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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Union certification framework for carbon removals - Revised Presidency compromise text

With a view to the meeting of the Working Party on the Environment (WPE) on 8 September 2023, delegations will find attached a revised Presidency compromise text on the abovementioned proposal, prepared by the Presidency based on discussions in the WPE and written comments received from delegations. As the focus of the upcoming WPE will be on the operative part of the proposal, the recitals are not included in the present version but will be integrated into the text later for discussion at subsequent meetings.

Compared to the previous version of the Presidency text (doc. 10384/1/23 REV 1), new text is marked as **bold and underlined**, deletions with ~~double-strikethrough~~. Previous changes to the initial Commission proposal are shown as underlined, deletions as ~~strikethrough~~.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a Union certification framework for carbon removals

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

[recitals to be discussed at a later stage]

HAVE ADOPTED THIS REGULATION:

Chapter 1
GENERAL PROVISIONS

Article 1

Subject matter and scope

1. The objective of this Regulation is to facilitate ~~and incentivise~~ **encourage** the deployment of carbon removals, as a complement to sustained emission reductions, by operators or groups of operators. To that end, this Regulation establishes a voluntary Union framework for the certification of carbon removals by laying down:
 - (a) quality criteria for carbon removal or soil emission reduction activities that take place in the Union;
 - (b) rules for the verification and certification of carbon removals and soil emission reductions;
 - (c) rules for the functioning and recognition by the Commission of certification schemes.

- 1a. This Regulation aims to support the achievement of the Union objectives under the Paris Agreement, in particular the collective achievement of the climate neutrality objective by 2050 laid down in Regulation (EU) 2021/1119. **Accordingly, all removals and emission reductions generated under this regulation shall contribute to achieving the Union's climate objectives.**
2. This ~~voluntary Union framework for the certification of carbon removals~~ Regulation does not apply to emissions falling within the scope of Directive 2003/87/EC, with the exception of the storage of carbon dioxide emissions from ~~sustainable biomass that are zero-rated~~ **complies with the sustainability criteria and greenhouse gas emission saving criteria established by Directive (EU) 2018/2001** in accordance with Annex IV ~~thereto~~ **of Directive 2003/87/EC.**

Article 2

Definitions

1. For the purposes of this Regulation, the following definitions apply:
- (a) 'carbon removal' means ~~either the storage of~~ **anthropogenic removal of carbon from the atmosphere or biogenic carbon and its durable storage within** geological, ~~or biogenic carbon pools, biogenic carbon pools, in terrestrial or ocean reservoirs, or in long-lasting products and materials and or the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere;~~
- (aa) **'soil emission reduction' means the reduction of net greenhouse gas emissions from biogenic carbon pools as set out in points (e) and (f) of Section B of Annex I to Regulation 2018/841 or the reduction of greenhouse gas emissions from the reporting category of agricultural soils;**
- (b) 'carbon removal activity' means one or more practices or processes carried out by an operator, ~~or a group of operators, resulting in permanent carbon removals storage, enhancing carbon capture in a biogenic carbon pool, reducing the release of carbon from a biogenic carbon pool to the atmosphere, or storing atmospheric or biogenic carbon in long-lasting or materials;~~

- (ba) ‘soil emission reduction activity’ means one or more practices or processes carried out by an operator, or a group of operators, resulting in soil emission reductions with the aim to generate carbon removals in the future;**
- (bb) ‘activity’ means either a carbon removal activity or a soil emission reduction activity;**
- (c) ‘biogenic carbon pool’ means above-ground biomass, below-ground biomass, litter, dead wood and soil organic carbon as set out in points (a) to (e) of ~~Part~~ Section B of Annex I to Regulation 2018/841;
- (d) ‘operator’ means any legal or physical person **or public entity** who operates or controls ~~an carbon removal~~ activity, or to whom decisive economic power over the technical functioning of the activity has been delegated;
- (e) ‘group of operators’ means a legal entity that represents more than one operator and is responsible for ensuring that those operators comply with this Regulation;
- (ea) ‘activity period’ means a period, the duration of which is determined in the applicable certification methodology in accordance with the type of carbon removal activity, over which the carbon removal activity generates a certified net carbon removal benefit or a net soil emission reduction benefit, and which is determined in the applicable certification methodology;**
- (f) ‘monitoring period’ means a period **over which the storage of carbon is monitored by the operator and, the duration of which shall cover at least the activity period** ~~as is determined in the applicable certification methodology in accordance with the type of carbon removal activity, over which the storage of carbon is monitored by the operator;~~
- (g) ‘permanent carbon storage’ means a carbon removal activity that, under normal circumstances and using appropriate management practices, stores atmospheric or biogenic carbon for several centuries, ~~including such as~~ including ~~such as~~ bioenergy with carbon capture and storage and direct air carbon capture and storage;

- (h) ‘carbon farming’ means an ~~carbon removal~~ activity related to terrestrial or coastal land management **carried out by an operator, or a group of operators,** that results in **carbon removals or soil emission reductions** ~~the increase of carbon storage in living biomass, dead organic matter and soils by enhancing carbon capture and/or reducing the release of carbon to the atmosphere;~~
- (i) ‘carbon storage in products’ means a carbon removal activity that either permanently chemically binds carbon in a product or stores atmospheric and biogenic carbon for several decades in long-lasting products ~~or materials;~~
- (ia) ‘permanently chemically bound’ means that the carbon does not enter the atmosphere under normal use, including any normal activity taking place after the end of life of the product, in accordance with Article 12(3b) of Directive 2003/87/EC;
- (j) ‘certification body’ means an independent, accredited or recognised conformity assessment body that has concluded an agreement with a certification scheme to carry out certification audits and issue certificates **of compliance**;
- (k) ‘certification scheme’ means a scheme managed by a private or public organisation that oversees the certification of compliance of operators or group of operators with this Regulation;
- (l) ‘certification audit’ means an audit carried out by a certification body;
- (m) ‘re-certification audit’ means an audit carried out in the process of renewing a certificate issued by a certification body;
- (n) ‘certificate **of compliance**’ means a conformity statement issued by the certification body certifying that the ~~carbon removal~~ activity complies with this Regulation;
- (o) ‘carbon removal unit’ means one **metric** tonne ~~of~~ **CO2 equivalent of** certified net carbon removal benefit generated by a carbon removal activity and registered by a certification scheme in its a certification registry or, as appropriate, in the Union registry referred to in Article 12;

(p) ‘soil emission reduction unit’ means one metric tonne CO₂ equivalent of certified net soil emission reduction benefit generated by a soil emission reduction activity and registered by a certification scheme in its certification registry, or, as appropriate, in the Union registry referred to in Article 12.

Article 3

Eligibility for certification

Carbon removals **and soil emission reductions** shall be eligible for certification under this Regulation where they meet both of the following conditions:

- (a) they are generated from ~~an carbon removal~~ activity that complies with the quality criteria set out in Articles 4 to 7;
- (b) they are independently verified in accordance with Article 9.

Chapter 2

QUALITY CRITERIA

Article 4

Quantification

1. For permanent carbon storage and carbon storage in products, a ~~A~~ carbon removal activity shall provide a net carbon removal benefit, which shall be quantified using the following formula:

$$\text{Net carbon removal benefit} = \text{CR}_{\text{baseline}} - \text{CR}_{\text{total}} - \text{GHG}_{\text{increase}} > 0$$

where:

- (a) $\text{CR}_{\text{baseline}}$ is the carbon removals under the baseline;
- (b) CR_{total} is the total carbon removals of the carbon removal activity;

- (c) $GHG_{increase}$ is the increase in direct and indirect greenhouse gas emissions, ~~other than those from biogenic carbon pools in the case of carbon farming, which are~~ **is** due to the implementation of the carbon removal activity.

1a ~~For carbon farming, an carbon removal activity shall provide a net carbon removal benefit or a net soil emission reduction benefit or both, which shall be quantified using the following formula:~~

$$\text{Net carbon removal benefit} = CR_{baseline} - CR_{total} + RC_{baseline} - RC_{total} - GHG_{increase} > 0$$

where:

(a) $CR_{baseline}$ is the carbon removals under the baseline;

(b) CR_{total} is the total carbon removals of the carbon removal activity;

~~(c) $RC_{baseline}$ is the release of carbon under the baseline;~~

~~(d) RC_{total} is the release of carbon under the carbon removal activity;~~

~~(e) $GHG_{increase}$ is the increase in direct and indirect greenhouse gas emissions, which are~~ **is** due to the implementation of the carbon removal activity.

$$\text{Net soil emission reduction benefit} = RC_{baseline} - RC_{total} + ASE_{baseline} - ASE_{total} - GHG_{increase} > 0$$

Where:

(d) $RC_{baseline}$ is the release of carbon under the baseline;

(e) RC_{total} is the release of carbon under the soil emission reduction activity;

(f) $ASE_{baseline}$ is the greenhouse gas emissions from agricultural soils under the baseline;

(g) ASE_{total} is the greenhouse gas emissions from agricultural soils under the soil emission reduction activity;

(h) $GHG_{increase}$ is the increase in direct and indirect greenhouse gas emissions, which is due to the implementation of the soil emission reduction activity.

The scope of the quantities referred to in this paragraph, points (a) ~~to~~ and (d), corresponds to the net greenhouse gas removals ~~or emissions~~ included in the scope of Regulation (EU) 2018/841, ~~with the addition of N₂O emissions from drained organic croplands.~~

The scope of the quantities referred to in this paragraph, points (d) and (e), corresponds to the net greenhouse gas emissions from biogenic carbon pools as set out in points (e) and (f) of Section B of Annex I to Regulation 2018/841; the scope of the quantities referred to in this paragraph, points (f) and (g), corresponds to the emissions from the reporting category of agricultural soils.

2. ~~In the case of carbon farming, CR_{baseline} and CR_{total} shall be understood as net greenhouse gas removals or emissions in accordance with the accounting rules laid down in Regulation (EU) 2018/841.~~
3. Quantities referred to in paragraph 1, points (a), (b) and (c), and in paragraph 1a, points (a) – (d), shall be designated with a negative sign (-) if they are net greenhouse gas removals and with a positive sign (+) if they are net greenhouse gas emissions; they shall be expressed in tonnes of carbon dioxide equivalent.
4. Carbon removals **and soil emission reductions** shall be quantified in a relevant, conservative, accurate, complete, consistent, comparable and transparent manner.
5. The baselines shall be highly representative of the ~~correspond to the standard carbon removal~~ performance of comparable activities in similar social, economic, environmental ~~and~~ technological **and regulatory** circumstances and take into account the geographical context including local conditions ('standardised baselines').

These standardised baselines shall be established by the Commission in the certification methodologies, set out in the delegated acts adopted pursuant to Article 8. The Commission shall review and update, if appropriate, the standardised baselines in light of evolving regulatory circumstances and **of the** latest available scientific evidence. The updated standardised baselines shall apply only to activities starting after the entry into force of the applicable certification methodology.

6. By way of derogation from paragraph 5, where duly justified in the applicable certification methodology, including due to the lack of data, an operator shall use a the baseline may be based on that corresponds to the individual carbon removal performance of that a specific activity ('activity-specific baseline').
7. The activity-specific baselines shall be periodically updated, at the beginning of each activity period, unless otherwise stated in the applicable certification methodologies, set out in the delegated acts adopted pursuant to Article 8.
8. The quantification of ~~the~~ carbon removals **and soil emission reductions** shall account for uncertainties in accordance with recognised statistical approaches.
9. To support the quantification of ~~the~~ carbon removals **and the soil emission reductions** generated by carbon farming, the operator or group of operators shall gather data on carbon removals and greenhouse gas emissions in a manner compatible with national greenhouse gas inventories under Regulation (EU) 2018/841 and Part 3 of Annex V to Regulation (EU) 2018/1999.

Article 5

Additionality

1. ~~Any carbon removal~~ activity shall be additional. To that end, ~~the carbon removal activity it~~ shall meet both of the following criteria:
 - (a) it goes beyond Union and national statutory requirements for carbon removals at the level of an individual operator;
 - (b) it takes place due to the incentive effect of the certification.
2. Where the standardised baseline is used ~~established pursuant to Article 4(5)~~, additionality as referred to in paragraph 1 is considered to be complied with. Where the activity-specific baseline is used ~~established pursuant to Article 4(6)~~, additionality as referred to in paragraph 1, ~~points (a) and (b)~~, shall be demonstrated through specific additionality tests as set out in **in accordance with the applicable certification methodologies set out in the delegated acts adopted pursuant to Article 8.**

Long-term storage, monitoring and liability

1. An operator or group of operators shall demonstrate that a carbon removal activity ~~aims at ensuring ensures the long-term storage of carbon that the carbon is stored permanently or~~ **aims to store the carbon on a over the long-term basis.**

1a. Soil emission reduction activities shall be subject to appropriate monitoring and liability mechanisms as set out in the delegated acts adopted pursuant to Article 8.

2. For the purposes of paragraph 1, an operator or group of operators shall comply with both of the following criteria:

(a) they shall **be subject to rules to** monitor and mitigate any identified risks of release of the stored carbon occurring during the monitoring period;

(b) they shall be subject to appropriate liability mechanisms **as set out in the delegated acts adopted pursuant to Article 8** in order to address any release of the stored carbon occurring during the monitoring period. ~~The liability mechanisms~~

2a. The monitoring rules referred to in paragraph 2, point (a) shall:

- (i) ~~for permanent carbon storage, be consistent with the monitoring rules referred to set out in Articles 13 to 16 of Directive 2009/31/EC.~~
- (ii) ~~for carbon permanently chemically bound in products, be consistent with the rules concerning the requirements for considering that carbon has become permanently chemically bound adopted pursuant to Article 12(3b) of Directive 2003/87/EC.~~
- (iii) ~~for carbon farming and carbon storage in long lasting products, be set out in accordance with the rules laid down in the certification methodologies set out in the delegated acts adopted pursuant to Article 8.~~

2b. The liability mechanisms referred to in paragraph 2, point (b), shall:

- (i) ~~for permanent carbon storage, be consistent with the obligations referred to set out in Articles 17 and 18 of Directive 2009/31/EC.~~

(ii) for carbon permanently chemically bound in products, be consistent with the rules for permanently chemically bound carbon adopted pursuant to Article 12(3b) of Directive 2003/87/EC.

(iii) for carbon storage in long lasting products and **for** carbon farming, be set out and duly justified in the applicable certification methodology and may include up-front insurance, collective buffers or discounting of carbon removal units.

3. For carbon farming and carbon storage in **long-lasting** products, the carbon removed and subsequently stored by a carbon removal activity shall be considered released to the atmosphere at the end of the monitoring period, **unless the monitoring period is prolonged.**

Article 7

Sustainability

1. ~~An carbon removal~~ activity shall ~~at least~~ **not significantly harm** ~~have a neutral impact on,~~ or **may** generate co-benefits for, ~~all~~ **any of** the following sustainability objectives:
- (a) climate change mitigation beyond the net carbon removal **benefit and net soil carbon reduction benefit** referred to in Article 4(1) **and (1a)**;
 - (b) climate change adaptation;
 - (c) sustainable use and protection of water and marine resources;
 - (d) transition to a circular economy;
 - (e) pollution prevention and control;
 - (f) protection and restoration of biodiversity and ecosystems, **including soil health and fertility, as well as avoidance of land degradation.**

2. For the purposes of paragraph 1 of this Article, ~~an carbon removal~~ activity shall comply with minimum sustainability requirements laid down in the certification methodologies, set out in the delegated acts adopted pursuant to Article 8. ~~The sustainability requirements shall be in line with relevant Union legislation.~~
3. Where an operator or group of operators reports co-benefits that contribute to the sustainability objectives referred to in paragraph 1 of this Article beyond the minimum sustainability requirements referred to in paragraph 2 of this Article, they shall comply with the certification methodologies set out in the delegated acts adopted pursuant referred to in Article 8. The certification methodologies shall incentivise as much as possible the generation of co-benefits going beyond the minimum sustainability requirements, in particular for the objective referred to in paragraph 1, point (f) of this Article.

Article 8

Certification methodologies

1. An operator or a group of operators shall apply the relevant certification methodology ~~methodologies~~ to comply with the criteria laid down in Articles 4 to 7.
 2. ~~After consulting the Expert Group on Carbon Removals,~~ The Commission is empowered to adopt delegated acts in accordance with Article 16 to **supplement this Regulation by** establishing ~~ing~~ the ~~technical~~ certification methodologies referred to in paragraph 1 of this Article ~~for activities related to permanent carbon storage, carbon farming and carbon storage in products.~~ Those certification methodologies shall **specify, for each activity,** ~~include at least~~ the elements set out in Annex I.
- 2a. Delegated acts adopted pursuant to paragraph 2 shall differentiate between activities related to permanent carbon storage, carbon farming and carbon storage in products and further differentiate the activities on the basis of their characteristics.**

Those methodologies shall ensure the robustness and transparency of carbon removals and soil emission reductions, promote the protection and restoration of ecosystems and contribute to ensuring food security and the competitiveness of farmers and foresters in the Union in a sustainable manner. They shall promote the sustainability of biomass in accordance with the sustainability and GHG saving criteria for biomass fuels laid down in Article 29 of Directive (EU) 2018/2001 and the cascading use of biomass as laid down in Article 3(3) of [Directive REDIII].

Those methodologies shall minimise administrative burden for operators, particularly for small-scale [carbon farming] operators.

3. When preparing the ~~those~~ delegated acts referred to in paragraph 2, the Commission shall take into account ~~the following elements:~~
- ~~(a) the objectives of ensuring the robustness of carbon removals and recognising the protection and restoration of ecosystems;~~
 - ~~(b) the objective of minimising administrative burden for operators, particularly for small-scale carbon farming operators;~~
 - ~~(ba) the objective of ensuring food security in a sustainable manner and reinforcing the competitiveness of farmers and foresters in the Union;~~
 - ~~(c)~~ relevant Union and national law and ÷
 - ~~(d)~~ relevant Union, national and international certification methodologies and standards.

Chapter 3

CERTIFICATION

Article 9

Certification of compliance

1. To apply for a certification of compliance with this Regulation, an operator or a group of operators shall submit an application to a certification scheme. Upon acceptance of that application, the operator or a group of operators shall submit to a certification body an ~~carbon-removal~~ activity plan comprehensive description of the carbon removal activity, including evidence of the certification methodology applied to assess compliance with Articles 4 to 7, a monitoring plan, an assessment of the risk of reversal of the stored carbon and the expected total carbon removals and net carbon removal benefit **or the net soil emission reduction benefit** generated by the ~~carbon-removal~~ activity. Groups of operators shall also specify how advisory services ~~on carbon removal activities~~ are provided, in particular to small-scale carbon farming operators.
2. The certification body shall conduct a certification audit to verify the information submitted in accordance with paragraph 1 of this Article and to confirm compliance of the ~~carbon-removal~~ activity with Articles 4 to 7. As a result of that certification audit, the certification body shall issue a certification audit report, that includes a summary; and a certificate **of compliance** containing, as a minimum, the information set out in Annex II. The certification scheme shall review ~~control~~ the certification audit report and the certificate, and make the summary of the certification audit report and the certificate **of compliance** publicly available in a the certification registry or, as appropriate, in the Union registry, referred to in Article 12.

3. The certification body shall carry out ~~periodic~~ regular re-certification audits to reconfirm compliance of the ~~carbon-removal~~ activity with Articles 4 to 7 and verify the generated carbon benefit. The frequency of re-certification audits shall be carried out at least every five years, unless otherwise specified set out in the applicable certification methodology, depending on the characteristics of the relevant ~~carbon-removal~~ activity. As a result of that re-certification audit, the certification body shall issue a re-certification audit report that includes a summary, and an updated certificate. The certification scheme shall review ~~control~~ the re-certification audit report and the updated certificate, and make the summary of the re-certification audit report, the updated certificate and the certified ~~carbon-removal~~ units publicly available in a the certification registry or, as appropriate, in the Union registry, referred to in Article 12.
4. The operator or a group of operators shall support the certification body during certification, and re-certification audits, notably by giving access to the activity premises and providing relevant data and documentation.
5. The Commission ~~may~~ shall adopt implementing acts to set out the structure, format, technical details of the ~~carbon-removal~~ activity plan comprehensive description of the ~~carbon-removal~~ activity referred to in paragraph 1, and of the certification and re-certification audit reports referred to in paragraphs 2 and 3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17.

Article 10

Certification bodies

1. Certification bodies appointed by certification schemes shall be accredited by a national accreditation ~~authority~~ **body** pursuant to Regulation (EC) No 765/2008 ~~of the European Parliament and of the Council~~[†] or recognised by a national competent authority to cover the scope of this Regulation or the specific scope of the certification scheme.

[†] ~~Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ L 218, 13.8.2008, p. 30).~~

2. Certification bodies shall be:
- (a) competent to carry out the certification and re-certification audits referred to in Article 9; and
 - (b) independent ~~from~~ of the operators or ~~from a~~ groups of operators, and carry out the activities required under this Regulation in the public interest.
3. For the purpose of paragraph 2, point (b), certification bodies or any part thereof shall not:
- (a) be an operator or a group of operators, the owner of an operator or of a group of operators, or be owned by them;
 - (b) have relations with operators or with a group of operators, that could affect their independence and impartiality.
4. Member States shall supervise the operation of certification bodies. Certification bodies shall submit, upon request by the national competent authorities, all relevant information necessary to supervise their operation, including date, time and location of the audits referred to in Article 9. Where Member States find issues of non-conformity, they shall inform the certification body and the relevant certification scheme thereof without delay.

Chapter 4

CERTIFICATION SCHEMES

Article 11

Operation of certification schemes

1. To demonstrate compliance with this Regulation an operator or a group of operators shall use a certification scheme recognised by the Commission pursuant to Article 13.
2. Certification schemes shall operate in an independent manner on the basis of reliable and transparent rules and procedures, in particular with regard to internal management and monitoring, handling of complaints and appeals, stakeholder consultation, transparency and publication of information, appointment and training of certification bodies, addressing non-conformity issues, development and management of registries.

3. Certification schemes shall verify if the information and data submitted by the operator or a group of operators for the certification of compliance pursuant to Article 9 were subject to independent auditing and if the certification of compliance was carried out in an accurate, reliable, and cost-effective manner.
4. Certification schemes shall publish, at least annually, a list of the appointed certification bodies, stating for each certification body by which national accreditation authority ~~body~~ it was accredited or by which ~~entity or~~ national competent public authority it was recognised and which ~~entity or~~ national competent public authority is monitoring it.
5. The Commission shall adopt implementing acts setting out the structure, format, technical details and process referred to in paragraphs 2, 3 and 4 of this Article, which shall apply to all certification schemes. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17.

Article 12

Registries

1. Until the establishment of a Union registry as referred to in paragraph 1b, a certification scheme shall establish and duly maintain a public certification registry to make publicly accessible the information ~~related to~~ resulting from the certification process, including the certificates and updated certificates, and to enable the tracing of the quantity of carbon removal units certified in accordance with Article 9 ('certification registry'). ~~Those registries~~ A certification registry shall use automated systems, including electronic templates, and shall be interoperable with registries of other recognised certification schemes in order to avoid double counting. **The certification registry shall distinguish between different types of certified units.**
- 1a. For carbon farming and carbon storage in long-lasting products, carbon removal units shall expire at the end of the monitoring period of the relevant activity, and be cancelled from the certification registry or, as appropriate, the Union registry referred to in paragraph 1b, unless the long-term storage of the removed carbon is proven through continued monitoring, according to the rules set out in the applicable certification methodology.**

- 1b.** Taking into account the reports referred to in Article 30 (5a) of Directive 2003/87/EC and Article 17 (3) of Regulation (EU) 2018/841, a common Union-wide registry ('Union registry') shall be established the Commission shall, no later than 5 years after this Regulation enters into force. It shall carry out an assessment of the options for the establishment of a common Union-wide registry ('Union registry') that uses automated systems, including electronic templates, to make publicly accessible the information related to the certification process, including the certificates and updated certificates, and to enable the tracing of the quantity of carbon removal certified units certified in accordance with Article 9 of this Article, and present, if appropriate, a legislative proposal.
- 1c.** The Commission shall adopt delegated acts laying down all necessary requirements concerning the Union Registry.
2. The Commission ~~may~~ shall adopt implementing acts setting out the structure, format, and technical details of the ~~public certification~~ registries and, as appropriate, the Union registry, and of the recording, holding or use of ~~carbon removal~~ **certified** units, as referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17.

Article 13

Recognition of certification schemes

1. Only a certification scheme recognised by the Commission by means of a decision may be used by operators or groups of operators to demonstrate compliance with this Regulation. Such decision shall be valid for a period of no more than 5 years.
2. A Member State shall notify to the Commission the application for recognition of the public certification scheme. The legal representative of a private certification scheme shall notify to the Commission the application for recognition of the private certification scheme.

3. The Commission may repeal a decision recognising a certification scheme pursuant to paragraph 1 of this Article where the certification scheme fails to implement the standards and rules set out in the implementing acts referred to in Article 11(5). Where a Member State raises concerns that a certification scheme does not operate in accordance with the standards and rules set out in the implementing acts referred to in Article 11(5) that constitute the basis for decisions under paragraph 1 of this Article, the Commission shall, **within 3 months of the notification**, investigate the matter and take appropriate action, including repealing the relevant decision.
4. The Commission ~~may~~ **shall** adopt ~~implementing acts~~ **guidance** setting out the structure, format, and technical details of the notification and recognition processes referred to in paragraphs 1 and 2 of this Article. ~~Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17.~~

Article 14

Reporting requirements

1. Each certification scheme recognised by the Commission shall submit to the Commission an annual report about its operations, including a description of any cases of fraud and related remediation measures. The report shall be submitted annually by 30 April, covering the preceding calendar year. The requirement to submit a report shall apply only to certification schemes that have operated for at least 12 months.
2. The Commission shall make those reports publicly available, in full or, where necessary to preserve the confidentiality of commercially sensitive information, in an aggregated form.
3. The Commission ~~may~~ **shall** adopt implementing acts setting out the structure, format, and technical details of the reports referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17.

Chapter 5

FINAL PROVISIONS

Article 15

Amendment to Annexes ~~H~~

- 1. The Commission is empowered to adopt delegated acts in accordance with Article 16 to amend Annex I in order to adapt it to new and emerging types of activities, and to scientific and technical progress.**
- 2.** The Commission is empowered to adopt delegated acts in accordance with Article 16 to amend Annex II in order to adapt the list of minimum information included in the certificates referred to in Article 9 **to technical changes in the database.**

Article 16

Exercise of delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 8 and 15 shall be conferred on the Commission for an indeterminate period of time from [PO OJ: ~~please insert the date = the~~ date of entry into force of this Regulation].
3. The delegation of power referred to in Articles 8 and 15 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.

4a. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. Delegated acts adopted pursuant to Articles 8 and 15 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or of the Council.

Article 17

Committee procedure

1. The Commission shall be assisted by the Climate Change Committee established by Article 44 ~~paragraph~~ (1), point (a~~±~~) of Regulation (EU) 2018/1999. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this Article, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 18

Review

1. This Regulation shall be kept under review in all aspects, taking into account the relevant developments concerning Union legislation, **its coherence with Directive 2003/87/EC and Directive (EU) 2018/2001, the** United Nations Framework Convention on Climate Change and the Paris Agreement, technological and scientific progress, market developments in the field of carbon removals, **the environmental impacts of increased biomass use resulting from this Regulation, including impacts on land degradation and ecosystem restoration,** and Union food security.

2. Three years after the entry into force of this Regulation and not later than by the end of 2028, and subsequently within six months after the outcome of each global stocktake agreed under Article 14 of the Paris Agreement, the Commission shall report to the European Parliament and to the Council on the implementation of this Regulation.

Article 19

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

The President

[...]

For the Council

The President

[...]

ANNEX I

Elements of the certification methodologies referred to in Article 8

When adopting delegated acts pursuant to Article 8, the certification methodologies shall include ~~at least~~ the following elements, taking into consideration the specificities for different activities:

- (a) description of the ~~carbon removal~~ activity covered, including its activity- and monitoring periods;
- (b) rules for identifying all carbon removal sinks and GHG emission sources referred to in Article 4(1) and (1a);
- (c) rules for calculating ~~the carbon removals under~~ and updating the baseline referred to in Article 4(1), point (a) or in Article 4(1a), point (a);
- (d) rules for calculating the total carbon removals referred to in Article 4(1), point (b) or in Article 4(1a), point (b);
- (da) rules for calculating the release of soil carbon and the emissions from agricultural soils under the baseline, referred to in Article 4(1a), points ~~(e)~~ and (f);
- (db) rules for calculating the total release of soil carbon and the emissions from agricultural soils, referred to in Article 4(1a), points ~~(e)~~ and (g);
- (e) rules for calculating the increase in direct and indirect greenhouse gas emissions referred to in Article 4(1), point (c) and in Article 4(1a), points ~~(e-c)~~ and (h);
- (ea) rules for calculating and updating the activity-specific baseline referred to in Article 4(6);
- (f) rules to address uncertainties in the quantification of carbon removals referred to in Article 4(8);
- (g) rules to carry out the specific additionality tests referred to in Article 5(2);
- (h) rules on ~~the assessment~~, monitoring and mitigation of any risk of release of the stored carbon referred to in Article 6(2), point (a);
- (i) rules on appropriate liability mechanisms referred to in Article 6(2), point (b) and Article 6(2b);

- (ia) rules for operationalising the long-term storage requirement for certified ~~carbon~~ ~~removal~~ units generated from carbon farming and carbon storage in products referred to in Article 6(3);
- (j) rules on the minimum sustainability requirements referred to in Article 7(2);
- (k) rules on the monitoring and reporting of the co-benefits referred to in Article 7(3).

ANNEX II

Minimum information included in the certificate referred to in Article 9

The certificate shall include the following minimum information:

- (a) name and type of the ~~carbon-removal~~ activity, including the name and contact details of the operator or group of operators;
- (b) the location of the ~~carbon-removal~~ activity, including geographically explicit location of the activity boundaries, respecting 1:5000 mapping scale requirements for the Member State;
- (c) duration of the activity, including start date and end date of the ~~carbon-removal~~ activity ~~(activity period)~~;
- (d) name of the certification scheme;
- (e) name, and address and logo of the certification body ~~and logo~~;
- (f) ~~(unique)-~~certificate number or code;
- (g) place and date of issuance of the certificate and validity of the certificate;
- (h) reference to the applicable certification methodology referred to in Article 8;
- (i) net carbon removal benefit **or soil emission reduction benefit** referred to in Article 4(1) or in Article 4(1a);
- (j) carbon removals under the baseline referred to in Article 4(1), point (a), or in Article 4(1a), point (a);
- (k) total carbon removals referred to in Article 4(1), point (b), or in Article 4(1a), point (b);
- (l) increase in direct and indirect greenhouse gas emissions referred to in Article 4(1), point (c);
- (m) breakdown by gases, sources, carbon sinks and stocks with regard to the information referred to in points (j), (k) and (l) of this Annex;
- (n) duration of the monitoring period of the ~~carbon-removal~~ activity;

- (o) any sustainability co-benefits referred to in Article 7(3);
 - (p) reference to any other carbon removal certification and any other international or national carbon certification including the unique certification number or code;
 - (q) type of liability mechanism;
 - (r) quantity of certified ~~carbon removal~~ units.
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