

ECN's feedback on the certification methodologies for carbon farming under the CRCF Regulation

The European Compost Network (ECN), the European umbrella organisation representing the bio-waste recycling sector, welcomes the release of the Commission's new draft delegated regulation detailing the methodologies for certifying carbon farming activities under the Regulation establishing a Union Certification Framework for Carbon Removals and Carbon Farming (CRCF Regulation). Many key aspects have now been clarified, although certain specific points still need more clarification.

First of all, the ECN warmly welcomes the clear inclusion of the use of organic soil improvers and organic fertilisers as an eligible agricultural practice. Indeed, applying compost or digestate on agricultural soil does have a positive effect on net carbon removals in soils and reduces net CO₂ emissions from soils, as supported by numerous studies. Therefore, the withdrawal of the additionality criterion, which limited in the previous draft the eligibility of the use of compost and digestate to cases where they came from bio-waste currently incinerated or landfilled is a positive step forward.

However, the ECN would like to make some comments and raise certain concerns regarding specific elements of the draft delegated regulation.

Quantification of GHG associated emissions (Section 2.1.1(d))

The draft delegated regulation states that the “scope of the certification methodology for agriculture and agroforestry on mineral soils covers [...] GHG associated emissions”, including the “increase in direct and indirect N₂O emissions from agricultural soils resulting from changes in the application of fertilising products”. When quantifying these emissions, **the Commission should take into account the fact that N₂O emissions may in some cases be attributable to local soil and climate conditions** (e.g., unavoidable N₂O emissions could occur on an agricultural soil due to higher nitrogen mineralisation rates caused by the effects of climate change).

In addition, concerning the “increase in fuel combustion emissions from field operations or transport to the activity area”, **the ECN believes that the text should specify that this increase should be a net increase**. Indeed, the additional emissions resulting from transporting compost to the activity area and distributing it should be quantified in relation to the reduction of fuel combustion emissions required for the supply and distribution of

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mineral fertilisers and liming materials. It should also be borne in mind that compost, as an organic soil improver providing nutrients and lime, avoids additional spreading of mineral fertiliser and lime, even when it is applied annually to agricultural soils.

Amendment 1 Section 2.1.1(d)(iv) of the draft delegated regulation	
<i>Text proposed by the Commission</i>	<i>ECN's Amendment</i>
(iv) an increase in fuel combustion emissions from field operations or transport to the activity area.	(iv) an increase in fuel combustion emissions from field operations or transport to the activity area, <i>taking into account avoided fuel combustion emissions resulting from the transport and application of organic fertilising products.</i>

Quantification and monitoring approaches (Section 2.4)

According to the draft, two quantification approaches could be used to quantify direct and indirect N₂O emissions from managed agricultural soils (approach 1 'models' and approach 3 'default emission factors'). Although this gives more flexibility, the absence of harmonised approaches can lead to discrepancies in the results obtained. For instance, emission factors are currently the subject of heated debate due to analysis methods and measures that are not harmonised and validated. **Therefore, the ECN would recommend to ensure that the 'models' are harmonised according to key figures and validated by field tests. In addition, considering the potential for variation in emissions of products such as compost and digestate depending on the input used, the 'default emission factors' should be harmonised and adapted to such materials, and have sufficiently high level of reliability and certainty.** This is of utmost importance, as results may vary depending on whether they are based on models or on data and measurements.

Financial viability tests (Section 3.2.2)

The text states that "The financial viability tests shall demonstrate that the activity is not financially viable in the absence of revenues from certification by means of an investment analysis". Given that an activity can be made of several different practices, the use of organic soil improvers and fertilisers being one of them, and since it is not in itself an economically unsustainable practice for the operator, **the test should cover the entire carbon farming activity, rather than applying to each farming practice.** This would also make the financial viability test less burdensome for farmers.

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Amendment 2 Section 3.2.2 of the draft delegated regulation	
<i>Text proposed by the Commission</i>	<i>ECN's Amendment</i>
The financial viability tests shall demonstrate that the activity is not financially viable in the absence of revenues from certification by means of an investment analysis.	The financial viability tests shall demonstrate that the <i>entire activity, which may encompass various practices</i> , is not financially viable in the absence of revenues from certification by means of an investment analysis.

Incentive effect test (Section 3.2.1)

The ECN would like to point out that the fact that the certification scheme would only apply to new activities (or to early movers who started the activity from 2023) constitutes an important limitation for the use of organic soil improvers and fertilisers. Indeed, this would penalise farmers who have already used compost or digestate, with long-term applications, and have improved the humus content of their soil. In this case, it is likely that they would generate fewer sequestration units per hectare compared to new comers who will start the activity on humus-depleted soils. **Therefore, the certification scheme should better recognise the long-lasting activities and their benefits in terms of soil management, especially for increasing and/or stabilising the soil humus content.** A bonus to reward such long-term activities could be introduced.

Simple cost test (Section 3.2.2.1)

The simple cost test is described as it “shall demonstrate that the implementation of the activity is associated with costs and does not generate any cost savings or revenues other than revenues from certification during the monitoring period”. However, this seems to go beyond the requirement from the CRCF Regulation which states in Article 5.1(b) that “the incentive effect of the certification under this Regulation is needed for the activity to become financially viable”. Indeed, there is an important difference between ensuring that the activity could not be carried out without the certification, and requiring that the activity generates no income other than that derived from the certification. Moreover, the hope of potential additional economic benefits linked to improved soil conditions could encourage a farmer to engage in a carbon farming activity, which, under current rules, assigns to the farmer only the risks and not the benefits. **Therefore, the ECN calls the Commission to clarify how the simple cost test will be conducted and what types of revenues will be taken into account, so as not to exclude carbon farming practices that can generate associated economic benefits.**

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Materials containing peat (Section 5.1(a))

Concerning the minimum sustainability requirements operators shall comply with, the exception made for peat when it is present in composted bio-waste or used as growing media is welcome. Nevertheless, peat having various uses, it may end up in other input materials received by the composting or anaerobic digestion plants, and consequently, in the compost or digestate produced. This is especially the case in countries like Finland, where peat is widely used as livestock bedding (approximately 40% of main bedding materials¹) and becomes structurally integrated into the manure before its collection. In this context, peat is not added as a separate feedstock to composting or anaerobic digestion installations but it forms an inherent component of manure at origin. At the same time, environmental concerns related to peat extraction are recognised in Finland, and alternative bedding materials are actively being developed and tested, but scaling them up and bringing them to market will take time. Therefore, excluding composted or digested manure due to bedding-derived peat would risk removing a major carbon farming and an effective nutrient-recycling pathway from the CRCF certification framework, without clear additional climate benefit. **This is why the ECN recommends to recognise bedding-derived peat as a component of manure, and to grant an exemption for peat present in manure compost and digestate**, similar to the exemption for peat present in composted biowaste.

Amendment 3 Section 5.1(a) of the draft delegated regulation	
<i>Text proposed by the Commission</i>	<i>ECN's Amendment</i>
<p>(a) Climate change mitigation</p> <p>[...]</p> <p>With the exception of peat present in composted biowaste or used as growing media for agroforestry seedlings or for tree nurseries, peat or peat-containing products shall not be used.</p>	<p>(a) Climate change mitigation</p> <p>[...]</p> <p>With the exception of peat present in composted biowaste or in composted or digested manure, or used as growing media for agroforestry seedlings or for tree nurseries, peat or peat-containing products shall not be used.</p>

Sustainability requirements on “pollution prevention and control” for practices related to the rewetting and restoration of peatlands (Section 5.1(e))

The meaning of the sentence “The activity shall comply with Regulation (EU) 2019/1009 of the European Parliament and of the Council and with the relevant national implementing law on active ingredients” is highly unclear. In fact, the Regulation (EU) 2019/1009 (the EU

¹ Natural Resources Institute Finland (LUKE) (2023), Report on bedding materials: Analysis of the current bedding material situation and assessment of the near-future development outlook in Finland, <https://jukuri.luke.fi/items/2726a1e9-da8f-4e81-b451-20ce2c1e161f>.

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Fertilising Products Regulation) refers just to the production and placing on the market of fertilising products, and not to possible activities performed on or into soils. **The Commission should therefore clarify this point.**

In addition, it is important to stress that the EU Fertilising Products Regulation only applies to producers who decide to voluntarily put their fertilising product on the EU market. Today, only a small number of compost and digestate producers have managed in doing so, due to unsuitable process requirements present in the Regulation. **Therefore, should the text refer to the EU Fertilising Products Regulation, it should also refer to the relevant national laws on fertilisers and soil improvers, which still apply.**

Contact

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About the European Compost Network (ECN)

The ECN is the leading European membership organisation promoting sustainable recycling practices by composting and anaerobic digestion of organic resources and guarding over the quality and safe use of the recovered organic fertilisers and soil improvers. With 67 members from 27 European countries, ECN represents more than 4,500 experts and plant operators with more than 45 million tonnes of biological waste treatment capacity.