- Displaces fossil energy;
- Prevents GHG emissions from manure;
- Provides nutrients for the crops by replacing mineral fertilisers





# Further opportunities for development of biogas production

- As part of circular models of green biorefineries based on grass;
- Biogas production expanding beyond individual farms.





# Enabling framework at European level

### • The Renewable Energy Directive (RED II)

 The second pillar of CAP – rural development





# Related measures from current RDPs (2014-20)

- **Investments in physical assets** to improve the overall performance and sustainability of agricultural holdings: *bio-digestors and any other type of on farm energy-producing facilities using crop residues for own consumption*
- **Business development:** investment and setting-up support for the creation of non-agricultural activities in rural areas, including those related to the bioeconomy (*e.g., biocosmetics, bioplastics, etc.*)
- **Knowledge transfer and advisory services** for farmers, foresters and rural SMEs: vocational training and skills acquisition (including training courses, workshops and coaching), demonstration activities, information actions provision of training, farm and forest exchanges, provision of advice to improve the economic and environmental performance of the holding/enterprise. These type of services can cover also all bioeconomy related issues.
- **LEADER**: can support the setting-up and the development of any type of business in rural areas, including those related to the bioeconomy, provided that these projects contribute to the objectives of a local development strategy
- **Co-operation**: allows financing Operational Groups under the European innovation partnership for agricultural productivity and sustainability (EIP-AGRI).



### M 4.1: Support for investments in agricultural holdings

- "Biogas projects on farms"
  - Energy efficiency criteria >55% (recovery of the heat produced by the power generation by co-generation)
  - Share of crops for human or animal consumption  $\leq 10\%$  of the supply of the biogas plant
  - 50% of materials used in the biogas plant must be agricultural products (excluding food and fodder crops) or waste from agro-food industries
  - other inputs are also allowed such as: waste from sewage sludge plants and animal by-products.





### M 6.4: Support for creation and development on nonagricultural activities

- Facilities for the production of bio methane (max 3 MW);
- Combined installations for the production of energy from renewable sources (max thermal power of 3 MW and max electricity power of 1 MW);
- Small networks for the distribution of energy and/or Intelligent systems for the storage of energy or microinstallations





#### M 7.2 : Support for investments in the creation [...] of [...] small scale infrastructure, incl. investments in renewable energy and energy saving

- Investments for the production of renewable energy:
  - The investments have to be in the <u>interest of the</u> <u>public (e.g. local power stations)</u>.
- Collective biogas projects involving private and public partners:
  - Projects supported: power capacity > 250kw (or equivalent).





# **Opportunities for the biogas production in the CAP post-2020 proposals**

- The <u>new delivery model</u> for the CAP post-2020: greater flexibility for Member States and farmers
- Interventions in <u>rural development</u> remaining relevant for the biogas production:
  - Investments;
  - Cooperation;
  - ✓ Exchange of knowledge and information;
  - ✓ New businesses and young farmers.



# **Opportunities for the biogas production in the CAP post-2020 proposals**

The proposal for the new CAP also foresees <u>in the</u> <u>first pillar</u>:

✓ an Eco-Scheme;

 ✓ an option of limited "Coupled Income Support" for non-food products, which have the potential to replace fossil material in the bio-economy.



# Other opportunities for supporting the biogas production in the CAP post-2020 context

Next Multiannual Financial Framework (MFF) 2021-2027 proposal - the budgetary amounts foreseen for research and innovation in food, agriculture, rural development and bio-economy within the new R&I Framework Programme "Horizon Europe" - roughly doubles (10 billion EUR).



### Enabling framework at national level

Adequate taxation policy;

• Energy pricing policy.









# Thank you for your attention!

