PRESS RELEASE

EU 2040 PLANS ACKNOWLEDGE ESSENTIAL ROLE OF CARBON REMOVAL IN REACHING HIGHER CLIMATE AMBITION

Key takeaways:

- The European Commission proposals recognise the importance of CDR in addressing climate change, reinforcing its role as a third pillar of EU climate action alongside emission mitigation and adaptation.
- The 2040 target communication sets a target of 90% net greenhouse gas (GHG) emissions reductions, along with twin targets for gross emissions reductions and carbon removal deployment. However, it overlooks a suite of promising high-durability CDR methods.
- The industrial carbon management communication presents policy options to help deliver on these targets. From a CDR perspective, the ICM should be used as a basis for a wide-reaching strategy to sustainably scale up carbon removal in the EU.

Brussels, 6 February 2024 – With today's communications on the 2040 climate target and industrial carbon management (ICM), the European Commission raises the Union's climate ambitions and lays the groundwork for the next phase of EU climate policy, where carbon dioxide removal (CDR) will play an increasingly key role.

THE 2040 TARGET COMMUNICATION IS A STEP IN THE RIGHT DIRECTION, BUT SEPARATE CDR SUB-TARGETS ARE NEEDED.

"*Carbon Gap welcomes the proposed target of 90% net GHG emissions reductions by 2040. Together with the twin targets capping gross emissions and setting a targeted amount of removals, it shows how removals and reductions must work together to decrease our net emissions faster. Still, more permanent CDR methods exist than the ones highlighted in the communication. We recommend inclusive and tech-neutral definitions so that all safe and effective removal methods can be developed*," says **Rodica Avornic,** Associate Policy Director at Carbon Gap.

The Communication on 2040 targets provides much-needed **visibility and predictability** on the role of CDR in achieving the EU's climate goals, which are key to unlocking investments and purchases of removals. Whilst the separate **twin targets** for emissions reductions and carbon removal are a welcome step to orchestrate the parallel effort on reductions and removals and prevent mitigation deterrence, there are two crucial areas where the 2040 target Communication should be improved.

Firstly, the definition of "industrial carbon dioxide removal" only considers bioenergy with carbon capture and storage (BECCS), direct air capture with carbon storage (DACCS) and biogenic carbon. This narrow definition has implications when modelling the contribution of carbon removal towards the 2040 targets, which only considers industrial CDR and LULUCF (land use, land use change, and forestry). Consequently, the **2040 Communication is missing a whole suite of promising high-durability CDR methods** that do not depend on the development of an extensive CO_2 transport and storage infrastructure, such as

enhanced rock weathering. Failing to develop a diverse portfolio of CDR methods puts the EU at risk of not meeting its climate targets.

Carbon Gap therefore strongly calls for the upcoming legislative proposal on the 2040 target and policies flowing from the Industrial Carbon Management communication to be inclusive and future-proof. **Such an approach would provide a pathway for all safe and effective removal methods and ensure greater regulatory coherence, possibly by aligning with the Carbon Removal Certification Framework (CRC-F)**.

Secondly, the target set for CDR aggregates removals from land-based and high-durability CDR. The current lack of clarity on the contribution of high-durability removals is worrying and could result in the EU failing to respect the like-for-like principle, under which fossil emissions can only be compensated by high-durability CDR. **To address this discrepancy, separate sub-targets for land-based and high-durability removals should be explicitly spelt out as part of the removal target for 2040 to delineate the contribution of CDR, and to make a clear distinction between carbon capture and storage (CCS), carbon capture and utilisation (CCU) and CDR.** Furthermore, the EU should include sub-targets for land-based and high-durability removal in its next nationally determined contribution (NDC, due in June 2024), and member states should be required to spell out such targets in their next national energy and climate plans (NECPs) and NDCs.

THE ICM COMMUNICATION SHOULD SERVE AS THE BASIS FOR A DEDICATED EU STRATEGY, COVERING ALL HIGH-DURABILITY CARBON REMOVAL METHODS.

"The Commission's communication on industrial carbon management is a good first step towards supporting the development and deployment of BECCS, DACCS and biogenic carbon in the EU. It should serve as the basis for a coherent dedicated EU strategy setting out a vision for the role of all carbon removal technologies in reaching the 2040 targets and beyond," urges **Valter Selén**, Associate Policy Director at Carbon Gap.

The ICM proposal identifies a series of measures to foster the deployment of carbon removal, such as considering a separate CDR trading scheme, the possibility of introducing Important Projects of Common European Interest (ICPEIs) for CO_2 storage and infrastructure, boosting research, innovation, and early-of-a-kind demonstration for novel carbon removal technologies. The dedicated section on public awareness shows that the Commission recognises the importance of involving and engaging all stakeholders and the public in the scale-up of industrial carbon management as part of a just transition.

THE EU MUST DEVELOP A DEDICATED STRATEGY FOR CARBON DIOXIDE REMOVAL.

Despite these positive elements, stronger alignment between the ICM communication and the targets set for 2040 is needed, as well as greater coherence with other relevant EU legislation currently being developed, specifically CRC-F and Green Claims. Adequate support and incentives to deploy and scale up carbon removal must be introduced to deliver on these targets. **To address some of these shortcomings, the EU must develop a dedicated EU strategy for integrating carbon removal into EU climate policy, covering all carbon removal technologies and solutions as part of a portfolio approach.** This

dedicated CDR strategy would serve as the framework for regulating, developing, and deploying carbon removal in the EU, setting out a vision for the role of carbon removal in reaching the targets set out in the 2040 target communication and, going forward, for reaching climate neutrality and negative emissions.

Next steps

The European Commission will now start working on a legislative proposal to amend the existing EU Climate Law, which will be submitted to the European Parliament and Council in the next legislative cycle this year.

The proposed targets are ambitious; yet, given the limited remaining carbon budget, we must strive for nothing less. Carbon Gap urges the EU institutions and member states to endorse the high ambition level of the 2040 targets and carry it through the ensuing policies to be put forward in the coming legislative cycle.

Why CDR is needed in the EU climate toolbox

The science is clear: carbon dioxide removal (CDR) will be crucial to get the EU, and the world, to net zero by 2050.[1] Reaching the EU commitment to climate neutrality by 2050 and net negative emissions thereafter as set out in the European Climate Law will require unprecedented emissions reductions coupled with the scale-up of carbon dioxide removal starting in the 2020s. Crucially, reducing emissions must remain the priority in the period leading up to 2040, with carbon removal serving to counterbalance residual emissions and deliver net negative emissions after 2050.

[1] https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SummaryForPolicymakers.pdf

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.

Useful resources:

- Carbon Gap's contribution to the EU consultation on 2040 targets
- Carbon Gap's contribution to the EU consultation on industrial carbon management

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