

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation  Union certification framework for carbon removals  Subject 2.10.03 Standardisation, EC/EU standards and trade mark, certification, compliance 3.70.02 Atmospheric pollution, motor vehicle pollution  Legislative priorities <a href="#">Joint Declaration 2023-24</a> <a href="#">Joint Declaration 2022</a>	Awaiting Parliament's position in 1st reading

Key players			
European Parliament	Committee responsible <b>ENVI</b> <a href="#">Environment, Public Health and Food Safety</a>	Rapporteur  <a href="#">PEREIRA Lúdia</a> Shadow rapporteur  <a href="#">WÖLKEN Tiemo</a>  <a href="#">WIESNER Emma</a>  <a href="#">NIINISTÖ Ville</a>  <a href="#">GRISSET Catherine</a>  <a href="#">ZALEWSKA Anna</a>  <a href="#">WALLACE Mick</a>	Appointed 10/01/2023
	Committee for opinion <b>ITRE</b> <a href="#">Industry, Research and Energy</a> (Associated committee)	Rapporteur for opinion Chair on behalf of committee  <a href="#">BUŞOI Cristian-Silviu</a>	Appointed 28/03/2023
	<b>AGRI</b> <a href="#">Agriculture and Rural Development</a> (Associated committee)	 <a href="#">HLAVÁČEK Martin</a>	29/03/2023
Council of the European Union	Commission DG	Commissioner	

## Key events

30/11/2022	Legislative proposal published	<a href="#">COM(2022)0672</a>	Summary
01/02/2023	Committee referral announced in Parliament, 1st reading		
11/05/2023	Referral to associated committees announced in Parliament		
24/10/2023	Vote in committee, 1st reading		
03/11/2023	Committee report tabled for plenary, 1st reading	<a href="#">A9-0329/2023</a>	Summary
20/11/2023	Referral to associated committees announced in Parliament		
20/11/2023	Debate in Parliament		
21/11/2023	Decision by Parliament, 1st reading	<a href="#">T9-0402/2023</a>	Summary
21/11/2023	Matter referred back to the committee responsible		

## Technical information

Procedure reference	2022/0394(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 57; Treaty on the Functioning of the EU TFEU 192-p1
Mandatory consultation of other institutions	<a href="#">European Economic and Social Committee</a> <a href="#">European Committee of the Regions</a>
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ENVI/9/10830

## Documentation gateway

Legislative proposal	<a href="#">COM(2022)0672</a>	30/11/2022	EC	Summary
Document attached to the procedure	<a href="#">SEC(2022)0423</a>	01/12/2022	EC	
Document attached to the procedure	<a href="#">SWD(2022)0377</a>	01/12/2022	EC	
Document attached to the procedure	<a href="#">SWD(2022)0378</a>	01/12/2022	EC	
Committee of the Regions: opinion	<a href="#">CDR3978/2022</a>	08/02/2023	CofR	
Economic and Social Committee: opinion, report	<a href="#">CES6159/2022</a>	22/03/2023	ESC	
Committee draft report	<a href="#">PE745.292</a>	10/05/2023	EP	

Amendments tabled in committee		<a href="#">PE749.223</a>	02/06/2023	EP	
Amendments tabled in committee		<a href="#">PE749.224</a>	02/06/2023	EP	
Amendments tabled in committee		<a href="#">PE749.197</a>	29/06/2023	EP	
Specific opinion	ITRE	<a href="#">PE746.892</a>	29/06/2023	EP	
Committee opinion	AGRI	<a href="#">PE746.718</a>	13/09/2023	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A9-0329/2023</a>	03/11/2023	EP	Summary
Text adopted by Parliament, partial vote at 1st reading/single reading		<a href="#">T9-0402/2023</a>	21/11/2023	EP	Summary

## Union certification framework for carbon removals

**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 (CO<sub>2</sub>) 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 CO<sub>2</sub> 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.

## Union certification framework for carbon removals

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The Committee on the Environment, Public Health and Food Safety adopted the report by Lídia PEREIRA (EPP, PT) on the proposal for a regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

#### Subject matter

The objective of this Regulation is to facilitate and encourage the deployment and enhancement of carbon removals, carbon farming and carbon storage in products by operators or groups of operators as a complement to the irreversible and gradual reduction of anthropogenic greenhouse gas emissions across all sectors to meet the objectives and targets laid down in Regulation (EU) 2021/1119 and the goals of the Paris Agreement.

#### Rules on the issuance and use of units

A new article has been included on the rules on the issuance and use of units. It stated that carbon farming sequestration and emission reduction units should be issued by 31 December each year, provided that an annual monitoring check does not show any non-compliance with the requirements set out in this Regulation and does not show a reversal. The certification body should be responsible for the annual monitoring check based on reliable real-world data.

#### Sustainability

A carbon storage in product activity should at least have a neutral impact on each of, and should generate co-benefits for at least one of, the following sustainability objectives:

- the avoidance of the risk of carbon leakage in third countries;
- climate change adaptation;
- sustainable use and protection or improvement of water quality and marine resources;
- transition to a circular economy, including the efficient use of sustainably sourced bio-based materials;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

#### Platform on Carbon Removal, Carbon Farming and Carbon Storage in Product Activities

Members called for the establishment of a Platform on Carbon removal and Carbon farming Activities which should, inter alia:

- advise the Commission on the technical certification methodologies, including on the minimum sustainability requirements, as well as on the possible need to update those certification methodologies;
- analyse the impact of the technical certification methodologies in terms of the potential costs and benefits of their application;
- monitor and regularly report to the Commission on trends at Union and Member State level regarding carbon removal and carbon farming.

#### Certification of compliance

The amended text stressed that the certification scheme should appoint a certification body which should conduct a certification audit to verify that the requested information is accurate and reliable. When multiple different carbon farming activities take place at farm level, the certification audits may be conducted on a single occasion.

Re-certification audits should take place at least every 5 years for carbon farming activities, and at least every 10 years for other activities, following a risk-based approach.

#### Certification bodies

Concerning the certification bodies, the report stated that these should be remunerated by the certification scheme in order to ensure the independence of the certification or re-certification audits. The list of accredited certification bodies shall be made publicly available in the Union registry.

#### Operation of certification schemes

For the purpose of handling complaints and appeals, certification schemes should put in place easily accessible complaint and appeal procedures. Those procedures should be made publicly available in the Union registry. Members suggested that a certification scheme should

submit all relevant data and reporting that are required to be included in the Union registry.

## Review

The Commission should assess the possible benefits and trade-offs of the inclusion of other long-lived carbon storage products based on the latest scientific evidence. By 12 months from the date of entry into force of this Regulation, the Commission should report to the European Parliament and to the Council on the establishment of Union targets for permanent carbon removals and for land-based sequestration as an integral part of the post-2030 Union climate framework.

## Union certification framework for carbon removals

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The European Parliament adopted by 448 votes to 65, with 114 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals.

The matter was referred back to the committee responsible for interinstitutional negotiations.

### Subject matter

The objective of this Regulation is to facilitate and encourage the deployment and enhancement of carbon removals, carbon farming and carbon storage in products by operators or groups of operators as a complement to the irreversible and gradual reduction of anthropogenic greenhouse gas emissions across all sectors. To that end, this Regulation establishes a voluntary Union framework for the certification of carbon removals, carbon farming and carbon storage in products.

### Rules on the issuance and use of units

A new article has been included on the rules on the issuance and use of units. It stated that carbon farming sequestration and emission reduction units should be issued by 31 December each year, provided that an annual monitoring check does not show any non-compliance with the requirements set out in this Regulation and does not show a reversal. The certification body should be responsible for the annual monitoring check based on reliable real-world data.

### Sustainability

A carbon storage in product activity should at least have a neutral impact on each of, and should generate co-benefits for at least one of, the following sustainability objectives:

- the avoidance of the risk of carbon leakage in third countries;
- climate change adaptation;
- sustainable use and protection or improvement of water quality and marine resources;
- transition to a circular economy, including the efficient use of sustainably sourced bio-based materials;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

### Innovative carbon removal technologies

Under the EU certification framework, activities that, under normal circumstances, ensure the permanent storage of atmospheric or biogenic carbon for several centuries through geological storage of CO<sub>2</sub>, such as bioenergy with carbon capture and storage and direct air carbon capture and storage, or through permanently bound carbon mineralisation, should be considered permanent carbon removals.

### Carbon farming and carbon storage in products

Members amended the definition of carbon farming to mean an activity related to land management, coastal management or animal husbandry, that results in carbon farming sequestration or carbon farming emission reductions for a period of at least five years.

Members also stated that carbon farming activities should not negatively affect the Unions food security and shall not lead to land grabbing or land speculation.

In light of the uncertainties in the measuring and monitoring methodologies related to many potential applications of carbon storage in products in early development stages, the certification of carbon storage in products should initially be limited to harvested wood products or materials for construction storing atmospheric and biogenic carbon stored for at least five decades.

### Platform on Carbon Removal, Carbon Farming and Carbon Storage in Product Activities

Members called for the establishment of a Platform on Carbon removal and Carbon farming Activities which should, inter alia:

- advise the Commission on the technical certification methodologies, including on the minimum sustainability requirements, as well as on the possible need to update those certification methodologies;
- analyse the impact of the technical certification methodologies in terms of the potential costs and benefits of their application;
- monitor and regularly report to the Commission on trends at Union and Member State level regarding carbon removal and carbon farming.

### Certification of compliance

The amended text stressed that the certification scheme should appoint a certification body which should conduct a certification audit to verify that the requested information is accurate and reliable. When multiple different carbon farming activities take place at farm level, the certification audits may be conducted on a single occasion.

Periodic re-certification audits should take place at least every 5 years for carbon farming activities, and at least every 10 years for other activities, following a risk-based approach.

## Union registry

The Commission should establish and maintain an interoperable and public Union registry in order to ensure transparency, trustworthiness and full traceability of certificates, and to avoid the risk of fraud and double counting. All information in the Union registry should be easy to navigate and search.

## Review

The Commission should assess the possible benefits and trade-offs of the inclusion of other long-lived carbon storage products based on the latest scientific evidence. By 12 months from the date of entry into force of this Regulation, the Commission should report to the European Parliament and to the Council on the establishment of Union targets for permanent carbon removals and for land-based sequestration as an integral part of the post-2030 Union climate framework.

Transparency				
NIINISTÖ Ville	Shadow rapporteur	ENVI	06/11/2023	Carbon Market Watch Climate Action Network Europe Fern
NIINISTÖ Ville	Shadow rapporteur	ENVI	27/10/2023	Puro.earth
NIINISTÖ Ville	Shadow rapporteur	ENVI	17/10/2023	Finnish Forest Industries Federation (Metsäteollisuus ry)
NIINISTÖ Ville	Shadow rapporteur	ENVI	20/09/2023	Carbon Market Watch
NIINISTÖ Ville	Shadow rapporteur	ENVI	19/09/2023	Clean Air Task Force, Inc.
WIESNER Emma	Shadow rapporteur	ENVI	29/06/2023	KLIMPO Klimatpostivt & Kolsänkor AB
WIESNER Emma	Shadow rapporteur	ENVI	29/06/2023	Öresundskraft SYSAV
NIINISTÖ Ville	Shadow rapporteur	ENVI	28/06/2023	Fern
WÖLKEN Tiemo	Shadow rapporteur	ENVI	08/06/2023	Negative Emissions Platform
NIINISTÖ Ville	Shadow rapporteur	ENVI	06/06/2023	Swedish Forest Industries Federation
SANDER Anne	Member	13/11/2023	Gide Loyrette Nouel	
KATAINEN Elsi	Member	10/11/2023	Maa- ja metsätaloustuottajain Keskusliitto / Central Union of Agricultural Producers and Forest Owners	
FUGLSANG Niels	Member	21/06/2023	CCS Alliancen	
FRITZON Heléne	Member	15/06/2023	Stockholm Exergi	
WÖLKEN Tiemo	Member	07/06/2023	Microsoft Corporation	
SIDL Günther	Member	24/05/2023	Bioenergy Europe	

LUENA César	Member	06/02/2023	European Biochar Industry Consortium	
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