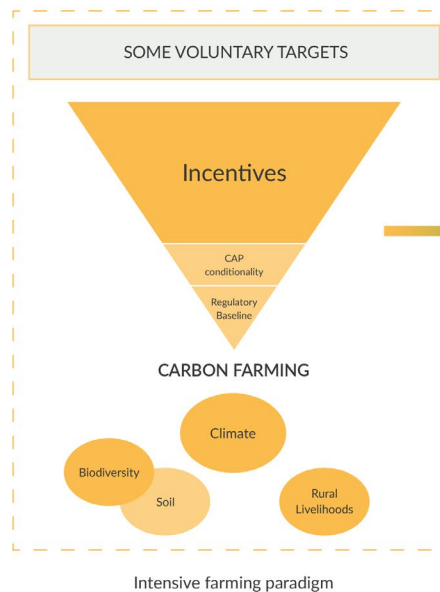


Carbon Farming: Policy recommendations to deliver win-win-wins for climate, nature and farmers

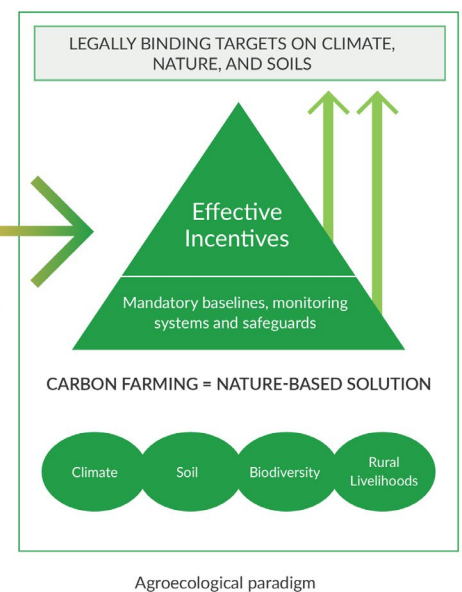
The current policy and legislative landscape surrounding carbon farming is riddled with gaps and inconsistencies. The absence of overarching European legislation on soil contributes to the continuous degradation of many soils within Europe and the Common Agricultural Policy is failing to deliver improvements at scale. The regulatory framework to protect soils is very weak, while policy measures focus on incentives and voluntary targets, with limited impact. This gives the picture of an inverted pyramid, precariously balancing on its pointy end.

To harness the win-win-win potential of carbon farming and drive policy and private sector action in the right direction, the EU must tip the pyramid back on its base and develop a coherent and ambitious policy mix, around the following 5 key recommendations:

Current policy framework



Needed policy framework



1. Ensure carbon farming delivers nature-based solutions

Carbon farming schemes must deploy nature-based solutions: “actions to protect, sustainably manage and restore natural or modified ecosystems that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.”

- » Carbon farming schemes must take a holistic approach: to enrol the whole farm, account for all relevant GHG fluxes, and integrate environmental and socio-economic co-benefits.
- » Carbon farming schemes must apply the precautionary principle: to only allow practices whose climate and environmental benefits are scientifically proven and set additional safeguards to prevent potential harmful impacts.



2. Set legally binding targets on climate, nature, and soils

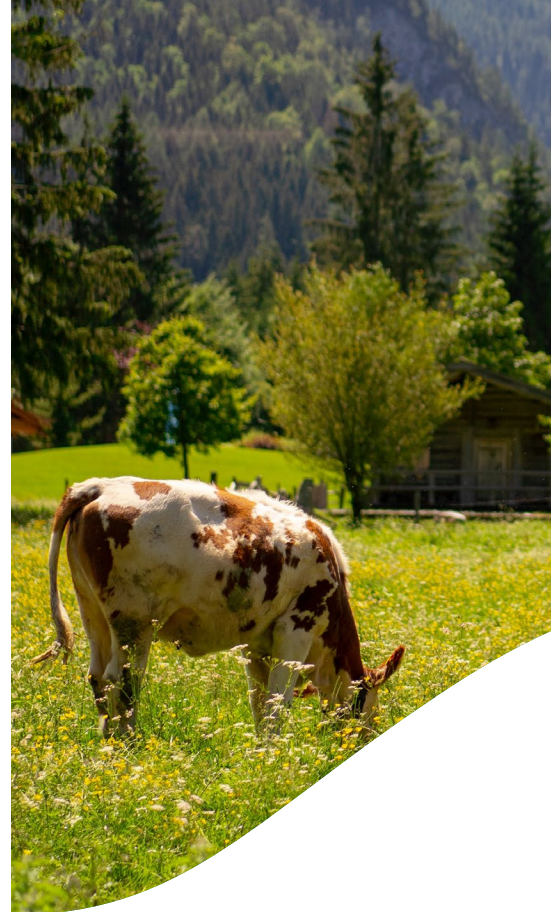
To drive large-scale and rapid action for the protection and enhancement of carbon sinks, the EU should set a range of legally-binding targets in relevant legislation:

- » The Land Use and Land Use Change (LULUCF) regulation should include targets to achieve net-zero emissions from agricultural land use by 2030.
- » The Effort Sharing Regulation should aim to reduce agricultural emissions by 20% by 2030 compared to 2005.
- » The upcoming Nature Restoration Law needs to include ambitious and time-bound targets for the restoration of carbon-rich ecosystems.
- » A new Soil Law must set qualitative, time-bound targets for soil protection and restoration.

3. Establish mandatory baselines, monitoring and safeguards

To build carbon farming schemes on strong foundations, the EU should develop a coherent regulatory framework for carbon farming through climate, soil, and nature restoration legislation including:

- » Mandatory baselines for all land managers: Basic land management practices, which maintain soil functionality, should be mandatory. To do so, strengthen the Sustainable Use of Pesticides Directive and implement conditionality ambitiously in the Common Agricultural Policy (CAP).
- » Better data collection and monitoring systems: Carbon farming requires high quality and quantity of data on soil, for which common EU definitions, indicators, and data collection and monitoring systems are needed. Climate models for emissions and removals on land, and reporting methodologies must also be upgraded urgently.
- » Legal safeguards: Carbon farming must have at its core the polluter-pays, precautionary, 'pollution prevention at source' and 'do no harm' principles. Enshrine a 'no deterioration' obligation in law to protect existing C stocks, and to provide guarantees of permanence after carbon farming schemes end.



4. Develop a coherent policy mix of effective incentives

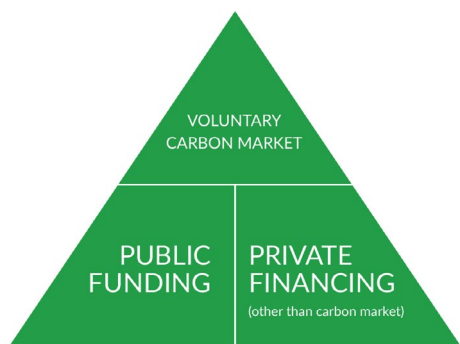


Figure 6: Strategic hierarchy of funding models for carbon farming

Create the right economic incentives for farmers and make financial support available, to help them cover the extra costs of transitioning to sustainable soil management. Many businesses and policy-makers are turning to voluntary carbon markets to finance carbon farming, but in the current regulatory vacuum, these could undermine genuine climate action, place too much burden on farmers, create unequal incentives and distort competition, or even lead to perverse incentives.

Alternative private financing models based on regional or value chain collaboration, which have demonstrated broad and long-lasting benefits, should be prioritised, alongside public funding. To mobilise this public and private funding strategically and effectively, a robust policy mix should consider the following priorities:

- » Engage with all food system actors to promote best practice.
- » Establish basic rules for all result-based carbon farming schemes, including at least:
 - » result-based schemes must enrol the whole farm and account for all GHG fluxes linked to land management practices (including from machinery and inputs);
 - » carbon farming schemes must focus on nature-based solutions for the management of land-based emissions and removals. Livestock rearing should only be considered within carbon farming schemes in relation to land management.



- » Ensure high ambition in CAP Strategic Plans.
- » Regulate voluntary carbon markets to ensure high environmental integrity and additionality, including by:
 - » putting in place a “corresponding adjustment” mechanism which “tops up” legal LULUCF targets with voluntary credits financed by non-state actors (i.e. legal targets are increased proportionately) so that carbon removals financed through voluntary carbon credits are truly additional to mandated efforts;
 - » establishing a robust system to ensure permanence, mitigate the uncertainty of measurements and account for risks of reversal, e.g. time-weighting of credits, precision buffers, and buffer accounts;
 - » restricting the eligibility for carbon credits to the most effective, secure and no-regret practices, such as peatland rewetting and restoration, and establishment and restoration of agroforestry systems;
 - » only allowing genuine net removals (accounting for the whole farm GHG budget) to give rise to carbon credits. “Avoided emissions” (e.g. non conversion of grassland to cropland) or reduced emissions should not be compensated through tradeable carbon credits.
- » Reject “climate-neutral” corporate claims: companies must be required to communicate separately about their emissions and offsets, and to offer full transparency and traceability for their offsets.
- » Leave no one behind: result-based carbon farming schemes provide unequal economic incentives to farmers based on their starting soil carbon levels, soil type and climatic context. Support must also be available for farmers who do not have large additional carbon sequestration potential.

5. Invest in enabling factors: knowledge, culture, and infrastructure

Insights from behavioural change theories point to three key levels where enabling factors are crucial to facilitate change: the individual, social, and material level. Based on this model, we draw attention to three key enabling factors:

- » Invest in farmers’ knowledge by supporting peer-to-peer knowledge exchange and ensuring farm advisors are well trained in soil science and independent from economic interests.
- » Steer a soil care revolution, underpinned by renewed interest in ecology and biology. Invest in changing the cultural norms of farmers, policy-makers and the wider society.
- » Develop infrastructure for accessible soil testing and support sustainable investments in adapted machinery and farm infrastructure.



More information

This brochure is a summary of the EEB report “Carbon Farming for climate, nature and farmers”.

More information and all scientific references can be found in the full report at www.eeb.org/library/carbon-farming-for-climate-nature-and-farmers

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