



Co-creating a common EU  
vision of carbon removals

# CO-CREATION RULES & PROCESS FOR PARTICIPANTS

Collectively contributing  
to the policy debate on financing  
mechanisms for CDR

APRIL 2025

DRAFT



Following a successful first phase of co-creation with 48 stakeholders on Carbon Dioxide Removals (CDR), CMW is proud to announce a second phase - with a focus on funding mechanisms for sustainable CDR.

At CMW, we believe in the power of convening and co-drafting constructive proposals ahead of key legislative and political milestones. Our aim is to foster a safe space for dialogue, creative thinking, and alignment across diverse perspectives.

Below, you'll find a draft outline of Phase 2 and a set of proposed ground rules. These are based on lessons learned from Phase 1, with some improvements to maximise the benefits and impact of this second phase. In particular, we now ask participants to commit to the process upfront and share ownership of the results. We invite your feedback on both the process and the rules, and look forward to shaping the final output together.

# WHAT IS THE SCOPE OF PHASE 2?

**To successfully tackle climate change, reducing emissions as fast and deep as possible remains critical.** At the same time, and without undermining efforts to slash emissions, there is a need to support the development of a sustainable carbon dioxide removal (CDR) capacity that is required to balance out limited residual emissions and reach net negativity.

In the EU, there is currently a significant focus on relying solely on the voluntary carbon market and potentially the EU Emissions Trading System to provide finance for removals. Both of these options can create mitigation deterrence and distract from alternative solutions that pose fewer risks to climate integrity and might be more effective for testing and scaling high-quality CDR.

Building on, but not limited to, the results of phase 1 of CO2ol Down, CMW is convening phase 2 of the collaborative process to design and refine compliance funding mechanisms for permanent CDR, including:

- The Public CDR Development Fund for early-stage initiatives;
- The Blended CDR Delivery Fund, which combines public and private investment;
- Exploration of other financing options, such as a Removal Trading Scheme, the use of ETS revenues, and public procurement mechanisms.

Considering the limited time and capacity, this process will mainly focus on compliance mechanisms for permanent removals. However, we are open to allocating part of the discussion to assessing whether the considered instruments can also, in parallel, support important, yet likely more vulnerable, biogenic sequestration processes. Incentivising nature protection and restoration activities, which in turn enhances carbon uptake from natural sinks, remains urgent and requires dedicated efforts and solutions to be provided by policymakers.



# WHAT ARE OUR CORE PRINCIPLES?

Participants should agree to the following fundamental points at the start of Phase 2:

- Removals should not be used as a substitute for reducing emissions, nor therefore should funding for CDR deter from accelerating investments to support drastic emissions reductions.
- The EU should separate targets for emissions reduction, land-based sequestration and permanent removals.
- This process will only consider alternatives to the integration of CDR in the EU Emissions Trading System.

## WHAT WILL THE OUTPUT OF PHASE 2 LOOK LIKE? AND WHAT ARE YOU COMMITTING TO?

The aim of phase 2 is to detail, to the extent possible, the key elements of potential EU compliance instruments to finance permanent removals into proposals to be presented to policymakers.

These proposals will result from the collective contribution of participants during two co-creative workshops. Instead of seeking a formal consensual statement that might limit creativity, the final outputs will reflect diverse input and will offer “food for thought” to enrich the policy debate on CDR financing.

By joining the co-creation process, participants commit to actively engage in collaboratively shaping policy outcomes that reflect shared understanding and collective expertise. The final results will be co-owned by all involved and presented as a product of a joint effort.

While we will strive to create a positive environment to foster collaboration, we acknowledge that some differing perspectives may arise. If needed, key objections and areas of disagreement will be identified and reflected in the final documents

# HOW CAN YOU BEST APPROACH CO-CREATION?

In this co-creation process, the goal is not compromise, but collaboration. This means building something meaningful together by drawing on the diverse perspectives and expertise of all participants. We aim to develop original and impactful recommendations that reflect the richness of our different viewpoints.

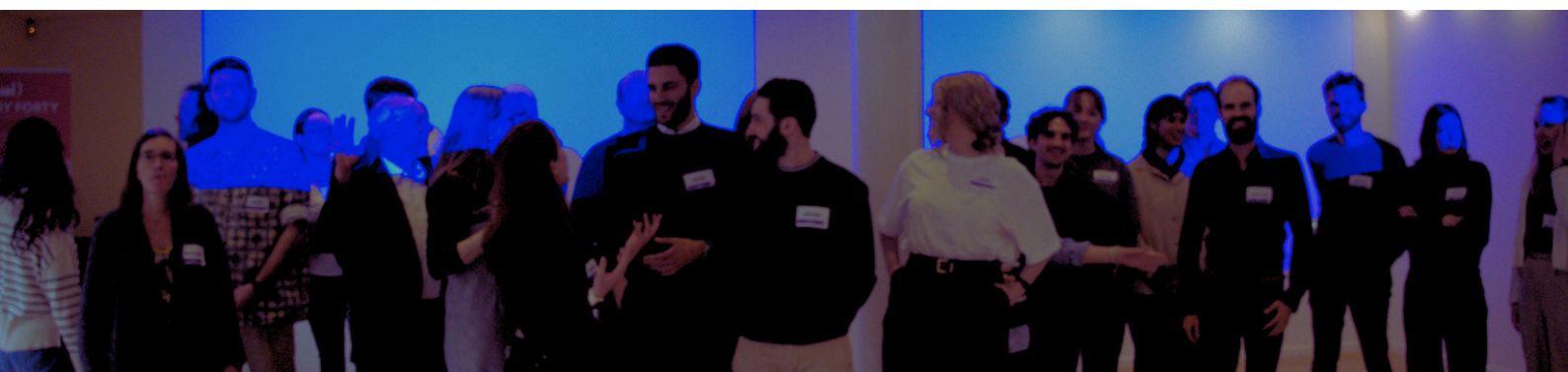
For this to happen, we encourage you to stay engaged, listen actively, and look for ways to integrate ideas rather than focus on disagreement. While we may not always align on everything, the strength of this process lies in our ability to work out solutions collaboratively that are greater than participants' individual contributions.

Participants should approach each workshop with openness, curiosity, and creativity. In this way, we will be able to work on solutions which are both inclusive and innovative.

OPENNESS

CURIOSITY

CREATIVITY





# WHO IS INVITED TO CONTRIBUTE?

Carbon Market Watch is convening a focused group of experts from academia, civil society, and industry, selected for their knowledge and direct interest in financing permanent carbon removals.

All Phase 1 invitees—including those who were unable to participate—will be invited again. However, to ensure productivity and efficient use of resources, a smaller core group of around 30 participants will be selected to take part in the workshops and co-draft the recommendations. Selection will be based on:

- Expertise in funding mechanisms
- Diversity of perspectives
- Availability and commitment
- Capacity to engage peers within their sector or organization
- Gender balance and inclusivity

Those not selected for direct participation in the workshops will still be able to provide feedback to and support the draft conclusions and proposals after the workshops.



# HOW WILL WE WORK IN PRACTICE?

The process is convened by Carbon Market Watch, supported by Dreamocracy. Participants will work together during two full-day (9:30 am to 4:30 pm) co-creation workshops, with some work in between. The workshops will be held in person in Brussels.

**2 FULL DAYS**

**9:30 AM TO 4:30 PM**

Between and after the workshops, an Editorial Board will streamline the concrete proposals. The Editorial Board will consist of three individuals drawn from CMW's and Dreamocracy's teams, who will form the "secretariat" that produces initial draft conclusions and recommendations, and three volunteers drawn from the participants in Phase 2.

The Editorial Board will work online between and after the workshops. It will share the draft conclusions of Workshop 1 for comment ahead of Workshop 2 and the draft recommendations after Workshop 2. All participants will be invited to comment on and amend the final documents streamlined by the Editorial Board.

There will be 6 key steps in Phase 2:

**APRIL**

- Deadline for applications on **2 May**
- The list of participants is announced on **6 May**
- Workshop **1** on **22 May**

**1ST HALF  
OF JUNE**

Workshop 2  
(date TBD)

**SEPTEMBER  
TO OCTOBER**

Launch and  
dissemination

Recruitment  
and preparations.  
An infocall with  
Q&A will be  
organised,  
probably in the  
week commencing  
on **28 April**

**MAY**

Editorial Group  
shares draft  
conclusions of  
Workshop 1

**2ND HALF  
OF JUNE**

: Editorial Group shares  
draft final document for  
feedback, finalisation

**OCTOBER  
ONWARDS**



CARBON  
MARKET  
WATCH



**dreamocracy**



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