

CRCF Draft on Permanent Carbon Removals Lacks Scientific and Environmental Integrity

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This statement is being brought on behalf of the following NGO members of the Carbon Removal Expert Group (CREG): Bellona, ECOS, EEB, CATF, Fern and CMW

Today we're discussing the draft delegated act on permanent removals, which in the vision of the Commission encompasses direct air capture and storage (DACCS), biogenic emission capture and storage (BioCCS) and biochar. These methodologies are now set to play a major role in EU climate policy, given the 2040 target proposal and the insistence of Commissioner Hoekstra to integrate permanent removals into the EU ETS.

We are deeply concerned that these units may be used for compliance in the not-so-distant future.

This draft delegated act, and the methodologies it contains, is not fit for purpose. To quote an <u>independent assessment</u> by Öko-Institute: "The proposed CRCF methodologies are among the lowest quality methodologies that [öko-institute] have reviewed so far."

We agree with this and strongly urge the Commission to fundamentally revisit all methodologies before any units issued under the Carbon Removals and Carbon Farming regulation (CRCF) can be deemed trustworthy.

We are also calling on the European Commission to delay approval of this delegated act to allow for a thorough review of the proposal and to incorporate additional recommendations to ensure that the act conforms with the CRCF legal text.

If not, the CRCF itself will not have the climate benefit it needs to have, and it will undermine the delivery of wider EU climate policy, including the reaching of any 2040 target, and the functioning of the EU ETS. Importantly, it will also set back the wider CDR field and industry active in this space.

The current draft delegated act does not respect the CRCF legal text itself, and leaves these methodologies open to legal challenge (several of the NGOs supporting this statement are evaluating issuing such a legal challenge). On permanent removals specifically, the CRCF text requires methodologies to:

- Quantify CDR in a conservative, accurate, complete and robust manner;
- Quantify net carbon removal benefits, subtracting any associated GHG emissions including indirect land use change;
- Take on board the latest available scientific evidence;
- Only certify activities that are additional;
- Monitoring reporting and verification (MRV) and liability set in a manner consistent with the CCS Directive;
- Promote the protection and restoration of biodiversity and ecosystems;
- Ensure the avoidance of unsustainable demand for biomass raw material.

These requirements are simply not met, especially for BioCCS and biochar. And neither is the precautionary principle enshrined in the Treaty on the Functioning of the European Union.

First, the current proposal does not adequately address the key source of indirect emissions and indirect land use change (ILUC): the real impacts of biomass use on the biosphere and the atmosphere. If the current text remains unchanged, this delegated act could be used to certify unsustainable burning of forests in the name of climate change mitigation. The CRCF clearly calls upon the methodologies to go beyond the Renewable Energy Directive (III) biomass criteria and this proposal fails to do so. The Commission has stated they don't want this methodology to increase biomass demand, yet we do not see that welcome intention implemented in the draft delegated act.

Second, automatic additionality is assumed across the board for these three activity types. No regulatory or financial additionality testing is even listed, even though these are activities that are happening, are receiving subsidies, and that may become mandatory in some or all member states.

Third, there are no meaningful Measurement, Reporting or Verification (MRV) or liability rules in place for biochar - which has been added to the permanent carbon removal group without clear agreement within the Expert Group. The CRCF text is clear that MRV and liability rules must be consistent with the CCS Directive. Currently, they simply are not. Moreover, overlaps between the biochar and agricultural soil methodology are still being ignored.

These are only a few examples, and they represent significant, not minor problems: they threaten to turn possible climate solutions into additional climate and biodiversity damage. They undermine the simple environmental delivery of the CRCF, and cast doubt upon the validity and worth of any project that goes through this process, and any unit that is issued. While the DACCS methodology is not perfect - it is better - but its units will be tainted by problems throughout the rest of this scheme.

We NGOs have invested significant human and financial resources in the CRCF, and been constructive throughout this process. We are deeply disappointed by the text put forward as a draft delegated act, as we have given input and solutions on each of the aforementioned key issues time and time again over the past years. We've been told political decisions have been taken, and we understand that as meaning that science and the environment must take a back seat here - which is not an acceptable approach in climate policy.

Given we NGOs cannot seem to change the political imperatives fed into this CREG process, we call upon the European Parliament and the Council to object to this draft delegated act and send it back to the drawing board. We call upon the Commission to revisit these draft methodologies to make them fit for purpose and lead to actual net removals for climate benefits, and to use the mandatory revision scheduled for next year to overhaul the entire CRCF. We also call upon the Commission to not integrate the CRCF or its units in any other climate policy file (ETS, ESR or other) until this scheme functions as the ceiling for quality it was purported to be, rather than the leaky floor it has become.

In case that call is not heeded, we warn any investors or purchasers of units: beware - these units are not credible, and they should not be used for any compensation claims. To quote Öko-Institute again: "If the European Commission does not fundamentally improve these methodologies, the vast majority of CRCF units will not represent any actual emission reductions or removals." We NGOs will help journalists and investors keep an eye on who uses these units for what.

Nevertheless, we remain firmly committed to working constructively with the European Commission to ensure that EU climate policy is fully informed by, and aligned with best available science.

Contact

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