

Carbon Farming DA JOINT STATEMENT

On behalf of EEB, Bellona, ECOS, and Carbon Market Watch, we would like to state 9 key changes this draft Delegated Act needs, in order to improve its robustness and environmental integrity:

- 1) **Add an ILUC calculation, especially if the scope is extended to croplands, grasslands, and “other lands”.** An ILUC calculation is needed, per Article 4 of the CRCF regulation and is also accounted for in the PACM. Basing it on a supposed business case, which we don't know anything about yet, is not supported by scientific evidence, and is not in line with the overall principle of conservative estimation and quantification. ILUC effects are triggered through dynamics on global agricultural commodity markets and even small shifts in land use can trigger displacement of food and feed production elsewhere, regardless of the local profitability or condition of the initial plot.
- 2) **Include all livestock-related emissions and impacts, or exclude activities involving livestock from the methodology.** While rotational grazing is listed as an eligible practice, the draft methodology does not specify the baseline scenario. Relative to a scenario without livestock, any potential increase in SOC sequestration from the activity will not result in a net positive climate effect. However, methane and nitrous oxide emissions from livestock are not included in the monitoring and quantification tables. As such, the methodology fails to capture the likely negative net climate effect of rotational grazing.
- 3) **Incentivise the continuation of temporary practices.** Per the CRCF Regulation, operators should be incentivised to prolong the monitoring period several times, with the aim of storing captured carbon for at least several decades. Taking afforestation as an example, current provisions do not prevent operators from clear-cutting trees after 40 years and burning them, which means we could essentially be subsidising extractivist forestry schemes. This lack of commitment to preserving carbon stocks would undermine any positive long-term climate impact generated during the activity.
- 4) **And lastly, tighten implementation safeguards.** Several provisions are vaguely worded and offer excessive flexibility for implementing the rules. For instance, quantification and uncertainty provisions seldom require ground-truthed data,

there is unclarity around the updating of the baselines, and “existing databases”, “expert judgment,” and “scientific literature”, are relied upon without sufficient clarity. Similarly, the language governing harvests, the use of non-native and single-species is vague and fails to adequately safeguard against biodiversity risks. These shortcomings must be addressed to strengthen the robustness of the scheme, offer clarity for operators, and to ensure both uniform enforcement and quality across the EU.

5) Respect article 5 of the CRCF Regulation and remove the derogations with regard to additionality and reinstate the common practice criterion.

Derogating from such a foundational requirement for carbon crediting schemes effectively acknowledges that the practices certified under this scheme are not additional. And while we appreciate moving away from an ill-defined common practice criterion, this does not justify removing the criterion altogether. Common practice means wide adoption “within a region with similar pedoclimatic and regulatory conditions.” - this must be added to the additionality assessment.

6) Add a liability mechanism for peatlands, in line with Article 6(6) of the CRCF Regulation and with existing mechanisms under Verra, the PACM, and the UK Peatlands Code. Further, demand systematic project-specific risk assessments to accurately quantify all risks. These are essential to ensure the risk rate reflects each project’s specific characteristics; failure to do so could seriously undercapitalise buffer pools.

7) Strengthen the minimum sustainability criteria: The explicit reference to DNSH as an overarching minimum rule for the sustainability criteria should be reintroduced as well as the minimum requirements for a circular economy from the previous draft. Generally, we regret the lack of clarity around how the minimum sustainability requirements are to be operationalised and would have hoped for stronger safeguards. At present, operators must simply not break the law, yet the CRCF should be the space to push for more ambition. Further, since these minimum requirements could be weakened in the future, provisions should be added to ensure this does not hinder the CRCF’s sustainability criteria.

8) Strengthen the mandatory co-benefits provision. At present, operators “may” choose one of the four options for compliance. It is unclear why the word “shall” isn’t used. Does this mean operators can resort to other options? We are also particularly concerned that the current assessment is purely qualitative and does not require

the use of indicators, such as those established under the Nature Restoration Law. Allowing compliance to be demonstrated through peer-reviewed literature alone is problematic, as relevant findings may be based on conditions that are not representative of the operator's project, exaggerating potential biodiversity gains. This option should be rendered more robust by, for instance, demanding specificity to the ecosystem of the activity area. Further, the methodology should require compliance with at least two of the listed options.

- 9) **Include social safeguards.** Per Article 8 of the CRCF Regulation “the certification methodologies shall contribute to avoiding land speculation”. And yet, this is nowhere to be seen. Addressing the social risks and requiring safeguards is crucial to avoid exacerbating inequalities in the land sector and to support rural areas across the EU.

We hope to see these changes in the next draft, thank you.