

CARBON REMOVAL CERTIFICATION FRAMEWORK FINAL TRILOGUE: EU INSTITUTIONS AGREE ON A MORE ROBUST VOLUNTARY FRAMEWORK, BUT RELY ON OTHER EU LEGISLATION FOR FURTHER GUARDRAILS ON USES

Brussels, 20 February 2024 – The EU institutions reached a [provisional political agreement](#) on the Carbon Removal Certification Framework ('CRC-F') during the final trilogue. Effective and scientifically sound carbon dioxide removal ('CDR') certification not only represents a significant first step toward integrating CDR into EU climate policies, but also ensures the development of a strong CDR capability in Europe which will contribute to the EU's 2050 climate neutrality goal.

"We commend the dedicated efforts of all three EU Institutions in developing a robust CDR certification framework. Today's agreement represents a significant improvement to the original proposal. While we celebrate this milestone, it is imperative to address the absence of strong guardrails for the use of certified units as the CRC-F negotiations conclude. Moving forward, it is crucial to set up such rules in other EU initiatives such as Green Claims, so the EU can truly avert greenwashing and mitigation deterrence", says Rodica Avornic, Carbon Gap Associate Policy Director.

EU co-legislators agree on a more robust certification framework

Carbon Gap acknowledges the strides made by the three EU institutions towards the more robust certification framework that was agreed on this morning, 20 February, after three months of negotiations. The CRC-F, despite being voluntary, aims to become a standard setter at an international level and will shape the CDR industry in Europe. We welcome the improvements made to the [European Commission's initial proposal](#) which help ensure that activities certified under the CRC-F are of high-quality and genuinely contribute to EU's climate goals, most notably the ones that:

- **Clarify the confusion between carbon removal and emissions reductions** by introducing four distinct units for certified activities (permanent carbon removal, temporary carbon storage in long-lasting products, temporary carbon storage from carbon farming, and soil emission reductions). Moreover, **the definition of "carbon removal" is now aligned with that of the IPCC**, ensuring much-needed clarity and a clear delineation between carbon removal and emissions reductions.
- **Ensure inclusive and future-proof definitions of the different categories of certified activities** (e.g., permanent carbon removal, carbon farming, carbon storage in products), **underpinned by strong liability requirements**. Operators will be liable to address any possible reversals (i.e. the release of CO₂ back into the atmosphere) for carbon removal activities certified under the framework, providing essential security.
- **Increase transparency and accountability through an EU comprehensive registry**, to be set up in four years, requiring the disclosure of essential information,

such as the expected duration of carbon storage, quantity and status of the certified units (e.g., issued, retired, expired etc.), the end-use purpose of the certified unit and the using entity. This transparency would enable stakeholders to police units from cradle to grave. The co-legislators also introduced rules on the financing of the EU registry, which will be funded by annual fixed user fees that are proportionate to the use of the registry.

Setting stronger and clearer guardrails on the uses of certified units via other EU legislation

In an improvement to the Commission's initial proposal, the provisional agreement sets out rules on the uses of certified units, which can only be used for the EU's climate objectives and nationally determined contribution (NDC) and should not contribute to third countries' NDCs and international compliance schemes such as CORSIA. These rules, including on the corresponding adjustments, will be reviewed in 2026.

While the CRC-F requirement that the 4 different types of units remain distinct from each other is an important step in ensuring that the greenwashing practices in the voluntary carbon market do not continue, it still leaves room for ambiguity. The reference to Green Claims is essential in bridging this gap, as under this Directive the EU is currently establishing specific rules that organisations should follow when making compensation and contribution claims.

The European Parliament's ENVI and IMCO Committees adopted their [Green Claims report](#) last week, requiring climate-related compensation claims to be only used for balancing the residual emissions of an organisation through carbon credits certified under the CRC-F or other Commission-recognised schemes. Crucially, organisations can only compensate fossil fuel emissions with permanent removal credits as defined by the CRC-F, in line with the like-for-like principle that [Carbon Gap](#) has been advocating for. We now hope the European Parliament adopts this principle in plenary and that the Council also comes on board in the coming months.

Going forward, the EU should also seek to leverage the CRC-F for applications beyond the voluntary carbon market and corporate compensation claims. There is a need for diverse revenue streams to be directed towards CDR to drive scale-up. This revenue could come from, for example, corporate contribution claims, CDR procurement by states, incorporation of CDR requirements in procurement of agricultural or industrial products, or the adoption of CDR as an eligibility requirement for public subsidies or grants. A robust public certification framework can underpin these "use cases", to not only ensure robust quantification of CDR units, but to act as a label of quality to direct and safeguard public and private investments.

Next steps

The CRC-F provisional agreement will now be submitted for endorsement to the member states' representatives in the Council and to the Parliament's ENVI committee. If approved,



the text will then need to be formally adopted by both institutions, following revision by lawyer-linguists, before it can be published in the EU's Official Journal and it can enter into force.

NOTES FOR EDITORS

[Carbon Gap](#) is an independent, philanthropically funded non-profit organisation focused on responsibly scaling up carbon dioxide removal in Europe, as an important complement to emissions reductions.

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