

## Background

The European Commission adopted, on 30 November, a [proposal](#) (together with a [Q&A](#) document and a [factsheet](#)) for the first EU-wide voluntary framework to reliably certify high-quality carbon removals. The proposal will boost innovative carbon removal technologies and sustainable carbon farming solutions, and contribute to the EU's climate, environmental and zero-pollution goals. The proposed regulation will also significantly improve the EU's capacity to quantify, monitor and verify carbon removals.

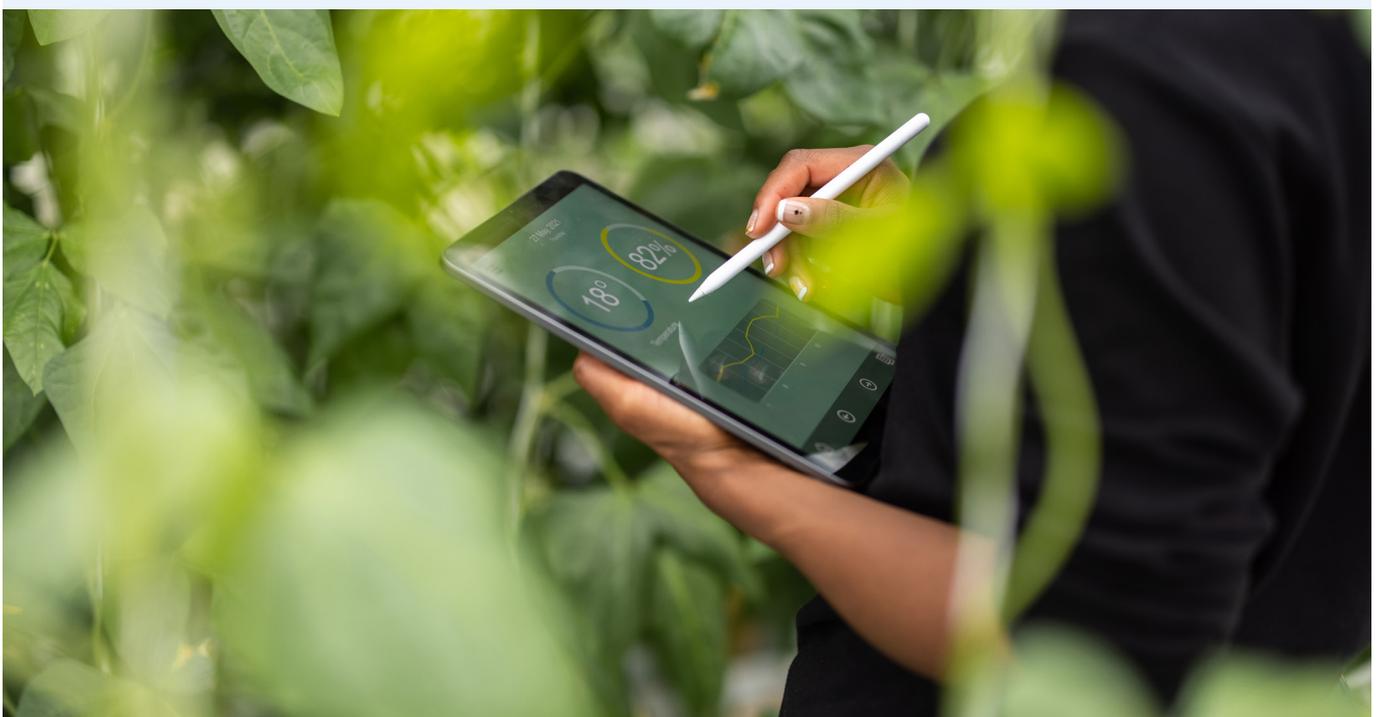
The initiative on the carbon removals framework has to be read in the context of the [European Green Deal](#). The Green Deal outlines the EU's long-term growth strategy to make Europe climate-neutral by 2050. Several initiatives are under the Green Deal umbrella (please see more in our [publication](#)). The [European Climate Law](#), signed in 2021, makes it legally binding for the EU to achieve a balance between greenhouse gas emissions and removals by 2050, and to achieve negative emissions thereafter. It also includes an ambitious 2030 climate target of at least 55% reduction of net emissions of greenhouse gases as compared to 1990.

The proposal for carbon removal certification is therefore crucial to achieve the EU's long-term climate objectives under the Paris Agreement and make the European Green Deal a reality.

The framework on carbon removals builds, in particular, upon the commission's [communication on Sustainable Carbon Cycles](#), adopted in 2021.

The communication had set out short- to medium-term actions to support carbon farming and upscale this green business model to better reward land managers for carbon sequestration and biodiversity protection. By 2030, carbon-farming initiatives should contribute 42Mt of CO<sub>2</sub> storage to Europe's natural carbon sinks. Measures to achieve this goal addressed in the communication include:

- Promoting carbon farming practices under the [Common Agricultural Policy \(CAP\)](#) and other EU programmes such as *L'Instrument Financier pour l'Environnement (LIFE)* and [Horizon Europe's](#) "Soil Deal for Europe" research mission, and through national public financing and private finance
- Standardising the monitoring, reporting and verification methodologies needed to provide a clear and reliable certification framework for carbon farming, allowing for developing voluntary carbon markets
- Providing improved knowledge, data management and tailored advisory services to land managers, both on land and within the blue carbon ecosystem



## New Rules and Criteria To Measure Removals

The proposal sets out:

- Quality criteria for carbon removals placed in the EU
- Rules for the certification of carbon removals
- Rules for the recognition by the commission of private and public certification schemes

To ensure the quality and comparability of carbon removals, the proposed regulation establishes four “QUantification, Additionality, Long-term storage and SustainabiLLITY” (QU.A.L.ITY) criteria.

- **Quantification** – Carbon removal activities must be measured in an accurate way and deliver unambiguous carbon-removal benefits. The additional carbon removals generated by an activity (in comparison to a baseline) should outweigh any greenhouse gas emissions that were produced as a consequence of the implementation of the activity over its whole life cycle.
- **Additionality** – In order to ensure that the EU certification framework channels incentives toward carbon removals that go beyond the standard practice, carbon removal activities should be additional. Therefore, these activities should go beyond statutory requirements, that is, operators should carry out activities that are not already imposed upon them by the applicable law. Moreover, carbon removal activities should take place due to the incentive effect provided by the certification. Such an effect is present when the incentive created by the potential revenues, resulting from the certification, changes the behaviour of operators in such a way that they engage in the additional carbon removal activity to achieve additional carbon removals.
- **Long-term storage** – Carbon removal activities must ensure that the carbon removed is stored for as long as possible and the risk of release of carbon is minimised. An operator or group of operators shall demonstrate that a carbon removal activity aims at ensuring the long-term storage of carbon. To do so, they should monitor and mitigate any risk of release of the stored carbon occurring during the monitoring period, and they should be subject to appropriate liability mechanisms in order to address any release of the stored carbon during the monitoring period.
- **Sustainability** – Carbon removal activities must have a neutral impact on, or generate a co-benefit for, other environmental objectives such as biodiversity, climate change adaptation, the reduction of greenhouse gas emissions, water quality, zero pollution or the circular economy. The commission will prioritise the development of tailored certification methodologies on carbon-farming activities that provide significant co-benefits for biodiversity. At the same time, practices – such as forest monocultures – that produce harmful effects for biodiversity should not be eligible for certification.

## Impact

The proposal potentially represents an opportunity for industrial operators active in permanent storage activities. Permanent storage activities are normally carried out by industrial technologies such as bio-energy with carbon capture and storage (BECCS) or direct air capture with capture and storage (DACCS), 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.

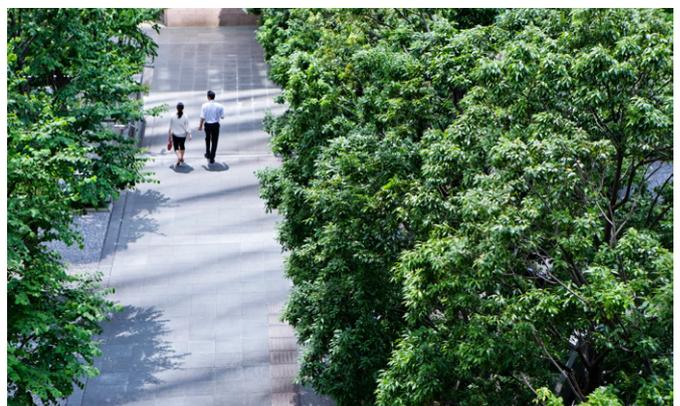
Operators that are active in carbon-farming activities will also benefit from this scheme. Carbon can be naturally stored on land through activities that enhance carbon capture in soils and forests (e.g. agroforestry, forest restoration, better soil management), and/or reduce the release of carbon from soils to the atmosphere (e.g. restoration of peatland). Carbon farming activities contribute to achieving the EU’s ambitious target of -310 Mt of CO<sub>2</sub> net removals in the land use, land use change and forestry (LULUCF) sector.

Carbon storage can also take place in products – atmospheric carbon captured by trees or industrial technologies can be used and stored in long-lasting products and materials, such as wood-based or carbonate-bonded construction materials.

The proposal sets up a voluntary Union-wide framework, whose participants are awarded with some incentives (mainly in the form of financing). The territorial scope of this framework is limited to the EU (article 1, paragraph 1, letter a, on subject matter and scope, states that the regulation lays down quality criteria for carbon removal activities that take place in the EU).

## Next Steps

The commission proposal will now be discussed by the European Parliament and the council, in line with ordinary legislative procedure. Based on the QU.A.L.ITY criteria, the commission will develop tailored certification methodologies for the different types of carbon removal activities, supported by an expert group. The first meeting of the expert group is planned for the first quarter of 2023.



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Our multidisciplinary team of over 1,500 lawyers and public policy experts in over 40 offices across four continents provides unrivalled access to expertise and invaluable connections on the ground. It is a seamless service that operates on any scale – locally or globally. It encompasses virtually every matter, jurisdiction and market – and we place our clients at the centre. We combine sound legal counsel with a deep knowledge of our clients' businesses to resolve their legal, public policy and political challenges.

We care about the quality of our services, the success of our clients and the relationships that are forged through those successes. Our client base spans every type of business, both private and public, worldwide. We advise a diverse mix of clients, from Fortune 100 and FTSE 100 corporations to emerging companies, and from individuals to local and national governments. Leveraging local connections, while exerting global influence, we are commercial, connected and committed.

Our Public Policy Practice Group works with clients to make sure they are heard, at the right time, by the right people, with the right message, in Washington DC, Brussels, London, Canberra and other major capitals around the world.

Our expertise includes deep knowledge of legislative and policy initiatives in the sustainability area. We are extremely well placed to assist you in the understanding of technical and complex initiatives like the carbon removal framework, and in the assessment for their impact on your business.

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