



## EUROPEAN COMMISSION

Cabinet of Executive Vice-President Mr Frans Timmermans

**Head of Cabinet**

Brussels, 30 May 2023

*Ares(2023)2040135*

Dear Ms Klarić,

Thank you and your co-signatories for your open letter of 28 February 2023 on the European Commission proposal on the certification of carbon removals, adopted on 30 November 2022.

I am pleased to read that the signatory organisations welcome the proposal as a first and significant step toward developing a strong carbon removal capability in Europe that contributes to the EU's climate goal. At the same time, your letter also raises a number of questions and recommendations.

First, the letter asks to clearly distinguish carbon removal from emissions reductions. In particular, it is recommended to include in the proposal a clear definition of carbon removal, consistent with scientific consensus. Let me highlight that our proposal focuses chiefly on quantifying/certifying removals of carbon from the atmosphere, not on GHG emission reductions. However, reducing the release of biogenic carbon as gas from soils or biomass is included in the scope of carbon farming certification to ensure coherence with the scope of the LULUCF Regulation.

Taking for example the activity of carbon removal through peatland rewetting, a farmer needs first to reduce the release of carbon (as a gas) from a peatland before it can be turned into a carbon sink. We propose that the whole process of peatland rewetting can be covered by one certification process, being completely transparent about the different phases.

Second, the letter highlights that removals cannot contribute to greenwashing and recommends that the proposal provides guidelines on how different types of carbon removal certificates or units may or may not be used. Precisely in this direction, the proposal sets out a voluntary EU-wide certification framework, as a tool to reliably monitor, report, and verify (MRV) high-quality carbon removals. Please note that the final use by companies and other organizations of the certified carbon removals would be regulated in other horizontal EU environmental legislative instruments.

Ms Andrea Klarić

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In particular, the proposed Directive on Green Claims <sup>(1)</sup> addresses environmental claims made by organisations or for products. Accordingly, when companies choose to make a climate neutrality claim about their products or services, including those related to the use of carbon removals to compensate residual emissions, they would have to respect minimum rules on how they substantiate these claims and how they are communicated. As such, the Green Claims Directive establishes rules on the use of carbon credits that will apply to any type of carbon offset.

Furthermore, the upcoming European Sustainability Reporting Standards (ESRS) on climate change will set out disclosure requirements on the use of carbon offsets and carbon removals in corporate climate reporting. EFRAG, the Commission's appointed technical advisor, has published a first draft on 23 November 2022 <sup>(2)</sup>. It should be borne in mind, therefore, that regulating the use of carbon removals also under the proposed Regulation on carbon removal certification would lead to double regulation and risks of regulatory inconsistencies.

Third, the letter recommends adopting a separate explicit EU target for carbon removals, to complement existing targets of greenhouse gas emission reductions. The possible future integration of carbon removals in the EU policy framework, if appropriate, will be addressed in the context of the process to establish a 2040 climate target and the future Commission assessments, which are required under Article 17 of the revised LULUCF regulation <sup>(3)</sup> and article 30 of the revised ETS Directive.

In this respect, let me invite you to participate in the ongoing public consultation on the EU climate target for 2040, which is open until 23 June <sup>(4)</sup>.

In conclusion, I concur that the top priority of our climate policies is to drastically reduce greenhouse gas emissions. All sectors of the EU economy contribute to this objective through carbon pricing under the EU ETS, the CO<sub>2</sub> standards for cars, national binding targets under the Effort Sharing and LULUCF Regulations, and many other policies. This proposal does not decrease the ambition of those policies by a single tonne.

At the same time, the EU will also need to scale-up the removal of carbon from the atmosphere to balance out unavoidable emissions from parts of industry and agriculture. This proposal, therefore, is a necessary stepping-stone to enable the possible future integration of carbon removals in the post-2030 climate policy framework.

Yours faithfully,



Diederik SAMSOM

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<sup>(1)</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_1692](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1692)

<sup>(2)</sup> <https://efrag.org/lab6>

<sup>(3)</sup> Regulation (EU) 2023/839 <http://data.europa.eu/eli/reg/2023/839/oj>

<sup>(4)</sup> [https://climate.ec.europa.eu/news-your-voice/news/have-your-say-eus-climate-target-2040-2023-04-04\\_en](https://climate.ec.europa.eu/news-your-voice/news/have-your-say-eus-climate-target-2040-2023-04-04_en)