

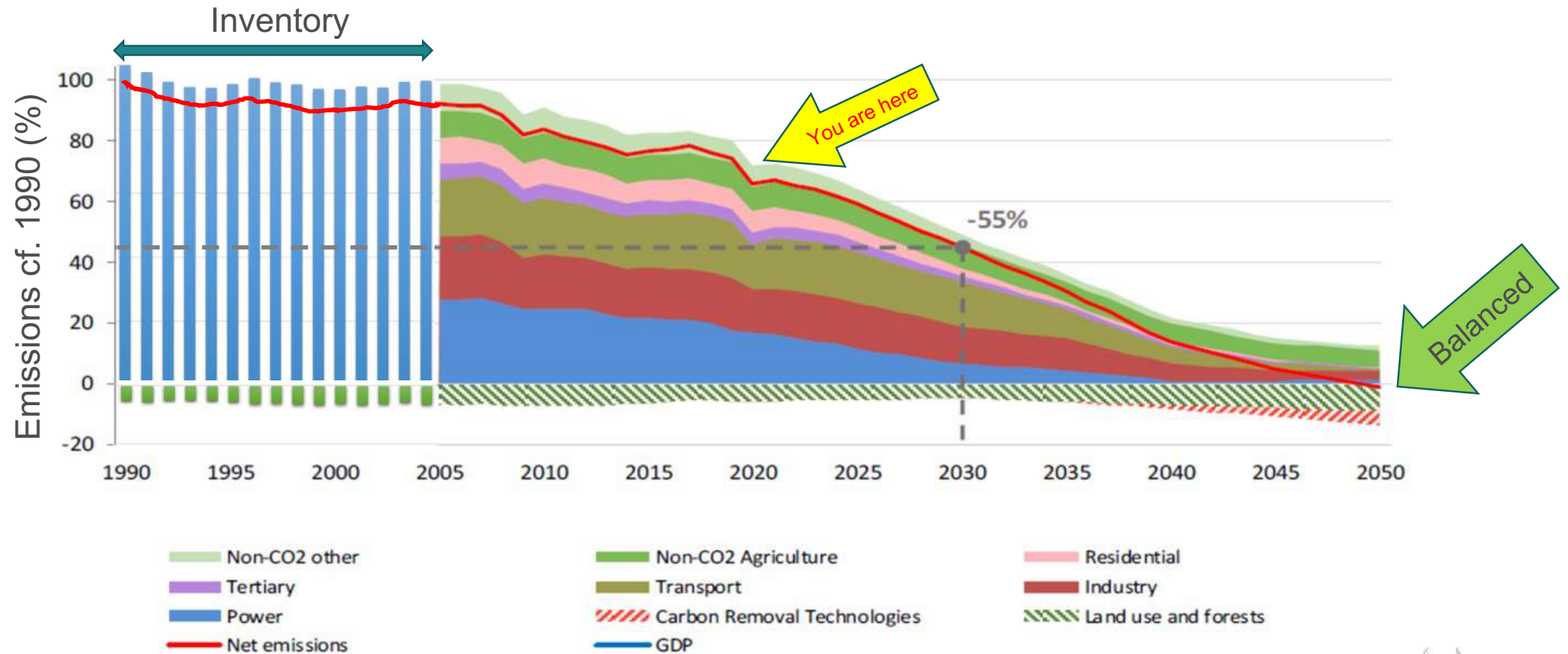


Climate Action in Agriculture and Forestry

The new proposals under the Green Deal

New business opportunities for farmers and foresters

Pathway to climate neutrality



Policy

New proposal for a
Regulation on Land Use,
Forestry, and Agriculture
July 2021



EU-target of net carbon removals of at least 310 Mt in 2030

Climate-neutrality for the land-sector by 2035

Simplified governance for Member States' planning and target compliance

How to bring better
incentives to farmers and
foresters and create a better
business model for them?



Policy Communication on Carbon farming
14 December 2021

Certification of carbon removals
Commission proposal in Q4 2022

Carbon farming

**Adoption of
more climate-
friendly
management
practices for
soils and
forests**

The diagram consists of two overlapping circles. The left circle is light green with a dark green border and contains text about climate-friendly practices. The right circle is light blue with a dark blue border and contains text about rewards for carbon sequestration. A dark green arrow points from the left circle to the right circle, indicating a causal link.

**Reward for
additionally
sequestered
ton of carbon
(EUR per ton
of carbon)**

European examples for carbon farming

Technical Guidance Handbook

Available experience

Technical Readiness



Peatland Restoration and/or Rewetting



Agroforestry

Livestock



Grassland



Soil Organic Carbon



Upscaling carbon farming

Private revenues and public support

Carbon markets

Common Agricultural Policy

Horizon Europe, LIFE, cohesion funds

State aid

Transparent rules for high-quality carbon credits

Common standards

Monitoring, reporting and verification

Advisory services

Long-term perspective for regulated EU carbon markets

Timeline

Publication of
Handbook on
carbon farming

Q2 21

Fit-for-55 package
Commission
proposals on 2030
climate targets

July 21

Communication
“Restoring
Sustainable
Carbon Cycles”

Strategy on
carbon removals

14 Dec 21

Conference
on carbon
farming and
carbon removal
certification

Q1 22

Commission
proposal for **EU**
standard on
carbon
removal
certification

Q4 2022

Links

- Legislative proposal on a new Regulation for Land use, forestry, and agriculture [Delivering the European Green Deal | Climate Action \(europa.eu\)](#)
- Our webpage on [Carbon Farming | Climate Action \(europa.eu\)](#)
- Press release on the publication of the Handbook https://ec.europa.eu/clima/news/commission-sets-carbon-farming-initiative-motion_en
- Executive summary of Handbook <https://op.europa.eu/en/publication-detail/-/publication/b7b20495-a73e-11eb-9585-01aa75ed71a1/language-en>
- Technical Handbook <https://op.europa.eu/en/publication-detail/-/publication/10acfd66-a740-11eb-9585-01aa75ed71a1/language-en>
- Annexes with the case studies <https://op.europa.eu/en/publication-detail/-/publication/99138c98-a741-11eb-9585-01aa75ed71a1/language-en>

Technical Guidance Handbook

Setting up and implementing result-based carbon farming mechanisms in the EU



See links in the last slide

Main study: design elements, decision trees, key steps

Annexes: five case studies, concrete examples of implementation on the ground

Background doc: Lessons learned from existing result-based carbon farming schemes and barriers & solutions for implementation within the EU

Technical Guidance Handbook

Setting up and implementing result-based carbon farming mechanisms in the EU

Feasibility assessment

- mitigation potential
- suitability of result-based payments
- cost-effectiveness of MRV
- scalability...

Planning & development

- knowledge building
- availability of auditors
- set-up and running costs
- governance...

Key design elements

- Sources of funding: EU (CAP), private markets, supply chain
- Objectives and eligibility
- Indicators and MRV
- Payment levels...

Stakeholder engagement, capacity building, transparency

The collage includes several key elements:

- Flowchart (Top):** A decision tree for identifying and developing a result-based carbon farming scheme. It starts with identifying potential actions (Section 3.3.1) and asks if there is evidence of net carbon emissions reduction. If yes, it checks if indicators meet criteria (Section 3.3.3 & 3.3.5) and if farmers are likely to accept the risk (Section 2.1.3). If all are yes, it leads to developing a 'pure' result-based scheme (Section 2.1.4). If any are no, it suggests developing a hybrid or action-based scheme.
- Box 2 (Middle):** Lists co-benefits from agroforestry, such as reduced soil erosion, improved soil functionality, diversified income streams, improved animal welfare, and pollination services.
- Text (Middle):** Discusses the potential for negative impacts, such as displacing food production or disrupting food processing enterprises, and the need to manage these interactions.
- Section 3.3.3 (Middle):** 'Assessing suitability for a result-based scheme', highlighting that result-based schemes have advantages over action-based ones when they are practical and cost-effective.
- Text (Bottom):** Lists factors central to determining a cost-effective result-based scheme, including the ease and degree of certainty with which results can be measured.
- Figure 5 (Bottom):** A diagram titled 'Development process for a result-based carbon farming scheme'. It shows 'GOVERNANCE' at the top, connected to 'Funding source (section 5.1)', 'Objectives & eligibility (section 5.2)', and 'Result indicators (section 5.3)'. These lead to 'Monitoring, Reporting and verification (section 5.4)', which is connected to 'Evaluation (section 5.6)'. 'Monitoring, Reporting and verification' also leads to 'Establishing the payment (section 5.5)', 'Ensuring permanence (section 5.6)', and 'Approaches to non-compliance and fraud (section 5.7)'.