

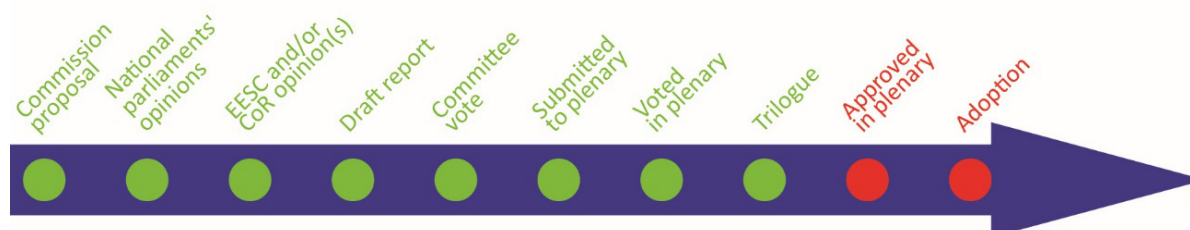
A Union certification framework for carbon removals

OVERVIEW

On 30 November 2022, as part of the European Green Deal, the European Commission presented the legislative proposal for a Union certification framework for carbon removals. The initiative was first announced in the March 2020 new circular economy action plan and again highlighted in the climate target plan, as well as in the 'fit for 55' revision of the Regulation on land use, land-use change and forestry (LULUCF), as an essential tool to drive progress towards the 2050 climate neutrality target. The stated aim of the initiative is to ensure high-quality EU certified carbon removals, through a transparent and credible governance framework. This would open up the possibility for further investments towards carbon removal activities and increased deployment.

The European Parliament adopted its position during the November II 2023 plenary session, and the Council adopted its general approach on 17 November 2023. A provisional agreement was reached on 20 February 2024, and subsequently endorsed by Member States on 8 March 2024 and by Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) on 11 March 2024. The vote in plenary is scheduled for the April I 2024 part-session.

Proposal for a regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals		
<i>Committee responsible:</i>	Environment, Public Health and Food Safety (ENVI)	COM(2022) 672 30.11.2022
<i>Rapporteur:</i>	Lídia Pereira (EPP, Portugal)	2020/0394(COD)
<i>Shadow rapporteurs:</i>	Tiemo Wölken, (S&D, Germany) Emma Wiesner (Renew, Sweden) Ville Niinistö, (Greens/EFA, Finland) Anna Zalewska, (ECR, Poland) Catherine Griset (ID, France) Mick Wallace (The Left, Ireland)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Plenary vote on trilogue agreement	



Introduction

The [European Green Deal](#), one of the six political [priorities](#) of the von der Leyen Commission, seeks to make Europe the first climate-neutral continent by 2050. This ambition is now legally binding, with the entry into force of the [European Climate Law](#) in 2021, requiring balanced emissions and removals of greenhouse gases (GHG) by 2050 at the latest, and with the aim to deliver negative emissions thereafter.

In the 2020 communication ([COM\(2020\) 562](#)) on raising 2030 climate ambitions, also known as the [climate target plan](#), the Commission points to the need for incentives to increase [carbon farming](#) practices. Further, it specifically mentions the role of EU certification systems for low-carbon basic materials' GHG performance, as well as for carbon removals to facilitate industry decarbonisation. In December 2021, the Commission adopted a communication ([COM\(2021\) 800](#)) on [sustainable carbon cycles](#). The text presents key challenges of our economy's current use of carbon (especially fossil) resources and puts forward opportunities to build circularity into value streams through a reuse, reduce and recycle or substitution approach. In both of the above communications, certification systems are seen as a way to support supply and demand-based uptake of technologies and solutions, building new markets and business models.

A 2022 report from the Intergovernmental Panel on Climate Change (IPCC) [concludes](#) that carbon dioxide removals (CDR) will be necessary to reach net zero emissions. This is due to hard-to-abate sectors, where it is difficult or even impossible to avoid residual emissions.

The proposal for a carbon removals certification framework (CRCF) is therefore an essential step in support of EU climate and circular economy ambitions. The proposal aims to deliver a transparent and reliable governance framework to build trust in EU-certified high-quality carbon removals and avoid greenwashing, thereby increasing the level of carbon removal activity within the EU.

Existing situation

No officially recognised EU-wide framework for certifying carbon removals currently exists.

Several Commission strategies include a focus on enhancing or protecting the natural carbon sink and ecosystems generating carbon removals. These include among others: the [biodiversity strategy](#), the [farm to fork strategy](#), the [forest strategy](#), and the proposed [nature restoration law](#).

Within climate policy, Regulation ([EU\) 2018/841](#) on land use, land-use change and forestry (LULUCF), has so far been the main piece of EU legislation for carbon removals. The LULUCF Regulation was [revised](#) as part of the 'fit for 55' package, and the revised regulation entered into force on 11 May 2023. The regulation's categories ensure consistency with the reporting requirements under the United Nations Framework Convention on Climate Change (UNFCCC) and overall with the guidelines provided by the IPCC. Ecosystems under the LULUCF sector are essential in providing negative emissions and are today the main source of carbon removals. Over the past decade, LULUCF carbon removals in the EU have [declined](#), a trend expected to continue without the revision of the regulation. The revised regulation sets a binding 2030 carbon removal target for the LULUCF sector in the EU at 310 million tonnes of CO₂ equivalents (MtCO_{2e}).

The 2009 Directive ([2009/31/EC](#)) on the geological storage of carbon dioxide is another piece of legislation relevant to the proposed regulation, as it sets out the legal framework for the environmentally safe storage of CO₂.

A wide range of voluntary certification mechanisms exists, with varying methodologies and quality benchmarks. However, this risks diminishing transparency for stakeholders and lowers the credibility of certified carbon removals, due to the complexity of comparing and understanding various schemes' chosen approaches. As more and more countries, as well as private and public actors, make pledges to reduce GHG emissions to net zero, the demand for certified carbon

removals to offset remaining emissions is projected to rise. The global voluntary offset market doubled in value and volume from 2017 to 2018 and is [expected](#) to reach US\$200 billion by 2050.

Article 6 of the [Paris Agreement](#) deals with voluntary cooperation towards climate targets. The rules for the various [approaches](#) were agreed at the 2021 climate conference (COP26) in Glasgow, and will eventually lead to the opportunity not only for countries to trade mitigation outcomes (emissions reductions and removals – Article 6.2), but also to an overall global carbon market (Article 6.4). Though operationalisation will take time, the tools are [expected](#) to have a significant impact.

Parliament's starting position

Parliament commenced an [own-initiative procedure](#) in mid-2022 on the topic of sustainable carbon cycles, adopting a resolution on 18 April 2023.

The European Parliament has consistently [prioritised](#) direct emissions reductions over removals. Parliament has, however, acknowledged the need to ensure carbon removals, and in a 2019 [resolution](#) called for implementation of further technological solutions including carbon capture and storage (CCS) and direct air carbon capture and storage (DACCS), as well as protection for nature-based carbon sinks and support for carbon farming practices. In February 2021, responding to the 2020 new circular economy action plan, Parliament [called](#) on the Commission to establish a regulatory framework for certification of all nature-based and technological carbon removal solutions. Later in 2021, in the [resolution](#) regarding the Commission's farm to fork strategy, Parliament again called on the Commission to explore a framework for robust carbon quantification and certification. It further underlined the potential of carbon markets and called on the Commission to present options for carbon farming and to include carbon farming as a tool to deliver on climate objectives. Parliament has reiterated the need to ensure a flexible and simple certification framework, which is robust enough to avoid greenwashing.

Council starting position

During a meeting on 7 April 2022, the Agriculture and Fisheries Council approved [conclusions](#) regarding the Commission's communication on sustainable carbon cycles, in which ministers notes the need for a flexible yet administratively lean scheme to consider Member States differences and explore a wider range of practices relevant to agricultural greenhouse gas emissions at farm level. Ministers further invited the Commission to look into the economic value of associated co-benefits, such as biodiversity gains.

Preparation of the proposal

For the legislative proposal, the Commission [simultaneously](#) carried out a call for evidence and a public consultation, from 7 February to 2 May 2022. Before this, in connection with the December 2021 [communication](#) regarding sustainable carbon cycles, the Commission held a conference on the same topic on 31 January 2022. The 2021 communication was accompanied by a technical assessment ([SWD\(2021\)451](#)) as well as a document ([SWD\(2021\)450](#)) dedicated to carbon farming and was preceded by a [feedback period](#) on the 'have your say' website from 9 September to 7 October 2021.

In February 2021, the Commission published a [technical guidance handbook](#), prepared by external experts, on setting up and implementing result-based carbon farming mechanisms in the EU. An independent expert [report](#) on the carbon economy, prepared by COWI, Nova Institute and Utrecht University, for the European Commission, was published in April 2021. An October 2021 [evaluation report](#) was also prepared by external experts, on the climate benefits of the use of harvested wood products in the construction sector and assessment of remuneration schemes. The Commission further commissioned two external expert reports under the project management of the Austrian environment agency in 2021. The [first](#) provided a synoptic review of carbon removal solutions, while

the [second](#) provided a review of existing carbon removal certification mechanisms and methodologies.

The legislative proposal is accompanied by an [impact assessment](#). An [initial appraisal](#) of this impact assessment has been published by the European Parliamentary Research Service (EPRS). In November 2021, a European Parliament [study](#) on carbon farming was published by the Policy Department for Economic, Scientific and Quality of Life Policies.

The changes the proposal would bring

The Commission [proposes](#) to establish a regulation to ensure a credible and transparent framework for certifying high-quality carbon removals.

The objective (Article 1) of the proposed regulation is to facilitate the deployment of carbon removals within the Union by operators or groups of operators. To this end, the regulation lays down quality criteria for carbon removal activities, the rules regarding verification and certification of carbon removals and finally rules for the functioning of certification schemes and their recognition by the Commission. Applying the proposed framework would be voluntary. The regulation would not apply to emissions falling within the scope of Directive [2003/87/EC](#) – the EU emissions trading system (EU ETS), currently under [revision](#) – except with one noted exception: for storage of CO₂ from sustainable biomass, which has been zero-rated according to that directive's Annex IV guidelines.

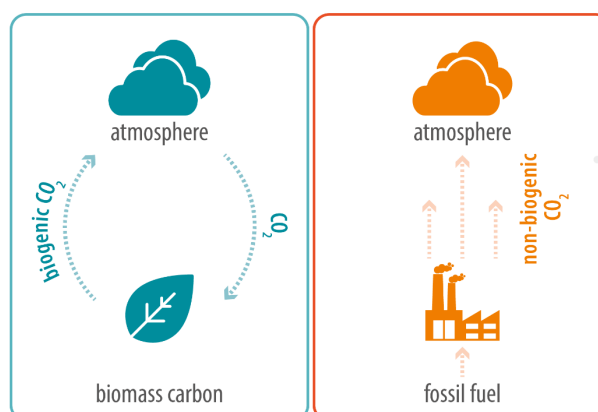
[Article 2](#) provides definitions relevant to the implementation of the regulation. Most notably, it defines carbon removal as 'the storage of atmospheric or biogenic carbon within geological carbon pools, biogenic carbon pools, long-lasting products and materials, and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere'. In defining carbon removal only as relating to **atmospheric** and **biogenic carbon**, see Figure 1), the text mutates any discussion on the role of non-biogenic or fossil carbon emissions' at-source capture and storage, which does not remove carbon but **avoids** its release into the atmosphere.

'Carbon removal activities' defines three types of carbon removal, being any process or practice which; enhances carbon capture in or reduces carbon release from a biogenic carbon pool (**carbon farming**); results in **permanent carbon storage** or; ensures long-lasting atmospheric or biogenic **carbon storage in products or materials**.

Other important definitions include the 'biogenic carbon pool'; defined as including above-ground biomass, below-ground biomass, litter, dead wood and soil organic carbon; and 'permanent carbon storage', defined as lasting, under normal conditions, 'several centuries'. Finally, it clarifies that a 'carbon removal unit' is one tonne of certified net carbon removal benefit from a carbon removal activity, registered by a certification scheme overseeing compliance with the regulation.

According to the proposed Article 3, carbon removals would need to meet the quality and verification criteria set out in the legislative proposal. In the proposal, the Commission lays out Chapters 2, 3 and 4 as the three pillars of the regulation, concerning respectively; quality criteria, compliance certification procedures and, finally, internal functioning and recognition of certification schemes.

Figure 1 – Types of carbon emissions



Data source: [International Energy Agency](#); graphic by Lucille Killmayer, EPRS, 2023.

In **Chapter 2**, Articles 4 to 7, the Commission proposal outlined key quality criteria regarding quantification (Article 4), additionality (Article 5), long-term storage (Article 6), and sustainability (Article 7). Article 8 of the chapter sets out the Commission's power to adopt delegated acts establishing the technical certification methodologies for operators to comply with quality criteria.

The Commission uses the acronym Q.U.A.L.I.T.Y for the four overarching areas of quality criteria.

Quantification is determined according to a [formula](#) presented in Article 4(1), determining the net carbon removal (CR) benefit by subtracting the net carbon removals in tCO₂e from a CR_{baseline}. Net carbon removals are determined by subtracting any GHG_{increase} due to implementation of the activity from CR_{totals}. For carbon farming activities, the accounting rules to determine CR_{baseline} and CR_{totals} will follow the accounting rules laid down in the LULUCF Regulation. Paragraphs 5 and 6 of Article 4 lay down the manner in which the baseline may be set (depending on the activity), while paragraph 7 sets the requirement for periodical updating of the baseline. Uncertainties would need to be taken into account in quantifying carbon removals. Data on GHG emissions or removals would need to be collected by the operator or group of operators in a way compatible with national GHG inventories under the LULUCF Regulation or the Governance Regulation ([\(EU\) 2018/1999](#)).

Additionality would be considered according to Article 5 when a quantified carbon removal goes beyond Union and national statutory requirements and occurs due to the incentive effect of the certification. Specific tests would prove additionality where an Article 4.6 type baseline was used.

Long-term storage depends on the type of activity and monitoring period. Operators or groups of operators would need to demonstrate the aim to ensure long-term storage. In this regard, they would have to monitor and mitigate any risk of release during the monitoring period and be subject to liability measures for release of the stored carbon during the monitoring period (Article 6(2)). Specifically for carbon farming and carbon storage in product activities, the carbon would be considered released at the end of the monitoring period indicated on the certificate (thereby setting an expiry date on carbon removals of these types).

Sustainability criteria concern the requirement for carbon removals to comply with the minimum sustainability requirements as per the future delegated acts mentioned in Article 8, but also lists a number of sustainability objectives for which carbon removals would need to have a neutral impact or generate co-benefits. These objectives include: (a) climate change mitigation beyond the net carbon removal benefit; (b) climate change adaptation; (c) sustainable use and protection of water and marine resources; (d) transition to a circular economy; (e) pollution prevention and control; and (f) protection and restoration of biodiversity and ecosystems. A reported co-benefit would have to comply with the certification methodologies laid out in the Article 8 delegated acts. It is further noted that the certification methodologies would have to incentivise as much as possible the generation of co-benefits going beyond the minimum sustainability requirements, in particular for the biodiversity and ecosystems objective (f).

In Article 9, **Chapter 3** deals with the mandatory steps set out in a certification process, from the submission of application by a carbon removal activity operator, the operator's detailed description of the activity and applied certification methodology. The operator should note expected carbon removals and net carbon removal benefit. If the application is submitted by a group of operators, it should be specified how advisory services are provided, especially to small-scale carbon farming operators. With the support of the operator or group of operators, the certification body would have to conduct a certification audit in a first phase, to verify the submitted information and confirm compliance with the regulation's quality criteria. A certificate could then be issued as part of the certification audit report, which would have to contain the information set out in Annex II to the proposed regulation. Periodic re-certification audits would be performed with re-certification audit reports issued. The certification scheme would control the reports and certificates and would have to make the report summary and the certificate publicly available in the registry (see Article 12). Article 9(5) sets out the Commission's power to adopt implementing acts defining structure, format and technical details to be included in the operators' description of their carbon removal activity

and in the (re-)certification reports of certification bodies. Article 10 sets out the accreditation and other requirements of certification bodies appointed by certification schemes. Member States would have to supervise the operation of certification bodies.

Articles 11 to 14 of **Chapter 4** concern the certification schemes related to the regulation, which can be private as well as public certification schemes. To issue certificates under the regulation, certification schemes would need to apply to the Commission, which can then recognise the scheme through a decision, which is valid for a maximum of five years (Article 13). The Commission would be able to rescind the recognition if a scheme does not continue to live up to standards and rules set out under Article 11. Implementing acts would set out further details of notification and recognition processes.

Paragraphs 2 and 4 of Article 11 lay down overall governance, transparency and accountability measures that certification schemes would have to uphold. Examples of measures are mentioned in the accompanying text to the legislative proposal and include providing transparency into their day-to-day operation and full disclosure of all information related to certified carbon removals. Paragraph 3 of the same article sets out schemes' proposed obligation to verify the accuracy, reliability and cost-effective manner of certification audits, as well as the independence of certification bodies. Again, implementing acts would have to be adopted to set out specific details.

The public registries, to be established by certification schemes, as per Article 12, to make certificate and process information publicly available, would need to be based on automated and interoperable systems, using electronic templates. Here, the Commission may adopt implementing acts further setting out structure, format and technical details of public registries and of the recording, holding or use of carbon removal units.

Certification schemes in operation for at least 12 months, would have to submit annual reports concerning their operations, including any cases of fraud and remediation measures (Article 14). Such reports would need to be submitted by 30 April for the preceding calendar year. The Commission would be required to make the reports publicly available in full or aggregated form, if needed, due to commercially sensitive information. Implementing acts may be adopted setting further details under this article.

Article 15 empowers the Commission to adopt delegated acts to amend Annex II (minimum information on certificates). Article 16 covers the Commission's exercise of delegation, relevant to Articles 15 and 8 of the proposed regulation.

According to Article 17, the Commission would be assisted by the Climate Change Committee established by Regulation (EU) 2018/1999. An [expert group on carbon removals](#) would help the Commission develop the carbon removal activity's tailored technical certification methodologies, to be implemented through delegated acts, in line with Article 8. Annex I to the proposal lists elements to be included in the methodologies put forward through delegated acts.

The regulation would be reviewed three years after entry into force and no later than 2028, and subsequently after each stocktaking exercise under the Paris Agreement, as proposed by Article 18.

Advisory committees

The European Economic and Social Committee (EESC) adopted its [opinion](#) during its 577th session on 22 March 2023. Stoyan Tchoukanov (Diversity Europe – Group III, Bulgaria) was the rapporteur appointed by the Section for Agriculture, Rural Development and the Environment (NAT). As part of the process, the EESC organised an [online public hearing](#) on 17 January 2023. The EESC in its adopted opinion welcomed the Commission proposal, but pointed to a need to simplify the complexity of steps in certification and ensure low measuring, verification and certification costs to ensure broad access. It further called for safeguards against greenwashing considering the different types of removals and their reversal risks. As regards finance, the EESC calls for additional resources,

potentially a common financial instrument, and to not rely on the common agricultural policy (CAP) to provide funding for carbon removals.

In the European Committee of the Regions (CoR), the Commission for Natural Resources (NAT), prepared its draft [own-initiative opinion](#) on 'Regional adaptation strategies for low carbon agriculture' in November 2022. The CoR plenary [adopted](#) the text on 8 February 2023. Prepared by rapporteur Loïg Chesnais-Girard (PES/France), the text focuses in particular on the agricultural sector and carbon farming. It calls to include all GHG emissions reductions on farms rather than only the proposed biogenic carbon emissions. The CoR regrets the lack of provisions regarding the use of carbon removal certificates, warning of potential undesired offsetting uses. Further, it calls on the Commission to take into account risks of land grabbing and financialisation of farming.

National parliaments

The deadline for submitting reasoned opinions on the grounds of subsidiarity was 20 April 2023. No national parliament put forward a reasoned opinion on the [file](#).

Stakeholder views¹

Following the Commission's adoption of the legislative proposal an eight-week [feedback period](#) was launched on the 'have your say' website. Several organisations have published their immediate feedback online through position papers or opinions. Among the reactions to the proposal, it is evident that stakeholders would have wished for more detail in the legislative proposal itself, rather than these to be decided in subsequent delegated acts. Some definitions and aspects of scope are the subject of specific criticism.

One repeated criticism pertains to the **inclusion of measures to reduce carbon emissions release** from the biogenic carbon pool as a type of carbon removal and activity as stated in Article 2(a) and (b). This specific point is mentioned, among others, by the European Environment Bureau ([EEB](#)), the Clean Air Task Force ([CATF](#)) and [Bellona](#). The CATF however praise the potential of the Article 7 sustainability criteria, in particular the setting of minimum sustainability requirements.

The second main critique voiced by several environmental organisations, including the World Wildlife Fund (WWF), Bellona, EEB, [CAN Europe](#), and CATF, pertains to the lack of detail (also in general) or definitions regarding the **use of certificates**. The CATF recommends using the three types of removals to distinguish their use, EEB finds the proposal immature, while the WWF [calls](#) the overall proposal a 'leap of faith, leaving all the critical details to be filled in later'. Bellona, who listed their criticism under headings 'The bad' or 'The ugly', placed the issue of use of certificates under 'The ugly' – claiming it risks undermining EU climate goals:

'If storing carbon in soils can be used in the same way as storing carbon in geological formations, in spite of their significantly different characteristics, polluters may find it more interesting to buy cheap, reversible offsets than to reduce their own emissions. At the same time, suppliers of more expensive and permanent removals will be undercut.'

[Bellona](#), 30 November 2022.

The lack of detail on liability for stored carbon removals is also frequently mentioned.

With both organisations criticising the lack of detail, [Copa-Cogeca](#), the European farmers' and agri-cooperative association, finds it hard to assess the end result of the CRCF, yet also calls for further inclusion of agricultural emissions reduction measures, such as low-emission buildings and precision fertiliser use. Meanwhile, the Confederation of European Forest Owners ([CEPF](#)), cautions against a heavy administrative burden and calls for links with other policy objectives, such as from nature restoration or taxonomy files, to be minimised. The CEPF suggests close links to existing LULUCF reporting approaches and is concerned that the additionality focus will not take adequate account of the work already delivered through sustainable forest management.

Service provider Abatable provides carbon offsetting options for the private sector. [Abatable](#) is also critical of the inclusion of carbon reduction measures and calls for further details regarding traceability of retirements, the certificate duration of specific removals and category assignment of specific activities and finally, again repeats the issue of permitted uses of certificates for specific types of removals (issue of short-term removals for long-lived emissions). Abatable further points to potential inclusion of carbon removals into the EU ETS, which organisations such as [Bellona](#) and WWF strongly oppose on grounds it would undermine reduction efforts.

Eve Tamme, head of [Climate Principles](#), a climate policy advisory, states that the CRCF could become a global blueprint, yet also highlights the unclear use of the certificates as likely to limit demand for certification. She points to the lack of technical details and clarity on permitted uses of certificates as key obstacles. Further, she criticises the [superficial links](#) to other policy initiatives as not being granular enough for stakeholders. Tamme further asks what happened to the idea of incorporating carbon removals under the EU compliance legislation post-2030 – a point left out, although hinted to earlier, and one hard to achieve with a voluntary tool.

CAN Europe, in response to the draft negotiating text adopted by Member States in the Council, drafted a [letter](#) opposing adoption owing to concerns, a move supported by [Carbon Market Watch](#).

Legislative process

Council

The Council adopted its [negotiating mandate](#) on the file on 17 November 2023. In their proposed [text](#), the Council added an extension of the scope, to include activities leading to GHG emissions reductions from soils as eligible for certificates under the scheme. In this regard, the Council calls on the Commission to ensure safeguards against land speculation (proposed [recital 16](#)). Under the proposed Article 6, the Council text [added](#) more detail in terms of monitoring and liability mechanisms. On sustainability requirements under the proposed Article 7, the Council added that carbon farming activities would be required to provide one or more co-benefits for at least one of the objectives listed in the article's paragraph 1. On certification methodologies, the Council added further requirements under the [proposed Article 8\(2\)\(a\)](#) as regards aspects to be included in the methodologies, to be put forward through delegated acts. It also amended the mention of [periodic re-certification](#) under the proposed Article 9, to the more specific requirement of re-certification at least every five years, unless the specific methodology linked to the activity states otherwise. The Council found that one common EU public registry should be established, within four years of the entry into force of the regulation. Until the establishment of the common Union registry, certification schemes would need to establish and maintain registries of interoperable nature, to allow public access to information, tracing and avoidance of double counting of activities.

European Parliament

With the publication of the Commission's legislative proposal, the ENVI committee appointed Lídia Pereira (EPP, Portugal) as rapporteur for the file. The rapporteur's draft report was published on 10 May 2023. The Committees on Industry, Research and Energy (ITRE) and Agriculture and Rural Development (AGRI) submitted opinions on the file, adopted on 28 June and 30 August 2023, respectively. The ENVI committee adopted its [report](#) on 24 October 2023.

On 21 November 2023, Parliament voted its [negotiating position](#) with 448 votes in favour, 65 votes against and 114 abstentions. Parliament's position would strengthen core aspects of the proposal's environmental integrity, with amendments to distinguish the types of activities leading to carbon removals and differentiate the quality criteria and rules on the use of certificates linked to them. For example, in a new Article 3a, Parliament called for distinct certification units based on activity, and added a provision against double counting of units. To safeguard against corporate greenwashing, Members proposed that the use of units should follow the conditions, once adopted, as laid down

in the proposed directive on [empowering consumers for the green transition](#). (The legislative process on that file has now been [completed](#), with its provisions taking effect on 26 March 2024.) In Article 4(2), Members sought to increase transparency regarding carbon farming activities, which can result in increased carbon sequestration and/or reduced biogenic emissions; where a carbon farming activity delivers both, the registry should make clear distinction between the two.

Taking into consideration the above amendments, Members suggested to adapt the title of the proposed framework, so that it would not simply be a 'certification framework for carbon removals' but a 'certification framework for carbon removals, carbon farming and carbon storage in products'.

Parliament's amendments also aimed for Article 6 to encompass not only storage duration – with a strengthened definition of permanent storage – but also monitoring and liability mechanisms.

On the sustainability objectives, Parliament added some new criteria depending on the type of activity. Moreover, Parliament proposed that carbon farming activities should at least generate co-benefits as regards the protection and restoration of biodiversity and ecosystems. Regarding carbon storage in products, it should generate co-benefits for at least one of the objectives.

MEPs proposed to set up a platform on carbon removal, carbon farming and carbon storage in product activities that would advise the Commission on certification methodologies, progress on implementation, and the need for updates or revisions to the framework. The platform members should represent a 'varied disciplinary and sectoral expertise, as well as gender and geographical balance'. The amendment on the platform further specified the groups of experts to be represented, and called for integrating the existing expert group into the platform in a balanced manner. To ensure transparency and limit the risk of double counting or fraud, MEPs would also support the establishment of one common public Union registry.

Trilogue agreement

The co-legislators reached a [provisional agreement](#) during their meeting of 19 February 2024.

Key changes to the Commission's proposal that are aligned with Parliament's position include a **differentiation between specific types of carbon removals**. The text now defines permanent carbon removals, carbon farming and carbon storage in products as three distinct carbon removal types that could be certified under the framework. According to the agreed text, permanent carbon removals must not be combined with enhanced hydrocarbon recovery. As proposed by the Council, the scope is expanded to include soil emission reductions as a carbon farming activity.

Types of unit certified under the framework are differentiated by name and linked to their specific activity. Four types of unit are defined: (i) permanent carbon removal units; (ii) soil emission reduction units; (iii) carbon farming sequestration units; and (iv) carbon storage in product units.

Adding to the Commission's specification that permanent carbon removals should be stored for 'several centuries', the co-legislators agreed specific **minimum activity periods** during which an activity generates either a carbon removal or soil emission reduction. For carbon farming activities, this is defined as minimum 5 years. For carbon storage in products, the storage period must be at least 35 years.

In particular, **carbon farming-related specifications** are further developed in the agreed text. This includes the definition (Article 2) and the calculation method (Article 4) for carbon removal or soil emission reduction benefits resulting from carbon farming activities. According to the agreed text, these activities must always deliver at least a biodiversity co-benefit and may deliver other co-benefits under the sustainability objectives. Carbon farming is defined as activities relating to terrestrial or coastal management, delivering temporary carbon removals or soil emission reductions.

Annex I outlines elements to be included in **certification methodologies**, and Article 8 gives steer to the Commission on how to prioritise the development of specific methodologies and outlines

some specific requirements. The methodologies must ensure robustness and transparency, promote protection and restoration of biodiversity and ecosystems, contribute to ensuring the EU's food security, and avoid land speculation, while taking into account the competitiveness of farmers and foresters in the EU. Further requirements concern sustainability of biomass and biomass demand considerations. Methodologies must minimise the administrative and financial burden, and keep certification processes as simple as possible. Finally, they must include liability mechanisms to address reversals (i.e. the release of CO₂ back into the atmosphere).

Article 6 includes provisions on **storage, monitoring and liability**, expanding it from the original Commission proposal. Article 7 requires the minimum **sustainability** requirements to include impacts both inside and outside of the EU.

The Commission must establish a **Union registry** within four years of the regulation's entry into force. Until a common Union registry is established, certification schemes recognised under the framework must set up interoperable **certification registries**. The Commission will lay down detailed requirements through implementing acts. Minimum information requirements have been set out in the annex and include details on the quantity and status of the certified units (e.g. issued, retired, expired, cancelled, allocated to a buffer) or the certified units' end-use purpose, including the using entity.

All carbon removals and emissions reductions must **contribute to the EU's collective climate objectives** and its nationally determined contribution (NDC) under the Paris Agreement. Therefore, they cannot contribute to third-party NDCs or international compliance schemes.

The agreed text includes two different **review clauses**. A first review by 31 July 2026 was agreed to review the above-mentioned use of certified units to compensate emissions generated outside of the Union's NDC and the Union's climate objectives. It will also evaluate the application of the regulation to **further agriculture-related emissions reduction areas**. It will specifically focus on 'enteric fermentation' and 'manure management' subcategories, linked to livestock emissions.

Additionally, the regulation will undergo regular reviews within six months of each global stocktake under the Paris Agreement, to ensure constant alignment with Union legislation and international agreements such as the Paris Agreement. These reviews will also have to address technological and scientific progress, best practices and market developments in the field of carbon removals, the environmental impacts of increased biomass use resulting from this regulation, the impacts on Union food security and land speculation, and the cost of the certification process. A first regular review must be undertaken within three years of entry into force or by 31 December 2028, whichever comes first.

The **title** of the regulation was agreed following Parliament's position. While Parliament's proposal for an advisory platform was not agreed to, recital 28 now refers to consultations and the involvement of experts in developing delegated acts.

The provisional agreement was endorsed by the Member States in the Coreper meeting of 8 March 2024. The ENVI committee approved the agreed text on 11 March with 56 votes in favour, 19 votes against and 5 abstentions.

The European Parliament is expected to vote on the text during the April 2024 plenary session in Brussels.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Erbach G. with Andreo Victoria G., [Carbon dioxide removal: Nature-based and technological solutions](#), EPRS, European Parliament, 2021.

Jensen L., [Sustainable carbon cycles: Promoting removal, storage and recycling](#), EPRS, European Parliament, October 2022.

Jensen L. and Margaras V., [Certification of carbon removals - Pre-legislative synthesis of national, regional and local positions on the European Commission's initiative](#), EPRS, European Parliament, October 2022.

McDonald H. et al., [Carbon farming – Making agriculture fit for 2030](#), Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, 2021.

Rakštelytė A., [Certification of carbon removals](#), EPRS, European Parliament, May 2023.

OTHER SOURCES

European Parliament, [Union certification framework for carbon removals](#), Legislative Observatory (OEIL).

European Parliament, [Sustainable Carbon Cycles](#), Legislative Observatory (OEIL).

ENDNOTES

- ¹ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'European Parliament supporting analysis'.

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