

THE NETHERLANDS

Written comments NL on the regulation establishing a Union certification framework for carbon removals

11 May 2023

The Netherlands welcomes the proposal from the Commission regarding the regulation establishing a regulatory framework for the certification of carbon removals. The development of a certification framework is important for scaling up solutions for carbon removal and storage, which are indispensable to achieve climate neutrality by 2050 and to achieve net negative emissions thereafter. We recognise the need for a robust and transparent certification framework for carbon removal solutions with strong requirements on monitoring, reporting and verification. We agree with the Commission that this framework should not leave room for certification of avoided emissions.

The Netherlands has the following comments and questions following the WPE of 28 April.

Article 1: Subject matter and scope

The Netherlands supports the suggestions of the Presidency to Article 1. These support a climate neutral Union by 2050 and to facilitate the generation of negative emissions thereafter.

Furthermore, we would like to see further clarification on the intended use of the certificates, namely the quality assurance of carbon removal activities financed from both public and private sources, including the voluntary carbon market. We do not consider it appropriate to set out principles/guidelines for each intended use of the certificates, since this varies per use and requires further elaboration.

The Netherlands also supports clarifying the link to the Green Claims Directive, but considers the link to the CRCF in the Green Claims Directive to be the more important direction.

Article 2: Definitions

We consider it crucial that the definition of carbon removal should be limited to actual carbon removal and be consistent with the IPCC definition. Expanding the definition could be considered, but only in so far that it does not create confusion on the types of certificates the CRCF is supporting. Thus we consider the suggestions made by the Presidency to be a good start, but we also see the need for further changes.

Article 2 paragraph 1

(a) 'carbon removal' means ~~either~~ the storage of atmospheric or biogenic carbon within geological and ~~carbon pools~~, biogenic carbon pools and terrestrial reservoirs, long-lasting products and materials, and the marine environment. ; ~~or the reduction of carbon release from a biogenic carbon pool to the atmosphere~~

(aa) 'carbon preservation' means the reduction of carbon release from organic soils, currently functioning as a carbon source, to the atmosphere.

(b) 'carbon removal activity' means one or more practices or processes carried out by an operator resulting in carbon removal. This may coincide with or be combined with a carbon preservation activity. ~~permanent carbon 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 products or materials;~~

(ba) 'carbon preservation activity' means one or more practices or processes carried out by an operator resulting in carbon preservation in organic soils. This may coincide with or be combined with a carbon removal activity.

(h) 'carbon farming' means a carbon removal- or preservation activity related to land management ~~that results in 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;~~

Specifically, we consider it important to provide separate definitions for carbon removal and carbon preservation in organic soils. For the former, the definition as proposed by the Presidency can be utilised. For the latter, we propose a new definition. Correspondingly, there should be separate definitions for carbon removal activity and carbon preservation (in organic soils) activity. As far as carbon emissions from mineral soils are concerned, we maintain a scrutiny reserve. In general, we also suggest to not duplicate definitions in order to maintain consistency. I.e. the definition of carbon removal activity can simply refer to the definition of carbon removal.

The CRCF can then cover both carbon removal units and carbon preservation units, as Chapters 2-5 of the Commission's proposal already cover both units. This keeps the legislation efficient without confusing carbon removals and emission reductions, and will thereby help prevent confusion in the market between these two separate types of climate mitigation. At the same time it will allow activities in all LULUCF land use categories that can contribute to achieving the EU-wide LULUCF 2030 target to be eligible for certification under the framework. Subsequently, this also requires separate formulas for the quantification of net carbon removal benefits and net carbon preservation benefits (see below).

Article 4: Quantification and Baselines

The Netherlands supports the changes by the Presidency, but believe we can streamline them by combining them with our suggestion to include a separate formula for the quantification of net carbon preservation benefit.

Article 4 paragraph 1:

0. A carbon preservation activity shall provide a net carbon preservation benefit, which shall be quantified using the following formula:

Net carbon preservation benefit = CPbaseline – CPtotal – GHGCPincrease > 0 where:

(a) CPbaseline is the carbon release from organic soils, currently functioning as a carbon source, to the atmosphere, under the baseline. Where there are is net carbon removal under the baseline, this is equal to 0;

(b) CPtotal is the carbon release from organic soils, currently functioning as a carbon source, to the atmosphere, after the carbon preservation activity. Where there are is net carbon removal, this is equal to 0;

(c) GHGCPincrease is the increase in direct and indirect greenhouse gas emissions which are due to the implementation of the carbon preservation activity.

1. A carbon removal activity shall provide a net carbon removal benefit, which shall be quantified using the following formula:

Net carbon removal benefit = CRbaseline – CRtotal – GHGCRincrease > 0 where:

(a) CRbaseline is the carbon removals under the baseline

(b) CRtotal is the total carbon removals of the carbon removal activity;

(c) GHGCRincrease 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 due to the implementation of the carbon removal activity

2. In the case of carbon farming, CRbaseline and CRtotal shall be understood as net greenhouse gas removals or emissions in accordance with the accounting rules laid down in Regulation (EU) 2018/841.

Article 8: Certification and methodology

We consider the Presidency's suggestion for an order in which the certification methodologies should be developed a way forward. Furthermore, we consider that a reference to the work of the Expert Group could be included in Article 16, paragraph 4: "**Before adopting a delegated act, the Commission shall consult experts designated by each Member State.**" As mentioned in earlier written comments, relevant national certification methodologies for carbon removal and carbon preservation in organic soils could be included in the list in Article 8(3).

Furthermore we consider the following elements relevant to include in Annex I:

- Rules on the geographical and/or land use boundaries of the carbon removal/preservation activity;
- Rules on the duration of the carbon removal/preservation activity and possibilities for extension after the end of the activity;
- Rules on the duration of storage of the carbon removal/preservation activity;
- Rules for monitoring, reporting and verification (MRV) of the carbon removal/preservation activity and the net carbon removal/preservation benefits.

We also consider it necessary to clarify at what level of aggregation the certification methodologies will be developed under Article 8. According to the definition of 'carbon removal activity', this can mean one or more practices or processes. For each certification methodology a standardised baseline needs to be developed.



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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on the Environment
Subject:	Carbon removals certification : Follow-up of the WPE meeting on 28 April 2023 - Comments by delegations

Following the call for comments (WK 5680/23), delegations will find attached the contributions received from the BE, DK, NL and AT delegations.

Belgium comments

Proposal for a Carbon removal certification framework

Written comments following the WPE on 28/04/23.

1. Subject matter and scope

a) Do you consider the Presidency's suggestions in Article 1 and recital 3 and 3a an appropriate way forward?

BE supports the language linking the CRCF to the Unions' climate neutrality objective. BE is in favor of determining a maximum contribution for negative emissions, of both natural and technologic nature, within our net targets, as the Climate Law already foresees for LULUCF's contribution to the 2030 target.

b) Based on the discussion on end-use at the WPE on 31 March, to what extent would you agree that strict regulation of the end-use of the certificates in the CRCF at this stage could risk undermining the attractiveness of the units and/or pre-empt the further development of the Union's policy framework as regards carbon removals?

BE does not ask for a strict Regulation of the end-use of the certification at this stage. . This Regulation concerns setting up a voluntary EU-wide framework for reliably certifying carbon removals, and is therefore a separate exercise from the conversation of integrating these negative emissions, both natural and technological, into the EU's climate architecture and how negative emissions can be used for compliance with climate targets. Negative emissions from the land sector are already integrated within the EU's climate target via the LULUCF Regulation and removals incentivized via carbon farming will thus contribute to the achievement of this target. This Regulation is also a first step, in order to be able to enter in a future a dedicated discussion on the integration of negative emissions in the climate objectives (post-2030), this should also include inventories and MRV rules. Therefore, we are in favor of introducing some general principles. Carbon removals units that are already accounted for EU climate target, should not be used for any other offsetting purposes. In case that they would be used for voluntary actions, they must be clearly labelled, for example, as 'support to climate action', ensuring that any use for offsetting and climate neutrality claims is avoided.

Regarding the potential use of certificates outside of the EU, we would like to see some additional clarification in the Regulation. The EU should not be a seller of offsets on the international market. The EU should only have a leading role by adopting high standards for the quality and integrity of carbon removals. For any potential use of EU certificates outside of the EU, this should only be possible if they are clearly labelled, for example as 'support to climate action' and cannot be used to offset emissions.

c) Provided that the use of various forms of carbon credits, including removal units generated under the CRCF, will be regulated in Green Claims Directive, would you support clarifying the link to the Green Claims Directive in the CRCF?

- BE believes that is important to clarify the link between Green Claims Directive and the CRCF.
- One of the reasons is that there is a lack of clear definition of what type of certificates/claims/units can be used in which circumstances, by whom, and for which objective. This should be clarified in order to avoid any form of greenwashing.
- For example: carbon removals units that are already accounted for compliance with an EU climate target should not be used for any other offsetting purposes. In case that they would be used for voluntary actions, they must be clearly labelled, for example, as 'support to climate action', ensuring that any use for offsetting and climate neutrality claims is avoided.

2. Article 2 Definitions

d) To align the definition on carbon removal with the IPCC definition, would it suffice to delete the subordinated clause or the reduction of carbon release from a biogenic carbon pool to the atmosphere”?

- BE does not support the reference to marine environment, as it is not part of the LULUCF Regulation scope.
- BE does not understand why to refer to terrestrial reservoir and biogenic carbon pools into the definition. As it is confirmed that biogenic carbon pool is included in terrestrial reservoir, BE proposes to delete the “biogenic carbon pools” to keep the EU definition as close as possible to the IPCC one.
- BE proposes to include “long lasting products and materials” into the recital 5 to be in line with carbon removal definition.
- BE proposes to clarify which long-lasting products and materials are included in the definition of carbon storage in products, such as industrially produced materials and products from captured biogenic or atmospheric CO₂.

e) Do you see any other options for definitions that are aligned with the IPCC definition of carbon removal but also covers land-based removal activities that, in an initial phase, reduce the release of carbon to the atmosphere from a biogenic carbon pool currently functioning as a carbon source?

No

f) Would you see a need to make any further adjustments to the definitions of “carbon farming” or “carbon removal activity” to ensure consistency of the proposal?

(b) ‘carbon removal activity’ means one or more practices or processes carried out by an operator resulting in **a net-carbon removal benefit via** permanent carbon storage, enhancing carbon capture in a biogenic carbon pool, reducing the release of carbon from a biogenic carbon pool **currently functioning as a carbon source** to the atmosphere, or storing atmospheric or biogenic carbon in long-lasting products or materials;

BE proposes to delete functioning as a carbon source, as, when referring to a reduction of carbon release, this already implies that it is from a carbon source.

(h) ‘carbon farming’ means a carbon removal activity related to land management that results in 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;

3. Article 4 Quantification and baselines

For BE, it is important to have distinct baselines per soils types. BE is in favor of an additional annex to detail which elements will be taken into account by the Commission when defining baseline. BE is in favor to receive examples on how baselines will be calculated in different local contexts and for different removal activities. BE sees as important the following elements:

- Measurements and quantification, including emissions factors;
- The use of conservative default factors and conservative adjustments in case of uncertainty;
- the use of best-available science, for example methods based on IPCC Guidelines (or other scientific relevant data);
- the data and data collection methods (GHG inventories, sampling methods, digital tools, remote sensing data);
- the carbon pools considered;
- The timing for the update of baseline;
- The national statutory requirements that will be taken into account, and how it is linked to the baseline definition;
- Alignment of the baseline with EU targets.

g) Would you support dividing the formula in Article 4(1) into two separate formulas to clarify that the reduction of emissions would only be relevant in the context of certain carbon farming activities?

BE does not immediately see the added value of adding a specific formula for carbon farming, including the release of carbon, especially if the definition of what constitutes carbon removals is further clarified. From our understanding, the CRbaseline in the quantification formula, in the case of a carbon farming activity aiming at decreasing the release of a carbon from a carbon pools reported as a source, could be positive (+) and thus representing a net GHG emission. A reminder of that specificity could potentially be added, referring to the carbon farming definition, but there is no need to divide the formula.

h) In order to capture the full climate benefits of removal activities, such as rewetting of peatlands on drained organic croplands, would you support including in the new Article 4(1a) also the reduction of N₂O from drained organic cropland? Should these in your view be included in the net-reduction formula or be accounted as a co-benefit under article 7?

BE is open to include the reduction of N₂O from peatlands on drained organic cropland in the scope of the Regulation. We are not in favor of including it in the net-reduction formula, for keeping the formula focuses on carbon and ensuring an equal playing field between the different carbon farming methodologies for quantification. Potential emissions reduction of non-CO₂ GHG must be accounted as a co-benefit under Article 7.

i) If you support including a separate baseline calculation for carbon farming, would you see the need for any additional changes to either of the formulas?

BE agrees that carbon farming activities could have a positive baseline, but has a scrutiny reservation on a separate baseline calculation for carbon farming pending clarification of the scope of the Presidency Proposal, in particular the inclusion of non-CO₂ GHG emissions.

j) Do you agree that the order in which the certification methodologies are developed should be further specified in the regulation? If so, could you agree with the Presidency's suggestions as a way forward?

BE wonders whether the notion of maturity in this paragraph refers to the maturity of the removal technology / activity, or whether it refers to the maturity of the methodological approach to assess carbon removal. BE has a scrutiny reservation on this point. It could be useful to clarify the consequences of the prioritization of carbon removal methodologies development.

k) Would you support including a reference to the work of the Expert Group on Carbon Removals in the list in Article 8(3)?

BE is open to mention towards the work of the Expert Group on Carbon Removals.

l) Notwithstanding the question above, do you consider the list in Article 8(3) sufficient, or are there other considerations/elements which could be relevant to include? Do you see a need to further specify the meaning of any of the elements currently included?

BE wonders how 'robustness' is defined in 8 (3). BE also suggests making a separate point for the recognition of the protection and restoration of ecosystems.

m) Annex I contains a non-exhaustive, minimum list of elements that the Commission shall consider in the development of the methodologies. Do you consider this list sufficient, or are there other elements that could be relevant to include?

BE is in favor of adding to Annex I (c) the rules on how and on which criteria the Commission could propose an update of the baseline and the consequences for already certified units under this scheme.

n) Based on the discussions to date, do you see the need for any other changes to article 8 and/or annex I?

BE sees no further elements to add to date.

DENMARK

Denmark thanks the Presidency for its very thorough work with the steering note and for the opportunity to send written remarks on the questions.

Denmark is currently still analysing the proposal and thus maintains a general scrutiny reservation, but remains positive towards many of the changes proposed by the Presidency ahead of the last WPE on 28 April. Our proposals are **highlighted in bold** below.

Article 1: Subject matter and scope

Presidency Proposal	Drafting suggestions	Comments
Recital 3 (3) The aim of this Regulation is to develop a voluntary Union certification framework for carbon removals, with the view to incentivise the uptake of high-quality carbon removals, in full respect of the biodiversity and the zero-pollution objectives, as a complement to sustained emission reductions . It is thereby a tool to support the achievement of the Union objectives under the Paris Agreement, notably the goal of collective climate neutrality by 2050 laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council. The Union also committed to generate negative emissions after 2050.	(3) The aim of this Regulation is to develop a voluntary Union certification framework for carbon removals, with the view to incentivise the uptake of high-quality carbon removals, in full respect of the biodiversity and the zero-pollution objectives, as a complement to sustained emission reductions . It is thereby a tool to support the achievement of the Union objectives under the Paris Agreement, notably the goal of collective climate neutrality by 2050 laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council. The Union is also committed to generate negative emissions after 2050.	We support the changes to recital 3 to underline a continued focus on reductions
Recital 3a <u>(3a) Regulation (EU) 2021/1119 also sets out a binding Union climate target of a domestic reduction of net greenhouse gas emissions by at least 55% compared to 1990 levels by 2030. In order to ensure that sufficient mitigation efforts are deployed up to 2030, the contribution of net removals to the Union 2030 climate target is limited to 225 million tonnes of CO2 equivalents.</u>	<u>(3a) Regulation (EU) 2021/1119 also sets out a binding Union climate target of a domestic reduction of net greenhouse gas emissions by at least 55% compared to 1990 levels by 2030. In order to ensure that sufficient mitigation efforts are deployed up to 2030, the contribution of net removals to the Union 2030 climate target is limited to 225 million tonnes of CO2 equivalents.</u>	Denmark could in principle support a reference to the 2030-target in recital 3a. However, we find that the reference to the limitation for the contribution of net removals to the Union 2030 climate target is unnecessary and confusing, given that this Regulation has as its purpose to incentivize the uptake of high-quality carbon removals, cf.

		recital 3. Furthermore, we note that permanent carbon removal not accounted for in Regulation 2018/841 could, in principle, contribute to the Union 2030 climate target.
Article 1 paragraph 3 (new) 3. <u>This regulation is a tool to support the achievement of the Union objectives under the Paris Agreement, notably the goal of collective climate neutrality by 2050 laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council.</u>		Denmark supports the proposal.

End-use of the carbon removal units

The Commission has made it clear that it has not been the intention to regulate the use of carbon removal certificates as part of the CRCF. Denmark agrees with the Commission's intention to not pre-empt the possibilities before we have more clarity on the methodologies.

Denmark supports a clarification regarding the intended indirect regulation of end-use through Green Claims. At this point we are a bit uncertain how exactly the Green Claims Directive will regulate the CRCF as the CRCF is not currently part of the scope. Further, the links to the Corporate Sustainability Reporting Directive (CSRD) as well as the Commission's 2026-assessment of including permanent storage in the ETS could be clarified, e.g. in recitals.

Article 2: Definitions

Presidency Proposal	Drafting suggestions	comments
Recital 5 (5) In order to support operators willing to make additional efforts to increase carbon removals in a sustainable way, the Union certification framework should take into account the different types of carbon removal activities, their specificities and related environmental impacts. Therefore, this Regulation should provide clear definitions of carbon removal, carbon removal activities, and other elements of the Union certification framework. <u>Its scope should</u>	Recital 5 (5) In order to support operators willing to make additional efforts to increase carbon removals in a sustainable way, the Union certification framework should take into account the different types of carbon removal activities, their specificities and related environmental impacts. Therefore, this Regulation should provide clear definitions of carbon removal, carbon removal activities, and other elements of the Union certification framework. <u>Its scope should</u>	While we support the suggestion to clarify the scope of carbon removal activities in recital 5, we would suggest a different wording in order to clarify that certification of carbon removal activities that reduce the emission of carbon from a current carbon source should not rely on the assumption that such a source could, over time, turn into a carbon sink. In quantitative terms, the main climate benefit of, for example, rewetting drained organic soils comes from

<p><u>include carbon removal activities that enhance carbon storage in geological and terrestrial reservoirs, in long-lasting products and in the marine environment. Carbon removal activities include activities that remove carbon from the atmosphere and store it into a carbon pool. In the case of carbon farming, carbon removal activities also include activities that can turn current carbon sources into carbon sinks over time and therefore, in an initial phase, result in the reduction of carbon release from a carbon pool to the atmosphere.</u></p>	<p><u>include carbon removal activities that enhance carbon storage in geological and terrestrial reservoirs, in long-lasting products and in the marine environment. Carbon removal activities include activities that remove carbon from the atmosphere and store it into a carbon pool. In the case of carbon farming, carbon removal activities also include activities that can turn current carbon sources into carbon sinks over time and therefore, in an initial phase, result in the reduction of carbon release from a carbon pool to the atmosphere.</u></p>	<p>reducing a net emission of carbon to the atmosphere – notwithstanding the possible gross carbon sequestration over time. Certifying a net reduction of an emission of carbon from organic soils would be fully in line with LULUCF reporting and accounting, cf. Article 4(2) of the proposal.</p>
<p>Article 2, paragraph 1</p> <p>(a) ‘carbon removal’ means either the storage of atmospheric or biogenic carbon within geological <u>and carbon pools</u>, biogenic carbon pools <u>and terrestrial reservoirs</u>, long-lasting products and materials, and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere;</p> <p>(b) ‘carbon removal activity’ means one or more practices or processes carried out by an operator resulting in <u>a net-carbon removal benefit via permanent carbon storage, enhancing carbon capture in a biogenic carbon pool, reducing the release of carbon from a biogenic carbon pool currently functioning as a carbon source to the atmosphere, or storing atmospheric or biogenic carbon in long-lasting products or materials;</u></p>	<p>(a) ‘net carbon removal’ means either the storage of atmospheric or biogenic carbon within geological <u>and carbon pools</u>, biogenic carbon pools <u>and terrestrial reservoirs</u>, long-lasting products and materials, and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere;</p> <p>(b) ‘carbon removal activity’ means one or more practices or processes carried out by an operator resulting in <u>a net-carbon removal benefit via permanent carbon storage, enhancing carbon capture in a biogenic carbon pool, reducing the release of carbon from a biogenic carbon pool currently functioning as a carbon source to the atmosphere, or storing atmospheric or biogenic carbon in long-lasting products or</u></p>	<p>Although Denmark supports the intention to align the definition of carbon removals with the IPCC definition, we need more time to analyse the proposed way forward.</p> <p>We would propose adding a “net” to the definition of “carbon removal” in order to clarify that, for some carbon removal activities, there may be a gross emission of carbon to the atmosphere which should be subtracted in order to obtain the pertinent carbon removal figures.</p>

(h) ‘carbon farming’ means a carbon removal activity related to land management that results in 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.	materials; (h) ‘carbon farming’ means a carbon removal activity related to land management that results in 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;	
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Article 4: Quantification and baselines

Presidency proposal	Drafting suggestions	Comments
Article 4, paragraph 4. 4. Carbon removals shall be quantified in a relevant, conservative , accurate, complete, consistent, comparable and transparent manner.		Denmark supports adding “conservative”. However, we find that there might be a discrepancy between ‘conservative’ and ‘highly representative’
Article 4, paragraph 5-7 5. The standardised baseline shall be highly representative of the carbon removal performance of comparable activities in similar social, economic, environmental and technological circumstances and take into account the geographical context and local conditions. The standardised baselines shall be established by the Commission in the certification methodologies set out in the delegated acts adopted pursuant to Article 8. 6. By way of derogation from paragraph 5, where duly justified in the applicable certification methodology, including due to lack of data, an operator may use an activity-specific baseline that corresponds to the	Article 4, paragraph 5-7 5. The standardised baseline shall be highly representative of the correspond to the standard carbon removal performance of comparable activities in similar social, economic, environmental and technological circumstances and take into account the geographical context and local conditions. The standardised baselines shall be established by the Commission in the certification methodologies set out in the delegated acts adopted pursuant to Article 8. 6. By way of derogation from paragraph 5, where duly justified in the applicable certification methodology, including due to lack of data, an operator may use an activity-specific baseline that corresponds to the	We find that there might be a discrepancy between ‘conservative’ and ‘highly representative’ (see above), and therefore prefer the original Commission wording. We also support specifying the differences between the standardized and activity-specific baseline. However, we find that the proposed amendment to Article 4 (7) on the periodic update of baselines should not be restricted to activity specific baselines. In our understanding, the need to periodically update baselines primarily applies to standardised baselines. We

<p>individual carbon removal performance of that activity.</p> <p>7. The activity-specific baseline shall be periodically updated <u>in accordance with the rules laid down in the certification methodologies, set out in the delegated acts adopted pursuant to Article 8:</u></p>	<p>individual carbon removal performance of that activity.</p> <p>7. The activity-specific baselines shall be periodically updated <u>in accordance with the rules laid down in the certification methodologies, set out in the delegated acts adopted pursuant to Article 8:</u></p>	<p>therefore prefer that 4 (7) applies to both baselines.</p>
<p>Article 4 paragraph 1:</p> <p>1. For permanent carbon storage and carbon storage in products, a carbon removal activity shall provide a net carbon removal benefit, which shall be quantified using the following formula: Net carbon removal benefit = CRbaseline – CRtotal – GHGincrease > 0 where: (a) CRbaseline is the carbon removals under the baseline; (b) CRtotal is the total carbon removals of the carbon removal activity; (c) GHGincrease is the increase in direct and indirect greenhouse gas emissions, <i>other than those from biogenic carbon pools in the case of carbon farming</i>, which are due to the implementation of the carbon removal activity.</p> <p>1a. For carbon farming, a carbon removal activity shall provide a net carbon removal benefit, which shall be quantified using the following formula: Net carbon removal benefit = CRbaseline – CRtotal + RCbaseline – RCtotal – GHGincrease > 0</p> <p>where:</p>	<p>1a. For carbon farming, a carbon removal activity shall provide a net carbon removal benefit, which shall be quantified using the following formula: Net carbon removal benefit = CRbaseline – CRtotal + RCbaseline – RCtotal – GHGincrease > 0</p> <p>where:</p>	<p>We support the proposal to divide the formulas to provide transparency on different approaches applied to permanent storage/storage in products on one hand and carbon farming activities on the other hand.</p> <p>To ensure consistency with the emissions and removals data reported by Member States in LULUCF inventories, it is not feasible to distinguish quantitatively between gross carbon emissions and removals occurring on the same parcel of land. This is because LULUCF emissions and removals are conceptualized as the net change in the carbon stock of a given pool from one year to the other.</p>

<p><u>(a) CRbaseline is the carbon removals under the baseline;</u> <u>(b) CRtotal is the total carbon removals of the carbon removal activity;</u> <u>(c) RCbaseline is the release of carbon under the baseline;</u> <u>(d) RCtotal is the release of carbon under the carbon removal activity;</u> <u>(e) GHGincrease is the increase in direct and indirect greenhouse gas emissions, which are due to the implementation of the carbon removal activity.</u></p>	<p><u>(a) CRbaseline is the net carbon removals under the baseline;</u> <u>(b) CRtotal is the net total carbon removals of the carbon removal activity;</u> <u>(c) RCbaseline is the release of carbon under the baseline;</u> <u>(d) RCtotal is the release of carbon under the carbon removal activity;</u> <u>(e) GHGincrease is the increase in direct and indirect greenhouse gas emissions, which are due to the implementation of the carbon removal activity.</u></p>	<p>By definition, all removals (emissions) are monitored and reported net of the gross emissions (removals) occurring within the same period. Therefore, it is unclear how one would conceptualize, let alone monitor and report the gross removals and emissions taking place on a given parcel of land.</p> <p>We therefore suggest deleting (c) and (d) from the formula and adding a 'net' under (a) and (b) in order to emphasize that both emissions and removals are being taken into account.</p>
<p>Article 4, paragraph 2:</p> <p>In the case of carbon farming, CRbaseline and CRtotal shall be understood as net greenhouse gas removals or emissions in accordance with the accounting rules laid down in Regulation (EU) 2018/841. <u>The scope of the quantities referred to in paragraph 1a, points (a) to (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.</u></p>		<p>Denmark maintains a positive scrutiny reservation.</p>

Article 8, Annex I: Certification methodologies

Presidency Proposal	Drafting suggestions	Comments
<p>Recital 18a (new)</p> <p><u>(18a) Given the need to rapidly scale up carbon removal activities in the Union, the Commission should at a first stage prioritise those carbon removal activities that are the</u></p>	<p><u>(18a) Given the need to rapidly scale up carbon removal activities in the Union, the Commission should at a first stage prioritise those carbon removal activities that have a</u></p>	<p>Denmark supports the proposed new recital 18a on the prioritisation of certification methodologies. However, we find that the most relevant criteria are large mitigation potential and</p>

<p><u>most mature or where Union legislation relevant for the development of those methodologies has already been adopted. [The Innovation Fund established under the [ETS Directive] sets out rules relevant for the development of certification methodologies for bioenergy with carbon capture and storage and direct air capture.]</u></p>	<p><u>high mitigation potential and where monitoring, reporting and verification (MRV) aspects are the most robust are the most mature or where Union legislation relevant for the development of those methodologies has already been adopted. [The Innovation Fund established under the [ETS Directive] sets out rules relevant for the development of certification methodologies for bioenergy with carbon capture and storage and direct air capture.]</u></p>	<p>robustness of MRV. This is in line with the findings of the Commission Impact Assessment, p. 25.</p> <p>For some CDR technologies with very high mitigation potentials, sufficient levels of research, development and deployment may depend in part of the existence of a trustworthy certification scheme. For example, this may be true for biochar. Therefore, while relevant, technological maturity should not be a highly prioritised criteria in isolation.</p> <p>In terms of MRV, certificates for e.g. BECCS and DACCS are relatively simple to develop compared to other carbon removal activities, and the certification of these technologies should therefore be given priority.</p> <p>Explicit timelines for the development of individual certification methodologies would provide much-needed clarity for MS and private actors.</p>
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Reference to the work of the expert group on Carbon Removals in article 8(3)

We welcome the suggestion to include a reference to the work of the expert group, as well as reference to the subgroup.

AUSTRIA

A small addition in follow-up to the EWP on 28 April on Art 1, as raised during the meeting.

Article 1: Subject matter and scope

AT supports the pcdy proposal to link the objective of the Regulation more closely to the requirements of the EU Climate Law, but proposes to make the addition to paragraph 1.

„The objective of this Regulation is to facilitate the deployment of carbon removals by operators or groups of operators **with a view to support the achievement of the Union objectives under the Paris Agreement, notably the goal of collective climate neutrality by 2050 laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council.**”