

ERCST's response to the Commission's proposal for a Regulation establishing a Union certification framework for carbon removals

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The European Roundtable on Climate Change and Sustainable Transition (ERCST) welcomes the initiative of the European Commission (EC) to establish a Union-wide certification framework for carbon removals.

Although the proposal for a Regulation can be considered a valuable attempt to ensure harmonisation of and incentives for the uptake of high-quality carbon removals in the EU towards achieving climate neutrality by 2050, further considerations and recommendations are needed to make the proposed framework more ambitious and comprehensive.

In current policy debates, CCS is divided into three phases: capture, transport, and storage of CO₂. While there are differences in the methodology and business models among the three phases, this subdivision does not apply at the regulatory level: once captured, the CO₂ is necessarily transported, but not necessarily stored. This is one reason why the focus should be on CO₂ storage, while capture and transport should be provided as services to the storage.

Such a vision is a driver for incentives among the whole value chain without having to distinguish not only the three phases but also whether the CO₂ is captured in the stack or from the atmosphere. This characterisation is detrimental to the full deployment of the technology and does not reflect the principle of technology neutrality. The EC should not focus on where the capture takes place but only on whether the storage happens or not. In this way, stakeholders are given the choice to implement the technological solution that is best suited to them based on the market.

In addition to that, by focusing on CO₂ storage only, it will become easier to open the proposed certification framework to the recognition of storage activities taking place outside the EU. After all, carbon neutrality is ultimately an international target, and storing CO₂ is a valuable good worldwide.

Moreover, the Commission must recognise the increasingly important role that industry is called to play in reaching the net-zero target. The faster the development and deployment of removal technology are within the EU, the more competitive the EU will become in international markets. If there is no fast development, the EU will fall behind. The creation of a market based on storage credits can fulfil this objective and put the EU at the forefront.

Furthermore, the EC proposal seems weak on some more specific points, starting with the voluntary nature of the designed framework.

The choice of a voluntary system means that the Commission does not yet take into account the demand for certifications. Therefore, it is unclear what the certificates can be used for and what the incentives are for operators to certify their removal activities. Furthermore, the non-recognition of the EU ETS as a possible market for removal certificates will only increase the pressure on the EU

industry and is puzzling given that the EC has mentioned a report to be prepared by the end of July 2026 on the possibility of covering removals under the ETS¹.

Concerns should also be raised on the concept of additionality. Historically, additionality has been difficult to prove and has been debated for many years in international negotiations under both the Kyoto Protocol and the Paris Agreement. Moreover, it is very difficult to objectively demonstrate whether additionality took place due to the incentive effect of this regulation. Indeed, there are various interlinkages with other policies and economic forces, which makes it difficult to track back where the incentive comes from. At the same time, the demonstration of additionality relies on counterfactuals, which are impossible to prove.

¹ Provisional Agreement on the revision of the EU ETS Directive (2021/0211(COD), 2021/0202(COD)).