

# Analytical Support for the Operationalisation of an EU Carbon Farming Initiative

### **Project**

#### **Duration**

Nov 2018 - Nov 2020

Agriculture and land management are increasingly recognised as central elements of the EU's response to the climate crisis. Agriculture is responsible for over 10 % of emissions within the EU, while also contributing to emissions outside of the EU linked to imports of inputs such as animal feed. Agriculture is also central to the management of carbon sinks in arable land, grasslands, peatlands and landscape features.

Carbon farming refers to diverse practices that farmers can apply to reduce emissions, as well as maintain and increase carbon stocks on agricultural land. Carbon farming can include agro-ecological practices with strong co-benefits for biodiversity and adaptation. It can also include technological approaches such as manure storage and management, animal breeding and feeding strategies, or the application of nitrification inhibitors to reduce emissions associated with fertilizer applications.

This study explored how result-based carbon farming payment schemes could be set up to trigger widespread adoption of carbon farming in the EU. Result-based schemes differ from action-based schemes in that payment the farmer receives depends directly on the measurable climate benefits they deliver. By focusing on results rather than prescribing the actions that farmers should take, these schemes have the potential to offer flexibility to farmers.

# The study:

- Synthesised experiences from global and EU initiatives to identify good practices, barriers and
  potential solutions for implementation of result-based payments. The analysis examined lessons
  learned along different design dimensions, including: scheme governance, coverage and
  eligibility, baseline and additionality, measurement, monitoring and verification, reward
  mechanism, transparency and reporting, permanence, risk and flexibility mechanisms, and
  acceptance and barriers.
- Explored possible design for payments within EU context for five potential areas ("case studies"): peatland rewetting, agroforestry, maintenance and enhancement of soil organic carbon on mineral soils, carbon audit on livestock farms, and soil carbon management on grasslands.
- Developed a technical guidance document to support the development of result-based payment schemes within the EU context.

# **Role of Ecologic**

In the study, Ecologic Institute led the work on identifying EU-specific solutions to barriers and challenges for carbon farming scheme design, organised a stakeholder workshop, and coordinated the case studies on soil organic carbon in mineral soils and the farm carbon audit. Ecologic Institute also contributed to the initial review of international schemes and the development of the final guidance.

# **Funding**

European Commission, Directorate-General for Climate Action (DG Climate), International

#### **Partner**

<u>COWI</u>, Denmark <u>Institute for European Environmental Policy, London</u> (IEEP), United Kingdom <u>Ecologic Institute</u>, Germany

## **Team**

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