

The fourth and final meeting of the ENRD Thematic Group on Bioeconomy and Climate Action in rural areas, organised in collaboration with Belgium's Walloon Rural Network, focused on the economic viability of climate change mitigating activities within the rural bioeconomy. Three Walloon rural enterprises showcased how different business models and practices can contribute to emission reductions, carbon sequestration and substitution of fossil resources while being profitable and benefiting the local rural economy. Participants further explored how increased resource efficiency, diversification of income into the bioeconomy, value addition to low carbon products and market-based schemes to value emission reductions could be promoted with CAP support.

Event Information

Date: 28 April 2020

Location: webinar

Organisers: ENRD Contact Point and the Walloon Rural Network

Participants: 54 representatives of MAs, National Rural Networks, LAGs, EU-wide networks, universities, rural entrepreneurs and EU institutions (DG AGRI).

Outcomes: Exchange of concrete examples of low-emission rural bioeconomy businesses and discussion on enablers for economic profitability.

Web page: https://enrd.ec.europa.eu/news-events/events/4th-enrd-thematic-group-meeting-bioeconomy-and-climate-action-rural-areas-webinar_en

Walloon approach to the circular bioeconomy



[Willy Borsus](#), the Walloon Minister in charge of agriculture and Vice-President of the [region](#), opened the meeting by stating that agriculture is at the heart of the circular economy in Wallonia. He emphasised the role of farmers as real stakeholders in the renewable energy sector. The development of new value chains should benefit local sourcing that provides jobs and added-value within the region, and build European industries. Benoit Delaite from the [Walloon NRN](#) outlined that eco-construction, renewable energies and green chemistry are key areas of bioeconomy development in Wallonia.

Walloon examples of circular and low-carbon business models in rural areas



Faascht Farm

[Ludovic Peter](#) described his enterprise's experience in limiting external and non-renewable inputs by valorising all by-products and wastes. The livestock farm started biogas production to diversify income and systematically continued valorising all available resources such as dried wastes, recycled water and CO₂. This led to the establishment of an experimental greenhouse. The enterprise actively seeks subsidies for investments and experimentation in circular solutions, but finds available RDP funding insufficient for the volume of its investments.



Stabilame

[Nathalie Lebrun](#) presented the [Stabilame](#) wood construction enterprise and its business model based on continuous innovation, bio-based materials and local sourcing. Using wood as a construction material has considerable potential to reduce the construction sector's climate emissions, especially when the wood is locally sourced. Increasing consumer awareness and a conducive policy environment are key to upscaling climate effective wood constructions: Stabilame successfully applies labels that demonstrate its no-waste approach and the local origin of its sustainable materials.

Biogaz Haut-Geer and HesbayaFrost

The circular ecosystem of the enterprises in [Haut-Geer](#), piloted by the energy cooperative [Biogaz du Haut Geer](#) and the frozen vegetables company [HesbayaFrost](#), bring numerous benefits to the local community and the environment. The biogas plant transforms local available wastes into electricity, heat and quality fertiliser. These products then benefit the vegetable processing factory, a local wood chip company, local inhabitants, farmers and an agricultural service provider.



Enablers for making climate action economically sustainable



[Catherine Bowyer](#) (ENRD CP/IEEP) summarised the different aspects that make climate change mitigating actions and practices economically attractive throughout the bioeconomy. Examples across Europe show that the successful upscaling of climate action depends on various economic enablers. These include advice and information, investment possibilities in energy and resource efficient equipment and processes, opportunities to market new diversified products and services, and supply chains that recognise and valorise climate outcomes.

CAP and rewarding climate action



[Christine Falter](#) from [DG AGRI](#) explained how interventions within the CAP Strategic Plan can be used to remunerate rural climate action and support the transition to a climate-friendly bioeconomy. CAP SP interventions such as eco-schemes, agri-environment-climate measures, or forestry interventions, may support land use and land management changes for reduced emissions and increased carbon capture. Related non-productive investments can lead to by-products that can diversify farm income, such as wood from hedges. The CAP can promote resource efficiency in agriculture and in rural businesses, including support for better input management, precision farming and investments to support soil management or in energy efficiency. The CAP can also support product and income diversification within new bioeconomy value chains. Investments in renewable energy, labels and quality schemes, and promotion of short supply chains, are all possible areas to support. Key CAP interventions to promote climate benefits throughout the bioeconomy comprise advice, knowledge transfer, training, networking, and exchange of best practices.

Stakeholder experiences and discussion



[Angèle Liaigre](#) ([Pays de la Loire region](#)) presented the regional low-carbon label initiative for dairy farms in the Pays de la Loire, France. The objective is to cover 70% of farmers with the regional label by 2026.

The initiative relies on farm-level diagnoses and action plans, demonstration and advice. It is linked to the RDP through a scoring system that gives farms adhering to the low carbon label priority access to RDP farm investment support (measure 4.1).



[María Rosa Mosquera](#) from the Spanish Agroforestry Association highlighted the conclusions of an [AFINET](#) project exploring why agroforestry is not implemented more widely despite its enormous benefits to climate change mitigation, climate resilience, and the economic opportunity it offers of increasing production linked to a specific unit of land. Possible bottlenecks appear to be the lack of evaluated alternatives to current farming systems, the lack of markets for agroforestry products, labels, innovations and relevant business models. The current EAFRD measure on agroforestry does not provide sufficient incentives to foster woody perennials in farming and to promote the use of these specific resources in the bioeconomy. In order to upscale agroforestry practices and effectively support local or national strategies, the CAP payment structure should be adjusted to allow rewarding for multiple uses of land.

Further economic incentives for low-carbon practices and circular bioeconomy identified by participants	
Risk mitigation e.g. with regards to volatile energy prices	Production licenses
Efficient use and regularisation of by-products	Use of marginal land
Improved market opportunities, labels	Emission trading schemes
Reliable value chain partners and coaching	Increased information about carbon values of actions

Conclusions

More and more rural businesses integrate climate action and the low-carbon bioeconomy in their business models, through the circular use of wastes and by-products. They are switching to renewable energies and offer new bio-based products and services to other businesses and consumers. Cooperation is becoming more important in local ecosystems of bio-based, low-carbon enterprises. Adopting climate change mitigating land management practices in biomass production is often a financially smart move for primary producers and offers opportunities for income diversification. Experiences and lessons from RDPs should orient the future CAP interventions towards upscaling rural climate action and rewarding it.

TG meetings in a glance



Since September 2019, the Thematic Group has looked into the climate benefits of the rural bioeconomy and ways to incentivise and upscale related activities. TG meetings explored how to advise and promote low emission practices ([factsheet](#)), ways to help rural actors track and communicate their contribution to climate change mitigation ([factsheet](#)), and discussed the diverse economic incentives for rural climate action. Dedicated TG factsheets extend the meeting discussions with further examples from EAFRD-supported initiatives. In addition, the TG published three documents on possible climate orientations for the CAP Strategic Plans, based on exchanges in the current and previous ENRD TGs and experiences of RDPs all around Europe. All documents are available on the [web page](#) of the Thematic Group.