

Climate targets and carbon farming in Germany and the EU

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APD Expert Dialogue

27.11.2022



Climate targets in Germany

- 2016: **Climate Action Plan**: Introduction of ‚sectoral‘ reduction targets, including agriculture, for LULUCF: sector shall be safeguarded as a net sink
 - 2019: **Federal Climate Change Act** → legally binding targets
 - 2021: **Amendment of the Federal Climate Action Act** in June 2021, following court decision
 - tighter reduction target for agriculture: 56 Mt CO₂-eq. in 2030
 - quantitative targets for LULUCF: -25 Mt CO₂-eq. in 2030,
-35 Mt CO₂-eq. in 2040
 - 2022: *EU is revising targets for the LULUCF sector: -310Mt CO₂-eq. in 2030*
- LULUCF sinks shall compensate for remaining emissions
- In addition to existing policies and measures, Carbon Farming is discussed

Carbon Farming in the EU's climate- and agricultural policy

*“Carbon farming refers to the management of **carbon pools, flows and GHG fluxes at farm level**, with the purpose of mitigating climate change.”¹*

*“Carbon farming can be defined as a **green business model** that rewards land managers for taking up improved land management practices, ... enhancing **carbon capture and/or reducing the release of carbon** to the atmosphere”²*

*“Carbon farming can support the **achievement of the proposed 2030 climate target of net removals of 310 Mt CO₂eq** in the land sector”³*

(1) COWI, Ecologic Institute and IEEP (2021) *Technical Guidance Handbook - setting up and implementing result-based carbon farming mechanisms* in the EU Report to the European Commission, DG Climate Action, under Contract No. CLIMA/C.3/ETU/2018/007. COWI, Kongens Lyngby.

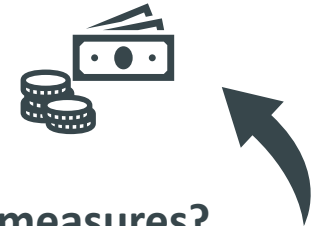
(2) SWD(2021) 450 final COMMISSION STAFF WORKING DOCUMENT Sustainable carbon cycles - Carbon farming

(3) SWD(2021) 450 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Sustainable Carbon Cycles

Open questions

Demand: Who pays for the carbon stored?

Governments, private sector, public-private-partnerships?



Additionality: What is the “additional” potential for carbon farming measures?

Double-financing: EU-CAP contains activity-based payments for CF → What is the additionality of “business models” with result-based payments?



Double-claiming: State: achievement of LULUCF-targets

Private Sector: Marketing of “climate-neutrality” claims



Double-counting: National GHG-inventories do not include project-based certified mitigation effects, but are sensitive enough to report changes that occur at a large scale.



EU-COM: Proposal for concept and legal framework on “sustainable carbon cycles” announced for 30th Nov. 2022.

Private Carbon Farming initiatives in Germany

- Variety of private initiatives in Germany (humus, peatland restoration, agroforestry)
- Quality assurance and standards of schemes differ
- Certificates in t CO₂-eq. to offset emissions from other sources or label to achieve net-zero in the value chain
- Critical issues:
 - Rigor of measurement and verification
 - Baseline and reference-level
 - Reversibility
 - Timeframe of CF activities (5, 10, 50, 100 years?) When do payments occur, when are certifications sold?
 - Leakage
 - Additionality



Some labels of CF initiatives active in Germany (2022), Source: respective websites