



DOI: 10.5281/zenodo.15424234

From single farms to nations: is there an optimal scale for robust and viable schemes?

Authors

Clara Diebolt, Association des Chambres d'Agriculture de l'Arc Atlantique (AC3A) Claudine Foucherot, Chamber of Agriculture of Normandy Julia Grimault, Institute for Climate Economics (I4CE) Hugo Lachater, Association des Chambres d'Agriculture de l'Arc Atlantique (AC3A) Simon Martel, Institute for Climate Economics (I4CE)

Contributors

The following organisations contributed to these recommendations:

Either through their participation in the Focus Group discussions:

Club Climat Agriculture et Alimentation, Club Climat Forêt et Bois, PEFC International, Ministère Français de la Transition Écologique, Énergie, Climat et Prévention des Risques, The Norwegian Forest Owners' Federation, Société Royale Forestière de Belgique, St1 Nordic Oy, European Landowners Organization, INRAE, Ministère Français de l'Agriculture et de la Souveraineté Alimentaire, OECD - Organisation for Economic Co-operation and Development, ART-ER, Land Life Iberia, Bax, EIT Climate KIC, Coopérative Carbone La Rochelle, Skog, European Environmental Bureau, Department of Agriculture, Food and the Marine Ireland, Guidehouse.

or by responding to an online survey:

PEFC International, Ministère Français de la Transition Écologique, Énergie, Climat et Prévention des Risques, The Norwegian Forest Owners' Federation, Société Royale Forestière de Belgique, IUCN UK





Peatland Programme, St1 Nordic Oy, Baltic Sea Action Group, Wetland products foundation, European Landowners Organization, Verra, INRAE, Ministère Français de l'Agriculture et de la Souveraineté Alimentaire, Moy Park Beef Orléans, Idele - French Livestock Institute, SCARA, OECD - Organisation for Economic Co-operation and Development, Helmholtz Centre for Environmental Research GmbH - UFZ, Kybernos ESG Data Services GmbH, University of Galway. ASPECT Unit., ART-ER, Regenagri, Agricarbon, Land Life Iberia.

Key messages

- Develop certification principles that are as precise as possible and unify the methodologies, models and tools used as much as possible, to avoid loopholes that could lead to cheating and windfall risks for operators, and to reduce operating costs (development, updating, auditing of methodologies, tools, projects, etc.).
- At least, assess the risks and costs, as soon as some latitude is given to the certification schemes.
- Dedicate a sufficient budget to remunerate independent experts and consultants who will have to scrutinise methods, perform checks on projects and certification bodies, etc.

Introduction

A centralised European carbon farming certification framework can provide greater clarity for funders, reduce transaction costs and ensure the same level of requirements for everyone. Conversely, a decentralised approach can be better tailored to local circumstances and easier to use for local operators. This Focus Group of the Credible project focuses on sharing experiences from stakeholders involved in international, national, and local certification frameworks, to reveal the strengths and weaknesses of the different scales of governance and predict potential interaction of overlapping schemes at different levels, bottlenecks and barriers. Through consultations of experts involved in the certification of carbon credits in agriculture, forestry and peatlands (project developers, existing standards, auditors, etc.), this Focus Group supports the development of recommendations to better shape the governance of the future CRCF.





Regulatory Framework

The regulation adopted in December 2024 establishing a Union certified framework for permanent carbon removals, carbon farming and carbon storage in products, provides elements for the future governance of the Carbon Removals and Carbon Farming (CRCF) Regulation. However, further clarification of the processes and roles of the various actors is required. An implementing act will be published in 2025 by the European Commission to describe certification processes and to scope the EU wide registry¹. Carbon farming methodologies are also expected to be published in 2025 through delegated acts.

The illustration below shows the governance currently proposed and a number of issues we have identified as needing clarification.

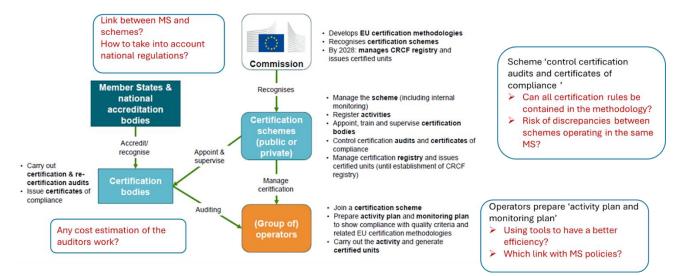


Figure 1. A summary diagram of the certification processes under the CRCF and the associated issues.

The work from this Focus Group had to be adjusted in relation to the latest developments from DG Clima and the CRCF expert group set up by the EU Commission:

• As the governance and timetable of the CRCF were gradually becoming clearer, the issues raised with a panel of experts inside the Focus Group needed to be looked at differently and readjusted. For some questions, the level of governance has indeed already been decided at EC level, e.g., a European registry will be operational in 2028 and until then (2025-2028), the registries of the certification schemes will be used. Hence, the recommendations should serve to mitigate the potential negative effects of this decision.

¹ <u>VERTA project. Final report on Scoping of the CRCF registry and minimum requirements for certification scheme registries, February</u> 2025.





• For other questions, adjustments still needed to be made or clarified, e.g., the methodologies are being developed by the Commission but some details of how to apply the methodology by the operator are left to the different certification schemes. In that case, the recommendations can help build or clarify the governance.

Recommendations

Recommendations on methodologies

- Set as many rules for CRCF certification as possible in the methodologies developed at EU level to ensure consistency: the broadest possible common base in terms of baseline scenario, additionality demonstration, greenhouse gas (GHG) monitoring rules (emission factors, equations, models used, etc).
- To be adapted to local issues/specificities and to have more room for innovation, specific protocols can be proposed by certification schemes, but:
 - The methodology developer must demonstrate the value of proposing this specific protocol.
 - Where the schemes operate, Member States have to be involved to ensure the credibility/robustness/independence/coherence with national regulations of the protocols.
 - Protocols of different schemes operating in the same Member State must have the same level of requirement to ensure that operators do not play with the rule by choosing the most favourable one.
 - Protocols must be validated by the European Commission following technical expert advice.
- As UNFCCC reporting methodology differs among Member States, allow Member States to refine methodologies with models or emission factors that are used in their LULUCF reporting to promote consistency between regulations.
- Ensure frequent review processes of the methodologies to keep them aligned with scientific developments, involving independent researchers/consultants/experts.

Recommendations on GHG assessment/MRV tools

GHG emission tools: Emission reduction calculators using models and parameters provided by methodologies and protocols.

MRV tools: interface integrating the certification rules defined in the methodology: additionality, quantification, permanence management tools, monitoring over time, audit reports, etc.





- Tools should be regularly audited to ensure that they take account of changes in methodologies and remain consistent.
- Tools are validated by the Commission (equity between Member States), following technical expert advice benchmarking tests, and after consulting the Member States (especially for local tools).

Recommendations on project validation

- More precise recommendations at the level of methodologies and protocols seem necessary to gain in precision and avoid any confusion, hence reducing validation costs.
- Case of specific baselines: In the case where standardised baselines could not be implemented in the first years, project developers will use specific baselines and will need to demonstrate the choice of the baseline additionality. This needs more scrutiny from certification bodies and there should be detailed requirements on how baseline should be established. Member States could play a role here to define parameters for additionality tests or to provide a list of credible specific scenarios within the country.

Recommendations on the registry

• The registry must be a unique European one, fully managed by the European Commission would allow economies of scale, avoid risk of double credit allowance and double purchase by credit buyers and facilitate the purchase of carbon credits by trans-EU companies.

General recommendations

- It is crucial to dedicate a sufficient budget to remunerate independent experts and consultants to scrutinise methods, perform checks on projects and certification bodies (=auditors). Economies of scale allowed by a centralised CRCF should make this possible.
- There is a need to clarify the different possible processes from the methodology development to certification of emission reductions in detail in order to evaluate the feasibility and risk of these options. But also to define the final governance scenario to bring visibility concerning the future of existing standards.
- There is a need to evaluate the cost of the different scenarios and to consider the CRCF business model (which sources of funding to operate the CRCF, what are the transaction costs, which is the minimum viable size of a project, etc.)





Background information

Methodology to collect insights

To collect insights from the stakeholders, this CREDIBLE Focus Group conducted a series of consultations of experts between April 2024 and February 2025.

Spring 2024

I4CE organised an online workshop for the Climate Clubs "Agriculture & Food" and "Forestry & Wood". The Climate Clubs are an I4CE initiative for a network of expertise dedicated to climate issues in the agricultural sector, to share knowledge and experiences to facilitate the implementation of the ecological transition.

The workshop focused on centralisation of the monitoring and governance of carbon certification in Europe, how the private sector, governments and the EU should work together to manage the CRCF, the connection between the CRCF and the national and local schemes, and the prospects for the Low Carbon Label as the EU CRCF develops.

Summer - Fall 2024

AC3A and I4CE developed an online survey about the optimal scale of governance for the certification of carbon in Europe, considering the different certification components (methodology, tools, project validation, auditors accreditation or registry), but also the different scales of governance for each of them (European, Member States, Existing Standards). Completed by 23 respondents with expertise in carbon certification in agriculture, forestry or peatlands and representing 13 different countries, this survey identified the options, their risks and benefits, and the work required to move forward on the points on which there is no consensus.

Winter 2024 - 2025

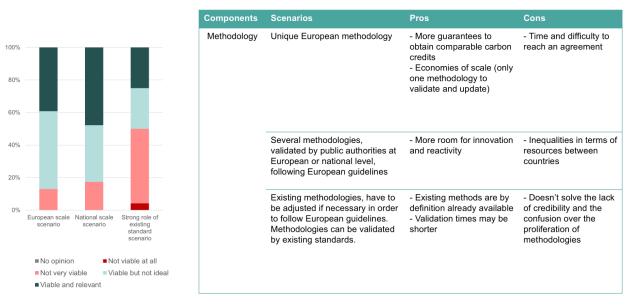
AC3A and I4CE analysed the results from the survey, crossing them with the conclusions from the VERTA project presented at a webinar in February 2025. The outcomes from this work were finally debated on 10th February 2025 with all experts involved in the CREDIBLE Focus Group, in order to develop policy recommendations to be debated at the European Carbon Farming Summit in Dublin in March 2025.





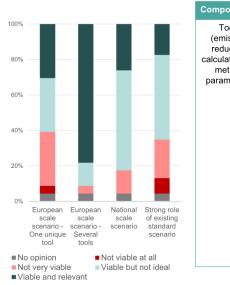
Main outcomes of the survey

On methodology development and validation



The survey outcomes vs the CRCF

According to the CRCF, regulation methodologies would be developed by COM which is in line with the survey where we see a preference for public sector methodology development and validation.



On GHG assessment tools and models

Components	Scenarios	Pros	Cons
Tools (emission reduction calculator with method parameters)	Unique public tool with different language versions	- Economies of scale (only one tool to update)	- There are already existing tools to which advisors are used - Duration of updating process / lack of resources if the tool is free (no payment of fees)
	Several tools developed by public agencies, technical institutes, research centers, private actors, etc. can co- exist. European Commission approves tools that comply with technical specifications of the methodologies.	- Consistency - Room for innovation and improvement	Duration of approval process
	Several tools approved by MS	Room for innovation and improvement	Inequalities in terms of resources between countries
	Several tools approved by existing standards		Lack of harmonisation and transparency

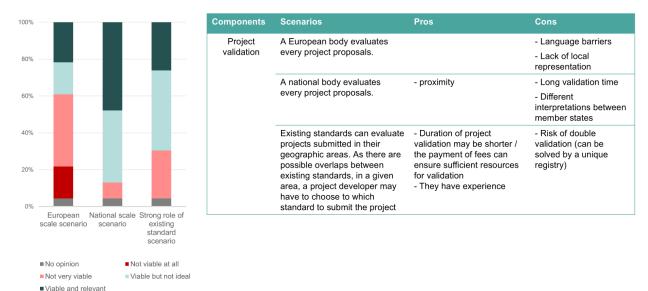




The survey outcomes vs the CRCF

The survey shows that a unique GHG assessment tool is not credible, but any tool must be approved by the European Commission. It may be of interest as the role of tools and models under the CRCF is being described in the methodologies.

On project validation



The survey outcomes vs the CRCF

According to the survey outcomes Member States should be key players in validating projects. While the CRCF provides for the validation of projects by certification bodies, Member States can play a role alongside the certification schemes in adapting the validation rules to their context.





On auditors' accreditation and registry



Components	Scenarios	Pros
Auditors accreditation	European list of accredited auditors decided by the Commission.	Economies of scale for EU- wide players. Otherwise require to be accredited 27 times
	National list of accredited auditors decided by the Commission.	Might be a lower barrier to entry for smaller auditors based in just one country
Components	Scenarios	Pros
Registry	Unique registry	- Simplify the access to the certificates for potential buyers
		- Avoid risk of double counting
		- Economies of scale
	Maintaining existing standards	Existing registries are by definition already available

The survey outcomes vs the CRCF

According to the survey outcomes, Member States should play a role in auditors' accreditation which is provided for in the CRCF with the implication of national accreditation bodies.

References

VERTA project. Final report on Scoping of the CRCF registry and minimum requirements for certification scheme registries, February 2025.

VERTA project. Final report on Verification rules under the CRCF regulation

CREDIBLE project. The issue of scale for the carbon certification framework, March 2024.

<u>CREDIBLE project. Survey on the optimal scale of governance of the certification schemes under the</u> <u>CRCF. February 2025</u>