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From: General Secretariat of the Council
To: Delegations

Subject: Regulation on the certification of carbon removals: Agricultural and forestry aspects – state of play
- Information from the Presidency

Delegations will find in the Annex a document on the above subject to be presented by the Presidency under "Any other business" at the "Agriculture and Fisheries" Council on 23-24 October 2023.

Regulation on the certification of carbon removals: Agricultural and forestry aspects – state of play

The European Commission announced in the Circular Economy Action Plan (March 2020) that it would develop a Regulatory Framework for Carbon Removals Certification Framework (CRCF).

In December 2021, it was published a Communication on Sustainable Carbon Cycles in which it highlighted the importance of enabling a business model that rewards land managers for carbon sequestration while fully respecting ecological principles and of creating an EU carbon market for the capture, use, storage and transport of carbon removals.

On 30 November 2022, the Commission presented the Proposal for a Regulation of the Parliament and the Council establishing a Union certification framework for carbon removals. This regulation establishes a general framework at EU level to regulate how carbon removals are quantified and verified in the agriculture and forestry sectors, including carbon farming, as well as specific activities in the industrial sector. It also establishes the quality criteria to be met by activities for the generation of these carbon removals.

The proposal outlines the general operating scheme for this European certification framework, although most of the necessary technical aspects will be designed through delegated and implementing acts expected to be developed from 2024. This includes certification methodologies for the different carbon removals activities to apply the quality criteria established in the Regulation in a standardized, verifiable, and comparable way.

On March 7, 2023, the Commission launched an expert group in this area. It has been many meetings focusing on best practices and certification methodology challenges throughout this year: on carbon farming, industrial removals, and the certification procedure. More specific sub-groups will be set up in 2024.

Simultaneously, the dossier is being discussed in the ENVI and AGRI committees of the European Parliament. On August 31, the vote on the opinion report in the COMAGRI was issued, with the main amendmentsⁱ essentially aligning with the compromise proposal on which the presidency is working.

Currently, the presidency, in light of the Environmental Working Group discussions and delegations' comments, is working on a new compromise text. The most relevant changes regarding the agricultural and forestry sectors compared to the Commission's proposal are:

- Accounting for greenhouse gas emissions reduction (not just removals) occurring in agricultural soils under certain practices, which may result in emission reduction certificates.
- Establishment of a European Register of all certified carbon sequestration units, no later than 4 years from the regulation's entry into force.

The presidency continues to work on this dossier with a view to reaching a general approach at the **Environment Council** on December 18 or, if possible earlier, a negotiation mandate in the COREPER.

ⁱ Amendments introduced by the EP include dissociating carbon sequestration activities from carbon farming activities, given their specificity, and considering not only removals but also captures, and within them the reduction of GHG emissions from agricultural soils.