ISCIA
INTERNATIONAL SOIL CARBON INDUSTRY ALLIANCE

CRCF POSITION PAPER
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CARBON FARMING: CONCERNS AND RECOMMENDATIONS FOR THE EU CRCF METHODOLOGY

The International Soil Carbon Industry Alliance (ISCIA) is an association of leading companies, standards, scientists and organisations promoting carbon farming activities. Bringing together expert stakeholders and industry professionals to collaborate and share knowledge on soil carbon and agricultural decarbonisation projects, ISCIA aims to identify and overcome barriers that hinder the success of soil carbon projects, develop best practices and provide recommendations for policy development that support the promotion of the regenerative agriculture and soil carbon sequestration.

Introduction and Background

In the European Union, our members and observers collaborate with major multinational companies and implement carbon programs that generate high-quality soil carbon units. These units are used for trading in the voluntary carbon market (VCM) or leveraging the decarbonisation of the agricultural value chain. Our organisations work with thousands of farmers and represent millions of hectares of regeneratively transitioning farmland across Europe. It is of the utmost priority to ISCIA that the European Carbon Removals and Carbon Farming Certification (CRCF) mechanism enables high integrity, scientifically-robust carbon claims within the agricultural sector and that it aligns with existing market dynamics to facilitate demand for carbon units generated that make good business sense for the farmer.

We welcome the European Union's ambition to promote sustainable agriculture and carbon sequestration through Regulation (EU) 2024/3012 establishing a Union certification framework for permanent carbon removals, carbon farming, and carbon storage in products. While we support the overarching goals of the legislation, we have identified several areas of concern that we fear may undermine the EU's climate mitigation efforts within the context of carbon farming.

In this document, we outline our primary concerns and offer evidence-based recommendations to address them. We urge policymakers and stakeholders to consider these points during the development of the carbon farming methodology that will be implemented as delegated acts to the regulation.

Our position and engagement with the EU Consultation Process

While there has been representation from the soil carbon industry in the EU expert group on carbon removals, including some of our members, we are uncertain that the carbon farming industry's concerns are being adequately addressed. It is our position that several key issues do not fully reflect the practical realities of all stakeholders and need to be addressed in the development of a scientifically robust and competitive certification framework.

We believe it is crucial that the concerns and recommendations of pioneering companies in the carbon farming space - who are actively driving the science and technology that underpin successful carbon sequestration - are properly represented in the final draft of the carbon farming methodology.

Key Concern 1. Standardised baselines as the default choice

Baselines are the cornerstone of every carbon project, providing the foundation for accurately quantifying greenhouse gas (GHG) emissions and carbon removals from defined activities, and the accuracy and robustness of the quantification of certification units directly impact their potential value. The framework's reliance on standardised baselines, which are seemingly faced by challenges in development, as the primary approach for quantifying carbon removals and soil emission reductions deviates from existing scientific methodologies. While the legislators permit the use of activity-specific baselines in cases where standardised baselines are unavailable, we have strong reservations to the approach of the standardised baseline being preferred to an activity-specific baseline, for the following reasons:

Impact

- **Potential misrepresentation & opportunity for gaming**
  - The broad application of standardised baselines can lead to discrepancies between estimated and actual field conditions. By averaging parameters, regional baselines do not represent the reality of project field conditions and risk over-crediting or under-crediting specific fields, misrepresenting the projects' true status and undermining the accuracy of environmental assessments.
  - This approach introduces opportunities for gaming, whereby projects could be designed to take advantage of the "false positives" introduced by the standardised baseline, thus biasing the overall outcomes for the European CRCF certification scheme.
- **Misalignment with soil carbon project development under existing internationally recognised carbon market standards' scientifically robust methodologies**
  - The proposed draft of the methodology that is available so far deviates significantly from existing methodologies widely used in European projects. Activity-specific baseline approaches are already in use and have been demonstrated to produce high-integrity outcomes.
  - Prioritising standardised baselines risks that the CRCF will be releasing lower-quality units than those currently available on the voluntary carbon market (VCM) or in ongoing Scope 3/supply chain initiatives and would diminish the applicability and impact.
- **Higher or unknown levels of uncertainty**
  - Standardised baselines encompass a wide range of ground conditions, averaging diverse parameters critical for assessing greenhouse gas (GHG) emission fluxes and soil carbon sequestration rates. This averaging can introduce significant variability, resulting in higher uncertainty compared to activity-based (field-specific) baselines, which are tailored to unique site conditions.
  - The use of default values at a regional scale as opposed to activity-based values could result in higher uncertainty in estimates of carbon sequestration and mitigation of GHG emissions from specific fields.

- **Standardised baseline faces challenges in development**
  - While we acknowledge the promising research conducted by the Joint Research Centre, which was presented at the 2nd EU Carbon Farming Summit in March 2025, we are concerned that the draft elements of the CRCF methodology have not yet defined how the standardised baselines would be applied to individual projects.
  - The development of concrete quantification proposals for standardised baselines seem to still be in an early stage of development. Robust methodologies have yet to be agreed that fulfill the definitions outlined in the Regulation: “highly representative of the standard performance of comparable practices and processes in similar social, economic, environmental, regulatory, and technological circumstances” while “taking into account the geographical context, including local pedoclimatic and regulatory conditions.”
- **Potential greenwashing claims and misaligned farmer incentives**
  - Lack of additionality/causality: Standard regional baselines could allow for the creation of reduction and removal claims for pre-existing activities, and could challenge the core carbon market principle of Additionality.
  - Over-Crediting: Creation of "ghost credits" could raise greenwashing concerns, damaging the credibility of farmers, operators, and certifying bodies.
  - Under-Crediting: Farmers’ efforts may be undervalued, discouraging participation and undermining incentives to contribute to EU climate targets. Introducing standardised baselines that do not accurately represent activities in a specific field would be counterproductive and could act as a disincentive.
- **Reduced integrity for carbon market investors, threatened farmer finance, and delayed EU climate impact:**
  - Units of lower quality will be less appealing to carbon market buyers, jeopardising market integrity and funding to land managers and farmers for carbon removal activities within the EU CRCF.
  - Fewer units will contribute to EU climate targets, potentially delaying the achievement of 2040 and 2050 goals under the European Climate Law and Green Deal.
  - Incompatibility with existing VCM methodologies will create further fragmentation and confusion in the market.

ISCIA Recommendations

- Ensure that the EU CRCF carbon farming methodology developed and presented for adoption as a Delegated Act guarantees equal treatment of project-specific baselines to the standardised baseline, with the inclusion of a provision allowing operators the flexibility to choose between standardised baselines and activity-specific baselines in all circumstances.
  - This is necessary to broaden the scope and remain consistent with the provisions of Recital 14, which states: *“Where it is not possible to set such standardised baselines, an activity-specific baseline based on the operator’s individual performance should be used.”*
- If the European Commission is to utilise a standardised baseline for the EU CRCF carbon farming methodology, it is suggested that this including the whole methodology and parameters used to establish the standard baseline be opened to public consultation for enhanced scientific rigour.

Key concern 2. The absence of differentiation between project-based quantification (offsetting) and inventory-based accounting (insetting)

The current legislation fails to account for the fundamental distinction between emission reductions and removals achieved through voluntary carbon market (VCM) offset programs and those driven by supply chain-focused initiatives targeting Scope 3 emission reductions and removals. Specifically, it overlooks the existing variations in quantification methodologies and reward mechanisms provided by established and fully operational certification schemes.

Impact

- **Undermining the integrity of climate impact accountability:** By failing to differentiate the methodologies for offset vs. inset contexts, the legislation risks allowing credits from pre-existing practices to be inaccurately claimed as additional under the VCM. Such ambiguities could lead to double counting or misrepresentation of climate benefits, which erodes the credibility of both frameworks.
- **Barrier to suppliers engagement:** Businesses seeking to decarbonise their supply chains may encounter barriers if the legislation fails to provide clear guidance or support for Scope 3-specific methodologies. Methodology guidance must be aligned with the standards and frameworks required in corporate supply chain accounting (e.g., the Greenhouse Gas Protocol).

ISCIA Recommendations

- Ensure that the certification methodology developed and presented for adoption as a Delegated Act contains appropriate provisions for both intervention and inventory accounting.
- Require that certification units developed under the methodology are applicable for offsetting and corporate reporting purposes to ensure open-market finance for farmers, and alignment with Recital 42, which states: *"...that certificates of compliance and certified units underpin different end-uses, such as the proof of climate-related and other environmental corporate claims, including in relation to biodiversity, or the exchange of certified units through voluntary carbon markets."*

Key concern 3. Short carbon farming activity and monitoring periods undermine market integrity

The EU CRCF's proposed durations for carbon farming activity and monitoring periods are very short (5-10 years) and not aligned to those required by leading international Voluntary Carbon Market (VCM) standards' methodologies for soil carbon sequestration projects. This lower benchmark of CRCF compromises the quality and integrity of carbon units in the market and increases the risk of impermanence of soil carbon sequestration.

Impact

- **Challenge of units reflecting actual carbon sequestration:** Short activity periods prevent the issuance of carbon units/credits based on accurate soil measurements. A 10-year activity period, consistent with international VCM standards, enables soil resampling in year 5. This approach allows for adjustments based on measured Soil Organic Carbon (SOC) sequestration.
- **Inability to guarantee unit permanence:** Short monitoring periods undermine the permanence of carbon units generated under the CRCF. A minimum 30-year monitoring period, added to a 10-year activity period, aligns with the Integrity Council for the Voluntary Carbon Market's Core Carbon Principles for permanence of 40 years. This duration ensures unit permanence through the use of scalable and economically viable technologies.
- **Insufficient time for farming practices transition:** Short activity and monitoring periods fail to allow enough time for the transition to regenerative farming practices to yield measurable economic and climate resilience benefits.

ISCIA Recommendations

- The developing methodology should require a minimum permanence period of 40 years (activity and monitoring period combined).
- Ensure the quality and permanence of carbon credits and allow sufficient time for regenerative farming transitions to deliver tangible benefits.

Our Ask

We urge the EU Commission to:

- Ensure that the carbon farming methodology developed and put forward as delegated acts:
  - Has the ability for an operator to equally choose and use activity-specific baselines, over a standardised baseline;
  - Ensure the methodology holds up against specific use-cases;
  - Meet the requirements of the Integrity Council for the Voluntary Carbon Market (ICVCM)'s Core Credit Principles to not undermine existing stringency for high-quality credits currently recognised, in particular 40 years of permanence.
- Evaluate the concept of standardised baselines for carbon farming and their applicability within the framework of established high-integrity carbon market standards and methodologies.
- Ensure that the CRCF is aligned with existing leading industry guidance and avoids risks of greenwashing, and engage with a broad range of stakeholders from the food industry and operators in the carbon farming space (MRV providers, project developers), to gather more input on the topics of standardised baselines and inset/offset scenarios.
- Broadcast future expert group sessions online to be viewable by any interested party, to ensure transparency on the technical discussions which are being held.

ISCIA is committed to collaborating with the European Commission, European Parliament, and other stakeholders to ensure the success of Regulation (EU) 2024/3012.

By addressing these concerns, we believe the delegated acts can foster innovation, empower farmers, and contribute meaningfully to the EU's climate goals.

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