



# LANDMARC

LAND-use based MitigAtion for Resilient Climate pathways

## Visions and Pathways for CDR in the EU

### Carbon farming, MRV and finance

#### Key messages

- Need to improve coherence and reduce complexity of policy mixes (*policy complementarity*)
- Need to limit/reduce admin. burden for (carbon) farmers & related bio-economy (*not just CAP*)

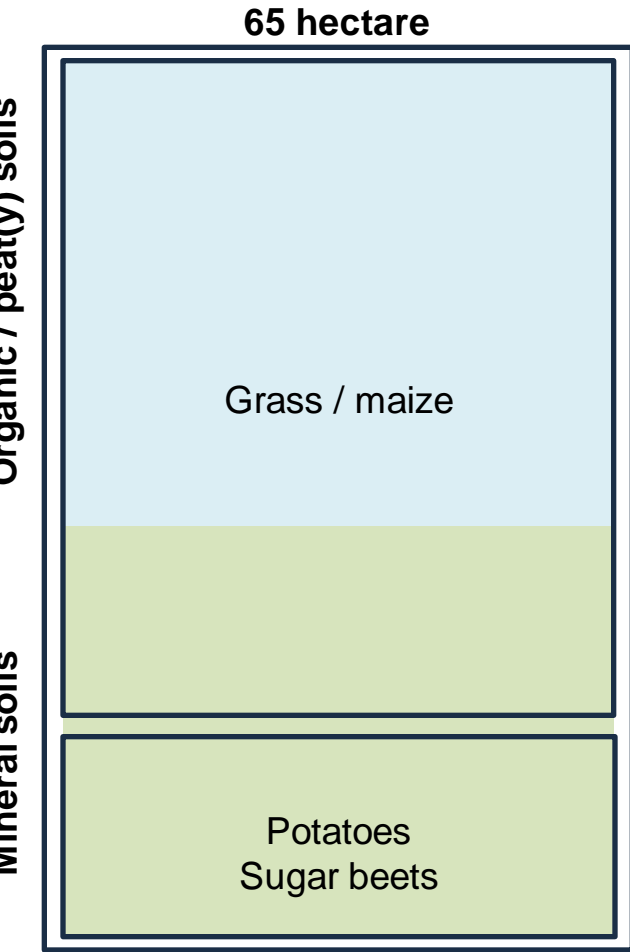
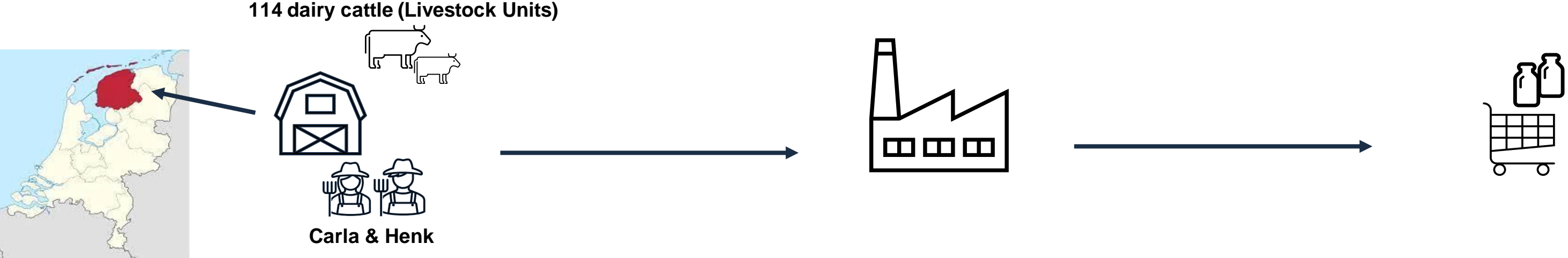
Eise Spijker - JIN Climate & Sustainability, The Netherlands

18 April 2024



# Carbon farmers' perspective

Dairy farmers Carla & Henk: committed to take climate action, they seek to secure a decent future farm income!



Carbon farming options portfolio (Goal → net zero in 2050)		Climate effect			
		Reduction		Removal	
		CO2	Non-CO2	Permanent	Temporary
1	Reduce or terminate livestock farming		X		
2	Animal feed measures (reduce enteric CH4)		X		
3	Manure management with biogas	X	X		
4	Carbon capture use or storage (biogenic CO2)	X		X	X
5	Organic fertilizers	X	X	X	X
6	Biochar	X		X	X
7	Organic soils: rewetting/paludiculture	X			X
8	Mineral soils: No till/permanent grasslands	X			X
9	Agroforestry (e.g., hedgerows, trees)				X
10	Alternative crops (e.g., fibre/energy crops).	X			X



# A maze of (dis)incentives



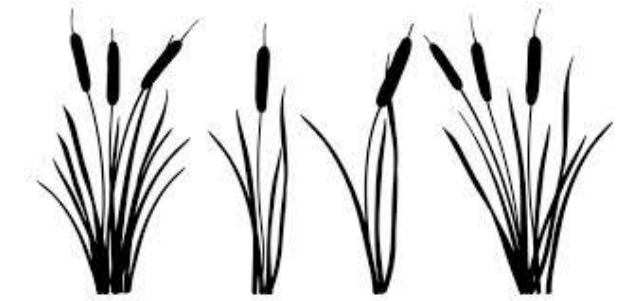
Carla & Henk need a green performance valorisation roadmap & tools!

	Carbon farming options portfolio											
	1	2	3	4	5	6	7	8	9	10		
	Less cattle	Terminate livestock farm	Enteric CH4 (feed)	Biogas	CCU / CCS (biogenic CO2)	Organic fertilizer	Biochar	Rewetting peat soils	Paludiculture	Permanent grassland	Hedge-rows / afforestation	Alt. crops (fuel / fibre)
<b>Mapping the relevant 'policy mix'</b>												
Livestock buy-out schemes vol./obl. – (LBoS)	X	X		X				X	X	X	X	X
Derogation - Nitrate Dir. – (NiD)	X			X		X						
National forest strategy funds											X	
National peat meadow strategy funds	X			X				X	X			
Meadow bird action plan – (BMAP)	X			X				X	X			
Eco-schemes – CAP – (EcoS)	X			X				X	X	X	X	X
RENURE (Fert. Dir.) – (RENURE)				X		X	X					
Renewable Energy Feed-in premium - RED – (REFiP)				X								
Ren. Fuel Blending Obligation - transport – RED – (RFBO)				X	X							X
Green gas blending obligation - residential – RED – (GGBO)				X	X							X
EU ETS - ETS Directive – (ETS)				X	X							
Voluntary carbon market - (VCM)			X	X	X	X	X	X	X	X	X	X
Scope 3 supply chain / CSRD initiative - (Scope 3)	X		X	X		X		X	X	X	X	X
Min. share biobased in buildings - (BBMB)	X								X			X
Nat. water level management to mitigate soil subsidence – (WLM)	X		X	X				X	X			

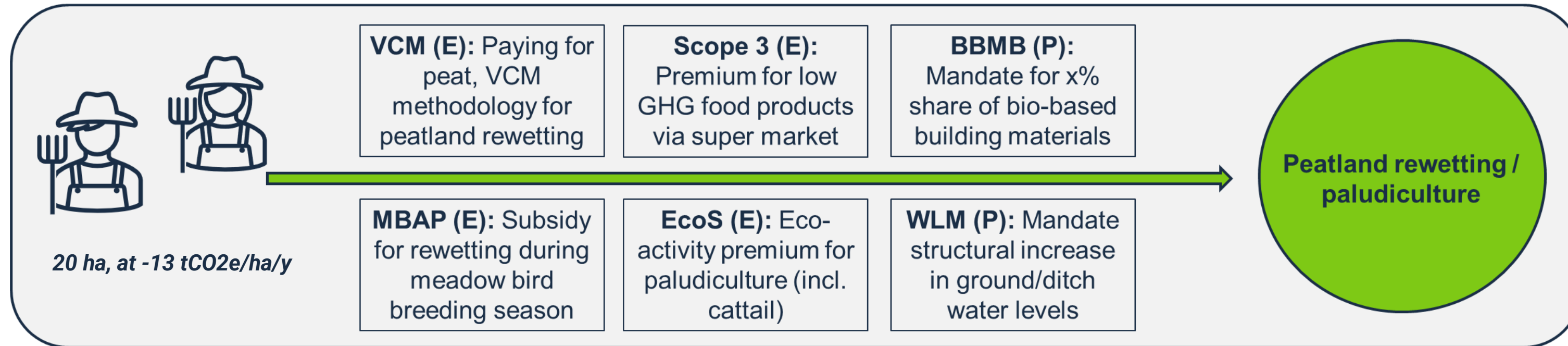


# Route to market (€)

## Peatland rewetting / paludiculture



Mix of existing (E) and planned (P) incentives



### Mix of (dis)incentives

- Market incentives
- Subsidies
- Mandates

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
VCM														
MBAP														
EcoS														
Scope 3														
BBMB														
WLM														

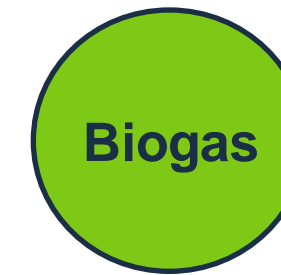
### Issues & challenges

- Changing policy mix & policy complementarity issues (competing incentives)
- Changing baselines and additionality
- MRV-C differences, overlaps for various incentive schemes
- Accumulating transaction costs and opportunity costs

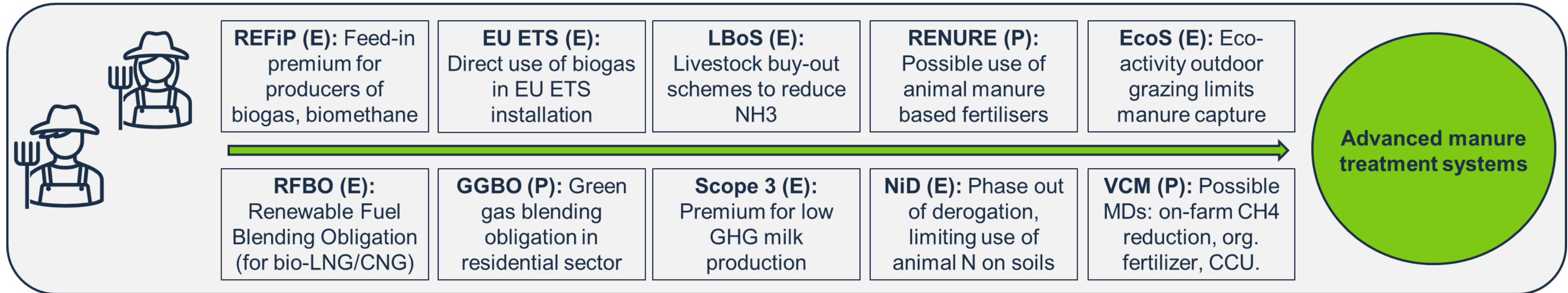


# Route to market (€)

Advanced integrated manure management



Mix of existing (E) and planned (P) incentives



## Mix of (dis)incentives

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REFIP														
RFBO														
ETS														
GGBO														
LBoS														
EcoS														
RENURE														
NiD														
VCM														
Scope 3														

## Issues & challenges

- Changing policy mix & policy complementarity issues (competing incentives)
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# Accumulating paperwork

## Monitoring, Reporting, Verification, & Certification (MRV-C)

Incentives / policies	Type of instrument	Application	Certification	Tradeable titles
Buy-out schemes livestock ( <b>LBoS</b> )	Subsidy (vol./obl.)	LBV & LBV+		
Derogation ( <b>NiD</b> )	N.A.	Derogation		
National forest strategy funds	Subsidy	SNL		
National peat meadow strategy funds	Subsidy	ANLb		
Meadow bird action plan ( <b>BMAP</b> )	Subsidy	SKNL		
Eco-schemes ( <b>EcoS</b> )	Subsidy	RVO eco-scheme	<b>Food products (bio):</b> SKAL	
Product quality certifications	Regulation		<b>Building materials:</b> CPR/PEF <b>Fertilizers:</b> EU fertilizer directive / RENURE <b>Bioplastics:</b> ISCC	
Ren. energy Feed-in premium ( <b>REFiP</b> )	Subsidy	<u>SDE++</u>	Guarantees of Origin certification Sustainability of bioenergy	
Biofuel blending obl. - transport ( <b>RFBO</b> )	Market based green premium (obl.)	<u>RFBO</u> registry	Guarantees of Origin certification Sustainability of biomass (ISCC / Better Biomass)	GoO RFUs / GHGUs
Green gas blending obl.- res. ( <b>GGBO</b> )	Market based green premium (obl.)	<u>GGBO</u> registry	Guarantees of Origin certification Sustainability of biomass	GoOs GHGUs
EU ETS ( <b>ETS</b> )	Market based green premium (obl.)	<u>EU ETS</u> registry	Guarantees of Origin certification Sustainability of biomass	GoO EUAs
Voluntary carbon market ( <b>VCM</b> )	Market based green premium (vol.)	VCM registries - <u>SNK</u> - <u>ONCRA</u>	<b>SNK:</b> Rewetting, Permanent Grassland, Enteric CH4, Building materials, Organic fertilizers, Agroforestry-T.O.F. <b>ONCRA:</b> Construction stored Carbon, Land stored carbon	VcUs, CORCs
Scope 3 supply chain ( <b>Scope 3</b> )	Market based green premium (vol.)		AH Beter Voor / RFC – Foqus Planet	

### Selection of paperwork required to have a chance to get funded!

- Which scheme gives best return at lowest admin expenses/effort?

**Strategy:** Due to the complex policy landscape and MRV-C requirements - Carla & Henk decide to wait with investing in climate actions!

Carla & Henk need a green performance valorisation roadmap & tools!  
*(Not just for CAP!)*

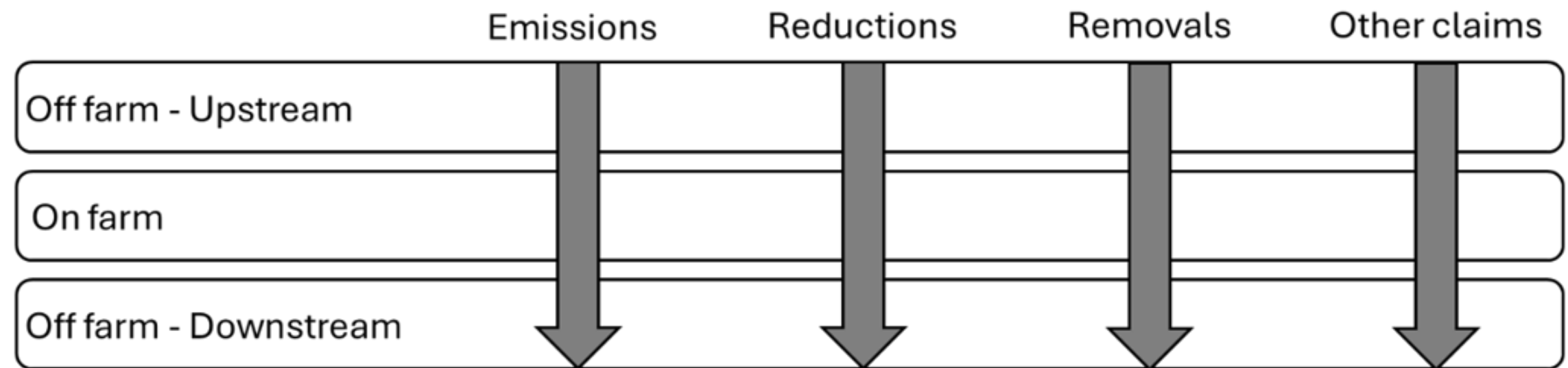


# Other MRV-C challenges

For multiple (carbon) farming & bioeconomy product categories

## Dealing with multiple product categories

- Mass balance, chain of custody
- MRV-C differences
- Impact allocation
- Biomass cascading issues
- Transaction costs



## Impact allocation & resource use cascading principles



RED-III: **[biomass cascading]** "aims to achieve the resource efficiency of biomass use by prioritizing, wherever possible, the material use of biomass over its energy use, thus increasing the amount of biomass available within the system. Such an alignment is intended to ensure fair access to the biomass raw material market for the development of innovative, high value-added bio-based solutions and a sustainable circular bioeconomy."



# Discussion points

- **How to limit the administrative burden for (carbon) farmers?**
  - Streamlining and integrating GHG/sustainability (green) MRV-C systems?
  - Decoupling MRV-C processes from incentive schemes?
  - Provide support (self-diagnostics tools, policy instrument databases & guidance) for market actors to reduce search & transaction costs for obtaining support?
  - Better linking of 'green' registries?
- **How to design a coherent policy mix for (carbon) farming?**
  - EU CRCF adds to already existing complex incentives and MRV-C landscape for agriculture.
  - Start reflecting on coherence / complementarity and proportionality of policy mixes for (carbon) farming & related bio-economy.



Council of the EU | Press release | 26 March 2024 09:35

**Support for farmers: Council endorses targeted review of the common agricultural policy**

Only CAP?

**Questionnaire for the 2024 project “Simplification – the farmers point of view”.**





**Background paper (forthcoming):**

## **‘Assessing the complex landscape for valorisation and certification of carbon farming activities’**

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### **Call to action:**

Carbon farming and policy experts invited to nuance / contribute / review the background paper

**LAND-use based MitigAtion for Resilient Climate pathways**

<https://www.landmarc2020.eu/>

