

ENRD webinar

2nd Thematic Group meeting on Carbon Farming

Highlights report

This was the second and final meeting of the Thematic Group on Carbon Farming, whose aim is to consider how carbon farming practices can be upscaled as a contribution to the EU's climate goal of achieving net zero emissions by 2050.

The objectives of the meeting were to build on the TG activities, including previous group discussions and contributions shared by group members, to look at different ways that initiatives monitor and measure carbon sequestration, focusing on the conditions needed to enable the upscaling of carbon farming across the EU and come up with recommendations on how this might be achieved.

Event Information

Date: 9 June 2022

Location: Virtual meeting

Organisers: ENRD Contact Point

Participants: 43 TG members from 11 EU Member States, including representatives of Managing Authorities, National Rural Networks, environmental NGOs, agricultural and forestry organisations, farm advisers, researchers and the European Commission.

Outcomes: Recommendations for upscaling carbon

farming in the EU.

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Monitoring, Reporting & Verification (MRV)

The first session examined different MRV methodologies and approaches to demonstrate that carbon farming practices have had a positive effect. **Valeria Forlin (DG CLIMA)** highlighted the importance of measuring the carbon and other co-benefits of different practices in the context of the Commission's

<u>Communication</u> on Sustainable Carbon Cycles and the development of the proposed Certification Framework. The Commission is examining the complex issues of how to ensure additionality and permanence of carbon farming activities, as well as how instances of any reversal of carbon removals can be quantified and addressed. She acknowledged the need to get the right balance between stringent MRV systems and uptake relating to the costs and burden to farmers.

Michelle Kearney (Department of Agriculture, Food and the Marine, Ireland) provided an overview of the MRV approaches that are underway in Ireland. She flagged the significant knowledge gap in quantifying national land-based emissions. Soil testing and GHG flux towers are being used to inform land management, as well as providing localised evidence on soil carbon, nitrous oxide and methane emissions and sequestration. EIP-AGRI Operational Groups (FarmPeat and Green Restoration Ireland) are exploring approaches for restoring and protecting carbon stocks in peatlands and models are under development to provide a clearer picture of the ways in which GHG emissions can be reduced through management changes that also enhance sustainability.

<u>Humus+</u> is a project operating in Austria and Slovenia that encourages farmers to increase their soil humus content. It involves 400 farmers managing almost 5,000 ha of land. <u>Gerald Dunst</u> explained that the initiative is voluntary, with farmers able to enter just one field to start and then add more land as they see the benefits. Regular soil analysis is undertaken and payments are contingent on increases in soil humus. Various events and peer learning opportunities offer technical support.

Robert Wuest (European Association of Remote Sensing Companies) outlined the role that remote sensing could play in MRV for land-based carbon removals. The benefits of using remote sensing are the reduced costs from on-the-ground measurements once the initial sample has been taken and the AI model developed, as well as the ability to run frequent checks rather than take measurements every 1-5 years.

Finally, the methodology used for the French Label bas Carbone was presented by <u>Anaïs L'Hôte</u> of IDELE, the French Livestock Institute, which aims to increase farm level actions to reduce emissions and sequester carbon. For monitoring and verification a baseline audit is conducted to assess the operation's environmental footprint and after five years of implementing mitigation measures, a second audit verifies the reductions, which are then certified and the farmer receives a payment. Monitoring to date has shown positive reductions in carbon footprint per farm after five years.



During the <u>discussion</u> TG members reinforced the point that the way in which the certification is used will influence the level of rigour and therefore complexity that is required to demonstrate impact. However, attention should be paid to the costs and administrative burden of MRV systems to avoid inhibiting farmers from participating.

Voluntary carbon market carbon credits introduce the possibility of farmers being rewarded for their removals, but also the risk of penalty for reversal or exiting schemes early. Payments using public funding, such as under the CAP, involve less financial risk. The example of hybrid payment schemes was emphasised as an alternative funding model that has been tried and tested for biodiversity, whereby farmers are paid for actions implemented and receive a bonus payment for results achieved. TG members pointed out that MRV for carbon removals should be integrated with other environmental benefits, particularly to demonstrate avoidance of externalities or negative effects.

Breakout Group Discussions

Financial incentives required to encourage land manager engagement in carbon farming & Raising awareness and building capacity amongst land managers, advisers, stakeholders, and Managing Authorities on carbon farming

A short recap of the key points from the informal group discussions with members held between the TG meetings was provided by Clunie Keenleyside as a jumping off point for the breakout groups. Valeria Forlin (DG CLIMA) responded to the points raised. She highlighted the EU Soil Mission, 'A Soil Deal for Europe', which will establish 100 living labs and lighthouses to lead the



transition to healthy soils by 2030 as well as <u>support the creation of a network for carbon farming</u>, to support the Commission in the development of the certification framework for carbon farming. The breakout groups then discussed additional issues and developed recommendations for what actors at EU and national level could do to facilitate the upscaling of carbon farming.

Financial incentives: Key points from the informal and breakout group discussions were: lack of understanding about what is meant by carbon farming; concerns that early adopters would be disadvantaged if future certification only covers additional carbon removals; uncertainty whether voluntary carbon market participation would be considered double funding if farmers also received CAP money; carbon certificates should not only be about offsetting as this risks greenwashing if companies simply buy land-based offsets rather than reducing their emissions; transparency is key to know who is purchasing credits and what they are doing with them; and credits should also have requirements beyond carbon to avoid perverse impacts on other ecosystem services.

The recommendations proposed were:

- EU level: various funding streams could be made mandatory to incentivise the uptake of CF practices, such as the
 agroforestry measure under Pillar 2 and minimum thresholds identified for environment and climate focused Operational
 Groups.
- MS level: ensure sufficient data is available for farmers to conduct cost-benefit analyses and stimulate markets for CF by-products (e.g. nuts from agroforestry); pilot hybrid funding models for CF practices and result-based top-ups; consider how private funding could take over from time-limited CAP support to provide long-term funding opportunities for farmers.

Raising awareness and building capacity: Key points from the informal and breakout group discussions were: a plea for certainty regarding future legal requirements for certification and their relationship with the CAP; the need for a holistic perspective on carbon farming as part of the farm business; the need to build the capacity of Managing Authorities to design CAP schemes that deliver multiple benefits, including carbon removals; increased training of advisors on technical knowledge on carbon farming that can be easily understood for non-specialists; the importance of demonstration farms and peer-to-peer learning for farmers to see carbon farming in situ; finding ways to overcome system barriers to certification, such as collective certification.

The recommendations proposed were:

- EU level: support capacity building and professional training for advisers on carbon farming, to ensure the latest research
 is reflected in advice to land managers; and provides guidance and networking opportunities for Managing Authorities
 to aid the co-creation of carbon farming measures, using the latest research.
- MS level: need to facilitate the implementation of CF measures and MRV, translating technical language into practice; provide support for training and awareness raising regarding the co-benefits of carbon farming through demonstration farms, peer-to-peer learning events, knowledge exchange between researchers, advisers and farmers; and enable easy access to advice and ensure farmers are aware of the risks as well as the benefits of implementing CF practices.

Next Steps

Following this final meeting of the TG a collation of good practice examples and a factsheet on upscaling carbon farming in the EU will be produced based on the TG discussions.

