

# THE CARBON REMOVAL CERTIFICATION FRAMEWORK & FOREST MONITORING

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**Contact:**

Julia Bogнар, Krystyna Springer (IEEP)



**ABOUT:** The Commission has proposed a voluntary regulatory framework for the certification of carbon removals (CRCF). The purpose of these certificates is to facilitate private investments into sustainable carbon removals, which includes nature-based removals such as forests or soils. The intention is to harmonise standards for voluntary carbon markets and to provide government-backed claims of climate mitigation in light of the challenges posed by purchases of carbon offsets in private markets and greenwashing claims of carbon “neutrality” towards consumers. The CRCF will provide credible certification for third-party verification, public and private certification schemes, and publicly accessible registries. Certificates are to be a voluntary framework for the monitoring, reporting, and verification of carbon removals. The framework proposes three types of removals, including carbon farming (which would include nature-based solutions, such as afforestation), permanent carbon storage (such as Direct Air Capture Carbon Storage), and carbon storage in products (such as harvested wood products).

## MONITORING AND REPORTING REQUIREMENTS

To ensure the quality of carbon removals certified under the framework, removals will need to meet quality criteria (so-called “QU.A.L.I.TY” criteria, where QUALITY = quantification, additionality, long term storage, sustainability). Quantification refers to accurate calculations of how many removals have occurred. Additionality refers to whether or not a project has incentivized ‘additional’ removals compared to a scenario in which the project did not occur. If the removals would not have occurred without revenue from the sale of carbon certificates, then it can be considered additional. Additionality is heavily dependent on estimates of a baseline, which is a hypothetical scenario of what would have most likely occurred in the absence of any intervention to mitigate the impact of GHG emissions. Long-term storage refers to the permanence of a carbon removal - The benchmark for permanence in carbon removal projects is generally considered to be 100 years. Permanence is necessary in order to avoid the release of CO<sub>2</sub> emissions into the atmosphere and reversing the climate benefits of a carbon project. Sustainability refers to an integrative approach, in which the objectives of a removals project should not just be climate mitigation, but should also take into consideration benefits for biodiversity, water or adaptation.

With the assistance of an expert group, the Commission will develop an MRV system for the certification of carbon removals. Tailored certification methodologies will be developed with the expert group to be defined and detailed through delegated acts.

There are particular challenges the forest sector may face, particularly in regards to the QU.A.L.I.TY criteria. The CRCF will use standardized baselines to determine additionality – which can be based on average emissions and removals. However, there are risks to standardized baselines. If the true

baseline outperforms an estimated baseline, then the framework could mistakenly certify removals that are not actually additional. However, if a baseline is estimated to be higher than the true baseline, then foresters will not have their activities certified despite the contribution. This concept of additionality will be particularly challenging for forests as it has yet to be decided whether activities that are a result of carbon sink targets established by Member States could be considered 'additional.'

Another particular challenge for forests is the 'permanence' criteria. It is difficult to avoid reversals of nature-based carbon storage – carbon stored in biomass can be quickly released into the atmosphere through unintended impacts from natural disturbances, such as forest fires or floods. Reversals may also occur from intentional acts occurring from changes in forest management practices. Determining how to ensure foresters will commit to long-term storage will be of importance under the framework, and provisions will need to be made if land is passed on to new operators/owners.

### **HOW CAN THE FOREST MONITORING FRAMEWORK PLAY A ROLE IN SUPPORTING THE CARBON REMOVAL CERTIFICATION FRAMEWORK?**

There is a need for better quality data to ensure more accurate estimates of removals, particularly in determining more precise estimates of standardized baselines – this reduces the risk of certifying projects that are non-additional as well as exclusion of projects where the baseline is estimated to be higher than the true baseline. The Framework can also monitor long term storage of forest-based removals that have been certified and provide timely updates on potential (un)intentional reversals. The framework will also provide better transparency in data, in which citizens and civil society organisations can access data to determine the overall effectiveness of the CRCF in certifying 'additional' removals.



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