



*Extraction from Europe's vast peatlands - as here in Connemara, Ireland - is just one part of the agrifood industry studied by the EU as it moves towards a carbon farming framework.*

## **EU to launch carbon farming framework by end-2021 following two-year study**

April 29, 2021

[The European Commission](#) - the executive branch of the EU administration which is responsible for proposing bloc-wide legislation - has published the findings of its two-year study into creating a "carbon farming" framework for the EU.

# Why Carbon Farming ?



*Carbon Farming and Regenerative Agriculture can restore functional ecosystems, mitigate against climate effects, protect from drought, improve water quality, attenuate flooding, restore biodiversity and create healthy and sustainable communities.*

*At national level, while decarbonising our energy and transport sectors, we have to also RE-carbonise our landscapes, building healthy and resilient soil biology, vegetation, woodland cover and biodiversity to return atmospheric carbon to its natural cycle in living terrestrial systems.*

## *What is Carbon Farming ?*

*Carbon farming is an integrated green business model for agriculture that can create new income streams for rural communities while making our landscapes and bioregions more resilient to climate change.*

*How does it  
work?*





## Carbon credits and markets – an overview



A project that reduces greenhouse emissions can generate carbon credits that are certified under the Kyoto Protocol or voluntary standards. The carbon credits can be sold to governments or companies in industrialized countries who will use them to meet regulatory or voluntary requirements to lower emissions of greenhouse gases globally.

There are several different carbon markets:

	<u>Examples</u>	<u>Key features</u>
<b>Compliance markets</b>	<ul style="list-style-type: none"><li>• EU Emission Trading Scheme</li><li>• Kyoto Protocol market</li><li>• New Zealand Emission Trading Scheme...</li></ul>	<ul style="list-style-type: none"><li>• Different types of compliance carbon credits</li><li>• Kyoto credits (CDM and JI) can be sold to Kyoto and EU markets</li><li>• High liquidity</li><li>• Unit price varies little across projects, but premium for Gold Standard certified projects</li></ul>
<b>Voluntary markets</b>	<ul style="list-style-type: none"><li>• GS VERs</li><li>• VCUs</li><li>• VERs for Chicago Climate Exchange,...</li></ul>	<ul style="list-style-type: none"><li>• Carbon credits generated on the basis of voluntary standards</li><li>• Not suitable for compliance purposes</li><li>• Prices vary with quality of projects, with Gold Standard projects fetching the highest price</li></ul>



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What are the drivers at  
EU policy level ?



# LULUCF

(Land Use, Land Use Change, and  
Forestry)

The LULUCF regulation mandates that  
GHG emissions do not exceed removals in  
the Land Use sector.

## EU's commitment

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The Regulation sets a binding commitment for each Member State to ensure that accounted **emissions from land use are entirely compensated** by an equivalent accounted removal of CO<sub>2</sub> from the atmosphere through action in the sector. This is known as the “**no debit**” rule.

Although Member States already partly undertook this commitment individually under the [Kyoto Protocol](#) up to 2020, the Regulation enshrines the commitment for the **first time in EU law** for the period 2021-2030.

Moreover, the **scope is extended** from only forests today to all land uses (including wetlands by 2026).



Executive Vice-President for the European Green Deal Frans Timmermans said: *“Our climate action must first and foremost reduce human-made emissions. But we also need to **restore and protect natural carbon sinks**, so that we can capture CO2 from the atmosphere and store it in our soils and forests. **Carbon farming offers new income opportunities for farmers.** It is an example of how the new Common Agricultural Policy’s ecoschemes and private funding can reward agricultural practices that help us fight the climate and biodiversity crises.”*

Carbon farming can be promoted via EU and national policies and private initiatives. This new type of financial support will create a new source of income for land managers. Member States will be able to accelerate the roll out of carbon farming practices in the context of the [Common Agricultural Policy \(CAP\)](#), for instance via eco-schemes or rural development support, and through State aid. Depending on the outcome of the CAP negotiations, eco-schemes can bring between EUR 38 billion to EUR 58 billion to farmers. The Commission already included carbon farming in its [recommendations](#) to the Member States' CAP Strategic Plans. The Commission is furthermore organising a [workshop](#) on 25 May to help Member States design carbon farming schemes in their CAP Strategic Plans.



Pilot projects are also co-financed by the EU through the LIFE programme and the European Regional Development Fund, among others.

## More information

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### ***Carbon Farming Study:***

- [Executive summary](#)
- [Technical Guidance Handbook](#)

## Climate Change Advisory Council Annual Review 2020: Agriculture

“Specific policy innovation to encourage and enable higher rates of afforestation and improved management of high carbon soils, including peatlands are required. The Council recommends that the role of farmers in the management of carbon stocks be acknowledged and that farmers should be incentivised to adopt measurable and verifiable practices that sequester carbon. Council recommends positive, constructive engagement with the EU Farm to Fork Strategy initiative. In particular, to help achieve both greenhouse gas emissions reduction and other environmental benefits such as improved water quality, the Government should introduce measures to significantly reduce nitrogen use by 2030.”

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## Commission sets the carbon farming initiative in motion



27/04/2021



Today the European Commission published the final report of a two-year study on how to set up and implement carbon farming in the EU. Building on this study and on the input from several EU-funded projects and events, the Commission plans to launch the carbon farming initiative by the end of 2021.



The first legal proposal is expected by the end of 2021 with the Carbon Farming Initiative, while a Carbon Removal Certification Mechanism already announced in the Circular Economy Action Plan is due to be presented by 2023.



## The Four Pillars of Carbon Farming :

- Agroforestry
- Peatland Restoration
- Mineral Soil Regeneration
- Livestock Carbon (and Energy?) Audit



What are we  
*doing* about it?

Carbon farming in Ireland:

Cooperative solutions for  
climate mitigation.



Farm:Carbon

- Assessing Baselines
  - Implementing Regenerative Practices
  - Measuring Outcomes
  - Developing PFR and MRV schemas
- 



Farm:Carbon

- Landscape Scale Sustainability Planning
  - Alternative incentive structures for Regenerative Agriculture
  - Valuation and payment for *'secondary production' of ecosystem co-benefits.*
- 



- Enhancing soil organic carbon in depleted arable land, which also improves the productivity and resilience of farming activities;

Green Restoration Ireland are partnering with Trees On the Land to assess baseline conditions for their Silvo-Arable EIP study as part of our contribution to the development of a national Carbon Farming pilot scheme.

- Planting new forests, restoring degraded forests, and improving the management of existing forests;

GRI's Farm:Carbon EIP will be the first sub national Carbon Farming pilot programme in Ireland. Optional measures include Riparian Woodland buffers, Native Woodlands, Orchards, and Agroforestry.

- Supplying biomass for the production of long-lasting bio-based products;

In partnership with the Fraunhofer Institute, Germany, Farm:Carbon will trial paludiculture/wet-agricultural in preparation for the production of insulated panel boarding from reeds/rushes/wetland cropping systems.



- Protecting carbon-rich soils, such as grasslands and peatlands, thanks to appropriate management techniques.

Drained peat soils in Ireland are the largest single land use emission at an estimated 8 megatonnes tonnes of carbon dioxide emitted per annum.

The primary focus of the Farm:Carbon EIP is the delivery of a Payment for Results Scheme to incentivise and accelerate Peat Soil Rewetting in Ireland.

Where can I  
find more  
information on  
Carbon  
Farming ?





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## Setting up and implementing result-based carbon farming mechanisms in the EU Technical guidance handbook

This Technical Guidance Handbook is intended to support the development of result-based payment schemes for carbon farming in the EU. The Handbook has been prepared as part of a wider study Analytical support for the operationalisation of an EU Carbon Farming Initiative, funded by the European Commission, which explores the options for wide-scale adoption of result-based carbon farming schemes or initiatives linked to climate change mitigation and adaptation. The Guidance is based on the two published reports from the first part of the study: -- a review and analysis of existing international and EU carbon farming schemes (COWI et al., 2020); and - the Annexes to this Technical Guidance Handbook, five detailed case studies of emerging result-based carbon farming initiatives in the EU, based on analysis of published documents and interviews conducted with stakeholders (COWI et al., 2021). The case studies examine five key thematic areas, analysing the potential for using result-based carbon farming payments in an EU context: peatland restoration and rewetting; agroforestry; maintaining and enhancing soil organic carbon (SOC) in mineral soils; managing SOC on grasslands; and livestock farm carbon audit. The Guidance also draws on relevant EU experience of result-based payment schemes for farmland biodiversity, developed over the past 25 years.

# Thank You

For more information  
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