



**RECOMMENDATIONS
FOR IMPLEMENTATION
OF THE EU-CRCF
REGULATION**

INTRODUCTION AND OVERVIEW

IETA WELCOMES THE ADOPTION OF THE EU CARBON REMOVALS CARBON FARMING (EU CRCF) REGULATION, THE FIRST INSTRUMENT OF ITS KIND TO ESTABLISH A FRAMEWORK FOR THE CERTIFICATION AND QUALITY OF CARBON REMOVALS IN THE EU. ALONGSIDE ROBUST AND SUSTAINED EFFORTS TO BOOST EMISSION REDUCTION LEVERS, CARBON REMOVALS ARE ESSENTIAL TO DELIVER THE NET IN NET-ZERO EMISSIONS BY PROVIDING ABATEMENT OPTIONS FOR HARD-TO-ABATE SECTORS AND DRIVING CONTINUED EMISSIONS MARKET LIQUIDITY. IN THIS CONTEXT, THE EU CRCF REGULATION WILL BE THE CORNERSTONE FOR HIGH-QUALITY CARBON REMOVAL UNITS IN THE EU.



CONTEXT

In February 2024, the European Commission published its Communication on the 2040 EU Climate Target, recommending a 90% reduction in net GHG emissions by 2040.¹ To achieve this reduction target by 2040, the Communication states that carbon removals, through land-based and industrial domestic carbon removals, should reach 400 MtCO₂. A robust system for carbon removals to address the supply, financing, and demand for removal credits will be crucial for the EU to meet its climate targets. To deliver the 90% reduction target, the EU CRCF should empower participants in the EU carbon market, both on the supply and demand side, to engage with it at scale and over many years. **To ensure the effective implementation of the EU CRCF, IETA recommends the following:**

IETA RECOMMENDATIONS

1. Implementation roadmap:

IETA calls for a clear timeline for implementation as to how and when rules for certification bodies, certification schemes, the Union registry, and the methodologies will be issued to establish regulatory certainty as early as possible. Clear guidance on when the delegated and implementing acts to be prepared under the framework will be open for feedback and planned for adoption will increase transparency of the implementation process.

2. Inter-operability of the EU CRCF:

We strongly recommend the Commission to make best use of the existing market infrastructure, to draw on the expertise and know-how of market players and set workable and transparent criteria to ensure the EU CRCF delivers for the climate. Taking inspiration from the best practices of existing certification schemes and internationally recognised initiatives will support the swift and robust implementation of the EU CRCF.

Furthermore, IETA recommends that the CRCF registry is designed to be compatible with the EU ETS Registry, therein making any future integration of permanent removals in the EU ETS easier. The fungibility of EU CRCF units in respect of overlapping EU policies (i.e. recognition under the EU ETS or reporting requirements under non-financial policies such as the Corporate Sustainability Reporting Directive) will be necessary for the effective implementation of the framework. We call on the Commission to take global developments into consideration cognizant of, inter alia, the requirement under Article 18(4) of the CRCF Regulation to, by 31 July 2026, align the Regulation with Article 6 of the Paris Agreement and best practices.



3. Early starters and administrative burden:

Existing carbon removal projects require clear information on the administrative processes to transfer to EU CRCF certification. Providing clear guidance on the necessary accounting and enabling choice between existing voluntary carbon market standards and the EU CRCF will be crucial to keep investment flowing into the sector. Furthermore, we ask that the EU CRCF delivers a workable and transparent certification framework for both operators and project developers that work on behalf of groups of operators. Any unnecessary administrative burden and regulatory duplication should be prevented to ensure the attractiveness of certification. This will be necessary for the EU CRCF to stimulate project deployment.

4. Facilitating demand for CRCF units:

Once operational, the EU CRCF itself will not facilitate demand for carbon removal credits. How quality is determined, measured, and reported will influence how CRCF credits are used and recognised in the broader EU regulatory framework. Clarity on use-cases will be a decisive element in generating demand for CRCF credits. We ask the Commission to bring forward clear proposals on the use-cases for both engineered and nature-based CRCF credits.

Furthermore, we ask for clarity on the Commission's views on the role of CRCF credits in respect of the following:

- a. An emissions trading system for agriculture (including how temporary credits can be used and recognised);
- b. Whether CRCF credits are expected to be eligible under CORSIA, for EU based airlines, and;
- c. Whether and how nature-based and engineered CRCF credits can be used in corporate climate-related claims, and how the EU Green Claims Directive supports demand from the EU CRCF as well as equivalent international schemes.

For engineered removals, we ask that the demand for CRCF credits is considered in the Commission's report assessing how negative emissions removed from the atmosphere and permanently stored 'could be accounted for and how those negative emissions could be covered by emissions trading', to be published by 31 July 2026.

Moreover, carbon farming credits can only drive the intended change if they are an appealing tool to landowners. We urge the Commission to clarify the economic case for temporary crediting so as to help us form a view on, inter alia, the proposed methodological approaches and procedures under the EU CRCF.

CONCLUSION

REPRESENTING A BROAD RANGE OF STAKEHOLDERS COVERING THE KEY AREAS AND RESPONSIBILITIES OF THE CRCF, IETA FIRMLY SUPPORTS THE ROLE OF THE EU CRCF IN FACILITATING THE SCALE-UP OF HIGH-QUALITY CARBON REMOVALS IN THE EU. THE IMPLEMENTATION OF THE CRCF MUST INCLUDE COMPREHENSIVE RULES FOR EXISTING MARKET PLAYERS, WORK TO ENCOURAGE PROJECT DEPLOYMENT, AND FACILITATE DEMAND FOR CRCF UNITS. ENSURING COMPATIBILITY WITH EXISTING MARKET SYSTEMS, REDUCING ADMINISTRATIVE HURDLES, AND DEFINING USE-CASES FOR CRCF UNITS, ARE NECESSARY CONSIDERATIONS FOR A SUCCESSFUL IMPLEMENTATION.



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THE ROLE OF THE EU
CRCF IN FACILITATING
THE SCALE-UP OF
HIGH-QUALITY CARBON
REMOVALS IN THE EU

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