

Preventing widespread greenwashing and ensuring a just transition of EU agriculture - Input on the proposed Regulation on Carbon Removal Certification

Brussels, 17 May 2023

Dear Members of the Council of the European Union,
Dear Members of the European Parliament,

We, the undersigned, are writing to share with you our views and solutions on some of the key issues regarding land-based activities (under the concept of carbon farming) in the European Commission's Proposal for a Regulation establishing a Union Carbon Removal Certification Framework (CRCF).

The message from science is clear: Deep and urgent emissions reductions are needed now to keep global warming below 1.5°C. The EU's land carbon sink is shrinking and projected to decrease significantly by 2030 due to intensive wood harvesting and degradation of peatlands and agricultural soils. Biodiversity, too, is in a dire state across Europe. The biodiversity and climate crises are deeply connected and real solutions must address both jointly. The EU's agriculture sector must be fundamentally transformed to address these challenges. A just transition pathway must enable farmers to contribute to building a resilient, agroecological food system. Regrettably, the European Commission's proposal falls woefully short of what is needed to address these challenges.

Offsetting will not provide benefits for land managers or for the climate

Allowing offsetting of GHG emissions, including in voluntary carbon markets, would incentivise economic operators and public authorities to resort to removals under false pretence of climate action, delaying necessary emissions reductions. Offsetting and insetting allows polluters to greenwash their operations by making misleading claims about the climate impact of their products without reducing their emissions. Allowing offsets could provide polluters with a major loophole to avoid emissions reductions and thus maintain the status quo.

Crucially, land-based sequestration must not be considered fungible with emissions reductions due to reversibility, impermanence, measurement uncertainties and different timescales of fossil and biogenic carbon cycles. Soil carbon, in particular, is highly vulnerable to reversal and measurement uncertainties. The IPCC AR6 report emphasized that carbon removals cannot replace deep emission reductions, including tackling emissions from industrial agriculture. It is central that it is clarified what certificates will be used for and to strictly prohibit offsetting under the CRCF.

In addition, carbon markets do not provide a reliable finance mechanism needed for most farmers to transition. Facing the escalating impacts of the climate crisis (e.g wildfires, droughts, floods), carbon sequestration in land sinks becomes even more vulnerable, posing significant risks on farmers for liability of lost carbon in a carbon market approach. In addition, prices on carbon markets are extremely volatile, meaning they do not provide reliable financial support for farmers. The current price level is vastly inadequate to enable land managers to implement and maintain high-quality carbon removal activities. Critically, carbon offset markets risk land speculation thereby exacerbating the lack of access to land for young and new farmers.

Enhancing biodiversity and ecosystem integrity must be regarded as prerequisites for land-based activities

Land managers must focus on the restoration of ecosystems and agroecology and organic farming must be promoted to facilitate a transition to a resilient food system within planetary boundaries. Therefore, land-based activities require a holistic approach beyond the sole focus on carbon. Biodiversity, soil health, water quality and ecosystem integrity must be integral criteria for these

activities, and not simply considered as “co-benefits”. Land-based carbon sequestration activities must be inherently connected to ambitious objectives in the Nature Restoration Law and the Soil Health Law. Activities focused narrowly on carbon benefits without broader goals for ecosystem restoration can have adverse effects on other environmental indicators such as biodiversity protection e.g. through the use of synthetic pesticides or large-scale application of BECCS. Building climate resilience of the agriculture sector must be a key goal; climate mitigation effects should be considered co-benefits.

Emission reductions must not be certified as removals

The Impact Assessment of the CRCF finds that the emission reductions should not be covered by the certification framework. Yet, the inclusion of emission reductions in the definition of carbon removals in the proposal conflates the two concepts. This is highly misleading and goes against sound climate science and well-accepted international and EU standards of climate policy. Emission reductions are not removals and must not be certified as such under the CRCF.

Critical elements of the legislation must be addressed in the proposal, not delegated to an expert group with outsized corporate influence

Many key decisions, such as rules on liability in case of reversals, approaches to address carbon loss and reversibility and baseline setting, are postponed to the future under a number of delegated and implementing acts. An expert group, in which organisations with significant business and commercial interests in offsetting schemes, have the largest representation, will issue recommendations that will likely be the basis for the European Commission’s delegated acts. Instead, issues of liability, permanence, baselines and other core issues must be resolved in the CRCF itself as they are the foundations of the framework.

Public funds must support a systemic and just transition to agroecology

Land-based activities should be an integral part of the European Green Deal, underpin ambitious climate and biodiversity action in the Union, and as such support the Union and its Member States to achieve their targets and obligations set out in other Union legislation. A systemic approach, rather than incentives for individual practices is needed to ensure the long-term transformation of the sector. Therefore, organic farming and agroecological practices contributing to multiple climate and environmental targets must be promoted. Climate legislation must not put a chilling effect on ambitious reforms of agriculture legislation. Critically, the Common Agricultural Policy (CAP) must be thoroughly reformed as soon as possible to reflect the need for mandatory requirements for environmentally and climate-friendly land management that benefits local rural communities.

With the above in mind, we, the undersigned, strongly urge you to:

- Prevent the proposal from establishing a greenwashing tool by rejecting the possibility of using the generated credits as offsets, including in voluntary carbon markets;
- Attribute absolute priority to emission reduction efforts in EU policy, and recognise that the overreliance on removals will make the EU fall short of reaching climate neutrality;
- Restrain from certifying emission reductions as removals;
- Ensure that biodiversity and ecosystem integrity are integral criteria for a holistic approach to land-based activities;
- Ensure that the promotion of land-based carbon sequestration activities does not result in socially adverse impacts, land grabbing and land speculation in particular;
- Ensure that public funds, including the CAP, drive a systemic transition of the agriculture sector, ensuring benefits for local communities;
- Lay down fundamental rules that have been left unaddressed for a robust, reliable, and trustworthy certification framework, including setting stringent liability mechanisms in case of reversals, permanence, and requirements for monitoring and reporting, as part of the final CRCF.
- Ensure that critical elements of the CRCF are not relegated to delegated acts.

The undersigned,

