

UNPACKING THE EU CARBON REMOVAL CERTIFICATION FRAMEWORK: Implications for EU Climate and Agriculture Policy

The European Union's new [Carbon Removal Certification Framework \(CRCF\)](#)¹ is a legislative framework that will govern the generation of carbon removal and emission reduction certificates from various activities. These activities include carbon farming (sequestering carbon in soils and forests, as well as cutting emissions), carbon storage in products and removing carbon from the air using technologies such as direct air capture. The final legislation has not changed fundamentally from the [European Commission's proposal](#).² In April, the European Parliament approved the framework, which now awaits the final rubber-stamp of the Council, expected by June 2024.

The CRCF puts the EU's approach to climate action in the agriculture sector on a concerning path. Because the EU often sets trends globally, its policies can influence other regions. This analysis provides an overview of the CRCF, especially its impact on food and agriculture.

Key takeaways of the final legislation are:

- **Delayed climate action through offsetting:** The CRCF generally allows polluters to use certificates as carbon credits to offset emissions, which can delay necessary emissions cuts. This goes against the principle that carbon removals should add to, not replace, direct efforts to reduce emissions. The use of CRCF credits, including the extent of allowable offsetting, will need to be determined for each market where these credits are used, from voluntary to compliance markets.
- **Ample supply of credits:** The final CRCF encompasses a wider range of activities than the original proposal by broadening the scope of emission

reductions from agriculture, leading to a larger supply of carbon credits that might drive down the price of credits and further delay climate action.

- **Greenwashing on voluntary carbon markets:** The use of CRCF credits on voluntary carbon markets will be governed by EU consumer protection legislation. These laws will likely limit, but not entirely prohibit, climate claims based on offsetting. In fact, the CRCF might become the main standard for voluntary carbon markets for companies operating in the EU.
- **Supports the establishment of an emissions trading system for agriculture:** The CRCF could be used as a critical steppingstone towards an EU carbon market for food and agriculture that risks delaying emission reductions and entrenching the industrial agri-food system.
- **Limited and uncertain effectiveness of safeguards:** EU legislators created the so-called "QU.A.L.I.T.Y" criteria (QUantification, Additionality, Long-term storage and sustainabILLITY) to avoid worthless and harmful certificates. However, these "fixes" [do not resolve the fundamental problems of including agriculture in a carbon credit framework](#).³ How well they work depends on how they are implemented and enforced. For example:
 - ◆ **Temporary certificates for carbon farming create governance challenges:** The CRCF will create certificates with expiration dates to deal with the fact that carbon stored in soils and forests can be released back into the atmosphere. This approach was unsuccessful in past carbon markets and creates challenges for the



Written by Sophie Scherger, May 2024
Berlin | Minneapolis | Washington D.C.

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governance of the framework, e.g., to ensure that expired certificates are cancelled from all registries.

- ◆ **Rules for obligatory positive biodiversity co-benefits for carbon farming are still to be determined:** Perhaps the most critical improvement of the CRCF is the obligation for farming and forestry activities to have a positive co-benefit on the “protection and restoration of biodiversity and ecosystems including soil health, as well as avoidance of land degradation.” Yet, how these criteria will work in practice and how they will be enforced will determine how effectively they can rule out harmful activities.
- ◆ **Distorting rules on baselines and additionality:** Allowing offsetting necessitates strict requirements, such as ensuring additionality (that is, an activity would not have happened otherwise) and establishing robust baselines. The CRCF breaks with carbon market standards by not requiring the usual additionality tests, and its baseline rules risk crediting potentially nonexistent climate benefits or issuing two credits for the same benefit.
- ◆ **No operationalized safeguards against land speculation or farmers’ liability:** The CRCF acknowledges the risks that a carbon market scheme brings for farmers on the ground, including land speculation and rocketing land prices due to the perspective of financial gains from carbon credits, as well as the liability of farmers if carbon storage is reversed. Yet, the framework does not address these aspects, which will only be resolved in the CRCF’s methodologies or not at all.
- ◆ **Risk of double claiming:** The CRCF allows credits to be used for the EU’s climate targets, as well as in corporate accounts. This could disincentivize additional climate action from all stakeholders, which is one of the promises of voluntary carbon markets.

The CRCF serves as a tool to enable offsetting, not genuine support for a resilient land sink

The concept of carbon removals is commonly used to describe a range of activities that draw carbon out of the atmosphere and “lock” it away in forests, soils or geological reservoirs. In its 6th Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) states that carbon removals “cannot serve as a substitute for deep emissions reductions.”⁴ Rather, they can play a role in “counterbalanc[ing] hard-to-abate residual emissions.”⁵ Activities that increase carbon sequestration can be valuable tools in responding to the climate crisis beyond their contribution to mitigation. Practices, such as cover cropping and agroforestry, can make the soil more fertile and absorbent, so the land can be more resilient to floods and droughts. These activities should happen alongside, not instead of, reducing emissions.

Yet, this is far from what European policymakers have agreed upon in the CRCF. Instead, they have allowed carbon removals to be used by polluters who should be cutting their own emissions. Removals are a form of emissions “offsetting” — allow polluters to buy carbon credits instead of reducing emissions, thus delaying urgently needed climate action.⁶ Civil society groups⁷ have long argued that emission reduction requirements should be kept separate from the use of carbon removals.

The CRCF states that its objective is to incentivize carbon removals and carbon farming “as a complement to sustained emission reductions across all sectors to meet the objectives and targets laid down in [the EU Climate Law].”⁸ Yet, EU policymakers failed to operationalize this objective by excluding an explicit ban on offsetting from the framework. As such, how these credits can be used, including whether and to what extent offsetting is allowed, will need to be decided for each policy area where these credits might be used, from voluntary to compliance carbon markets, such as the EU Emissions Trading System (ETS).

The CRCF represents a troubling shift in EU climate policy, focusing more on carbon offsetting than on making real, systemic changes and cutting emissions.

i. Art 1(1).

The expanded scope of CRCF enlarges the potential credit supply

The scope of activities from agriculture that can be certified under the CRCF expanded throughout the negotiations. The broader scope means more credits might be available, potentially lowering the prices of the credits for farmers and delaying climate action elsewhere. The introduction of these agricultural activities into the framework also paves the way for the creation of a compliance market for the agricultural sector (i.e., an agETS), which creates its own challenges, not least of which being an entrenchment of industrial agriculture.

The Commission’s proposal focused primarily on activities that take carbon out of the atmosphere and store it in a sink (known as carbon removals) but did include a limited scope of emission reduction activities.ⁱⁱ The final framework includes an expanded scope for

“carbon farming” to include more emissions reduction activities from the agriculture sector. These activities mainly encompass changes in fertilizer management and use, aiming to reduce nitrous oxide emissions.ⁱⁱⁱ

To reflect the differences between the activities covered under the CRCF, the framework will create not one, but four distinct types of carbon credit units (Figure 1):^{iv}

- 1) technological (so-called “permanent”) removals, e.g., Direct Air Carbon Capture and Storage (DACCS) or Bioenergy with Carbon Capture and Storage (BECCS)⁸
- 2) carbon farming: sequestration in soils and forests⁹
- 3) carbon farming: soil emission reductions
- 4) carbon storage in products.

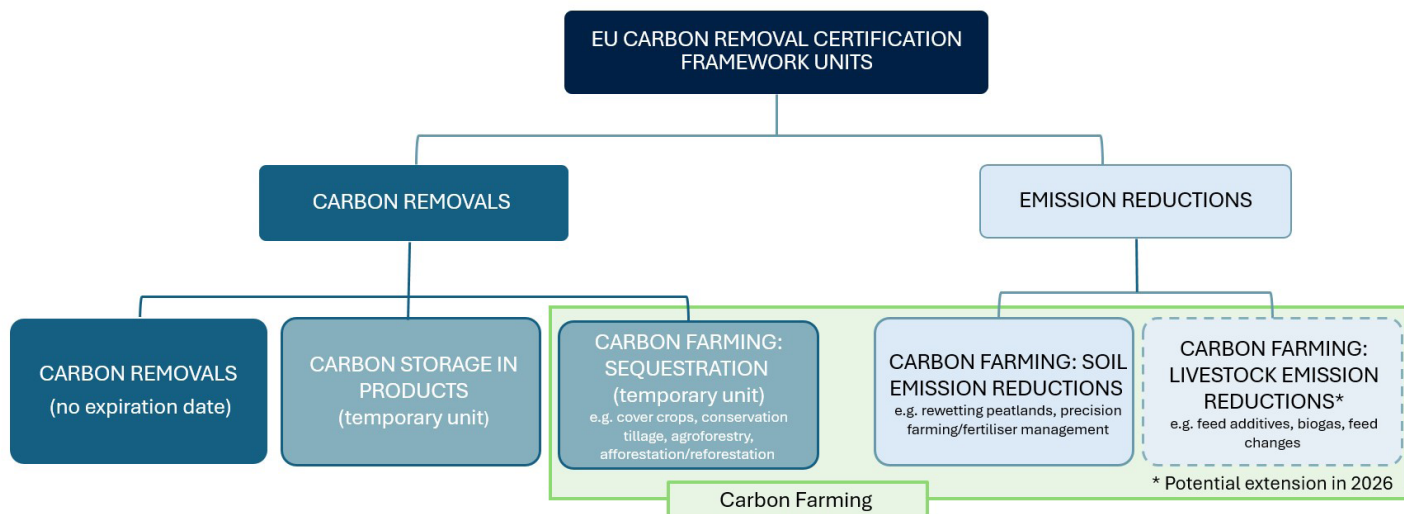


Figure 1. The CRCF’s scope expanded in comparison to the original proposal and might expand further in the future, generating at least four different types of units: carbon farming (highlighted in green includes (1) carbon farming sequestration, (2) soil emission reductions and potentially (3) livestock emission reductions). Two unit types are temporary (have an expiration date): carbon farming sequestration and carbon storage in products. IATP’s own elaboration based on the legislative text of the provisional agreement.⁴¹

ii. The Commission’s proposal included emissions reductions from carbon farming, in the form of rewetting peatlands and wetlands only. It included three categories of carbon removals: carbon sequestration in soils and forests (“carbon farming”), technological measures and carbon storage in products. The proposal did not create different units for those categories, nor for emission reductions.

iii. Art 2(aa): “soil emission reductions,” which encompasses any emissions reductions from mineral or organic soils as defined by the EU LULUCF Regulation or the IPCC reporting category agricultural soils.

iv. Art 12(1a).

Despite the increasing complexity, this differentiation could enable policymakers to treat the credits differently. It could, for example, help keep land-based carbon credits (i.e., those with the highest risk of reversibility) separate from those related to fossil fuels in emissions trading. The differentiation might also result in different prices for each type of credit.

The framework could grow in the future. The European Parliament, at the behest of the Renew Group and EPP, insisted on keeping the door open to include emission reductions from livestock when the legislation comes under review in 2026.^v Although this is not decided yet, the CRCF mandates the Commission to develop the necessary methodologies to certify credits related to livestock emission from enteric fermentation and manure management.^{vi}

The methodologies for agricultural emissions reductions might focus on efficiency gains. This will also depend on the way the required sustainability co-benefits for carbon farming activities will be operationalized in the methodologies (see page 6). Awarding credits for these types of activities risks upholding rather than disincentivizing the industrial agriculture model.

The CRCF does little to fight greenwashing through voluntary carbon markets

Continuous scandals^{10,11} in the voluntary carbon market have impacted its credibility significantly in the public eye. EU policymakers are conscious of these issues. The Parliament's rapporteur on the CRCF, Lidia Pereira, emphasized that a key objective of the framework is to build trust in "a market that has been plagued by greenwashing, lack of clarity and distrust."¹² Yet, rather than move away from offsetting on failed voluntary carbon markets, the framework endorses them.

The framework contains neither any provisions on how its credits could be used in voluntary carbon markets nor an outright ban on offsetting. EU legislators have worked on two other pieces of consumer protection legislation that will impact to what extent offsetting will be possible on voluntary markets.

v. Art 18(1b).

vi. As defined in the IPCC source category of Agriculture, sub-categories 4a and 4b manure (<https://www.ipcc-nggip.iges.or.jp/public/gl/guidelin/ch1ri.pdf>).

The Directive on Empowering Consumers for the Green Transition, which was adopted in March 2024 and must be transposed by Member States by mid-2026, bans climate claims based on offsetting for products and services, but not in relation to company-wide claims. This is a positive development yet is neither sufficient to fully address greenwashing nor is the final word on the subject.

The Green Claims Directive is still under development. It has a more specialized legislative focus than the Empowering Consumers Directive and could reverse the general ban on product and services offsetting claims in specific instances. The Parliament's position¹³ is to replicate the restrictions on offsetting contained in the Empowering Consumers Directive.¹⁴ However, the Commission supports allowing the use of offsets, provided that they follow specific requirements, such as those in the CRCF.¹⁵

Regardless of these restrictions, company-wide claims can also be used to greenwash a lack of ambition. Companies often argue that they rely on offset to counterbalance only their "residual emissions" (i.e., those emissions remaining after all emission reduction measures have been implemented). Yet, the level of emissions that count as "residual" is disputable. Are there, in fact, no options available to cut the remaining emissions, or is it just inconvenient or undesirable for a company to do so? In other words, labelling emissions as "residual" may enable polluters to mask a lack of climate ambition.

The Parliament contends that compensation claims drawing on carbon credits should be possible if those carbon credits balance out a company's residual emissions only. For that purpose, the Commission should establish methods for defining residual emissions. Whether or not those methods will be robust remains to be seen.¹⁶

The Parliament further proposes that any credits used for these climate claims would need to come from the CRCF or comparable certification schemes recognized by the Commission. This could make the CRCF the de facto voluntary carbon market standard for companies operating in the EU market.

The CRCF paves the way for an EU carbon market for food and agriculture that risks delaying emission reductions and entrenching the industrial agri-food system

Offsetting has even more concerning impacts if allowed into compliance markets, such as the EU Emissions Trading System, that set obligatory climate targets for a group of polluters. To date, the EU has already implemented two compliance markets^{vii} as central tools of its climate policy. Now, applying the carbon market logic to agriculture is on the table.

In 2023, the Commission contracted a research consortium to explore options for an emissions trading system for agricultural emissions and how to relate it to land-based carbon removals. It is clear that the Commission views the CRCF as a part of the monitoring framework needed to underpin such a market.¹⁷

Establishing an emissions trading system for agriculture that incorporates the CRCF is risky, not at least for two reasons.

First, it risks delaying real cuts in non-CO₂ agriculture emissions.¹⁸ Several options to create an agETS allow offsetting of non-CO₂ agricultural emissions with carbon storage in soils and forests. Allowing the replacement of reductions of agriculture emissions with carbon storage despite the emissions' distinct characteristics creates a false equivalence.¹⁹

Yet, for example, reductions of methane emissions are critical for limiting peak temperature warming in overshoot scenarios due to methane's certain near-term impact on the global temperature.²⁰ In contrast to emissions removals, carbon sequestration in soils and forests is impermanent and vulnerable to reversal. Creating a mathematical equivalence of emission reductions and temporary carbon sequestration on paper disregards the distinct importance of these activities for climate mitigation.

Second, it risks leading to further intensification of EU agriculture. The certification methodologies to obtain credits could steer food value chain actors towards

focusing on corporate-driven technological measures to reduce agriculture emissions, such as feed additives, nitrogen inhibitors or biogas digesters. These measures advantage industrial systems because they focus on efficiency improvements only and risk steering the sector towards more intensification of production, rather than the transition to agroecological measures so urgently needed.

Temporary certificates create new challenges in the attempt to “fix” the reversibility of carbon storage in the land sink

Carbon storage in soils, forests and most products (e.g., wooden furniture) is not permanent and could be released back into the atmosphere through droughts, floods, forest fires or when the product is discarded. A core characteristic of carbon sequestration in soils is that it is reversible.²¹ Organic matter enters soils, and macro- and microorganisms metabolise and release it again. Temperature changes due to climate change itself might drive a “net” loss of carbon stocks in soils,²² which means that more carbon is released from soils than enters it.

The climate impact of reversibility can be profound when temporary carbon storage is used to offset emissions: If the carbon storage is reversed, the overall emission level might be higher than if removals had been excluded from the system.²³

The concept of temporary carbon credits was created as an attempt to deal with this reversibility of very vulnerable carbon storage in the land sink and products. While this approach is better than assuming permanence of these types of carbon storage, this “accounting fix” creates new challenges for the environmental integrity of the scheme and its implementation.

Temporary credits expire after a set period when monitoring of the activity resulting in carbon storage ceases. For carbon farming, this period could be as short as five years.^{viii} Upon expiration, units are supposed to be cancelled from the credit registry

vii. The EU's two compliance markets are the Emissions Trading System (EU ETS) that mainly governs emissions reductions from fossil fuels and large industry and the ETS2, which aims to reduce emissions from buildings and road transport.

viii. Per Art 2(1h), a carbon farming activity must be maintained for at least five years (referred to as the “activity period”). The time over which the carbon stored must be monitored (the “monitoring period”) covers at least the activity period but is supposed to last longer. The actual activity and monitoring periods for the respective activities will be decided by the Commission when they develop specific certification methodologies.

and any relevant corporate accounting.^{ix} Alternatively, credits may also be renewed. Certification renewal does not result in new credits being issued, but rather existing credits remain valid for a longer period of time. There is much uncertainty about how the approach of temporary certificates would work in practice. For example, ensuring that cancellations are properly accounted for will be a major undertaking from a governance perspective.

The minimum monitoring period of five years has a limited climate benefit. If storage carbon is re-emitted after five years, the activity only delayed emissions, not reduced them.²⁴

The effectiveness of temporary credits relies on the assumption that farmers and foresters would maintain activities to preserve the certificate through renewal. The CRCF is meant to encourage farmers to prolong the monitoring period several times to ensure the carbon is stored at least several decades. However, the CRCF does not specify how farmers would be encouraged to prolong the monitoring period. Yet, since temporary credits expire if not prolonged, the buyers of the credits might pay farmers on a continuous basis to maintain the same credit. Longer periods create challenges for farmers: They might be liable for a long period, there is often a change in ownership and management of land, and they might need to modify farming practices in relation to climate, social and economic conditions.

Experience with temporary credits in other markets is discouraging. One of the first international carbon market schemes, the Clean Development Mechanism, trialed temporary credits. There was limited demand for the credits because buyers needed to continually replace them,²⁵ and they were not comparable to credits from other sectors.²⁶ Yet, if the CRCF becomes the de facto standard for voluntary (and compliance) markets for carbon removals and carbon farming, polluters might have to pay for a single carbon credit on a continuous basis.

Effectiveness of sustainability principles to avoid harmful practices hinges on their implementation

Any financing mechanism must incentivize the right practices. The CRCF's sustainability criteria are an important attempt at excluding many harmful practices, in particular from agriculture and forestry. However, their effectiveness will be determined through details that are yet to be determined in the methodologies for each activity type.

There are two sets of sustainability criteria that are relevant for carbon farming: the minimum sustainability criteria that are applicable to all activities to be certified under the CRCF and additional ecosystem restoration criteria that are only applicable to carbon farming activities.

The CRCF states that the minimum sustainability criteria for all activities must consider the impact within and outside of the EU. The criteria must be consistent with two existing EU legislative frameworks.^x The CRCF methodologies will have to develop specific criteria and indicators in coherence with these laws:

- **EU Taxonomy:**²⁷ This legislation is the EU's sustainable finance framework to identify "sustainable economic activities." For this purpose, it^{xi} includes the so-called "technical Do No Significant Harm screening criteria." These provisions include criteria for the protection and restoration of biodiversity and ecosystems. Agriculture was included in a draft but not in the approved version. Yet, the provisions could serve as inspiration for the CRCF criteria.
- **Renewable Energy Directive (RED):**²⁸ The sustainability criteria in the RED aim at limiting the adverse impacts of scaling up bioenergy from agriculture and forest biomass. As such, it includes criteria to protect land with high biodiversity and land with high-carbon stocks. It also includes criteria for minimum soil quality. Civil society views these criteria as "a minimum and insufficient bar."²⁹ The RED criteria is not relevant for most agriculture activities directly but could be for land use changes that result from the

ix. Art 12(1b).

x. Art 7(2).

xi. Not laid out in the EU Taxonomy legislation itself but in the Taxonomy Delegated Act.

CRCF due to the perspective of financial gains, i.e., of afforesting agricultural soils.

In addition to these minimum requirements, the CRCF requires carbon farming activities to have a positive impact on the “protection and restoration of biodiversity and ecosystems including soil health, as well as avoidance of land degradation.”^{xii} The CRCF will have to develop new criteria for measuring these benefits. Other EU legislation aims to develop similar criteria, and the legislative processes might borrow from each other.

For example, the Directive on Soil Monitoring and Resilience³⁰ currently under discussion will lay out criteria and indicators for “land degradation” and “soil health,” including a list of soil descriptors and soil health criteria.³¹ The Commission’s proposal for this directive included criteria and indicators, such as soil erosion, soil contamination, the reduction of soil capacity to retain water and soil biodiversity. Civil society criticized the soil biodiversity indicators as weak and missing values to identify a “healthy level” of soil biodiversity.³²

Criteria for quantification and additionality in the CRCF prioritise ease of certification over integrity

Offsetting with carbon sequestration should not be allowed. However, since the CRCF will allow offsetting, the EU must create strict methods to generate those credits. This process includes setting baselines that serve as the reference level or “starting point” to compare how much carbon has been stored after the activity compared to before. Carbon markets also require proof that activities are additional to what would have happened without the CRCF. Yet, the rules established in the CRCF risk certifying carbon credits that do not meet the strict requirements needed for a carbon market approach.

Baseline challenges

The complexity of soil and large deviations of carbon storage within a single plot of land makes establishing reliable baselines extremely challenging.³³ To “simplify” certification, the CRCF requires the establishment

of standardized baselines to represent the performance of comparable practices in a similar setting, as opposed to the actual situation in individual plots of land. Those standardized baselines will be updated every five years.^{xiii} However, given the large variation in storage levels, this approach risks miscalculating the actual benefit (if any).

The situation is further compounded when one considers subsequent credit periods, which could, in theory, result in double counting.

Imagine a farmer has generated credits for two crediting periods, both measured against standardized baselines on one hectare of cropland. The second baseline is higher than the first due to widespread changes in agricultural practices. In this example,^{xiv} the first baseline is 90 Megagram (Mg)/hectare (ha), the second 100 Mg/ha. The implemented measures are calculated to have increased the amount of carbon stored in the soil to a level of 105 Mg/ha for the first period and 120 Mg/ha for the second. The farmer generates 15 Mg of credits in the first period. Compared against the second baseline alone, the farmer would generate 20 Mg of credits for the second period. Yet, 5 Mg of those credits were already issued in the first period. If those credits would also be issued again for the second term, there would be double issuance and over-crediting of credits in the CRCF.

EU legislators argue that the CRCF credits will be of “high quality” because the CRCF can reliably quantify and verify how much carbon was sequestered and stored at the end of an activity period. This means that at the end of an activity period, there should be data for each project regarding the actual carbon stocks. If a farmer would then apply for a second activity cycle, it should be possible to set a baseline off the actual project data rather than using a standardised baseline, which could lead to over-crediting.

It is unclear who would pay for the measuring and monitoring. The extensive on-site measuring, necessary for more reliable data, can be quite costly for farmers. The CRCF only demands that the companies certifying the credits on the ground (the “certification

xii. Art 7(1fa).

xiii. Art 4(5a).

xiv. Values are fictional and do not represent a realistic scenario but were chosen to simplify the mathematical example.

schemes”) must make their fees “transparent and easily accessible” on their websites.^{xv}

Determining additionality

To make any difference for the climate, credit generating activities must be additional to what would have occurred in the absence of a credit framework. This requirement, referred to as “additionality,” is a core element of carbon markets. Yet, providing proof of what would have occurred in such a fictitious scenario is riddled with problems, and some argue it is impossible.³⁴

To simplify the rules, the EU has included an option to forego the typical additionality tests, deviating from internationally agreed standards. The CRCF allows an activity to be considered additional if it goes beyond the standardized baseline. Thus, the CRCF does not necessarily require a farmer to change practices for the activity to count as additional under the CRCF. This simplification is presumably intended to support land managers already practicing more climate-friendly agriculture.³⁵ While it is desirable to support the farmers that are already applying (first movers) good practices, such shortcuts undermine the environmental integrity of offsetting schemes. Put simply, without additionality, credits can be granted without the removal of new carbon. A non-carbon market approach, such as activity-based funding,³⁶ could support first movers without putting environmental integrity on the backburner.

The risk of double counting climate action disincentivizes increased climate action from all stakeholders

The CRCF allows counting the “climate benefits” in both corporate accounts and toward the EU climate target. This allowance of double counting (or more specifically double claiming) contradicts language in the CRCF that removals and reductions “shall not be issued more than once and shall not be used by more than one legal or natural person at any point in time.”^{xvi}

Allowing both the EU and corporations to receive credit for the same climate benefit risks disincentivizing additional climate action. One of the promises of

voluntary carbon markets was that they would spur corporate action beyond what was required by the existing regulatory regime. If the EU is able to rely on this corporate action, it may not adopt additional climate policies as its targets have already been met.³⁷

In addition, the ability to double count under the CRCF is inconsistent with positions the EU has taken in international climate negotiations. There, the EU advocates for splitting the “climate benefit” between the country that provides the removals or reductions and the corporate buyer of the credits under the Paris Agreement.³⁸ Parties of the Paris Agreement introduced the concept of “corresponding adjustments” so that each stakeholder would only account for their allocated share of the credit. It may be possible to include rules on corresponding adjustments when the CRCF is revised in 2026, but the possibility of doubling counting will persist until then.

It will be difficult to track the extent to which double counting occurs due to mismatches between the types of data generated under the CRCF and those used to assess EU compliance with its climate targets and international commitments (NDC). The CRCF operates on a project-level basis, while the data used to assess compliance with EU climate targets is based on greenhouse gas inventories, which are less granular. This issue might resolve itself, as EU Member States move towards more detailed monitoring in the land sector, as recommended by the IPCC. In the meantime, the lack of transparency and ability to gauge the significance of this problem will hamper the environmental integrity of the system.

The CRCF may aggravate problems of small farmers and deteriorate further depending on the resolution of the methodologies and outstanding issues

The EU Commission failed to resolve several thorny issues in the CRCF, including addressing the framework’s potential impact on land speculation and liability issues around carbon storage reversals. Land speculation and increasing land prices due to carbon markets are particularly worrying for smaller farmers already under significant economic pressure. For example, in

xv. Art 11(2).

xvi. Art 12(1a). The framework also states that what is certified under the CRCF can only contribute to fulfilling both the commitments in its domestic Climate Law and its national contributions to the Paris Agreement (formally described as Nationally Determined Contributions, or NDCs; Art 1(2)). It cannot contribute to the climate targets of other countries.

2021 alone, demand from forestry investors seeking land to establish tree plantations for offsetting drove up Scottish land values by 61%.³⁹

Some of these issues, such as liability questions, may be addressed when the CRCF-designated expert group⁴⁰ develops activity-specific methodologies.

Others, such as the inclusion of livestock and the application of corresponding adjustments to tackle double counting, may only be resolved as part of the legislative review scheduled for 2026. It is also possible that policymakers continue to punt consideration of these matters down the road or that the proposals put forward do not adequately address the matter. The devil will be in the details and should continue to be monitored.

Conclusion: The CRCF sets the EU's approach to climate action in the agriculture sector on a worrying path

With the adoption of the CRCF, the EU has taken a first ill-advised step to reestablish carbon offsetting in its climate policy. The extent to which offsetting is allowed will now be determined in several policy debates, ranging from corporate accountability to whether a proposed agETS might allow offsetting of non-CO₂ emissions.

The CRCF fails to take an integrated and holistic approach to changing agricultural practices. To enable systemic change, the EU needs to facilitate practices that make sense for the whole farm, instead of looking at individual activities with carbon tunnel vision.

Over the coming months and years, the EU Commission will make key decisions on the development of the methodologies. The first methodologies, expected by the end of 2024, are likely to be open for public consultation. In addition, legislative discussions, such as about a possible agETS, will be critical to determine where the CRCF credits might come into play in the future.

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