



# Guidance for meeting the requirements of soil carbon land management strategies for 2021 soil carbon projects

This document outlines the key requirements for submitting *land management strategies* (LMS) for soil carbon projects registered under the Emissions Reduction Fund *Carbon Credits (Carbon Farming Initiative – Estimation of Soil Organic Carbon Sequestration using Measurement and Models) Methodology Determination 2021*, and the Clean Energy Regulator’s (the agency) guidance on meeting these requirements.

A LMS is a document which takes a whole-of-system approach to considering the soil carbon sequestration potential of a project. The intention of the LMS is to manage expectations of what activities may influence soil carbon and the quantum of abatement that may be achievable. The requirements of the LMS encourage landholders to consider how to achieve soil carbon outcomes in a way that does not conflict with broader business objectives, and ensures that interactions between changing land management activities, climate, environment and whole-of-system outcomes are considered.

A LMS must identify at least one eligible management activity that will be undertaken or maintained by a project to build soil carbon throughout the permanence period of the project (either 25 or 100 years). The method requires the LMS to be prepared or reviewed by someone with appropriate knowledge of agronomy, plant nutrition and soil carbon, and experience in providing agricultural production advice. Land management strategies are required to be submitted when projects register, when new areas are added to a project, and when projects transfer to the 2021 soil carbon method from another soil carbon method.

Elements of a LMS could be used across multiple projects, provided that project specific information is included where appropriate. Multiple LMSs may apply to a project where new areas have been added to the project over time (see guidance for s13(4)).

The LMS can also be used to provide the agency with an explanation of actions project proponents have taken or will take (or ensure landholders take) to protect the carbon credited to their project for their nominated permanence period as required by s13(1)(p) of the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (the CFI Rule) as part of project registration applications, and s70(4A) of the CFI Rule as part of the offsets reports in years 8 and 24 of the project. Submitting a LMS supersedes the requirement to submit a separate permanence plan.

A LMS needs to be revised:

- at least once every 5 years during the crediting period then at least once every 10 years for the remaining duration of the permanence period, and
- if the land management activities being conducted change materially from those outlined in the LMS.

Table 1: Key method requirements for land management strategies:

Method LMS Requirement	Guidance on demonstrating this in an LMS
<p><b>S13(1)(a)(i) The LMS includes information which demonstrates that for all land included, or to be included, in a carbon estimation area (CEA), at least one eligible management activity will be carried out or maintained until the end of the permanence obligation period for the project</b></p>	<ul style="list-style-type: none"> <li>• The LMS must be clear that at least one new or materially different eligible management activity will be carried out or maintained on all land included in a CEA for the duration of the 25- or 100-year permanence period.</li> <li>• This should include consideration of the extent to which the new or materially different activities need to be carried out in order to exceed baseline activities and be valid.</li> <li>• If you wish you cease your eligible management activity at any stage during the permanence period, it must be replaced with a new eligible land management activity. Such a change must be documented in a revised LMS and communicated to the agency. If you are required to revise your LMS, you must notify the agency within 60 days and provide a your revised or new LMS to the agency within 9 months.</li> </ul>
<p><b>S13(1)(a) The LMS includes information which demonstrates that;</b></p> <p><b>(ii) consideration has been given to the other activities being conducted in the project area and the environmental factors that may be incompatible with increasing soil carbon stocks and the steps that would be taken to address such incompatibility</b></p> <p><b>(iii) consideration has been given to the other activities being conducted in the project area and the environmental factors that may present risks to maintaining soil carbon stocks and the steps that would be taken to address such risks</b></p> <p><b>(iv) The LMS includes information which demonstrates that the overall impact of all land management activities conducted in the project area could reasonably be expected to improve soil carbon stocks over time</b></p>	<ul style="list-style-type: none"> <li>• The LMS must take into account any other activities being conducted on the farm and environmental factors that may be incompatible with increasing soil carbon. For example, replacing perennial pastures with crops, soil sodicity, soil structure or micronutrients.</li> <li>• The LMS must also take into account any other activities being conducted on the farm and environmental factors that may risk reversing sequestered soil carbon stocks. For example, changes in rainfall and temperature which may impact the project area.</li> <li>• If parts of the LMS are used across properties, the LMS should also take into account the constraints to its effectiveness across geographical locations (applicable rainfall zones and soil types etc.). If there are no such constraints, this should be explicitly stated in the LMS to ensure that limitations have been considered in the preparation of the strategy.</li> <li>• These considerations are intended to ensure that the landholder is aware of the range of possible limiting factors and risks which may impact the ability of their project to sequester and maintain soil carbon stocks, particularly those related to management activities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Taking into account the limiting factors and risks considered under 13(1)(a)(iii) and 13(1)(a)(iv), the LMS must demonstrate that it can be reasonably expected that soil carbon stocks in the project area will increase over the crediting period.</li> </ul>
<p><b>S13(1)(b) The LMS includes a statement confirming that activities excluded by section 11, or in breach of section 12, are not being conducted or proposed to be conducted</b></p>	<ul style="list-style-type: none"> <li>• It is best practice for the LMS to include a list of each of the restricted/prohibited activities outlined in s(11) and s(12) of the method, followed by a statement from the project proponent confirming that they are aware of their obligations to act consistently with each of the requirements of s(11) and s(12), and that the activities excluded by s(11) and in breach of s(12) are not being conducted or proposed to be conducted.</li> </ul>
<p><b>S13(1)(c) The LMS specifies:</b></p> <p><b>(i) if the project proponent intends to use biochar and/or products containing human effluent as part of their project</b></p> <p><b>(ii) the steps the project proponent needs to take in order to monitor the project’s progress</b></p> <p><b>(iii) the records the project proponent needs to keep relating to land management activities to verify that the overall objectives of the land management strategy are being achieved</b></p>	<ul style="list-style-type: none"> <li>• The LMS must include a statement confirming whether the project proponent is intending to use biochar and/or products containing human effluent as part of their project. The agency requires this information because use of these products may have associated risks, such as work, health and safety risks.</li> <li>• The LMS should outline the steps and key metrics for which monitoring activities and records are required in order to demonstrate that management activities are being conducted to the extent necessary.</li> <li>• The LMS should specify any particular records which may be necessary to demonstrate that the overall objectives of the land management strategy are being met.</li> <li>• For example, if grazing practices are changed, records of numbers of stock and length of time spent in CEAs need to be kept.</li> </ul>
<p><b>S13(2) The LMS must:</b></p> <p><b>(a) cover all of the land included in the CEAs for the project; and</b></p> <p><b>(b) cover all of the land in a given CEA in a single strategy.</b></p>	<ul style="list-style-type: none"> <li>• All land included in CEAs for a project must be included in the LMS/LMSs for that project.</li> <li>• All land in a given CEA must be included in a single LMS.</li> <li>• It is recognised that CEA boundaries may not be finalised when an LMS is initially submitted.</li> <li>• Nonetheless, it is advisable for the strategies to be explicitly applicable to any CEAs within the project area that are likely to be stratified to avoid the need to re-submit an LMS every time a new CEA is added.</li> </ul>
<p><b>s13(3) The initial LMS for the project must be prepared:</b></p> <p><b>(a) if this determination is the applicable methodology determination as a result of a</b></p>	<ul style="list-style-type: none"> <li>• s13(3)(a) applies if projects transition to the method from a the <i>Carbon Credits (Carbon Farming Initiative) Sequestering Carbon in Soils in Grazing Systems) Methodology Determination 2014</i>, the <i>Carbon Credits (Carbon Farming Initiative—Estimating Sequestration of Carbon in Soil Using Default Values) Methodology</i></li> </ul>

<p><b>128 application—before the first offsets report submitted after that application; or</b></p> <p><b>(b) otherwise—before the section 22 application.</b></p>	<p><i>Determination 2015, or the Carbon Credits (Carbon Farming Initiative – Measurement of Soil Carbon Sequestration in Agricultural Systems) Methodology Determination 2018.</i></p> <ul style="list-style-type: none"> <li>• In these circumstances, the LMS should be consistent with the information provided with the project’s original registration application (unless the land management activities being conducted have or will change materially), particularly in terms of the information used to demonstrate that the management activities being conducted were new or materially different.</li> <li>• If the project proponent wishes to materially change land management activities being conducted as part of their project upon transferring to the 2021 method, the LMS will need to be revised. For example, if the project proponent intends to use legume species in a cropping system (which is a new eligible management activity in the 2021 method) as their primary eligible management activity.</li> <li>• In all other circumstances, the initial LMS must be prepared prior to a project registration application under s22 of the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i> (The CFI Act).</li> </ul>
<p><b>S13(4) If a project area is added to the project or land is added to a project area of the project as a result of a section 29 application:</b></p> <p><b>(a) one or more existing land management strategies must be revised to cover the additional land or project area before making the section 29 application; or</b></p> <p><b>(b) one or more new land management strategies must be prepared to cover the additional land or project area before making the section 29 application.</b></p>	<ul style="list-style-type: none"> <li>• If new areas are added to a project as a result of a project variation application under s29 of the CFI Act, project proponents must either revise their LMS to include the new area before the s29 application, or, prepare a new LMS that covers the new area before the s29 application.</li> </ul>
<p><b>S13 (5) The project proponent and each relevant landholder must provide a signed statement that they have read each of the land management strategies and agree to implement, or oversee the implementation of, each land management strategy.</b></p>	<ul style="list-style-type: none"> <li>• The LMS must include a signed statement from the project proponent and each relevant landholder* confirming that they have read the LMS (or where more than one LMS applies to a project, each LMS), and agree to implement or oversee the implementation of the LMS/each LMS.</li> <li>• If an LMS has identified particular conditions that must be met for the strategy to be effective, the LMS should include statements and evidence from the project proponent that these conditions are being met.</li> </ul>

	<p>Evidence could take the form of a supplement to the LMS.</p> <p>*a <i>relevant landholder</i> is any person other than the project proponent who, whether by reason of ownership or otherwise, is in lawful occupation or possession, or has lawful management or control, of land that is covered by the LMS.</p>
<p><b>S13 (6) A qualified person must review, and if necessary, revise each strategy:</b></p> <p><b>(a) at least once every 5 years until the end of the crediting period for the project; and</b></p> <p><b>(b) at least once every 10 years until the end of the permanence obligation period for the project; and</b></p> <p><b>(c) if land management activities being conducted change materially from those outlined in the land management strategy; and</b></p> <p><b>(d) if the Regulator notifies a project proponent that a particular issue needs to be addressed in the strategy—by the date specified in the notification (which must be at least 3 months from the date of the notification).</b></p>	<ul style="list-style-type: none"> <li>• The LMS needs to be reviewed and if necessary, revised every 5 years until the end of the 25-year crediting period and every 10 years until the end of the permanence period (25 or 100 years).</li> <li>• If at any stage of the project the management activities being conducted change materially from those outlined in the LMS, the LMS must be revised.</li> <li>• Developments in the project that have resulted in any inconsistencies should be addressed in the LMS to ensure that new or materially different eligible management activities continue to be carried out.</li> <li>• If you are required to revise your LMS, you must notify the agency within 60 days and provide a your revised or new LMS to the agency within 9 months.</li> <li>• If the agency identifies a particular issue with an LMS that needs to be addressed and notifies the project proponent, the revised LMS must be provided before the date specified by the agency.</li> </ul>
<p><b>S13 (7) In providing a notification under paragraph (6)(d), the Regulator must take into account whether the carrying out of the activities outlined in the land management strategy could reasonably be expected to result in the crediting of non-genuine carbon abatement</b></p>	<ul style="list-style-type: none"> <li>• This requirement applies to the agency.</li> </ul>
<p><b>S13 (8) For the purposes of this section, a <i>qualified person</i> is a person who:</b></p> <p><b>(a) has knowledge of agronomy and plant nutrition; and</b></p> <p><b>(b) has experience in the provision of agricultural production advice; and</b></p> <p><b>(c) has a good understanding of the influence of agricultural management on soil carbon; and</b></p> <p><b>(d) meets any requirements included in the Supplement.</b></p>	<ul style="list-style-type: none"> <li>• It is a requirement that the LMS is prepared or reviewed by someone with appropriate knowledge, experience and understandings of agronomy, plant nutrition and the influence of agricultural management on soil carbon. This is to ensure that landholders are sufficiently informed of any risks and obligations associated with their project.</li> <li>• The LMS needs to include information outlining how the person who has prepared or reviewed the LMS meets the criteria of s13(8). Note that at present, there are no additional requirements included in the Supplement.</li> </ul>