Union certification framework for carbon removals

2022/0394(COD) - 30/11/2022 - Legislative proposal

PURPOSE: to establish a new EU-wide certification framework for carbon removals.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the EU has committed to reaching climate neutrality by 2050. The first and most urgent priority is the reduction of EU greenhouse gas (GHG) emissions. At the same time, the EU needs to compensate for residual emissions that cannot be eliminated, by **scaling up carbon removals**, or in other words by removing carbon dioxide (CO2) from the atmosphere. This proposal for a carbon removals certification scheme is an important tool to achieve this goal.

Carbon can be removed and stored in three broad ways:

1) **permanent storage**: industrial technologies such as BECCS (bio-energy with carbon capture and storage) or DACCS (Direct Air Capture with Capture and Storage), capture carbon from the air either indirectly (through the processing of biomass in the case of BECCS) or directly (in the case of DACCS) and store it in a stable form;

2) **carbon farming**: carbon can be naturally stored on land through activities that enhance carbon capture in soils and forests (e.g. agro-forestry, forest restoration, better soil management), and/or reduce the release of carbon from soils to the atmosphere (e.g. restoration of peatland);

3) **carbon storage** in products: atmospheric carbon captured by trees or industrial technologies can also be used and stored in long-lasting products and materials, such as wood-based or carbonate-bonded construction materials.

The Commission's proposal does not cover the capture of fossil carbon for Storage (CCS) or Utilisation (CCU). These technologies help recycle or store fossil CO2 emissions but they do not remove carbon from the atmosphere.

CONTENT: this proposed Regulation seeks to develop a **voluntary Union certification framework for carbon removals**, with the view to incentivise the uptake of high-quality carbon removals, in full respect of the biodiversity and the zero-pollution objectives.

Its main objectives are to:

- ensure the high quality of carbon removals in the EU;

- establish an EU governance certification system to avoid greenwashing by correctly applying and enforcing the EU quality framework criteria in a reliable and harmonised way across the Union.

To ensure the **transparency and credibility** of the certification process, the proposal sets out rules for the **independent third-party verification** of carbon removals, as well as rules to recognise certification

schemes that can be used to demonstrate compliance with the EU framework. To ensure the quality and comparability of carbon removals, the proposed regulation establishes **four QU.A.L.ITY criteria**:

1) ***Quantification***: carbon removal activities need to be measured accurately and deliver unambiguous benefits for the climate;

2) ***Additionality***: carbon removal activities need to go beyond existing practices and what is required by law;

3) ***Long-term storage***: certificates are linked to the duration of carbon storage so as to ensure permanent storage;

4) ***Sustainability***: carbon removal activities must preserve or contribute to sustainability objectives such as climate change adaptation, circular economy, water and marine resources, and biodiversity.

The proposal also aims to:

- develop certification methodologies that are tailored to each type of carbon removal activity, in order to promote a harmonised and correct implementation of the QU.A.L.ITY criteria;

- increase the **public trust** in carbon removals by ensuring the transparency and robustness of the certification process, including the certification schemes recognised by the Commission and the public registries of carbon removals.

The proposal also imposes the obligation for certification schemes to set up and maintain **public registries** for evidence of carbon removal activities and carbon removal units. It is of key importance that registries use automated systems and are interoperable in order to prevent fraud and avoid double counting.

The proposed Regulation affects economic operators such as farmers, foresters but also industrial companies that will develop carbon removal activities on the ground; private organisations and Member States authorities, who may develop private or public certification schemes to implement and control the certification process.

Budgetary implications

Major budgetary implications for the EU concern the preparation of the non-legislative acts and operation of the Expert Group on Carbon Removals which includes approximately 70 members. Budgetary implications for the Commission are associated to the recognition process of public or private certification schemes that would be responsible to implement the certification framework in one or more Member States. Budgetary implications are also foreseen for those Member States that intend to establish and operate a national certification scheme, including the supervision of independent certification bodies and the establishment and operation of a national registry.