

## Background

The Integrated Farm and Land Management (IFLM) Method is a proposed method that will combine vegetation and soil carbon sequestration, and a package of carbon management activities, into one holistic integrated, and modular carbon farming method. This will enable land managers to undertake multiple carbon management activities on a single area or property.

The aim of the method is to provide a modular and adaptative approach to carbon accounting and carbon management activities, which will deliver improved environmental benefits and help transition Australia's land sector to net zero.

In line with the Australian Government method development process, the method has been co-developed in a phased approach with the initial planned 'modules' to include vegetation and soil carbon sequestration. It is intended that further sequestration and avoidance activities will be added to the method through subsequent modules as they are developed and approved via the proponent-led ACCU Scheme method development process.

The IFLM is currently under development, with the Australian Government committed to providing a draft method and supporting evidence to the government's independent ACCU Scheme integrity committee (Emissions Reduction Assurance Committee - ERAC) to assess and consider if it's ready for public consultation.

If approved, a draft method will be opened for formal public consultation and revision. ERAC will then assess the revised method proposal, against the Offsets Integrity Standards. If endorsed, they will make a recommendation to the Climate Change Minister, as to whether it should be legislated as a method (known as a 'methodology determination').

## Why do we need an IFLM method?

To limit warming to 1.5 degrees, this is the 'decade that matters.' The land sector is critical for immediate CO<sub>2</sub>e removal at scale, as the storage of carbon in woody biomass and soil is currently the only proven technology to drawdown carbon from the atmosphere at scale.

A comprehensive carbon farming method that integrates the broad range of carbon management activities that can be implemented on land in Australia, will help unlock the substantial abatement potential of the land sector and make a meaningful contribution to a net zero Australia by 2050. The IFLM method represents a necessary evolution from the current 'single property, single project' paradigm to an 'integrated approach' that aligns with the land management practices where there is an opportunity to manage across multiple carbon pools on the same property.

The proposed method also seeks to expand the limited number of land management strategies available under current methods thereby increasing the potential for eligible projects.

While its primary purpose is to provide a high-integrity carbon farming method under the ACCU Scheme, the IFLM method can contribute to the delivery of four major Australian Government policies, including:

- Australia’s Agriculture and Land Sector Decarbonisation Plan (currently under development alongside six sectoral plans), that is designed to support land sector decarbonisation (including via the ACCU Scheme) as an important input to Australia’s national, whole-of-economy net zero strategy;
- Australia’s 30x2030 biodiversity commitment and longer-term Nature Positive Plan, interfacing with the emerging Nature Repair Act methodologies; and
- Australia’s sustainable agricultural production and food security goals, providing long term market access for Australia’s agricultural commodities, aligned with increasing market requirements for low emission, sustainable agricultural produce (including by supporting ACCU-based insetting approaches).
- The generation of ACCUs is critical to meet demand created by the Safeguard Mechanism and from the voluntary carbon market. For this, the market urgently needs a comprehensive and high integrity land sector method that builds on current methods, and addresses a significant gap created by the sunseting of the human-induced regeneration method in 2023. Without viable replacement vegetation methods there will be an unavoidable hiatus in project activity which could damage the security of ACCU supply for 2-5 years.

The scale of abatement that could be delivered under the IFLM method is substantial. Recent analysis by CSIRO identified an economically viable potential for woody and soil-based carbon removals of up to 84 million tonnes of CO<sub>2</sub>e per annum<sup>1</sup>. To date, abatement delivered from native forest restoration, soil carbon and environmental planting activities under the ACCU Scheme (and its preceding programs) is about 5 million tonnes per annum - well below CSIRO’s technical and economic estimation potential above.

## What is new about IFLM?

The IFLM represents a step change from existing single activity carbon farming methods. The method allows land manager to either participate in single activity methods where appropriate or opt to undertake multiple carbon management activities on the one property, where possible.

It is not intended to replace any specific carbon method. Instead, the CMI IFLM Taskforce has proposed that it could mirror or cross-reference aspects of existing or future single carbon farming methods (e.g. under phase 1 that would include the existing soil and environmental planting methods).

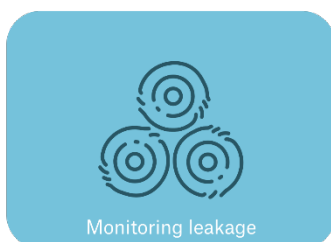
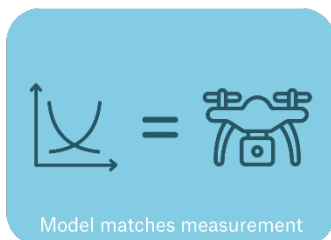
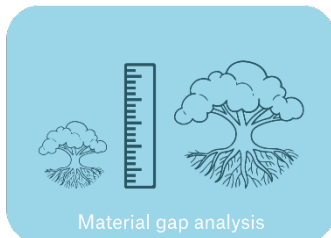
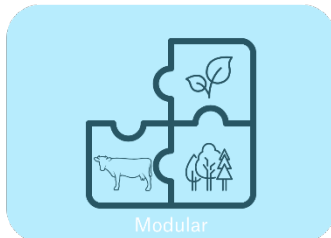
The CMI IFLM Taskforce’s [Discussion Paper](#) proposes five major innovations (outlined below) to build a next generation carbon farming method that incorporates emerging science and technology, to address past concerns raised about the accuracy, additionality, flexibility, and transparency of some carbon farming methods. The discussion paper builds on its original CMI ILFM Taskforce ‘[Blueprint](#)’ (2021).

Further information on the proposed safeguards such as the Gap Analysis (Section 2.3), Monitoring Leakage (Section 2.4) and a five-step registration process (Section 2.5) can be found in the Discussion Paper.

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<sup>1</sup> Fitch P, Bataglia M, Lenton A, Feron P, Gao L, Mei Y, Hortle A, Macdonald L, Pearce M, Occhipinti; S, Roxburgh S, Steven A, (2022). Australia’s sequestration potential, CSIRO. A report to the Climate Change Authority. Available at: <https://www.csiro.au/en/research/environmental-impacts/emissions/carbon-sequestration-potential>.

## The Five Innovations of IFLM



1. **The modular approach.** It will allow flexible combinations of project activities and carbon pools, to better match the diverse range of abatement activities that can be implemented on land in Australia. The modular approach provides 'future-proofing' - allows new activities and technologies to be added to the method over time and the right package for the ecosystem that the project is located in.
2. **Material gap analysis for woody biomass:** A statistical gap analysis could be applied, where the Carbon Estimation Area (CEA) is compared against an established carbon stock or ecosystem structure. It also provides an early datapoint to assess whether the CEA has the potential for increased woody carbon stocks. When triangulated with third-party evidence of barriers to ecosystem restoration (e.g. suppression agents), the gap analysis can provide increased confidence and science-based evidentiary links between the proposed carbon management change and carbon stock outcomes;
3. **Model matches measurements:** Expanding on the existing measure-model approach for soil, the IFLM method could introduce a model validation component for woody biomass, where model estimates would be matched to high accuracy field data. This could mean that models will need to be adjusted if predictions do not match measured outcomes;
4. **Monitoring of leakage:** To ensure that the IFLM method accounts for all material sources of emissions that can be demonstrably linked to undertaking the project. This ensures that carbon farming activities have safeguards to protect against leakage, particularly related to displacement of land-clearing;
5. **Multi-ecosystem applicability:** The IFLM Method could have expanded applicability across the broader range of Australian ecosystems. This strengthens alignment with the Paris Agreement landscape accounting approach. Eligibility criteria in past methods were linked to Kyoto era thresholds of forest and non-forest and the transition between these land classifications. This has significantly constrained the ability of carbon farming to occur in the broadest range of ecosystems, including ecosystems located in Australia's vast Indigenous estate.