PUIO • **EU** Carbon Removal Certification Framework

Puro.earth Policy Brief

What is the EU CRCF?

The EU would like to build trust and harmonisation in carbon removals, and recognises it needs these activities to deliver the net in net-zero emissions. Therefore, the EU CRCF will certify carbon removals in the EU, with the opportunity to link to other countries which store CO₂ from the EU such as Norway. This is a certification framework, and it does not focus on the use case though there are some conditions, see "use of units" below. The EU's Carbon Removal Certification Framework (CRCF) is provisionally agreed and we believe it will be operational by Q1 2026. The CRCF seeks to certify carbon removals in the EU and create carbon removal units. CO2 Removal Suppliers can continue to operate in the voluntary carbon market until this framework is operational. Puro.earth will seek to become recognised as a certification scheme by the EU Commission, and we could therefore issue EU carbon removal units. This policy brief explains the certification framework at a high-level and it will be updated once we receive more information.

Other pieces of legislation cover the use case as the <u>EU Green Claims Directive</u>, which is going through political negotiation.

What's in scope?

Types of units - There will be four types of units:

- (i) permanent carbon removal,
- (ii) temporary carbon storage in long-lasting products (at least 35 years), (
- (iii) temporary carbon storage from carbon farming; and
- (iv) soil emission reductions from carbon farming.

Activities in marine environments are included as well as Bio-Energy Carbon Capture and Storage (BECCS) and Direct Air Carbon Capture and Storage (DACCS), and biochar are mentioned, however, the overall scope isn't entirely clear, and we are working to find out more. For permanent carbon removal, the carbon dioxide (CO₂) must be stored for at least "several centuries" which we believe means 200 years.

Use of units - certified units can only be used for the EU's climate objectives and Nationally Determined Contribution (NDC), and shouldn't be used outside of the EU, or for international compliance schemes such as Carbon Offsetting Reduction Scheme for International Aviation (CORSIA). We expect that the units could be used in the voluntary market too if customers request an EU Carbon Removal Unit and are seeking clarification from the EU Commission. There is no mandate for buyers to purchase EU Carbon Removals Units from this framework. We hope that demand will be incentivized in the future through complementary policy measures.

Methodologies - The Commission's <u>Expert Group</u> on carbon removal is discussing the methodologies. The EU Commission will write technical certification methodologies, and the EU Commission is evaluating our methodologies.

Registry - An EU-wide Union registry will be developed by 2028. Meanwhile, registries from the voluntary carbon market, and government bodies will store information and must be able to interoperate. There are no details yet on how they will operate.

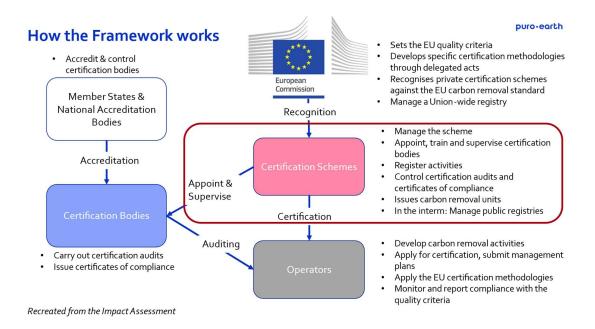
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When will this framework be operational?

We expect the framework will start to operate in Q1 2026 but not for all activities because rules need to be set for:

- Methodologies with are the rules that CO₂ Removal Suppliers need to follow to demonstrate that a removal has occurred;
- How units will be created through the certification process including rules for certification schemes, and how projects will be verified by certification bodies; and
- How the registries will operate.

The original framework is below from the Impact Assessment. The red box shows the potential role of a certification scheme where Puro.earth could apply to be recognised by the EU Commission.



We have asked the EU Commission for an Implementation Roadmap so we can understand this process better and ensure Puro.earth CO₂ Removal Suppliers are informed.

What does this mean for CO₂ Removal Suppliers registered within the Puro Standard?

CO2 Removal Suppliers can continue to operate under the Puro Standard. The EU CRCF is a voluntary framework. We assume that CO2 Removal Suppliers can choose which framework they wish to use once the EU CRCF is operational and the relevant methodology is agreed.

What is Puro.earth's role in the EU CRCF?

We can apply to be recognized as a certification scheme by the EU Commission, see diagram above. We would issue carbon removal units and they would be published in our registry.

Useful resources

Once the EU CRCF has been through final political agreement before the EU elections in June 2024 it will be published in the Official Journal.

This is a work in progress, and we will update this policy brief when more information is available on the technical rules to be written and implemented.

The EU Commission's page on the EU CRCF