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*Committee on Industry, Research and Energy*  
*The Chair*

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29.6.2023

Mr Pascal Canfin

Chair

Committee on the Environment, Public Health and Food Safety

Brussels

Subject: Opinion on the proposal for a Regulation establishing a Union certification framework for carbon removals (COM(2022)0672 – C9-0399/2022 – 2022/0394(COD))

Dear Mr Chair,

On 28 March, the Coordinators of the Committee on Industry, Research and Energy (ITRE) decided to draw up an opinion in the form of a letter with the Chair as the Rapporteur on the proposal for a Regulation establishing a Union certification framework for carbon removals COM(2022)0672; 2022/0394(COD). ITRE has been granted shared competences under the Rule 57 on several provisions.

The ITRE Committee adopted its opinion at the meeting of 28 June 2023.

Please find the ITRE amendments enclosed in the Annex, which I kindly ask you to put to the vote during the vote on the draft report in your committee.

Yours sincerely,

Cristian-Silviu Buşoi

## ANNEX

### ITRE 1

#### Recital 3a (new)

- (3a) *Regulatory coherence should be maintained with the ETS Directive and the sustainability criteria in the Renewable Energy Directive. Integration with the ETS Directive should be considered in the longer run and should be part of the review assessment in accordance with Article 18 of this Regulation.***

### ITRE 2

#### Recital 4

- (4) The Union certification framework will support the development of carbon removal activities in the Union that result in an unambiguous net carbon removal benefit, while avoiding greenwashing. In the case of carbon farming, such certification framework should also encourage the uptake of carbon removal activities that generate co-benefits for *other environmental, and economic objectives, such as* biodiversity, *to achieve* the nature restoration targets set out in Union law on nature restoration. *The Union certification framework should allow the certification of carbon removal activities where the geological storage takes place in third countries if equivalent legal and structural requirements are met.* The Union certification framework will be instrumental in meeting the Union climate change mitigation objectives set in international agreements and in the Union legislation.**

### ITRE 3

#### Recital 4a (new)

- (4a) *As the framework operates on a voluntary basis, this phase will serve as a pilot phase during which operators and certification schemes build capacity. Based on the experience acquired during this phase, further policy options will be assessed. In order to improve the effectiveness of the framework, the Member States and the Commission should facilitate the exchange of best practices between the interested public and private stakeholders.***

### ITRE 4

#### Recital 4b (new)

- (4b) *The Union certification framework shall also encourage research and innovation, whilst emphasising the role of Horizon Europe missions, as well as other programmes in the field of carbon capture and usage technologies, especially technologies with carbon removal capacity taking into account the existing processes and possible developments with the aim to facilitate the access to the market of new technologies.***

### ITRE 5

**Recital 4c (new)**

- (4c) In this regard, the Commission and the Member States should engage in cross-disciplinary cooperation, involving national and regional research institutions, scientists, farmers and small and medium-sized enterprises.*

**ITRE 6**

**Recital 4d (new)**

- (4d) Additionally, the Union certification framework should be accompanied by financial support to carbon removal initiatives to ensure the industrial scaling up thereof.*

**ITRE 7**

**Recital 5a (new)**

- (5a) To prevent carbon from entering the atmosphere during the use and disposal of products, it should be either chemically bound in a way that meets EU ETS rules including for CO<sub>2</sub> mineralisation in cementitious construction products, or stored for several decades in a traceable, long-lasting product, such as harvested wood used in construction. These products can store carbon for decades after being made and, when no longer in use, the carbon can be transferred to another long-lasting storage system, like Bioenergy with Carbon Capture and Storage (BECCS).*

**ITRE 8**

**Recital 5b (new)**

- (5b) European leadership will be an important factor in developing a robust carbon removals certification framework and the need to further assess the role of permanent carbon removals and the associated credits in the EU ETS. In the medium and long-term carbon markets, including the EU ETS and voluntary markets, could be used to support CDR deployment. As technologies that remove carbon from the atmosphere will be significant to achieve the EU's climate goals, this should be done with support for the development and scale-up of carbon removal technologies, via incentives such as carbon contracts for difference (CCfD).*

**ITRE 9**

**Recital 5c (new)**

- (5c) An important element of any policy framework for carbon removals will be the development of new CO<sub>2</sub> transport and storage networks and infrastructures in the EU, connecting industrial emitters with CO<sub>2</sub> storage capacity, in order to achieve decarbonisation of hard-to-abate sectors as well as carbon removals in the context of bio-energy with CCS (BECCS) and direct air capture (DAC).*

**ITRE 10**

**Recital 5d (new)**

- (5d) Long-term carbon removals, whether permanent or temporary, will play a role in achieving climate objectives, but subject to distinct terms. More stringent conditions, such as monitoring, expiry, and liability requirements, should apply to temporary carbon removals.***

## **ITRE 11**

### **Recital 5e (new)**

- (5e) Additionally, with the aim to harness research and innovation, as well as the diversification of the practices and processes that qualify as carbon removal activities, the Commission shall map marine and freshwater ecosystems, constantly monitoring and evaluating the possibility to include blue carbon sequestration and storage within the framework of this Regulation, fostering a new industrial value chain for the sustainable capture, recycling, transport and storage of carbon and assisting coastal and insular regions with the necessary means to achieve the climate targets.***

## **ITRE 12**

### **Recital 5f (new)**

- (5f) The carbon removal certification framework should also ensure the necessary flexibility to cater for regional, technical, structural and geophysical specificities, taking into account the variety of conditions in terms of production systems in the Member States and their regions.***

## **ITRE 13**

### **Recital 5g (new)**

- (5g) With an aim to facilitate the creation of a new industrial value chain for the sustainable carbon capture and recycling and the upscaling of new technologies in the field, the carbon removal certification framework should be accompanied by initiatives incentivising the development of new and adequate CO<sup>2</sup> transport and storage network infrastructure.***

## **ITRE 14**

### **Recital 7**

- (7)** A carbon removal activity should result in a net carbon removal benefit showing that it delivers a positive climate impact. The net carbon removal benefit should be computed following two steps. First, operators should quantify the amount of additional carbon removals that a carbon removal activity has generated in comparison to a baseline. A standardised baseline reflecting the standard performance of comparable activities in similar social, economic, environmental and technological circumstances and geographical locations should be preferred because it ensures objectivity, minimises compliance and other administrative costs, and positively recognises the action of first movers who have already engaged in carbon removal activities. In the context of carbon farming, the use of available digital technologies, including electronic databases and geographic information systems, remote sensing, artificial intelligence and machine learning, and of electronic maps should be promoted to decrease the costs of establishing

baselines and of monitoring carbon removal activities. However, where it is not possible to set such a standardised baseline, a project-specific baseline based on the operator's individual performance may be used. In order to reflect the social, economic, environmental and technological developments and to encourage ambition over time in line with the Paris Agreement, baselines should be ***regularly reviewed by the Commission and updated, at least every ten years. Baselines for voluntary projects should align with monitoring and compliance systems used in national GHG inventories and agricultural and land use statistics.***

## ITRE 15

### Recital 13

- (13) Atmospheric and biogenic carbon that is captured and stored through a carbon removal activity risks being released back into the atmosphere (e.g. reversal) due to natural or anthropogenic causes. Therefore, operators should take all relevant preventive measures to mitigate those risks and duly monitor that carbon continues to be stored over the monitoring period laid down for the relevant carbon removal activity. The validity of the certified carbon removals should depend on the expected duration of the storage and the different risks of reversal associated with the given carbon removal activity. Activities that store carbon in geological formations ***or through carbon mineralisation*** provide enough certainties on the very long-term duration of several centuries for the stored carbon and can be considered as providing permanent storage of carbon. Carbon farming or carbon storage in products are more exposed to the risk of voluntary or involuntary release of carbon into the atmosphere. To account for this risk, the ***monitoring period*** of the certified carbon removals generated by carbon farming and carbon storage in products should ***cover the entire duration of the activity or lifetime of the product, including the end of the activity or end of the life of the product, and those certified carbon removals should*** be subject to an expiry date matching with the end of the relevant monitoring period. Thereafter, the carbon should be assumed to be released into the atmosphere, unless the economic operator proves the maintenance of the carbon storage through uninterrupted monitoring activities.

## ITRE 16

### Recital 15

- (15) Carbon removal activities have a strong potential to deliver win-win solutions for ***environmental, economic and sustainability benefits***, even ***though*** trade-offs cannot be excluded. Therefore, it is appropriate to establish minimum sustainability requirements to ensure that carbon removal activities have a neutral impact or generate co-benefits for the sustainability objectives of climate change mitigation and adaptation, the protection and restoration of biodiversity and ecosystems, the sustainable use and protection of water and marine resources, the transition to a circular economy, ***food security***, ***pollution prevention and control, agricultural productivity, farmers' income and security of agricultural production.*** Those sustainability requirements should, as appropriate, and taking into consideration local conditions, build on the technical screening criteria for Do Not Significant Harm concerning forestry activities and underground permanent geological storage of CO<sub>2</sub>, laid down in Commission

Delegated Regulation (EU) 2021/2139<sup>1</sup>, and on the sustainability criteria for forest and agriculture biomass raw material laid down in Article 29 of Directive (EU) 2018/2001 of the European Parliament and of the Council<sup>2</sup>. Practices, such as forest monocultures, that produce harmful effects for biodiversity *and have adverse ecological repercussions* should not be eligible for certification. *Financial resources should prioritise technologies that do not lead to undue natural resource use or have clear negative impact on biodiversity.*

## ITRE 17

### Recital 15a (new)

*(15a) Assessments of carbon removal activities should include impacts on the local community with a view to addressing social sustainability. Indicators for this assessment should include any resulting job creation, the balance between respect of tradition and innovation and excessive use of natural resources by the local community.*

## ITRE 18

### Recital 16

(16) Farming practices that remove CO<sub>2</sub> from the atmosphere contribute to the climate neutrality objective and should be rewarded, either via the Common Agricultural Policy (CAP) or other public or private initiatives *such as sustainable private finance, contractual arrangements along supply chains, voluntary carbon markets and product claims*. Specifically, this Regulation should take into account farming practices as referenced in the Communication on Sustainable Carbon Cycles<sup>3</sup>.

## ITRE 19

### Recital 17

(17) Operators or groups of operators may report co-benefits that contribute to the *environmental, economic and* sustainability objectives beyond the minimum sustainability requirements. To this end, their reporting should comply with the certification methodologies tailored to the different carbon removal activities, developed by the Commission. Certification methodologies should, as much as possible, incentivise the generation of co-benefits for biodiversity going beyond the minimum

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1 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

2 Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

3 Communication from the Commission, Sustainable Carbon Cycles, COM (2022) 800.

*environmental, economic and sustainability requirements. These additional co-benefits will likely give more economic value to the certified carbon removals and could result in higher revenues for the operators. In the light of these considerations, it is appropriate for the Commission to prioritise the development of tailored certification methodologies on carbon farming activities that provide significant co-benefits for biodiversity. Carbon crediting schemes have the potential to be a new source of income, however, it will also likely be a source of additional costs (e.g., costs for reporting, modelling, accounting, certifying, soil sampling). Measures implemented to increase sequestration levels may also affect the farm productivity and farming costs. Therefore, it is important to make sure that such a certification scheme represents a long-term positive business model for carbon converters.*

## ITRE 20

### Recital 17a (new)

*(17a) Carbon removal certification should provide legal certainty and serve the needs of Private and public companies and investors (both carbon emitters and converters) and local authorities willing to meet their EU or national regulatory requirements or their voluntary targets and claims.*ITRE 21

### Recital 18

(18) It is appropriate to develop detailed certification methodologies for the different carbon removal activities in order to apply, in a standardised, verifiable and comparable way, the quality criteria laid down in this Regulation. Those methodologies should ensure the robust and transparent certification of the net carbon removal benefit generated by the carbon removal activity, while avoiding disproportionate administrative burden for operators or group of operators, in particular for small farmers , forest holders *and Small and Medium Enterprises (SMEs)*. To this end, the Commission should be empowered to supplement this Regulation by adopting delegated acts establishing detailed certification methodologies for the different carbon removal activities. Those methodologies should be developed in close consultation with the Expert Group on Carbon Removals and all other interested actors. They need to be based on the best available scientific evidence, build upon existing public and private schemes and methodologies for carbon removal certification, and take into account any relevant standard and rules adopted at national and Union level.

## ITRE 22

### Recital 20

(20) Providing land managers with improved knowledge, tools and methods for a better assessment and optimisation of the carbon removals is key for cost-efficient implementation of mitigation actions and for securing their engagement in carbon farming. This is particularly relevant for Union small farmers or forest holders *and SMEs* that often lack the know-how and the expertise required to implement carbon removal activities and to comply with the required quality criteria and related certification methodologies. Therefore, it is appropriate to require that producer organisations facilitate the provision of relevant advisory services through technical advice to their members. The Common Agricultural Policy and national State aid can

support financially the provision of advisory services, knowledge exchange, training, information actions or interactive innovation projects with farmers and foresters.

## **ITRE 23**

### **Recital 20a (new)**

*(20a) Additionally, Member States, regional and local authorities, assisted by the Commission, should set up local advisory centres tasked with ensuring simple access to technical guidance and information concerning the certification scheme established by this Regulation, involving cooperatives or other farmers associations. These centres should also be able to communicate the benefits of carbon removal and to support sustainable practices, including the use of digital solutions, while promoting biodiversity and nature restoration. They shall contribute to the sustainability skills development within targeted communities, including through training and educational programmes as well as through promoting peer learning on carbon farming practices by means of demonstration farms.*

## **ITRE 24**

### **Recital 20b (new)**

*(20b) The existent advisory services in agriculture and forestry, such as the Agricultural Knowledge and Innovation System (AKIS), shall also contribute to broader knowledge and information to support sustainable practices that enhance carbon sequestration while promoting biodiversity and nature restoration, and to ensure easy access to this information including the use of digital solutions where relevant. AKIS shall also set up a knowledge-sharing digital platform, providing technical advice to land managers and providing feedback to Member States.*

## **ITRE 25**

### **Recital 20c (new)**

*(20c) The Commission shall also support capacity building in Member States through adequate investments in training and educational programmes, including to potential public and private stakeholders and their workforce. Such support shall also take into account the diverging realities of Member States and regions, also by identifying the best suited activities with respect to the different specificities.*

## **ITRE 26**

### **Recital 20d (new)**

*(20d) A certified carbon removal unit must not be counted twice over. When a carbon removal certificate expires, the associated carbon removal units should either be nullified and deducted, or replaced with an equivalent amount of carbon removal units. To ensure transparency and traceability, the Union registry should maintain records of all past and current owners and users of a carbon removal unit.*

## **ITRE 27**

## Recital 23

- (23) Certification schemes should be used by operators to demonstrate compliance with this Regulation. Therefore, certification schemes should operate on the basis of reliable and transparent rules and procedures and should ensure accuracy, reliability, integrity and non-repudiation of origin, and protection against fraud of information and of data submitted by operators. They should also ensure the correct accounting of the verified carbon removal units, notably by avoiding double counting. To this end, the Commission should be empowered to adopt implementing acts, including adequate standards of reliability, transparency, accounting and of independent auditing to be applied by certification schemes, so as to ensure the necessary legal certainty as regards the rules applicable to operators and to certification schemes. To ensure a cost-effective certification process, those technical harmonised rules on certification should also have the objective of reducing unnecessary administrative burden ***including by developing of standardised approaches for different technologies, including BECCS***, for operators, or group of operators, in particular for Small and Medium Enterprises (SMEs), including small farmers and foresters, ***without compromising the quality of the carbon removals. Member States should implement appropriate training and support structures to those responsible for managing the certification process can help to ensure that they are equipped with the knowledge and skills necessary to manage the process effectively. In addition, public authorities should foster deployment of technologies that could increase the accuracy of monitoring, reporting and verification, while reducing the subsequent costs over time.***

## ITRE 28

## Recital 24

- (26) Certification schemes ***register certified carbon removals into a*** public registries in order to ensure transparency and full traceability of carbon removal certificates, and to avoid the risk of fraud and double counting. Fraud may occur if more than one certificate is issued for the same carbon removal activity because the activity has been registered under two different certification schemes or has been registered twice under the same scheme. Fraud may also occur when the same certificate is used several times to make the same claim based on a carbon removal activity or a carbon removal unit. ***A certification scheme should provide to the Commission all information required to be stored and made publicly available in electronic form in the Union registry. Such information includes*** the documents resulting from the certification process of carbon removals, including summaries of certification audits and re-certification audit reports, the certificates and updated certificates, and make them publicly available in electronic form. The registry should also record the certified carbon removal units that meet the Union quality criteria. In order to ensure a level playing field within the single market, the Commission should be empowered to adopt implementing rules setting out standards and technical rules on the functioning ***of*** ***the registry in accordance with the upcoming Regulation of the European Parliament and of the Council laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act)***<sup>4</sup>.

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<sup>4</sup> ***Proposal for a Regulation of the European Parliament and of the Council laying down measures for a high level of public sector interoperability across the Union***

## ITRE 29

### Recital 30

- (30) The Commission should review the implementation of this Regulation 3 years **■** *after* the entry into force of this Regulation, and subsequently not later than six months after the global stocktake agreed under Article 14 of the Paris Agreement.. Those reviews should take into account relevant developments concerning the Union legislation, technological and scientific progress, market developments in the field of carbon removals and *relevant environmental and economic objectives such as* food security including food availability and affordability, and should be informed by the results of the global stocktake of the Paris Agreement.

## ITRE 30

### Article 2 - paragraph 1 - point a

- (a) ‘carbon removal’ means **■** the storage of atmospheric or biogenic carbon within geological carbon pools, biogenic carbon pools, long-lasting products and materials, and the marine environment **■** ;

## ITRE 31

### Article 2 - paragraph 1 - point b

- (b) ‘carbon removal activity’ means one or more practices or processes carried out by an operator resulting in *temporary\_or* permanent carbon storage, enhancing carbon capture in a biogenic carbon pool, **■** or biogenic carbon in long-lasting products or materials;

## ITRE 32

### Article 2 - paragraph 1 - point fa (new)

- (fa) *‘temporary carbon storage’ means a carbon removal activity that, under normal circumstances and using appropriate management practices, temporarily stores atmospheric or biogenic carbon for a limited, monitorable, continued and predictable period of time, such as carbon farming, carbon stored in products, bioenergy with carbon capture and storage and direct air carbon capture and storage.*

## ITRE 33

### Article 2 - paragraph 1 - point g

- (g) ‘permanent carbon storage’ means a carbon removal activity that, under normal circumstances and using appropriate management practices, stores atmospheric or biogenic carbon for several centuries, **■** *for example through geological storage and carbon mineralisation, within geological carbon ■ pools, in compliance with the rules set out in Directive 2009/31/EC<sup>5</sup>*;ITRE 34

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*(Interoperable Europe Act) COM(2022) 720 final 2022/0379 (COD).*

*5 Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European*

## Article 2 - paragraph 1 - point h

- (h) ‘carbon farming’ means a carbon removal activity related to land *or coastal* management that results in the increase of carbon storage in living biomass, dead organic matter and soils by enhancing carbon capture and **■** *that may also generate reductions of carbon release as part of that activity, for example in the case of peatland rewetting ■* ;

## ITRE 35

## Article 2 - paragraph 1 -point p

- (p) ‘*biogenic carbon emission reduction*’ means the reduction of carbon release from a biogenic carbon pool to the atmosphere.

## ITRE 36

## Article 4 - paragraph 1 - point p

- (c) GHG<sub>increase</sub> is the increase in direct and indirect greenhouse gas emissions **■** , which are due to the implementation of the carbon removal activity

## ITRE 37

## Article 6 - title

### **■** *Storage*

## ITRE 38

## Article 6 - paragraph 1

1. **■** A carbon removal activity **■** *shall ensure temporary\_or permanent* storage of carbon.

## ITRE 39

## Article 6 - paragraph 2 - point a

- (a) they shall *be subject to periodical* monitoring *by the certification body in accordance with Article 9* and mitigate any risk of release of the stored carbon occurring during the monitoring period;

## ITRE 40

## Article 6 - paragraph 3

3. For *temporary* carbon **■** *removal activities*, the carbon stored **■** shall be considered released to the atmosphere at the end of the monitoring period.

## ITRE 41

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*Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/200.*

## Article 7 - paragraph 1

1. A carbon removal activity shall have *at least* a neutral impact on *all the following sustainability objectives* or *may* generate *positive* co-benefits for **■** *one or more of* the following sustainability objectives:

### ITRE 42

#### Article 7 - paragraph 1 - point fa (new)

*(fa) agricultural productivity and food security;*

### ITRE 43

#### Article 7 - paragraph 1 - point fb (new)

*(fb) impact on local community.*

### ITRE 44

## Article 8 - paragraph 2

2. The Commission is empowered to adopt delegated acts in accordance with Article 16 to establish the technical certification methodologies referred to in paragraph 1 for activities related to permanent carbon storage, carbon farming and carbon storage in products. Those certification methodologies shall include at least the elements set out in Annex I. *For each draft delegated act, the Commission shall carry out a thorough impact assessment, including all necessary scientific expertise, and its final results shall be made public at the time of adoption of the related delegated act.*

### ITRE 45

#### Article 8 - paragraph 3 - point b

- (b) the objective of minimising administrative burden for operators, particularly for small-scale carbon farming operators *and for Small and Medium Enterprises without compromising the quality of the carbon removals or co-benefits;*

### ITRE 46

#### Article 8 - paragraph 3 - point da (new)

*(da) relevant technological developments and innovation in the field.*

### ITRE 47

#### Article 8 - paragraph 3a (new)

*3a. The Commission shall make the certification methodologies public.*

### ITRE 48

## Article 12 - paragraph 1

- 1 **■** *The Commission* shall establish and **■** maintain a public *Union* registry **■** *of carbon*

*removal activities and carbon removal units certified under Article 9. Each certification scheme shall report to the Union registry of carbon removal activities and carbon removal units certified under Article 9. This registry shall use automated systems, including electronic templates .*

#### ITRE 49

##### Article 18 - paragraph 1

1. This Regulation shall be kept under review in all aspects, taking into account the relevant developments concerning Union legislation, United Nations Framework Convention on Climate Change and the Paris Agreement, technological and scientific progress, market developments in the field of carbon removals, Union, ***national and regional*** food security ***and the impact of carbon removal activities on the affected local communities.***

#### ITRE 50

##### Article 18 - paragraph 2

2. Three years after the entry into force of this Regulation and not later than by the end of 2028, and subsequently within six months after the outcome of each global stocktake agreed under Article 14 of the Paris Agreement, the Commission shall report to the European Parliament and to the Council on the implementation of this Regulation, ***including an assessment on the possible integration with the ETS Directive. That report may be accompanied, where appropriate, by a legislative proposal to amend this Regulation.***