European Commission - Press release





Commission welcomes political agreement on EU-wide certification scheme for carbon removals

Brussels, 20 February 2024

The Commission welcomes the provisional agreement between the European Parliament and the Council on the **first EU-wide voluntary framework for the certification of high-quality carbon removals**. This certification framework will **boost innovative carbon removal technologies and carbon farming** which contribute to the EU's climate, environmental and zero-pollution goals. This new framework will **help the EU to reach climate neutrality** by certifying carbon removals and carbon farming to ensure that they are transparent and trusted, **preventing greenwashing and creating new business opportunities**. Today's agreement sets out certification rules for:

- Carbon farming, such as restoring forests and soils and avoiding soil emissions, rewetting of peatlands, more efficient use of fertilizers, and other innovative farming practices;
- Industrial carbon removals, such as bioenergy with carbon capture and storage, or direct air carbon capture and storage;
- Binding carbon in long-lasting products and materials, such as wood-based construction materials or biochar.

The provisionally agreed Regulation will **improve the EU's capacity to quantify, monitor and verify** the authenticity of all these forms of carbon removals. In particular, it sets out **rules to recognise certification schemes** that demonstrate compliance with the EU framework, and a specific set of criteria to ensure the high-quality of carbon removals and the transparency and credibility of the certification process.

The agreed criteria will ensure that carbon removals are: correctly **quantified**; store carbon for an agreed **long-term period** (a minimum of 35 years for carbon stored in products); **go beyond existing practices** and don't just reward the status quo; and contribute to **broader sustainability goals**, for instance by providing positive impacts on biodiversity. An **EU registry will be established** to create a-high level of transparency about certified carbon removals. This will be put in place within 4 years. In the meantime, the registries of existing certification schemes can be used. The Regulation provides a prioritisation of the certification methodologies that should be developed. On this basis, the Commission, supported by a <u>Carbon Removal Expert Group</u>, will continue its work to develop credible and tailored certification methodologies for the different types of carbon removal activities.

Certified carbon removals can be the basis of **new economic opportunities**, and can be monetised through private schemes and public sector support, as well as generating commercial advantages with consumers looking to reward environmentally-friendly practices. Carbon farming will **create new business models for farmers and foresters** and is expected to yield significant benefits for biodiversity. The agreed regulation also encourages the use of long-lasting bio-based building products to keep carbon bound over several decades or longer, stimulating new sustainable building techniques.

Regarding **financial support for carbon removing technologies**, the Regulation unlocks innovative private and public financing, including impact finance or result-based public support, because carbon removers and carbon farmers can be rewarded based on the certified removals and emissions reductions. It will also support the <u>New European Bauhaus</u> by recognising the carbon storage capacity of bio-based and energy-efficient building materials. The Commission will continue funding carbon removals through various programmes, such as the <u>Innovation Fund</u>, Common Agricultural Policy, Regional Development Fund, <u>LIFE programme</u> and <u>Horizon Europe</u> <u>programme</u> (including the Mission '<u>A Soil Deal for Europe</u>').

Next steps

The European Parliament and Council now need to formally approve the agreement. Once this process is completed, the new legislation will be published in the Official Journal of the Union and enter into force.

Background

The <u>European Climate Law</u>, signed in 2021, legally binds the EU to become climate neutral by 2050. This means achieving a balance between greenhouse gas emissions and removals by 2050. The Carbon Removal Certification Framework Regulation, initially proposed by the Commission in November 2022, is therefore crucial to achieve the EU's long-term climate objective under the Paris Agreement and make the European Green Deal a reality. Carbon removals will be a key enabler for a **future intermediate climate target for 2040**, as recommended by the Commission in its <u>Communication</u> and the <u>Industrial Carbon Management Strategy</u> on 6 February.

Building upon the Commission's <u>Communication on Sustainable Carbon Cycles</u> adopted in 2021, this Regulation contributes to the 2030 carbon removals target in the <u>Land Use</u>, <u>Land Use Change and Forestry (LULUCF) sector</u>. It also supports the nature restoration activities in line with the <u>Nature Restoration Law</u> and circular economy practices from the <u>Circular Economy Action Plan</u>.

It will also help companies in reporting their climate footprint in accordance with the <u>Corporate</u> <u>Social Responsibility Directive and the related Sustainability Reporting Standards</u>, and it will provide more transparency on <u>climate neutrality claims by public and private organisations</u>.

For More Information

Carbon Removal Certification
The European Green Deal

IP/24/885

Quotes:

"Our efforts to reduce greenhouse gas emissions will increasingly depend on technology and innovation in the future, and on making the best use of natural carbon sinks. Developing the appropriate certification for carbon removal technologies and carbon farming is key to incentivising and rewarding new practices. Today's agreement sets us on a path to establishing high quality carbon removal activities across Europe."

Maroś Šefčovič, Executive Vice-President for European Green Deal, Interinstitutional Relations and Foresight - 20/02/2024

"Carbon removals and carbon farming will be an important part of our efforts to reach climate neutrality by 2050. With this new voluntary European certification framework for carbon removals and carbon farming, we will be unlocking new economic opportunities for farmers, foresters, builders and innovators. It's essential that we work with all these stakeholders for a more sustainable future where innovation meets environmental responsibility. Together we can create an innovative business environment to invest in and deploy high-quality carbon removals."

Wopke Hoekstra, Commissioner for Climate Action - 20/02/2024

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