

## Policy Brief: Key Requirements for an Effective IFLM method

The Carbon Market Institute's (CMI's) IFLM Taskforce<sup>1</sup> welcomes progress of the proposed Integrated Farm and Land Management (IFLM) method, and looks forward to the plain-English version of the draft method being released by the end of March 2025 in line with the Department's [latest method development timeline](#).

Since it was first proposed in 2019, the CMI IFLM Taskforce has worked collaboratively with the Federal Government, academic experts and a broad range of stakeholders across state government, agriculture, conservation, and finance sectors to support the co-design of this innovative method.

The Taskforce, in collaboration with other stakeholders, has identified **five key policy requirements which must be incorporated in any IFLM method for it to be effective and nationally applicable**.

These include:

1. **Modular framework** that enables land managers to undertake multiple carbon management activities through a single method. This framework can rapidly be expanded to include other science-ready modules for land sector activities that are under development as part of the proponent-led method process, or ERAC-led method reviews that are planned or underway. A modular framework will enable more land managers, including Indigenous Australians, farmers and conservation organisations, to participate around Australia by applying a set of carbon management actions relevant to their property.
2. **Comprehensive set of eligible carbon management practice changes** that are necessary to enable ecosystems that have been modified, transformed, removed or replaced since settlement to be regenerated, delivering carbon drawdown in soil and vegetation across diverse national ecosystems in response to land management changes. Key activities must include:
  - o establishment of biodiverse plantings;
  - o natural regeneration of woody biomass following removal of anthropogenic barriers to regeneration, such as over grazing, clearing and unmanaged feral animals; and
  - o soil carbon sequestration activities.

Priority additional carbon management activities and modules could include avoided emissions from livestock, avoided clearing and on-farm electrification to be added to expand on the initial method.

3. Inclusion of a **Land Management Strategy as a central requirement** to evidence past barriers to sequestration, and proposed carbon management activities that will be implemented and monitored to transition the land to a state of higher carbon stock. The Land Management Strategy is also an important feature to enable integration with related Nature Repair Market methods, with a single strategy able to link carbon and nature repair activities to achieve dual goals of increased carbon storage and improved condition of biodiversity and natural capital.

4. **Weight of evidence approach**, recognising that land management projects require multiple lines of evidence to attribute current land condition to management changes. Changes in land condition should be benchmarked at key project gateways. It is proposed this would include reference ecosystems or “state and transition models” to provide high confidence that project areas were in a state of low carbon stock as a result of past management practices (i.e. modified, transformed, removed or replaced ecosystem condition) during the baseline or pre-project period, and that the carbon stock condition is improving in response to land management practice changes in the project.
5. **Technology-neutral measurement and modelling approaches** that allow estimation of abatement with high confidence and scientifically acceptable certainty. The method can better enable innovation and adoption of emerging technologies if the requirements are focused on the metrics and standards for measurement and reporting, instead of being overly restrictive on the use of specific tools. This allows more rapid uptake of new technologies, such as LiDAR, as they become viable.

The CMI IFLM Taskforce’s policy requirements are informed by over a decade of experience implementing carbon farming projects, and incorporate improvements to past or existing methods to build on this experience. The policy requirements and recommendations would ensure crediting is subject to the many existing integrity measures enshrined in the ACCU Scheme and also aligned with findings from the Independent ACCU Review, led by Professor Ian Chubb AC, while providing extra checks and balances that build on learnings from the independent reviews of regeneration gateways checks undertaken by ANU Professor Cris Brack.

An effective IFLM method is critical to unlocking and scaling up carbon drawdown in the Australian land sector. Currently, with agricultural emissions and land clearing, the land sector still accounts for around 20% of Australia’s emissions. This IFLM method can unlock urgent investments, accelerating the ability of land managers to adopt sustainable agricultural practices, while making a meaningful contribution to a net zero, nature positive Australia by 2050. We look forward to working constructively with DCCEEW and other stakeholders to finalise the co-design of this critical framework method as early as possible in 2025.

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<sup>i</sup> In 2019, the Federal Government began a process to identify priority methods under the ACCU Market, with the method now known as the Integrated Farm and Land Management, identified as one of five priority methods. In the same year, the Carbon Market Institute (CMI) formed a member-led Taskforce to support its development. The Taskforce is made up of a broad cross-section of CMI members who participate on a voluntary basis, under a Terms of Reference, and are committed to a high-integrity, fit-for-purpose carbon market in Australia. The Taskforce supported development of an original method Blueprint and has supported the Australian Government-led co-design process and provided technical input throughout consultation on the planned IFLM carbon farming method. The Taskforce currently has 63 members, with two core sub-committees of an expert Technical Working Group, overseeing technical input, and a Stakeholder Engagement Working Group, supporting broader consultation and engagement.