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GECO 2.2

WP1 – COMPARATIVE AND SURVEY STUDIES

D.1.1.2 Expert-stakeholder panel and cooperation strategy

Activity 1.1 Compliance/Differentiation Study between GECO2 model and the proposal for a Regulation presented by the EU (November 2022)

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Panel of stakeholders and Strategical cooperation outlines for Geco2.2

Strategical cooperation outlines

GECO2.2 networks not only affects climatic change and agriculture, it also impacts economic growth, regional economy, security and the environment. In light of this, it is important that the planning and operation of GECO2.2 networks involve regional actors supporting coordination and collaboration from numerous jurisdictions, agencies, economics actors. Benefits can be wider than Italy and Croatia geographic areas[1].

The tangible benefits of GECO2 strategy include:

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[1] For example countries endorsed multilateral coalition on compliance carbon markets at COP30 (see: https://icapcarbonaction.com/en/news/countries-endorse-new-multilateral-coalition-compliance-carbon-markets-cop30) Work under the Coalition forms part of a broader ecosystem of international initiatives that bring governments together to strengthen carbon pricing cooperation and facilitate the exchange of technical experience. Among these, the Global Carbon Pricing Challenge (GCPC), launched in 2021, includes 17 partner national governments and the EU, working to advance robust and ambitious carbon pricing efforts. The Carbon Pricing in the Americas (CPA), created under the 2017 Paris Declaration, brings together 19 national and subnational jurisdictions across the region to support cooperation and alignment on carbon pricing. The Carbon Market Platform (CMP), launched in 2015 under Germany's G7 presidency, brings together a diverse group of countries and organizations with the aim of strengthening international cooperation on developing effective, sustainable and ambitious carbon pricing approaches. ICAP, established in 2007, now comprises 35 members and 9 observers, providing a long-standing platform for jurisdictions to share best practices on ETSs, enhance comparability of system design, and explore opportunities for compatibility and potential linking. Looking ahead, members of the Open Coalition are expected to continue the technical work initiated at COP30, including dialogues on MRV practices, carbon accounting methodologies, and the use of high-integrity credits, as highlighted during the ministerial discussions in Belém.

- Cooperation spans linking regional markets in Adriatic and standardizing MRV (Monitoring, Reporting, and Verification) methodologies (under Article 6 of the Paris Agreement), and sharing expertise to improve regional carbon markets.
- Facilitation of information and data sharing. Side effects are sharing environmental data with local and national environmental agencies increase risk reduction in agricolture and best case collection.
- Carbon best practices and technology integration, upgrades and compatibility for farming increase fertility and production and decrease climatic and erosion risks.

Successful for GECO2.2 project integrate environmental, social, and economic goals, driven by clear accountability, and stakeholder engagement.

Key drivers for GECO2.2 include clear principles, promote local markets and comunicate benefits and leveraging data management to track progress. Active engagement with all stakeholders from February increase information fluxes and clarity, helps manage workloads, reducing farmers and buyers resistance, and ensures project understanding.

Challenges of GECO2.2 are:

Communication: Effective communication on carbon markets is essential for building trust, ensuring transparency, and accelerating GECO2.2 regional markets sustainability.

Data Quality & Consistency: Inconsistent data collection can hinder reporting and analysis. Communication issues are key strategic instruments.

Regulatory Changes: Evolving regulations In EU Carbon legislation can make compliance difficult. GECO2.2 has to be involved in EU market experimental phase.

Resource Limitations: Regional GECO2.2 small teams and tight budgets often limit project scope and impact. The goal is to build and strengthen partner networks through targeted support, collective learning and communications including farmers and buyers association to strengthen Regional GECO2.2 Carbon markets as EU models.

Resistance to Change: Additional workloads from Credits production, market function and GECO2.2 processes require proactive change management. One of the valuable aspects of regional collaboration is the opportunity to generate issues that bring new ideas and third-party perspectives into adraitc regions. All the regionals teams leverage their experiences and knowledge to increase fuctionss, improve regional markets, and offer valuable feedback for GECO2.2.

A successful local carbon market strategy requires tailoring carbon trading to specific regional industries and needs, fostering high-integrity projects, and ensuring community benefits. Key actions include building robust local regulatory frameworks, implementing clear monitoring systems, and providing technical capacity-building for stakeholders.

Key Components of a Local Carbon Market Strategy are:

a. Tailored Design & Governance: Adapt the market structure to local industries, economic context, and environmental goals rather than applying a one-size-fits-all approach. Develop a clear, step-by-step implementation plan.

b. Regulatory & Monitoring Frameworks: Establish strong local regulations for reporting, verification, and compliance. Use third-party organizations to verify emission reductions.

c. Capacity Building: Provide resources and training for local stakeholders and government officials to navigate carbon markets.

d. Project Development: Focus on local initiatives such as renewable energy, energy efficiency in buildings/industrial processes, and waste management. Explore nature-based solutions like blue carbon (mangroves/seagrass) or sustainable land use.

e. Incentivize Participation: Use mechanisms like auctioning emissions allowances to generate revenue. Encourage local businesses to invest in offsets and develop emission reduction plans.

f. Community Engagement: Involve local communities in project design, ensuring that carbon finance provides local benefits.

Implementation Steps are:

Carbon credit[2] production within an agriculture project.

Set Standards: Implement high-integrity, robust accounting rules, including strict verification.

Analysis buyers emissions : Develop a detailed carbon inventory for each buyer.

Define Scope: Determine which sectors are included (e.g., transport, industry).

Engage Stakeholders: Ensure local voices are included in the process.

Promote Success: Use certification schemes and labels to highlight achievements and drive reputational rewards.

Using a web-based map interface, actors and partners can track project areas locations and monitor credits production and farming practices.

In this strategical framework and considering the structure of the new EU legislation on carbon markets, the role of the stakeholders takes on a vital importance.

The list of stakeholders here attached, confirms the strong interest aroused by the market model of voluntary credits in agriculture proposed by GECO2.2.

This model is in line with the new organizational structure of carbon farming that emerges from EU Regulation 3012 in which the mechanism of the certfication scheme introduces the possibility of multiple participation, extended to all stakeholders, of market management and certification of credits.

Strategic stakeholder engagement is essential to ensure the trust and integrity of voluntary **carbon markets** (VCMs), which today suffer from fragmentation and qualitative uncertainty. Including a plurality of actors — from local governments to indigenous communities — allows for higher **transparency** standards and ensures a fair sharing of economic and social benefits (benefit sharing), making offsetting projects not only climate-effective, but also sustainable in the long term.

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In addition, an active dialogue with stakeholders reduces the risks of greenwashing and errors in companies' communication strategy, facilitating access to new financial resources needed to foster the adoption of clean technologies and nature-based solutions.

Multi-stakeholder platforms such as the Initiative undertaken by the Geco2.2 project therefore strategically guarantees the functionality and efficiency of the Voluntary Carbon Markets (VCMI) structured in this way and operate precisely to align private investments with national economic and climate priorities, transforming the market into a credible bridge towards Net Zero goals.

The stakeholder groups that were contacted in each region represent the following interest groups:

- Farms
- Farmers' associations
- Research and training institutions and universities
- Regional and national public bodies
- Production and service companies
- Industrial and services companies
- Business associations
- Environmental associations

Each partner, during direct meetings or events specially organized by the GECO2.2 project, it was therefore able to verify the degree of interest of each stakeholder both in terms of participation in the voluntary pilot market experimented by GECO2.2 and with respect to their possible participation in the certification scheme that the project wants to create in parallel to activate the national and European validation process of the tested model.

For this reason, this list takes on an important strategic significance as the market model proposed by GECO2.2 is based on the principle of multi-representativeness of the players in the area.

Panel of stakeholders

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