



# Upscaling carbon farming in the EU

## ENRD Thematic Group on Carbon farming

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The content of this document is based on the outcomes of the discussions of the ENRD Thematic Group Carbon Farming, and does not represent the views of the European Commission.

### 1. ENABLING CONDITIONS TO OVERCOME CHALLENGES AND ENHANCE OPPORTUNITIES

Interest in carbon farming (CF) is gaining momentum within the EU. In line with the [Communication on Sustainable Carbon Cycles](#), published by the European Commission in December 2021, a range of initiatives are underway in Member States to investigate the most effective types of land management practices to promote the storage and removal of carbon from the atmosphere and how they may be financed. The Common Agricultural Policy (CAP) can support farmers' uptake of carbon farming practices in different ways, but other public funds as well as private initiatives (e.g. supply chain emission reductions and voluntary carbon markets) may also provide incentives to change agricultural management practices.

The [Thematic Group on Carbon Farming](#) (TG) aimed to explore the challenges and opportunities involved with upscaling carbon farming, taking account of the widely varying contexts within the EU in terms of farming systems, soil types and climate conditions. What emerged were a number of **key factors** that would increase farmers' **motivation** to engage with carbon farming and enhance actors' **knowledge** and **understanding** about which carbon farming practices would be most effective for their context and could deliver multiple co-benefits. The group also identified **policy challenges** associated with taking action in these areas.



## Raising awareness and building capacity amongst land managers, advisers, stakeholders, and Managing Authorities

Limited knowledge and awareness as to how to implement carbon farming effectively, what benefits those practices may provide in addition to carbon sequestration, why it may be worthwhile to integrate carbon farming into farm businesses and how to support system changes and learning are all considered to be obstacles to upscaling carbon farming in the EU. To raise awareness and build capacity, TG members suggested that:

- Public support is needed to upskill and upscale advisory support on CF
- Economic co-benefits from CF (e.g. better soil fertility, increased productivity, less inputs) should be demonstrated through farm visits and peer-to-peer learning interventions
- Research should be translatable to advisors and farmers for use in their daily work
- Clarity is required on the legal framework for certification and its relationship with the CAP
- How different land managers (e.g. tenants) may participate in CF schemes needs to be examined, given the timescales involved and the need to secure permanent carbon removals
- Collective certification may reduce administrative burden by aggregating carbon farmers
- Moreover, some additional incentives and support measures are foreseen, specifically targeting areas at risk of depopulation as well as areas with intense and extreme depopulation, such as ringfencing budgets, enhanced aid intensities, and specific selection criteria.

## Financial incentives required to encourage land manager engagement in carbon farming

Various public and private routes may be available to provide financial support and/or rewards to farmers for implementing carbon farming practices to maintain carbon stocks or removing CO<sub>2</sub> through sequestration. The TG members discussed the following issues that should be clarified to upscale carbon farming in the EU:

- CF schemes need to take a holistic approach as farmers do not view the different parts of their business in isolation – not just removals and not just carbon, all GHGs should be included
- Additionality of future carbon farming practices is critical and will affect schemes' robustness
- Farmers already storing carbon should be rewarded for maintaining and improving their stocks
- Ways should be found to encourage land managers to adopt practices that ensure the permanent removal of carbon to minimise the risk of reversal, e.g. agroforestry or peatland restoration
- Voluntary market carbon credits could work alongside funding under the CAP, similar to the way CAP funding to convert to organic is supplemented through organic premium prices
- Need to safeguard against investors purchasing land to generate carbon credits or buying offsets to avoid reducing emissions





### 3. RECOMMENDATIONS TO SCALE UP CARBON FARMING PRACTICES ACROSS THE EU

Farm level	Provide <b>training</b> and <b>advice</b> specific to farm type and agroecological context	Foster <b>peer-to-peer learning</b> re: carbon farming in practice through demonstration farms and support networks
	Build up <b>locally specific data to enable cost-benefit analyses</b> of uptake, e.g. which measures work, can the benefits be expected immediately or in the medium-longer term, what are the risks of implementation and how to manage those risks	Highlight ' <b>what's in it for the farmers</b> ' – productivity improvement with humus increase and better soil fertility, better water-holding capacity, lower fertilisation input costs, reduced nutrient loss from the system, as well as potential additional income streams and diversification opportunities
MS level	Enable <b>availability</b> and <b>access to trained advisory services</b> (e.g. digital vouchers in the NL) to support uptake of CF practices with technical knowledge	Raise awareness and design schemes that recognise <b>wider ecosystem co-benefits</b> from CF (e.g. soil fertility, biodiversity, climate adaptation, etc.) rather than just carbon
	Ensure <b>clear requirements</b> for certification schemes and that <b>farmers understand their obligations and rights</b> (e.g. possible financial penalties for reversal)	Promote <b>research where knowledge is co-created</b> (Operational Groups and living labs), aiming to increase knowledge flows between multiple actors (academia, advisory, farmers)
European	Provide <b>capacity building and support for Managing Authorities</b> in designing CF interventions (e.g. how to conduct monitoring, reporting and verification (MRV), how to simplify to avoid administrative burden for farmers, etc.)	Encourage <b>other funding models and uses of carbon removal certifications</b> , e.g. insetting (emissions reductions within companies' supply chains), hybrid payment schemes – less focus on offsetting and voluntary carbon markets
	Consider ways to <b>increase the use and uptake of Pillar 2 measures</b> that support CF practices with significant mitigation potential (e.g. agroforestry and peatland rewetting)	Require <b>minimum thresholds for European Innovation Partnership funding</b> to be used for Operational Groups aimed at agri-environmental topics, which could increase cooperation and research on CF practices through piloting and testing
	Confirm that <b>first adopters</b> will <b>not be penalised for early uptake</b> by lock-in to schemes and/or changing rules	Integrate <b>safeguards</b> as to how carbon credits generated in the EU may be used (by whom, for what purpose) and <b>protect against negative externalities</b> from CF practices