Grants

A grant is a direct contribution (in the form of money, goods, or services) from governments (local, national, or EU) to recipients in return for undertaking a specific activity, such as implementing carbon farming practices. Grants are generally one-off payments (though they may be paid in instalments) and are not intended to be repaid.

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GRANTS

Tier 1	Monetary
Tier 2	**Grants**
Tier 3	
Description	**Grants** are monetary rewards provided by governments (local, national, or EU) to support practitioners in adopting specific sustainable practices (e.g., the implementation of carbon farming activities). They are often limited to a small number of recipients, typically selected through competitive application processes. Grants are generally one-off payments, although they may be paid in instalments, and they are not required to be repaid. However, their provision often depends on the beneficiary demonstrating concrete actions or results or their participation in evaluation and technical assistance programs (McDonald, H., et al., 2024).
References	- Tobin-de la Puente, J., & Mitchell, A. W. (2021). *The Little Book of Investing in Nature*. Global Canopy: Oxford. - Baroni, L., Nicholls, G., & Whiteoak, K. (2019). *Approaches to financing nature-based solutions in cities* (Working document). Prepared in the framework of the Horizon 2020 project GrowGreen. Retrieved from https://growgreenproject.eu/wp-content/uploads/2019/03/Working-Document_Financing-NBS-in-cities.pdf - McDonald, H., Seeger, I., Lago, M., & Scholl, L. (2023). *Synthesis report on sustainable financing of the establishment of ponds and pondscapes* (Deliverable 1.4). PONDERFUL Project, Horizon 2020, Grant Agreement No. 869296.

Advantages	**Disadvantages**
Grants reduce the initial cost of transitioning into climate-friendly agricultural practices (Tobin-de la Puente, J., & Mitchell, A. W., 2021).	Applying for and managing grants can be time-consuming and involve complex procedures, affecting especially small farms with limited capacities or resources (McDonald, H., et al., 2024).
Funding can be used for training, technical help, and sharing best practices, creating opportunities for farmers to improve their knowledge and abilities (Baroni, L., et al., 2019).	Grants often require farmers to demonstrate measurable outcomes or participate in evaluations and technical support programs. These requirements can be complicated and lead to extra costs (Baroni, L., et al., 2019).
Grants help to reduce the financial and practical risks of shifting from conventional to climate-friendly farming (McDonald, H., et al., 2024).	Specific grant programs may not fully reflect local needs or the variety of farming systems, resulting in unequal benefits for different farmers and regions (Tobin-de la Puente, J., & Mitchell, A. W., 2021).

Example Grants: LIFE programme

Tier 1	Monetary	Supportive	Regulatory
Tier 2	**Grants**		
Tier 3			
Example	LIFE programme		
Summary	The Programme for the Environment and Climate Action (LIFE) is an EU initiative that funds projects entirely focused on environmental protection, nature conservation, and climate adaptation and mitigation[1]. By acting as a bridge between research and practical implementation, this programme provides grants or public contracts to support projects that protect, restore, and enhance the EU's natural environment, halt biodiversity loss, and contribute to the transition toward a resource-efficient, renewable energy-based, climate-neutral, and resilient economy. The programme focuses on four thematic areas: Nature and Biodiversity, Circular Economy and Quality of Life, Climate Mitigation and Adaptation, and Clean Energy Transition. LIFE encourages collaboration among a diverse range of stakeholders — including NGOs, businesses, public authorities, academia, and community groups — to ensure broad participation in achieving environmental objectives. LIFE is implemented through multiannual work programmes lasting either three or four years. Despite its substantial budget, it is considered a limited grant programme in relation to the EU's ambitious environmental goals. As such, it is designed to act as a catalyst, promoting the exchange of knowledge and best practices to maximize its impact. The programme also plays a key role in supporting the Natura 2000 network and aligning environmental objectives with broader EU policies.		
Type of climate action	**Carbon removal**	**Emission reduction**	**Climate adaptation**
Appropriate for: Who can benefit from this type of rewarding mechanism (in the agricultural sector?)	- Farmers - Land users (NGOs, business, etc) - Landowners - Farm advisors		
Source of rewarding mechanism: Who provides the rewarding mechanism?	**Public**	Private	Public-Private

1 European Commission, LIFE programme. https://single-market-economy.ec.europa.eu/industry/strategy/hydrogen/funding-guide/eu-programmes-funds/life-programme_en

Rewarding method: What is the reward based on?	Action-based and result-based
Type of on-farm action: What is the recipient obliged to deliver in return?	Implementation of on-the-ground initiatives that contribute to reducing agricultural greenhouse gas (GHG) emissions and enhancing carbon removals from the atmosphere through viable nature-based solutions in land management. Key activities include assessments, guidance, capacity-building initiatives, studies, surveys, stakeholder workshops, conferences, meetings, networking, and the development of appropriate financial approaches and products.
Recipient requirements: What requirements must the recipient meet to receive finance?	- Public and private institutions from all EU Member States are eligible to apply for LIFE funding (e.g., administrative authorities, non-governmental organisations, profit and non-profit entities). Natural persons are not eligible. - The LIFE programme publishes annual Calls for Proposals targeting different types of projects. Applicants must submit their proposals in response to these calls. Successful applicants are required to implement the proposed work plan in accordance with the programme's guidelines and timelines.
Timing of rewarding: When is the reward received?	- After signing the Grant Agreement, beneficiaries typically receive an initial payment to support the launch of project activities. The amount and timing are stipulated in the agreement. - During the project, beneficiaries are required to submit regular technical and financial reports. Based on the review and approval of these reports by the granting authority, interim payments may be issued. - At the end of the project, beneficiaries must submit a final technical report and a comprehensive financial statement. The final payment is made after these documents are reviewed and approved.[2]
Rewarding timeline: How often is the reward received?	Ongoing (multiyear)

2 LIFE Technical Assistance for Replication (2023). https://www.euro-access.eu/_media/file/199_LIFE_2023_Technical_Assistance_for_Replication_2023.pdf

Governance: Who manages the programme, provides the reward, and where does the money come from?	- The LIFE Programme is managed by the European Climate, Infrastructure and Environment Executive Agency (CINEA) on behalf of the European Commission's Directorates-General for Environment, Climate Action, and Energy. - Its budget is provided directly from the EU budget. - Grants financed under the LIFE Programme are administered by CINEA. - The budget allocated for the implementation of the LIFE Programme for the 2021–2027 period is EUR 5.432 billion. - The LIFE Programme is established for a period of seven years to align with the duration of the Multiannual Financial Framework, as set out in Council Regulation (EU, Euratom) 2020/2093.
References:	- European Commission (2021). *Annex to the Commission Implementing Decision on the adoption of the multiannual work programme for the years 2021–2024 for the LIFE Programme*. Brussels. Available at: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/life/wp-call/2021-2024/wp_life-2021-2024_en.pdf - European Climate, Infrastructure and Environment Executive Agency (CINEA) (2023). *LIFE Programme*. European Commission. Available at: https://cinea.ec.europa.eu/programmes/life_en - LIFE Carbon Farming (2024). *LIFE Carbon Farming Project Overview*. Available at: https://www.life-carbon-farming.eu/life-carbon-farming/ - European Parliament and Council of the European Union (2021). *Regulation (EU) 2021/783 establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013*. Official Journal of the European Union. Available at: https://eur-lex.europa.eu/eli/reg/2021/783/oj - European Commission (2024). *EU invests over €380 million in 133 new LIFE projects to support the green transition across Europe* [Press release]. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5381