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Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals - Letter to the Chair of the European Parliament Committee on the Environment, Public Health and Food Safety (ENVI)

Following the Permanent Representatives Committee meeting of 8 March 2024 which endorsed the final compromise text, delegations are informed that the Presidency sent the attached letter, together with the final text agreed in Coreper, to the Chair of the European Parliament Committee on the Environment, Public Health and Food Safety (ENVI).

888 24 / 001316



Brussels, 8 March 2024

Mr Pascal CANFIN

Chair, European Parliament Committee for Environment, Public Health and Food Safety
European Parliament
60, rue Wiertz / Wiertzstraat 60
B-1047 Bruxelles/Brussel

Subject: *Proposal for a Regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals (2022/0394 (COD))*

Dear Mr CANFIN,

Following the informal meeting between the representatives of the three institutions on 19 February 2024, the provisional overall compromise text for a Regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals was agreed today by the Permanent Representatives' Committee.

I am therefore now in a position to confirm that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise text contained in the Annex to this letter (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

On behalf of the Council, I also wish to thank you for your close cooperation which should enable us to reach agreement on this dossier at first reading.

Yours sincerely,

Pierre CARTUYVELS

Chair of the Permanent Representatives
Committee (Part I)

copy to: Wopke HOEKSTRA, Commissioner
Lidia PEREIRA, Rapporteur

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a Union certification framework for *permanent carbon removals, carbon farming*
*and carbon storage in products***

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C [...], [...], p. [...]

² OJ C [...], [...], p. [...]

- (1) Under the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (*UNFCCC*) ('the Paris Agreement'), ***approved by Council Decision (EU) 2016/1841***³ the international community has agreed to hold the increase in the global average temperature well below 2° C above *preindustrial* levels and to pursue efforts to limit the temperature increase to 1.5° C above pre-industrial levels. ***The Conference of the Parties to the UNFCCC also adopted the Glasgow Climate Pact, that acknowledges that the impacts of climate change will be much lower at a temperature increase of 1,5 °C, compared with 2 °C and resolves to pursue efforts to limit the temperature increase to 1.5 °C.*** The Union and its Member States are Parties to the Paris Agreement and are strongly committed to its implementation by reduction of greenhouse gas emissions and increase in carbon removals.
- (2) At a global scale, the ***reports***⁴ by the ***Intergovernmental*** Panel on Climate Change (IPCC) ***point*** towards a decreasing likelihood of limiting global warming to 1.5 °C unless rapid and deep cuts in global ***GHG*** emissions occur throughout the ***remainder of this decade and in the coming*** decades. The IPCC ***reports*** also clearly ***state that*** the deployment of carbon dioxide (***CO₂***) removal to counterbalance hard-to-abate residual emissions is unavoidable if net-zero ***CO₂*** or GHG emissions are to be achieved ***CO₂***. This will require the large-scale deployment of sustainable activities for capturing CO₂ from the atmosphere and durably storing it in geological ***CO₂***, terrestrial ***or*** marine ***reservoirs, including oceans, or in long-lasting*** products. Today and with current policies, the Union is not on track to deliver the required carbon removals: carbon removals in terrestrial ecosystems have been decreasing in recent years, and no significant industrial carbon removals are currently taking place in the Union.

³ ***Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 1).***

⁴ IPCC Working Group III (2022), Technical Summary. In: Climate Change 2022: Mitigation of Climate Change. Sixth Assessment Report (link).

- (3) The aim of this Regulation is to develop a voluntary Union certification framework for *permanent* carbon removals, *carbon farming and carbon storage in products*, with a view to *facilitating and encouraging* the uptake of high-quality carbon removals *and soil emission reductions*, in full respect of the biodiversity and the zero-pollution objectives, *as a complement to sustained emission reductions across all sectors ('the Union certification framework')*. It is *thereby* a tool to support the achievement of the Union objectives under the Paris Agreement, *in particular the collective achievement of* climate neutrality *objective* by 2050 laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council⁵ (*"the European Climate Law"*). *All carbon removals and soil emission reductions certified under this Framework should contribute to the achievement of the Union's Nationally Determined Contribution (NDC) and its climate objectives. Therefore, in order to avoid double counting, those carbon removals and soil emission reductions should not contribute to third party NDCs or international compliance schemes.* The Union also committed to generate negative emissions after 2050. An important instrument to enhance carbon removals in terrestrial ecosystems is Regulation (EU) 2018/841 of the European Parliament and of the Council⁶ (*"LULUCF Regulation"*) *which sets* out a Union net removals target of 310 *million tonnes* CO₂ *equivalent* by 2030 *and allocates* respective targets to each Member State.

⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

⁶ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

- (3a) *In its Communication “Towards an ambitious Industrial Carbon Management for the EU”, the Commission foresees to assess overall objectives for carbon removals needs in line with the EU’s 2040 climate ambition and the goal to reach climate neutrality by 2050 and negative emissions thereafter; develop policy options and support mechanisms for industrial carbon removals, including if and how to account for them in the EU ETS; and in parallel, boost EU research, innovation and early-of-a-kind demonstration for novel industrial technologies to remove CO₂ under Horizon Europe and the Innovation Fund. In addition, it is appropriate for the Commission to assess options for Union targets for carbon removals, including clearly distinguishing a separate target for permanent carbon removals.*
- (3b) *A harmonised Union certification framework is expected to enhance the environmental integrity and transparency of permanent carbon removals, carbon farming and carbon storage in products and promote trust in their certification while reducing the associated administrative costs. The voluntary nature of the Union certification framework means that existing and new public and private certification schemes can apply for recognition by the Commission under this Regulation but are not obliged to do so in order to operate in the Union.*
- (3b) *The European Climate Law also sets out a binding Union climate target of a domestic reduction of net GHG 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 CO₂ equivalent.*

- (4) The Union certification framework will support the development of ***permanent*** carbon removal, ***carbon farming and carbon storage in products*** in the Union that result in an unambiguous ***positive climate impact***, while avoiding greenwashing. In the case of carbon farming, ***the Union*** certification framework should also ***promote*** the uptake of activities that generate co-benefits for biodiversity, therefore ***contributing to*** achieving the nature restoration targets set out in Union law .

- (4b) *It is appropriate that the Union certification framework also encourage research and innovation, whilst emphasising the role of relevant research programmes, with the aim of facilitating access to the market for new technologies. In this regard, the Commission and the Member States are encouraged to engage in cross-disciplinary cooperation, involving national and regional research institutions, scientists, farmers and small and medium-sized enterprises.*

- (5) In order to support operators willing to make additional efforts to increase carbon removals ***or reducing soil emissions*** in a sustainable way, the Union certification framework should take into account the different types of activities, their specificities and related environmental impacts. Therefore, this Regulation should provide clear definitions of ***permanent*** carbon ***removals***, ***carbon farming and carbon storage in products***, and other elements of the Union certification framework. ***Its scope should include activities that enhance carbon storage in geological, terrestrial or marine reservoirs, including oceans, and in long-lasting products. Activities should include one or more practices or processes that remove carbon from the atmosphere. Certain activities, such as those based on the use of biochar, can result in different types of net carbon removal benefits and duration of carbon storage, depending on the specific conditions under which the activities take place. Accordingly, appropriate monitoring and liability rules should be set out in the relevant certification methodologies.***

- (5a) *In the case of carbon farming, relevant activities can include practices and processes in the marine and coastal ecosystems. They can also include practices or processes that reduce emissions of GHG from soils. These include activities that result in the reduction of carbon release to the atmosphere from a soil carbon pool, as set out in points (e) and (f) in Section B of Annex I to the LULUCF Regulation, as is the case for instance for activities that improve soil management or restore degraded peatlands. In addition, reductions of emissions from agricultural soils, corresponding to the emissions from the IPCC source category of agricultural soils, as reported in Table 3.D of the Common Reporting Format tables under the UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to that Convention, should also be included in the quantification of carbon farming activities as long as these emission reductions result from an activity that overall reduces the emission of carbon from soil carbon pools or increases carbon removals in biogenic carbon pools. On the contrary, activities such as avoided deforestation, or renewable energy projects, which do not result in either carbon removals or soil emission reductions should not be included in the scope of the Union certification framework.*

- (6) This Regulation should set out the requirements under which carbon removals *and soil emission reductions are* eligible for certification under the Union certification framework. To this end, carbon removals *and soil emission reductions* should be quantified in an accurate and robust way; and they should be generated only by **■** activities that *respectively* generate a net carbon removal *benefit or a net soil emission reduction* benefit, are additional, *and* aim to ensure long-term storage of carbon. *They should do no significant harm to the environment and should be able to result in a* co-benefit on sustainability objectives. **■** Carbon removals *and soil emission reductions* should be subject to independent third-party auditing in order to ensure the credibility and reliability of the certification process. *Furthermore, this regulation should set out rules on the issuance and use of certified units.* Mandatory Union carbon pricing rules established through Directive 2003/87/EC of the European Parliament and of the Council⁷ are in place which regulate the treatment of emissions from activities covered by that Directive. This Regulation should be without prejudice to Directive 2003/87/EC, except in relation to the certification of *capture and storage of CO₂* emissions from *biofuels, bioliquids and biomass fuels* which *meet the Union sustainability and GHG emissions saving criteria established under Directive (EU) 2018/2001 of the European Parliament and of the Council⁸, with any necessary adjustments for application under Directive 2003/87/EC, as set out in the implementing acts referred to in Article 14 of Directive 2003/87/EC, in accordance with Annex IV of Directive 2003/87/EC.*
- (7) *An* activity should result in a net carbon removal benefit *or a net soil emission reduction* benefit *showing that it delivers a positive climate impact. The net* carbon removal *benefit or the net soil emission reduction benefit* should be *quantified following two steps.*
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⁷ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

⁸ *Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).*

(7a) *In the first step for quantifying the net carbon removal benefit or the net soil emission reduction benefit, operators should quantify the amount of additional carbon removals or soil emission reductions that an activity has generated in comparison to a baseline. In the case of carbon farming, the quantified carbon removals or soil emission reductions should ensure that any carbon release occurring in a carbon pool is taken into account in an appropriate way in computing the net benefit of the activity. A standardised baseline should be representative of the standard performance of comparable practices and processes in similar social, economic, environmental and technological circumstances and take into account the geographical context, including local pedo-climatic and regulatory conditions. Such approach to establishing the baseline should be preferred because it ensures objectivity, minimises compliance and other administrative costs, and positively recognises the action of first movers who have already engaged in eligible activities. In the context of carbon farming, only practices and processes that go beyond the common practice should be certified; therefore, a specific carbon farming activity should not be rewarded if it is already widely adopted within a region with similar pedo-climatic and regulatory conditions. The standardised baseline should ensure that, once an activity becomes the common practice, such activity cannot be certified any longer. To this end, the Commission should review at least every five years and update, as appropriate, the standardised baselines in light of evolving regulatory circumstances and of the latest available scientific evidence to reflect the social, economic, environmental, regulatory and technological developments and to encourage increased ambition over time in line with the Paris Agreement. In addition, the use of available digital technologies, including electronic databases and geographic information systems, remote sensing, novel on-site carbon quantification systems, artificial intelligence and machine learning, and of electronic maps, should be promoted to decrease the costs of establishing baselines and ensure the robustness of the monitoring of the activities. However, where it is not possible to set such a standardised baseline, an activity-specific baseline based on the operator's individual performance should be used. The activity-specific baselines should be updated by the operator at the beginning of each activity period, unless otherwise stated in the applicable certification methodologies.*

- (8) The second step for quantifying the net **■** benefit should consist of subtracting any *associated GHG emissions occurring during the lifecycle of the activity and* related to the implementation of the **■** activity. Relevant **GHG** emissions that should be taken into consideration include direct emissions, such as those resulting from the use of fertilisers, *chemicals*, fuel or energy, *other material inputs and transportation*, or indirect emissions, such as those resulting from land use change with consequent risks for food security due to displacement of agricultural production, *or displacement effects due to competing demand for energy or waste heat*. Any increase in **GHG** emissions attributable to the implementation of the activity should be subtracted from the net carbon removal benefit or from the net soil emission reduction benefit in an appropriate way, in accordance with the technical rules set out in the relevant certification methodology. A reduction in **GHG** emissions resulting from the implementation of the activity, other than the reduction of emissions from agricultural soils, should not be taken into account to quantify the net carbon removal benefit or the net soil emission reduction benefit. Instead, it should be considered as a co-benefit towards the sustainability objective of climate change mitigation and be reported on the certificates of compliance. Such decreases in **GHG** emissions, like the other sustainability co-benefits, can increase the value of the certified carbon removals or soil emissions reductions.
- (8a) Operators carrying out activities covered under this Regulation should include any legal or natural person or public entity operating or controlling an activity, or to whom decisive economic power over the technical functioning of the activity has been delegated. In the case of carbon farming, the definition of operators should apply to farmer as defined in Article 3(1) of Regulation (EU) 2021/2115 or any other manager of an activity in land or coastal environment, or a forest owner or manager as defined by national law, or a competent public entity. Group of operators should cover any legal entity that represents at least two operators, including cooperatives or producer organisations or producer groups, ensuring that those operators comply with this Regulation.

- (9) *An activity delivers a net carbon removal benefit when the carbon removals above the baseline outweigh any increase in **GHG** emissions **associated** to the implementation of **that** activity. For instance, in the case of **█** permanent carbon **removals that inject** carbon underground, the amount of permanently stored carbon should outweigh the **energy related GHG** emissions from the industrial process. **Similarly**, in the case of **soil emission reductions from** carbon farming, the **net soil emission reduction benefit is positive if the soil emission reductions compared to the baselines outweigh any increase in GHG associated to the implementation of the activity**. Carbon **farming activities generally improve soil quality, which has a positive impact on soil resilience and productivity, but in some circumstances, it might also generate a decrease in food production and therefore lead to a carbon leakage effect from indirect land-use change, and the related indirect emissions should be taken into account. Any carbon captured and stored by afforestation or soil emission reduction** by a peatland re-wetting **█** should outweigh the emissions from the machinery used to carry out the **█** activity or the indirect land use change emissions that can be caused by carbon leakage.*


- (10) Carbon removals *and soil emission reductions, as well as the corresponding direct and indirect GHG emissions associated*, should be quantified in a relevant, *conservative*, accurate, complete, consistent, *transparent*, and comparable manner. Uncertainties in the quantification should be duly reported and accounted in *a conservative manner in* order to limit the risk of overestimating the quantity of CO_2 removed from the atmosphere *or of underestimating the quantity of direct and indirect GHG emissions generated by an activity*. *Temporary* carbon removals *and soil emission reductions* generated by carbon farming should be quantified with a high level of accuracy to assure the highest quality and minimise uncertainties; *and they should be based, where feasible, on the use of Tier 3 methodologies in accordance with the 2006 IPCC guidelines for National Greenhouse Gas Inventories and any further refinement*. Moreover, in order to incentivise synergies between Union climate and biodiversity objectives, enhanced monitoring of land needs to be required, thereby helping to protect and enhance the resilience of nature-based carbon removals throughout the Union. The ■ monitoring ■ of emissions and removals need to closely reflect those approaches ■ and *should be based on an appropriate combination of on-site measurements with remote sensing or modelling according to rules set out in the appropriate certification methodology*. It should make the best use of advanced technologies available under Union programmes, such as Copernicus, making full use of already existing tools, and ensure consistency with the national *GHG* inventories.
- (10a) *In the choice of methods relevant to the calculations of GHG emissions and removals, a conservative approach should be applied in line with the IPCC guidelines for national GHG inventory estimates, where applicable. This means that the methods used should result in conservative emission or removal estimates so that emissions are not underestimated and removals are not overestimated.*

- (11) ■ The Union certification framework *should incentivise activities that are additional, meaning that they* go beyond the standard practice ■ . Therefore, *those* activities should go beyond statutory requirements *at the level of an individual operator*, that is, operators should carry out activities that are not already imposed upon them by the applicable law. Moreover, ■ activities should *become financially viable* due to the incentive effect provided by the certification. Such 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 ■ activity to achieve additional carbon removals *or soil emission reductions*.
- (12) A standardised baseline should reflect the statutory and market conditions in which the ■ activity takes place. If *an* activity is imposed upon operators by the applicable law, or it does not need any incentives to take place, its performance will be reflected in the baseline. For this reason, *an* activity that generates carbon removals *or soil emission reductions* in excess of such a baseline should be presumed to be additional. Hence, the use of a standardised baseline should simplify the demonstration of additionality for operators. Therefore, it should reduce the administrative burden of the certification process, which is particularly important in the case of small-scale *operators*.


- (13) Atmospheric and biogenic carbon that is captured and stored through ***permanent carbon removals, carbon farming or carbon storage in products*** risks being released back into the atmosphere (■ reversal) due to natural or anthropogenic causes. Therefore, operators should take all relevant preventive measures to mitigate those risks and duly monitor that carbon continues to be stored over the monitoring period laid down for the relevant ■ activity. The validity of the certified ***unit*** should depend on the expected duration of the storage and the different risks of reversal associated with the given ■ activity. ***Permanent carbon removals*** provide enough certainties on the very long-term duration of several centuries. ***Products with permanently chemically bound carbon have a very low or no risk of carbon release.*** Carbon farming or carbon storage in products are more exposed to the risk of voluntary or involuntary release of carbon into the atmosphere. To account for this risk, the validity of the ■ ***carbon farming sequestration unit and the carbon storage in products unit*** should be subject to an expiry date matching with the end of the relevant monitoring period, ***which should cover at least 35 years for carbon storage in products.*** Thereafter, the carbon ***captured and stored*** should be assumed to be released into the atmosphere, unless the ***operator or group of operators commits to prolonging the monitoring period.*** ***The certification methodologies should promote the prolongation of the monitoring period of the relevant carbon farming activities, aiming at ensuring the long-term storage in soils or biomass of the CO₂ captured and to provide financial incentives to carbon farming operators over the long term. To this end, it is appropriate that the certification methodologies incentivise operators to prolong the monitoring period several times, with the aim of storing captured carbon for at least several decades.***

- (14) In addition to measures taken to minimise the risk of carbon release into the atmosphere during the monitoring period, appropriate liability mechanisms should be introduced to address cases of reversal. ***The certification methodologies should also include rules on the risk of failure of the liability mechanisms. Such mechanisms could include collective buffers*** and up-front insurance mechanisms. ***In order to avoid double regulation,*** liability mechanisms in respect of geological storage and CO₂ leakage, and relevant corrective measures laid down by Directive 2003/87/EC and Directive 2009/31/EC of the European Parliament and of the Council¹ ***should apply. In addition, to ensure regulatory consistency, the relevant certification methodologies should include monitoring rules and liability mechanisms which are consistent with the rules concerning permanently chemically bound carbon products pursuant to Directive 2003/87/EC.***

- (15) Carbon *removals, carbon farming and carbon storage in product* activities have a strong potential to deliver win-win solutions for sustainability, even if trade-offs cannot be excluded. Therefore, it is appropriate to establish minimum sustainability requirements to ensure that *those activities do not lead to significant harm to the environment and are able to* generate co-benefits for the **■** objectives of: climate change mitigation and adaptation; the protection and restoration of biodiversity and ecosystems, *including soil health and avoidance of land degradation*; the sustainable use and protection of water and marine resources; the transition to a circular economy, *including the efficient use of sustainably sourced bio-based materials*; and pollution prevention and control. *Carbon farming activities should at least generate co-benefits for the objective of protection and restoration of biodiversity and eco-systems, including soil health as well avoidance of land degradation.* Those *minimum* sustainability requirements should *take into account the impacts both within and outside the Union as well as* local conditions, *and as appropriate, be consistent with* the technical screening criteria for do *no* significant harm principle, *and be in line with the sustainability and GHG emissions saving* criteria for forest and agriculture biomass raw material laid down in **■** Directive (EU) 2018/2001. *Practices that produce harmful effects for biodiversity*, such as forest monocultures *producing* harmful effects for biodiversity, should not be eligible for certification.

- (16) Farming *and forestry* practices that remove CO₂ from the atmosphere *or reduce soil emissions* contribute to the climate neutrality objective and should be rewarded, either via the Common Agricultural Policy  or other public or private initiatives. Specifically, this Regulation should take into account farming *and forestry* practices as referenced in the *Commission Communication of 15 December 2021 on Sustainable Carbon Cycles*⁹, *including afforestation, reforestation and activities within sustainable forest management; agroforestry and other forms of mixed farming; use of catch crops, cover crops conservation tillage and increasing landscape features; conversion of cropland to fallow or set aside areas to permanent grassland; and restoration of peatlands and wetlands. When developing certification methodologies in the context of carbon farming, the Commission should take into account the need to contribute to ensuring food security and promote the protection and the restoration of biodiversity and ecosystems, and to avoid that land is acquired for speculative purposes resulting in negative effects on rural communities, as well as respect the rights of local communities and indigenous people affected by those activities, where relevant in accordance with national law, both within and outside the Union. It should promote those activities that have the largest potential to provide positive co-benefits for biodiversity, as well as consider the long-term forest structure, the long-term stability of carbon pools, ecosystem health, resilience and risk of natural disturbances.*

⁹  Communication from the Commission, Sustainable Carbon Cycles, COM (2022) 800.

- (17) Operators or groups of operators *should be able to* report co-benefits that contribute to the sustainability objectives beyond the minimum sustainability requirements. To this end, their reporting should comply with the certification methodologies tailored to the different carbon removal activities, developed by the Commission. Certification methodologies should, as much as possible, incentivise the generation of co-benefits for biodiversity going beyond the minimum sustainability requirements, *with a view to generate a premium for the certified units, by including for instance positive lists of activities that are deemed to generate co-benefits*. These additional co-benefits *would* give more economic value to the certified *units and would* result in higher revenues for the operators. In the light of these considerations, it is appropriate for the Commission to prioritise the development of tailored certification methodologies on carbon farming activities that provide significant co-benefits for biodiversity, *and contribute to sustainable management of agricultural land and forests*.
- (18) *The Commission should establish, via delegated acts*, detailed certification methodologies for the different *activities taking into account their specific characteristics* in order to *enable operators to* apply, in a standardised, verifiable, *cost-effective* and comparable way, the quality criteria laid down in this Regulation. Those methodologies should ensure the robust and transparent certification of the net carbon removal *or soil emission reduction* benefit generated by the  activity, while avoiding disproportionate administrative burden for operators or group of operators, in particular for small farmers and forest holders, *notably by allowing the use of simplified certification and auditing rules such as group auditing*. Those methodologies should be developed in close consultation with the Expert Group on Carbon Removals and all other interested actors. They *should* be based on the best available scientific evidence, build upon existing public and private schemes and methodologies for *certification of carbon removals or soil emission reductions*, and take into account any relevant standard and rules adopted at *Union and national* level.

(18a) *Given the need to rapidly scale up carbon removals in the Union, the Commission should at the first stage of the development of certification methodologies prioritise the following activities: activities that are the most mature, that can provide sustainability co-benefits or where Union legislation relevant for the development of those methodologies has already been adopted; carbon farming activities that contribute to sustainable management of agricultural land, forests, and the marine environment, as well as activities that store carbon in wood-based and bio-based construction products. The Innovation Fund established under Directive 2003/87/EC sets out rules relevant for the development of certification methodologies for bioenergy with carbon capture and storage and direct air capture. In order to avoid unsustainable demand of biomass raw material, the financial benefits related to the certification should not lead to an increase of the capacity of a bioenergy plant beyond what is necessary for the operation of the carbon capture and storage. It is appropriate that certification methodologies related to activities storing carbon into the marine environment, including oceans, take into account international progress in carbon removal reporting and the latest scientific information available and, when available, the findings of the Commission's report prepared pursuant to Article 17(2) of the LULUCF Regulation. Furthermore, in order to promote the sustainable and efficient use of limited biomass resources, it is appropriate that certification methodologies related to activities using biomass ensure the application of the principle of the cascading use of biomass as laid down in Article 3(3) of Directive RED III, while relying on existing rules and procedures and avoid duplication. The rules for the implementation by national authorities of this principle are laid down in Article 3(3), 3(3a) and 3(3b) of Directive RED III.*

- (19) In order to ensure a credible and reliable certification process, **■** activities should be subject to independent third-party auditing *carried by certification bodies*. In particular, *all* activities should be subject to an initial certification audit before their implementation, verifying their compliance with the quality criteria set out in this Regulation, including the correct quantification of the expected net *benefits*. *All* activities should also be subject to periodic re-certification audits *at least every five years, or otherwise more frequently as specified in the applicable certification methodology depending on the characteristics of the relevant activity*. *The re-certification audits should* verify the compliance of the *activity with the quality criteria of this Regulation and the net carbon removal benefit or net soil emission reduction benefit generated by the activity*. *As a result of that re-certification audit, the certification body issue a re-certification audit report that includes a summary, and an updated certificate of compliance*. *It is possible to conduct more frequent re-certification audits, including annually, for all activities, notably carbon farming activities*. *To reduce the administrative costs of certification and re-certification, operators may use reliable geographical information provided by paying agencies through the Land Parcel Identification System (LPIS) set out in Article 68 of Regulation (EU) 2021/2116*. To this end, the Commission should be empowered to adopt implementing acts to set out the structure, technical details, and the minimum information to be contained in the description of the **■** activity, and in the certification and re-certification audit reports.
- (20) Providing *carbon farming operators* with improved knowledge, tools and methods for a better assessment and optimisation of the *certified* carbon removals *and of the soil emission reductions* is key for cost-efficient implementation of mitigation actions and for securing their engagement in carbon farming. This is particularly relevant for Union small farmers or forest holders that often lack the know-how and the expertise required to implement carbon *farming* activities and to comply with the required quality criteria and related certification methodologies. Therefore, it is appropriate to require that producer organisations facilitate the provision of relevant advisory services through technical advice to their members. The Common Agricultural Policy and national State aid *among others*, can support financially the provision of advisory services, knowledge exchange, training, information actions or interactive innovation projects with farmers and foresters.

(20a) *In its Communication on the 2040 target, the Commission indicates that it is crucial to create further business opportunities for a sustainable agrifood value chain and leverage private funds in synergy with public funding. This could be done with new market-based mechanisms to boost sustainable food, as this could result both in a better food price to reflect sustainability as well as a fair reward for farmers and new source of funding for investments. Only firm coordination with all industrial actors in the entire food value chain and focus on fair trading practices across that chain can unlock the right incentives for sustainable farming practices, ensure a decent and sustainable income for farmers and generate revenues to support the transition.*

(22) To ensure an accurate, robust and transparent verification, certification bodies responsible for performing the certification **process** should have the required competences and skills and should be accredited by national accreditation authorities pursuant to Regulation (EC) No 765/2008 of the European Parliament and of the Council¹⁰ **or be recognised by a national competent authority**. To avoid possible conflicts of interest, the certification bodies should also be completely independent from the operator carrying out the activity that is subject to the certification. In addition, Member States should contribute towards ensuring the correct implementation of the certification process by supervising the operation of certification bodies that are accredited by national accreditation authorities, and by informing the certification schemes about relevant non-conformity findings.

¹⁰ 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).

- (23) Certification schemes should be used by operators to demonstrate compliance with this Regulation. Therefore, certification schemes should operate on the basis of reliable and transparent rules and procedures and should ensure accuracy, reliability, integrity and non-repudiation of origin, and protection against fraud of information and of data submitted by operators. They should also ensure the correct accounting of the ***certified*** carbon removal ***or soil emission reduction*** units, notably by avoiding double counting. To this end, the Commission should be empowered to adopt implementing acts ***setting out technical harmonised rules on certification***, including adequate standards of reliability, transparency, accounting and of independent auditing to be applied by certification schemes, so as to ensure the necessary legal certainty as regards the rules applicable to operators and to certification schemes. To ensure a cost-effective certification process, those technical harmonised rules on certification should also have the objective of reducing unnecessary administrative burden for operators, or group of operators, in particular for small and medium enterprises¹¹, including small farmers and foresters.
- (24) In order to ensure a reliable and harmonised control of certification, the Commission should be able to adopt decisions recognising certification schemes that meet the requirements set out in this Regulation, including with respect to technical competence, reliability, transparency and independent auditing. Such recognition decisions should be limited in time ***and should be made publicly available***. To this end, the Commission should be empowered to adopt implementing acts on the content and processes of Union recognition of certification schemes.
- (25) The provisions of the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters¹¹ ('the Aarhus Convention'), ***approved by Council Decision 2005/370/EC¹¹***, relating to public participation and to access to justice remain applicable, where relevant.

¹¹ ***Council Decision 2005/370/EC of 17 February 2005 on the conclusion, on behalf of the European Community, of the Convention on access to information, public participation in decision-making and access to justice in environmental matters (OJ L 124, 17.5.2005, p. 1).***

- (26) **█** In order to ensure transparency and full traceability of *certified units*, and to avoid the risk of fraud and double counting, *by... [OJ: 4 years after the entry into force of this Regulation], the Commission should establish and manage a Union wide registry for carbon removals and soil emission reductions ('Union registry'). The Commission should take into account the reports referred to in Article 30(5a) of Directive 2003/87/EC and Article 17(3) of Regulation (EU) 2018/841. Where a concern on fraud is raised, the Commission should investigate the matter and take appropriate action, including by repealing relevant decisions or cancelling the affected units. For example, fraud may occur if more than one certificate is issued for the same █ activity because the activity has been registered under two different certification schemes or has been registered twice under the same scheme. Fraud may also occur when the same certificate is used several times to make the same claim based on a carbon █ activity or a *certified unit*. The Union registry should use automated systems, including electronic templates to make publicly available as a minimum, the information set out in Annex IIa. It is appropriate that the operation of the Union registry is financed by annual fees payable by users, proportionate to the use of the registry, to sufficiently contribute covering the annual operating costs of establishment and management of the Union registry, such as those for staff or IT tools. Resources from such fees should constitute external assigned revenue for the purpose of Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [add reference in footnote]. They should, in particular, cover the costs of IT tools, services, security, their operations and licensing systems and the costs of staff working on the management of the Union Registry. The Commission should, via delegated acts, set out the necessary requirements concerning the Union registry and the factors to be considered for determining the level of users' fees and their recovery. When setting up those requirements the Commission should also consider the need to ensure sufficient oversight of the trading in *certified units*. During each last quarter of the year preceding the calendar year of application, the Commission should adopt one or more implementing acts to set out or revise the individual amounts of the user's fees, to be applied for that calendar year. Until the establishment of the Union registry, certification schemes recognised by the Commission should establish and maintain interoperable certification registries. In order to ensure transparency and full traceability of *certified units*, and to avoid the risk of fraud and double counting, the certification schemes should also use automated systems, including electronic templates*

*to make publicly available as a minimum, the information set out in Annex IIa. In order to ensure a level playing field within the **internal** market, the Commission should be empowered to adopt implementing rules setting out standards and technical rules on the functioning and the inter-operability of those **certification** registries. **Certified units should be issued by certification registries or, by [OJ: 4 years after the entry into force of this Regulation], by the Union registry only after the generation of a net carbon removal benefit or net soil emission reduction benefit, based on a valid certificate of compliance resulting from a re-certification audit. To avoid double issuance and double use, any certified unit should not be issued more than once, and any certified unit should not be used by more than one legal or natural person at any point in time. Permanent carbon removal units, carbon farming sequestration units, carbon storage in products units, and soil emission reduction units shall remain distinct from each other. In order to account for their inherent risks of reversal of removed carbon, carbon farming sequestration units and carbon storage in product units should expire at the end of the monitoring period of the relevant activity, and be cancelled from the certification registry or, by [OJ: 4 years after the entry into force of this Regulation], from the Union registry, unless the operator or the group of operators commits to prolonging the monitoring period, according to the rules set out in the applicable certification methodology.***

- (27) Certification schemes play an important role in providing evidence of compliance with **this Regulation**. Therefore **certification schemes should report to the Commission** regularly on their activity. Such reports should be made public, in full or where appropriate in an aggregated format, in order to increase transparency and to improve supervision by the Commission. Furthermore, such reporting would provide the necessary information for the Commission to report on the operation of the certification schemes with a view to identifying best practices and submitting, if appropriate, a proposal to further promote such best practices. In order to ensure comparable and consistent reporting, the Commission should be empowered to adopt implementing acts setting out the technical details on the content and format of the reports drawn up by the certification schemes.

- (28) *In order to amend or supplement non-essential elements of* this Regulation ■ , the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to *establish* detailed certification methodologies for different types of ■ activities, *to set out standards and technical rules on the functioning of the Union registry and to specify or amend Annexes I and II*. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹². In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (29) The implementing powers conferred on the Commission should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹³. In order to exercise the implementing powers laid down in this Regulation, the Commission should be assisted in its tasks under this Regulation by *the* Climate Change Committee established *by* Regulation (EU) 2018/1999 of the European Parliament and of the Council¹⁴.

¹² OJ L 123, 12.5.2016, p. 1.

¹³ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

¹⁴ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council *Directives* 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (30) The Commission should review the implementation of this Regulation [*Three years after [OJ: date of entry into force of this Regulation] or by 31 December 2028 which ever comes first*], and subsequently not later than six months after the global stocktake agreed under Article 14 of the Paris Agreement. *This Regulation should be kept under review in all aspects, taking into account relevant developments concerning Union legislation, including its coherence with Directive 2003/87/EC and Directive (EU) 2018/2001, Regulation (EU) 2021/1119, and Regulation (EU) 2018/842 and Regulation (EU) 2018/841; the relevant developments concerning the United Nations Framework Convention on Climate Change and the Paris Agreement, including rules and guidelines related to the implementation of article 6; technological and scientific progress, best practices and market developments in the field of carbon removals; the potential for permanent carbon storage in third countries, subject to international agreements referred to in Chapter III of [NZIA], while providing for equivalent conditions to those laid out in the CCS directive to ensure permanently secure and environmentally safe geological storage of captured CO₂; the environmental impacts of increased biomass use resulting from this Regulation, including impacts on land degradation and ecosystem restoration; the impacts on the Union food security and land speculation; and the cost of the certification process.*
- (30a) *By 31 July 2026, the Commission should review the inclusion of the IPCC source category of agriculture, sub-category of 4a enteric fermentation and 4b manure management, as determined pursuant to Regulation (EU) 2018/1999 and the implementing acts adopted pursuant, in the emission reductions covered by this Regulation, taking into consideration opportunity costs, the evolution of regulatory framework, possible negative effects leading to GHG-emission increase, the Union 2040 climate target, as proposed in accordance with Article 4(3) of the European Climate law and, where appropriate, present a legislative proposal. In the context of this review, it is appropriate to consider how the potential units generated by such activities should be categorized. It is also appropriate to accelerate the development of a pilot certification methodology for activities that reduce agricultural emissions from enteric fermentation and manure management, in preparation of the 2026 review by the Commission.*

- (30b) *It is appropriate that certificates of compliance and certified units underpin different end-uses, such as, the proof of climate-related and other environmental corporate claims (including on biodiversity), or the exchange of certified units through voluntary carbon markets. To this end, the Commission should assess, and where appropriate present a legislative proposal, on the need for additional requirements to align this Regulation with the rules and guidance of Article 6.2 and Article 6.4 of the Paris Agreement and with best practices in the voluntary carbon markets. This assessment should compare methodological requirements, including baselines, monitoring period, activity period, additionality, leakage, non-permanence and liability, as well as address requirements related to authorisation and corresponding adjustments. It should also identify whether it is appropriate to differentiate end-uses for each type of units, as well as the corresponding requirements for the use of units by private actors or third parties, including for the voluntary carbon markets and international compliance schemes, ensuring consistency with relevant Union legal acts such as Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, the European Climate Law, Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, the registry for internationally transferred mitigation outcomes pursuant to Article 6 of the Paris Agreement referred to in Article 40 of Regulation (EU) 2018/1999 and an upcoming Directive on substantiation and communication of explicit environmental claims.*
- (31) *Since* the objectives of this Regulation, namely to promote the deployment of high quality carbon removals **and soil emission reductions** while minimising the risk of greenwashing, cannot be sufficiently achieved by the Member States **but can rather** by reason of the scale and effects of the proposed action ■ be better achieved at Union level ■ , the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Chapter 1

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. The objective of this Regulation is to facilitate *and encourage* the deployment of *permanent* carbon removals, *carbon farming and carbon storage in products as a complement to sustained emission reductions across all sectors to meet the objectives and targets laid down in Regulation (EU) 2021/1119*, by operators or groups of operators. To that end, this Regulation establishes a voluntary Union framework for the certification of carbon removals *and soil emission reductions* by laying down:
 - (-a) *row to be deleted*
 - (a) quality criteria for **■** activities that take place in the Union;
 - (b) rules for the verification and certification of carbon removals *and soil emission reductions generated by activities*;
 - (c) rules for the functioning and recognition by the Commission of certification schemes.
- (ca) *rules on the issuance and use of certified units.*
2. *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 at the latest by 2050 laid down in Regulation (EU) 2021/1119. Accordingly, all carbon removals and emission reductions generated under this Regulation shall contribute to achieving the Union's Nationally Determined Contribution and its climate objectives and not to third party-NDC or international compliance schemes.*

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3. This **Regulation** does not apply to emissions falling within the scope of Directive 2003/87/EC, with the exception of the storage of CO₂ emissions from *biofuels, bioliquids and biomass fuels that meet the sustainability criteria and greenhouse gas emissions saving criteria established under article 29 of Directive (EU) 2018/2001, with any necessary adjustments for application under Directive 2003/87/EC, as set out in the implementing acts referred to in Article 14 of Directive 2003/87/EC*, in accordance with Annex IV of Directive 2003/87/EC.

Article 2

Definitions

1. For the purposes of this Regulation, the following definitions apply:
- (a) ‘carbon removal’ means *the anthropogenic removal of carbon from the atmosphere and its durable storage in geological, terrestrial or ocean reservoirs, or in long-lasting products;*
 - (aa) *‘soil emission reduction’ means the reduction of net GHG 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 GHG emissions from the IPCC source category of Agriculture, sub-category of 4d agricultural soils, as determined pursuant to Regulation (EU) 2018/1999 and the implementing acts adopted pursuant to it, where the latter overall reduces the emission of carbon from soil carbon pools or increases carbon removals into biogenic carbon pools;*

- (bb) *‘activity’ means one or more practices or processes carried out by an operator, or a group of operators, resulting in a permanent carbon removal, temporary carbon removal from carbon farming or from carbon storage in products, or soil emission reductions from carbon farming where the latter overall reduces the emissions of carbon from soil carbon pools or increase carbon removals in biogenic carbon pools.*
- (c) *‘biogenic carbon pool’ means living biomass, litter, dead wood, dead organic matter, mineral soils and organic soils as set out in points (a) to (f) of Part B of Annex I to Regulation 2018/841;*
- (d) *‘operator’ means any legal or natural person or public entity who operates or controls an activity, or to whom decisive economic power over the technical functioning of the activity has been delegated; in the case of a carbon farming activity, ‘operator’ means a farmer as defined in Article 3(1) of Regulation (EU) 2021/2115 or any other manager of an activity in land or coastal environment, or a forest owner or manager as defined by national law, or a competent public entity;*
- (e) *‘group of operators’ means a legal entity that represents at least two operators and is responsible for ensuring that those operators comply with this Regulation;*
- (ea) *‘activity period’ means a period over which the activity generates a 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 soil emission reduction or storage of carbon is monitored by an operator or a group of operators and which covers at least the activity period as determined in the applicable certification methodology;*
- (g) *‘permanent carbon removal’ means any practice or process that, under normal circumstances and using appropriate management practices, captures and stores atmospheric or biogenic carbon for several centuries, including permanently chemically bound carbon in products, and which is not combined with Enhanced Hydrocarbon Recovery;*

- (h) ‘carbon farming’ means *any practice or process, carried out over an activity period of at least five years, related to terrestrial or coastal management and resulting in capture and temporary storage of atmospheric and biogenic carbon into biogenic carbon pools or the reduction of soil emissions;*
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- (i) ‘carbon storage in products’ means *any practice or process that captures and stores atmospheric or biogenic carbon for at least 35 years in long-lasting products and which allows on-site monitoring of the carbon stored and certified throughout the monitoring period;*
- (ia) ‘permanently chemically bound carbon in products’ 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;*
- (ib) ‘geological storage of CO₂’ means *geological storage of CO₂ as defined in Article 3(1) of Directive 2009/31/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 *an* organisation that *certifies the compliance of activities and* operators *with the quality criteria and certification rules set out in* 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 activity complies with this Regulation;

- (o) *‘permanent carbon removal unit’ means one **metric** tonne **CO₂ equivalent** of certified **permanent** net carbon removal benefit generated by a **permanent** carbon removal activity and registered by a certification scheme **in its certification registry or, as appropriate, in the Union registry referred to in Article 12;***
- (oa) *‘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;***
- (ob) *‘reversal’ means, in the case of geological storage of CO₂, “leakage” as defined in Article 3(5) of Directive 2009/31/EC and, for other activities, the voluntary or involuntary release of carbon captured and stored by an activity back into the atmosphere;*
- (oc) *‘carbon farming sequestration unit’ means one metric tonne **CO₂ equivalent** of certified **temporary net carbon removal benefit** generated by a **carbon farming activity** and registered by a certification scheme **in its certification registry or, as appropriate, in the Union registry referred to in Article 12;***
- (od) *‘carbon storage in product unit’ means one metric tonne **CO₂ equivalent** of certified **temporary net carbon removal benefit** generated by a **carbon storage in product activity** and registered by a certification scheme **in its certification registry or, as appropriate, in the Union registry referred to in Article 12.***

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

$$\text{Permanent net carbon removal benefit} = \text{CR}_{\text{baseline}} - \text{CR}_{\text{total}} - \text{GHG}_{\text{associated}} > 0$$

where:

- (a) $\text{CR}_{\text{baseline}}$ is the carbon removals under the baseline;
- (b) CR_{total} is the total carbon removals of the **■** activity;
- (c) $\text{GHG}_{\text{associated}}$ is the increase in direct and indirect greenhouse gas emissions, *over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*

2. *A carbon farming activity shall provide a temporary net carbon removal benefit or a net soil emission reduction benefit, which shall be quantified using the following formulas:*

(2.1) Temporary net carbon removal benefit = $CR_{baseline} - CR_{total} - GHG_{associated} > 0$,

where:

- (a) $CR_{baseline}$ is the carbon removal under the baseline,*
- (b) CR_{total} is the total carbon removal of the activity,*
- (c) $GHG_{associated}$ is the increase in direct and indirect greenhouse gas emissions, over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*

(2.2) Net soil emission reduction benefit = $LSE_{baseline} - LSE_{total} + ASE_{baseline} - ASE_{total} - GHG_{associated} > 0$

where:

- (a) $LSE_{baseline}$ are the LULUCF soil emissions under the baseline;*
- (b) LSE_{total} are the total LULUCF soil emissions of the activity;*
- (c) $ASE_{baseline}$ are the agricultural soil emissions under the baseline;*
- (d) ASE_{total} are the total agricultural soil emissions of the activity;*
- (e) $GHG_{associated}$ is the increase in direct and indirect greenhouse gas emissions, over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*
- (f) $GHG_{associated}$ is the increase in direct and indirect greenhouse gas emissions, over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*
- (g) $GHG_{associated}$ is the increase in direct and indirect greenhouse gas emissions, over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*

The scope of the quantities referred to in $CR_{baseline}$ and CR_{total} corresponds to the net greenhouse gas removals included in the scope of Regulation (EU) 2018/841.

The scope of the quantities referred to $LSE_{baseline}$ and LSE_{total} 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 (EU) 2018/841.

The scope of quantities $ASE_{baseline}$ and ASE_{total} corresponds to emissions from the IPCC source category 3D (agricultural soils).

The relevant methodologies shall require a breakdown by greenhouse gas of all quantities referred to in points (a) to (j) of this paragraph.

If soil emissions increase as a result of an activity that results in temporary carbon removal from carbon farming, they are quantified and accounted for into the net carbon removal benefit. In particular, emissions from biogenic carbon pools as set out in points (e) to (f) of Section B of Annex I to Regulation (EU) 2018/841 are quantified and reported as part of CR_{total} and emissions from the IPCC source category 3D (agricultural soils) are quantified and reported as $GHG_{associated}$. If some soil emissions decrease as a result of an activity that results in temporary carbon removal from carbon farming, they should be quantified, reported and accounted for as net soil emissions reduction benefit.

Where an activity results in both a temporary net carbon removal benefit and a net soil emission reduction benefit, the relevant methodology shall specify the allocation rules for the associated direct and indirect GHG emissions which are attributable to the implementation of the activity.

- 2a. *A carbon storage in products activity shall provide a temporary net carbon removal benefit, which shall be quantified using the following formula:*

$$\text{Temporary net carbon removal benefit} = CR_{\text{baseline}} - CR_{\text{total}} - GHG_{\text{associated}} > 0$$

- (a) *CR_{baseline} is the carbon removed under the baseline;*
- (b) *CR_{total} is the total carbon removals of the carbon storage in products activity;*
- (c) *$GHG_{\text{associated}}$ is the increase in direct and indirect greenhouse gas emissions, over the entire lifecycle of the activity which are due to its implementation, including indirect land use change, calculated, where applicable, in accordance with protocols set forth in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and any further refinement.*
3. Quantities referred to in paragraph 1, points (a), (b) and (c), *and in paragraph 1a, points (a) – (h)*, shall be designated with a negative sign (-) if they are net **GHG** removals and with a positive sign (+) if they are net **GHG** emissions ■ ; they shall be expressed in tonnes of CO₂ equivalent.
4. *Permanent carbon removals, temporary carbon removals from carbon farming and carbon storage in products, soil emission reductions and associated GHG emissions* shall be quantified in a relevant, *conservative*, accurate, complete, consistent, comparable and transparent manner, *in accordance with the latest available scientific evidence. The monitoring shall be based on an appropriate combination of on-site measurements with remote sensing or modelling according to the rules set out in the appropriate certification methodologies.*
5. The *baselines* shall *be highly representative of the* standard ■ performance of comparable *practices and processes* in similar social, economic, environmental, *technological and regulatory* circumstances and take into account the geographical context *including local pedo-climatic and regulatory conditions ('standardised baselines')*.

5a. *The 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 at least every five years and update, as 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 for which the activity period starts 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 or the absence of sufficient comparable activities, an operator shall use a baseline that corresponds to the individual, performance of 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 *permanent carbon removals, temporary carbon removals from carbon farming and carbon storage in products, and soil emission reductions* shall account for uncertainties in *a conservative manner and in* accordance with recognised statistical approaches. *Uncertainties in the quantification of carbon removals and soil emission reductions shall be duly reported.*
9. To support the quantification of *temporary carbon removals and soil emission reductions* generated by carbon farming *activity*, the operator or group of operators shall, *where feasible*, gather data on carbon removals and *GHG emissions based on the use of Tier 3 methodologies in accordance with the 2006 IPCC guidelines for National Greenhouse Gas inventories and their refinements, and* in a manner compatible with national *GHG* inventories under Regulation (EU) 2018/841 and Part 3 of Annex V to Regulation (EU) 2018/1999.

Article 5

Additionality

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

Article 6

Storage, monitoring and liability

1. An operator or group of operators shall demonstrate that **an activity stores the carbon permanently or aims to store the carbon over the long-term**.

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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 reversal* occurring during the monitoring period;
 - (b) they shall be *liable to address any reversal of the carbon captured and stored by an activity*, occurring during the monitoring period, *through appropriate liability mechanisms as set out in the delegated acts adopted pursuant to Article 8*.
- (2a) *The monitoring rules referred to in paragraph 2, point (a), shall:*
- (a) *for permanent carbon removal, be consistent with the monitoring rules set out in Articles 13 to 16 of Directive 2009/31/EC;*
 - (b) *for carbon permanently chemically bound in products, be consistent with the rules for permanently chemically bound adopted pursuant to Article 12(3b) of Directive 2003/87/EC;*
 - (c) *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:*
- (a) *for permanent carbon removal, be consistent with the obligations set out in Articles 17 and 18 of Directive 2009/31/EC;*
 - (b) *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;*
 - (c) *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 or collective buffers.*


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3. *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 that monitoring period is prolonged through a new certification of the activity or the carbon is stored permanently pursuant to paragraph 2a, points (a) and (b), and paragraph 2b, points (a) and (b).***
- 3a. *Soil emission reduction activities shall be subject to appropriate monitoring rules and liability mechanisms as set out in the delegated acts adopted pursuant to Article 8.*

Article 7

Sustainability

1. *An activity shall **not significantly harm and may** generate co-benefits for **one or more of**, the following sustainability objectives:*
- (a) *climate change mitigation beyond the net carbon removal benefit **and net soil emission 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, **including the efficient use of sustainably sourced bio-based materials**;*
 - (e) *pollution prevention and control;*

(f) protection and restoration of biodiversity and ecosystems *including soil health, as well as avoidance of land degradation.*

(fa) *1a. A carbon farming activity shall at least generate co-benefits for the sustainability objective referred to in point (f) of this paragraph.*

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2. For the purposes of paragraph 1 *of this Article*, *an* 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 minimum sustainability requirements shall take into account the impacts both within and outside the Union and local conditions. Those minimum sustainability requirements shall, where appropriate, be consistent with the technical screening criteria for the ‘do no significant harm’ principle. The minimum sustainability requirements shall promote the sustainability of forest and agriculture biomass raw material in accordance with the sustainability and GHG saving criteria for biofuels, bioliquids and biomass fuels laid down in Article 29 of Directive (EU) 2018/2001.*
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* to in Article 8. The certification methodologies shall *include elements to* 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.*

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Certification methodologies

1. An operator or a group of operators shall apply the relevant certification *methodology* to comply with the criteria laid down in Articles 4 to 7.
2. The Commission *shall* adopt delegated acts in accordance with Article 16 to *supplement this Regulation by establishing the* certification methodologies referred to in paragraph 1 *of this Article. Those certification methodologies shall specify, for each activity, the elements set out in Annex I. The Commission shall prioritise the development of* certification methodologies *for those activities that are the most mature, have the potential to provide the largest co-benefits or where Union legislation relevant for the development of those methodologies has already been adopted. In the case of carbon farming activities, as a part of its prioritisation the Commission shall take into account in addition whether the activities contribute to sustainable management of agricultural land, forests, and the marine environment. In case of carbon storage in products, the Commission shall prioritise methodologies on wood-based and bio-based construction products.*
- 2a. *Delegated acts adopted pursuant to paragraph 2 shall differentiate between activities related to permanent carbon removal, carbon farming and carbon storage in products and further differentiate the activities on the basis of their characteristics. The certification methodologies shall :*
 - (a) *ensure the robustness and transparency of carbon removals and soil emission reductions;*
 - (b) *promote the protection and restoration of biodiversity and ecosystems;*
 - (c) *contribute to ensuring the Union's food security and avoiding land speculation;*
 - (d) *take into account the competitiveness of farmers and foresters in the Union in a sustainable manner, particularly for small-scale operators;*

- (e) *promote the sustainability of biomass in accordance with the sustainability and GHG emissions saving criteria for biofuels, bioliquids and biomass fuels laid down in Article 29 of Directive (EU) 2018/2001;*
- (f) *ensure the consistency of the application of the principle of the cascading use of biomass as per national authorities in accordance with Article 3(3) of Directive RED III;*
- (g) *ensure the avoidance of unsustainable demand of biomass raw material;*
- (h) *minimise the administrative and financial burden for operators, particularly for small-scale operators, keep the certification process as simple as possible, and easy to use;*
- (i) *ensure that cases of reversal are addressed through appropriate liability mechanisms such as collective buffers or up-front insurance mechanisms and as a last resort direct cancellation of units.*

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3. When preparing *the* delegated acts *referred to in paragraph 2*, the Commission shall take into account ■

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- (a) relevant Union and national law; *and*

(b) relevant Union, ***national*** and international certification methodologies and standards.

(ba) ***best available scientific evidence.***

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 ■ group of operators shall submit to a certification body ***an activity plan that includes evidence of compliance with Articles 4 to 7, the expected net carbon removal benefit or the net soil emission reduction benefit generated by the activity, and a monitoring plan.*** Groups of operators shall also specify how advisory services ***are provided, in particular to small-scale carbon farming operators. For carbon farming activities, Member States may provide advice to farmers in the framework of the advisory services referred to in Article 15 of Regulation (EU) 2021/2115. In order to promote the interoperability of relevant databases on carbon farming, where applicable, Member States may include in the Identification system for agricultural parcel, referred to in Article 68 of Regulation (EU) 2021/2116, key information listed in Annex 1, including management practices related to the carbon farming activity, start date and end date of the activity, unique certificate number or code, name of certification body and name of the certification scheme.***

2. The certification *scheme shall appoint a certification body which* shall conduct a certification audit to verify *that* the information submitted in accordance with paragraph 1 *of this Article is accurate and reliable*, and to confirm compliance of [] activity with Articles 4 to 7. *When*, as a result of that certification audit, the *compliance of the information submitted in accordance with paragraph 1 of this Article has been verified*, *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* the certification audit report and the certificate *of compliance*, and make the *certification audit report, in full or, where necessary to preserve the confidentiality of commercially sensitive information, in an summarised form*, and the certificate *of compliance* publicly available in *the certification registry of the certification scheme or, by [OJ: 4 years after the entry into force of this Regulation], in the Union* registry referred to in Article 12.

3. The certification body shall carry out *regular* re-certification audits to reconfirm compliance of the [] activity with Articles 4 to 7 and verify the *net carbon benefit or the net soil emission reduction benefit generated by the activity. The re-certification audits shall be carried out at least every five years, or more frequently as otherwise specified in the applicable certification methodology, depending on the characteristics of the relevant 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 *of compliance*. The certification scheme shall *review* the re-certification audit report and the updated certificate *of compliance*, and make the [] the re-certification audit report, *in full or, where necessary to preserve the confidentiality of commercially sensitive information, in an summarised form, the updated certificate of compliance* publicly available in *the certification registry of the certification scheme or, by [OJ: 4 years after the entry into force of this Regulation], in the Union* registry referred to in Article 12. *The certification registry or, by [OJ: 4 years after the entry into force of this Regulation], the Union* registry referred to in Article 12 *shall issue units based on the updated certificate of compliance resulting from the re-certification audit*.

4. The operator or █ group of operators shall support the certification body during certification, and re-certification audits, notably by giving access to the activity premises and providing *any* data and documentation *required*.
5. The Commission *shall* adopt implementing acts to set out the structure, format, technical details of the *activity plan and the monitoring plan* 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 *body* pursuant to Regulation (EC) No 765/2008 *or recognised by a national competent authority to cover the scope of this Regulation or the specific scope of the certification scheme*.
2. Certification bodies shall █ :
 - (a) *be* competent to carry out the certification and re-certification audits referred to in Article 9;
 - (b) *legally and financially* independent from the operators or from a group of operators, and carry out the activities required under this Regulation in the public interest.
 - (c) *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. *The notice on non-conformity shall be published in the certification registry, and where applicable on the common registry referred to in Article 12.*

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 *participate in* 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 *certification* registries. *Certification schemes shall make their fees transparent and easily accessible to operators, including by publishing them on their websites. For the purpose of handling complaints and appeals, certification schemes shall put in place easily accessible complaint and appeal procedures. Those procedures shall be made publicly available in the certification registry and, by [OJ: 4 years after the entry into force of this Regulation], in the Union registry referred to in Article 12.*

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, *including the re-certification audit reports were* carried out in an accurate, reliable, and cost-effective manner.
4. Certification schemes shall publish *in their certification registries or, by [OJ: 4 years after the entry into force of this Regulation] in the Union registry referred to in Article 12*, at least annually, a list of the appointed certification bodies, stating for each certification body by which *national accreditation body it was accredited or by which* national *competent* authority it was *recognized* and which national *competent* 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 *recognised by the Commission*. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17 **■** .

Article 12

Union wide registry for permanent carbon removals, carbon farming and carbon storage in products

- 1. *By...[OJ: 4 years after the entry into force of this Regulation], the Commission shall establish and duly maintain a Union wide registry for permanent carbon removals, carbon farming and carbon storage in products, to make publicly available the information related to the certification process, in an accessible way, containing, as a minimum, the information set out in Annex IIa, 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 ('Union registry'). The Union registry shall use automated systems, including electronic templates, to make publicly accessible in a secure way the information related to the certification process, including the certificates of compliance and updated certificates of compliance, to enable the tracing of the quantity of certified units and avoid double counting. The Union registry shall be financed by annual fixed fees payable by users, proportionate to the use of the registry, to sufficiently contribute covering the annual operating costs of establishment and management of the Union registry, such as those for staff or IT tools. Resources from such fees shall constitute external assigned revenue for the purpose of Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [add reference in footnote]. That revenue shall, in particular, cover the costs of IT tools, services, security, their operations and licensing systems and the costs of staff working on the management of the Union registry.*

- 1a. The Commission shall adopt one or more delegated acts in accordance with Article 16 supplementing the provisions of this Article laying down the necessary requirements concerning the Union registry, including rules to ensure sufficient oversight of the trading of certified units, and the factors to be considered for determining the level of fees referred to in paragraph 3 of this Article and their recovery. During each last quarter of the year preceding the calendar year of application, the Commission shall adopt one or more implementing acts to set out or revise the individual amounts of the fees referred to in paragraph 1b of this Article, to be applied for that calendar year.**
- 1. Until the establishment of the Union registry, a certification scheme shall establish and duly maintain a public *certification* registry to make publicly accessible *and in a secure way* the information *resulting from* the certification process, including the certificates of *compliance* and updated certificates of *compliance*, containing, as a minimum, the information set out in Annex IIa, to enable the tracing of the quantity of units certified in accordance with Article 9 (*'certification registry'*). 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 Commission shall adopt implementing acts setting out the structure, format, and technical details of the certification registries, of the recording, holding or use of certified units, including 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.**
- 1a. Certified units shall be issued by certification registries or, by [OJ: 4 years after the entry into force of this Regulation], by the Union registry referred to in the first paragraph of this Article, only after the generation of a net carbon removal benefit or net soil emission reduction benefit, based on a valid certificate of compliance resulting from a re-certification audit.**
- Any certified unit shall not be issued more than once and shall not be used by more than one legal or natural person at any point in time.**
- Permanent carbon removal units, carbon farming sequestration units and carbon storage in products units, and soil emission reduction units shall remain distinct from each other.**

- 1b.** *Carbon farming sequestration unit and carbon storage in product units shall expire at the end of the monitoring period of the relevant activity, and be cancelled from the certification registry or, by [OJ: 4 years after the entry into force of this Regulation], the Union registry, 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.*

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 **and shall be made public in the Union registry referred to in Article 12.**
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, **after appropriate consultation with the certification scheme,** repeal a decision recognising a certification scheme pursuant to paragraph 1 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 **or any other interested party** raises **duly substantiated** 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, the Commission shall investigate the matter and take appropriate action, including repealing the relevant decision.

4. The Commission ***shall*** adopt implementing acts setting out the structure, format, and technical details of the notification and recognition processes referred to in paragraphs 1 and 2. ■

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 ***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.

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Chapter 5

FINAL PROVISIONS

Article 15

Amendment to Annexes

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 progress.*

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, **12** and 15 shall be conferred on the Commission for an indeterminate period of time from [**OJ**: date of entry into force of this Regulation].
3. The delegation of power referred to in Articles 8, **12** 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, **12** 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(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
 - a) relevant developments concerning Union legislation, *including its coherence with Directive 2003/87/EC and Directive (EU) 2018/2001, Regulation (EU) 2021/1119, and Regulation (EU) 2018/842 and Regulation (EU) 2018/841;*
 - b) *the relevant developments concerning the* United Nations Framework Convention on Climate Change and the Paris Agreement, *including rules and guidelines related to the implementation of article 6;*
 - c) technological and scientific progress, *best practices and* market developments in the field of carbon removals;
 - d) *the potential for permanent carbon storage in third countries, subject to international agreements referred to in Chapter III of [NZIA], while providing for equivalent conditions to those laid out in the CCS directive to ensure permanently secure and environmentally safe geological storage of captured CO₂;*
 - e) *the environmental impacts of increased biomass use resulting from this Regulation, including impacts on land degradation and ecosystem restoration;*
 - f) *the impacts on* Union food security *and land speculation; and the cost of the certification process.*
2. [Three years after [OJ: *date of* entry into force of this Regulation] *or by 31 December 2028 which ever comes first*], 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.

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- 1b.** *By 31 July 2026, the Commission shall review the application of this Regulation to emissions reduction from the IPCC source category of Agriculture, sub-category of 4a enteric fermentation and 4b manure management, as determined pursuant to Regulation (EU) 2018/1999 and the implementing acts adopted pursuant to it, taking into consideration opportunity costs, the evolution of regulatory framework, possible negative effects leading to GHG-emission increase, the Union 2040 climate targets, as proposed in accordance with Article 4(3) of the European Climate law, and present a report to the European Parliament and the Council. This report shall be based, among others, on a pilot certification methodology for activities that reduce agricultural emissions from enteric fermentation and manure management. The Commission shall, where appropriate, present a legislative proposal accompanying the report to extend the scope of the activities covered under this Regulation to emissions reduction from the IPCC source category of Agriculture, sub-category of 4a enteric fermentation and 4b manure management, as determined pursuant to Regulation (EU) 2018/1999.*
- 1c.** *By 31 July 2026, the Commission shall assess additional requirements needed to align this Regulation with Article 6 of the Paris Agreement and best practices, including corresponding adjustments, host party authorization and methodologies. This assessment shall review the use of certified units to compensate emissions generated outside of the EU NDC and the Union's climate objectives and shall be accompanied, where appropriate, by a legislative proposal.*

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 █ ,

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 the following elements, *taking into consideration the specificities for different activities*:

- (a) *type of activity and* description of the *practices and processes* covered, including its *activity period and* monitoring period;

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- (b) rules for identifying all carbon removal sinks and GHG emission sources referred to in Article 4(1), (2) and (2a).
- (c) rules for calculating the *baseline referred to in Article 4(1), point (a), or in Article 4 (2.1), point (a) and (2.2), points (a) and (c), or in Article 4(2a) point (a)*;
- (d) rules for calculating the total carbon removals referred to in Article 4 (1), *point (b), or in Article 4 (2.1), point (b), or in Article 4(2a) point (b)*;
- (da) *rules for calculating LULUCF soil emissions referred to in Article 4 (2.2), point (b)*;
- (db) *rules for calculating agricultural soil emissions, referred to in Article 4 (2.2), point (d)*;
- (e) rules for calculating *GHG_{associated} emissions referred to in Article 4(1), point (c), in Article 4 (2.1), point (c), in Article 4(2.2), point (g), and in Article 4(2a), point (c)*;
- (ea) *rules for updating the standardised baselines referred to in Article 4(5a) and for updating the activity-specific baseline referred to in Article 4(7)*

- (f) rules to address uncertainties in *a conservative manner 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 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), including rules on the risk of failure of the relevant liability mechanism;*
- (ia) *rules for operationalising the requirement referred to in article 6(3);*
- (ib) *rules on monitoring of soil emission reductions referred to in article 6(3a);*
- (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).

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Annex II

Minimum information included in the certificate referred to in Article 9

The certificate *of compliance* shall include the following minimum information:

- (a) name and type of the ■ activity, including *practices and processes, and* the name and contact details of the operator or group of operators;
- (b) the location of the ■ activity, including geographically explicit location of the activity boundaries, respecting 1:5000 mapping scale requirements for the Member State;
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- (c) *duration of the activity period, including start date and end date;*
- (d) name of the certification scheme;
- (e) name, *address and logo* of the certification body;
- (f) ■ unique ■ number or code *of the certificate of compliance;*
- (g) place, date of issuance *and validity period* of the certificate *of compliance;*
- (h) reference to the applicable certification methodology referred to in Article 8;
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- (i) *permanent* net carbon removal benefit referred to in Article 4(1), *or the temporary net carbon removal benefit referred to in Article 4(2.1) or the net soil emission reduction benefit referred to in Article 4(2.2) or the temporary net carbon removal benefit referred to Article 4(2a);*
- (j) carbon removals under the baseline referred to in Article 4(1), point (a), *or in Article 4(2.1), point (a), or in Article 4(2a) point (a); or soil emission under the baseline referred to in Article 4(2.2), points (a) and (c);*

- (k) total carbon removals referred to in Article 4(1), point (b), *or in Article 4(2.1), point (b), or in Article 4(2a) point (b); or total soil emissions referred to in Article 4(2.2), point (b) and (d)*;
- (l) increase in direct and indirect **GHG_{associated}** emissions referred to in Article 4(1), point (c), *in Article 4 (2.1), point (c), in Article 4(2.2), point (g), and in Article 4(2a), point (c)*
- (m) breakdown by gases, sources, carbon sinks and stocks with regard to the information referred to in points (j), (k) and (l) ■
- (n) duration of the monitoring period of the activity;
- (na) *amount of biomass used and proof of compliance with the minimum sustainability requirements referred to in Article 7(2)*;
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- (o) any sustainability co-benefits referred to in Article 7(3);
- (oa) *for carbon farming, co-benefits referred to in Article 7(1a)*;
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- (p) reference to any other *international or national certification, including the unique certification number or code*;
- (q) *type of liability mechanism, contribution of the activity to the mechanism and the liable legal or natural person*;
- (r) *quantity and validity of certified units*;
- (s) *uncertainties in the quantification of carbon removals and soil emission reductions in accordance with Article 4(8)*.

Minimum information included in the Union registry and certification registries referred to in
Article 12

The Union registry and certification registries referred to in Article 12 shall include the following minimum information for each activity and each certified unit:

- a) name and type of the activity, including name and contact details of the operator or group of operators;
- b) location of the 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 ;
- d) name of the certification scheme, including its recognition decision referred to in Article 13, its rules and procedures and the list of appointed certification bodies referred to in article 11, and its annual reports referred to in Article 14;
- e) reference to the applicable certification methodology referred to in Article 8;
- f) expected annual net benefit referred to in article 4;
- g) any sustainability co-benefits referred to in article 7;
- h) certification status, including certificates of compliance and certification and re-certification audit reports referred to in Article 9; quantity and status of the certified units (e.g. issued, retired, expired, cancelled, allocated to a buffer), and end-use purpose of the certified units and the using entity.