



Dear friends and colleagues,

We are delighted to invite you to our upcoming workshop:

From here to where? Developing the CDR Legal Landscape in the EU

8am - 12pm BST, 28th June 2024 (online)

This C-SINK Project workshop, led by the University of Edinburgh, will bring together legal practitioners, researchers, and project developers to analyse the barriers inhibiting, and the factors promoting, Carbon Dioxide Removal (CDR) sector growth.

Reserve your place here

C-SINK is funded by the EU's Horizon Europe programme and aims to assist the Commission in developing a world leading CDR policy suite. This workshop is designed to be as accessible as possible for the practitioner community. A research report will be shared in advance to guide participants through the project's interim findings on which we welcome your feedback.

Background Information for Attendees

CDR and Climate Change

The rising concentration of CO2 in the atmosphere, currently about 420 ppm, is already causing extensive damage globally. The urgent need to deploy Carbon Dioxide Removals at scale to help keep the temperature rise under 2°C (or preferably 1.5°C) is broadly acknowledged.

Until recently however, academic research apart, little has been done to drive the necessary growth of the CDR sector. Extant self-regulated (voluntary) markets for carbon removals rely on a patchwork of third-party verification, lack scale, and have been negatively influenced by a lack of both regulation and high-quality standards. This has allowed low-quality carbon credits to enter the market, lowering credibility and prices to levels at which high-quality permanent removals cannot compete. These and other factors inhibit investment and stymie potential for CDR sector growth.









Mapping CDR in the Current EU Framework

While the European Green Deal acknowledges the need for CDR by the adoption of a legally binding target of net zero by 2050 and net-negative GHG emissions thereafter, EU policy for CDR remains underdeveloped. Member States can only use removals from forestry and land use management to comply with climate policy commitments; and removals from LULUCF are not able to generate credits under the EU ETS, thus limiting their capacity to facilitate any forthcoming negative cap under that mechanism.

The European Climate Law is widely acknowledged to need significant amendments to meet the CDR challenge. In December 2021, the European Commission published its Sustainable Carbon Cycles with 'plans to increase incentives for all LULUCF-based CDR methods (under the term carbon farming), expand support for innovation in Carbon Capture and Storage (CCS)-based CDR methods such as BECCS and Direct Air Carbon Capture and Storage (DACCS), and establish a certification framework for a broad range of CDR methods' – all of which require significant additions to regulatory frameworks, including the LULUCF Regulation, the CRCF proposal, and the EU Innovation Fund/Horizon Europe.

Most recently, the European Commission adopted its Industrial Carbon Management Strategy to align carbon removals with the EU's 2040 climate ambition and the climate neutrality goal of 2050, and will develop further supportive policies for industrial carbon removals and an assessment whether and how to include them in the EU ETS.

Workshopping the Gaps and Issues

The tasks of ensuring that the law and governance of CDR – whether biochar, BECCS, enhanced weathering, or others – are not hampered by existing, overlapping regimes will require careful rulemaking. There are however a number of larger, more strategic issues which the workshop will consider:

 The CRCF is a voluntary proposal and we know that the voluntary removal market is small, immature and lacks trust. Does there need to be a regulated compliance market for CDR in order to achieve sufficient scale?

Funded by the Europe of the author(s) only a







- Examples of carbon farming practices set out in the Commission's Sustainable Carbon Cycles include afforestation, agroforestry and peatland restoration.
 Should the CRCF's carbon farming category include novel removal methods such as enhanced weathering and biochar?
- The current design of the EU ETS does not allow for removals, though this is a
 widely mooted reform. If removals are to be included in the EU ETS, on what
 basis? Is there a case for durable/permanent removals, such as BECCS,
 DACCS, and perhaps biochar, to be included in the ETS?
- The CRCF proposal has been widely critiqued. Do its gaps, imbalances and
 overlaps present impediments to the success of the CRCF? Can the CRCF
 adequately account for the multiplicity of standards for some activities and
 provide an incentive to develop standards for others where currently there
 aren't any?
- Although EU Member States regulate many aspects of CDR land-based options, analysis of CDR frameworks in Member States highlights many shortcomings. What role as a regulator should the EU play, as opposed to member states, to enable the required CDR scale up?
- How ought these gaps and issues be accommodated in the existing LULUCF Regulation, the EU ETS Directive, and the European Climate Law et seq.?

If these or other issues are engaging your organisation, we would love for you to join the conversation.

<u>Register here</u> and we look forward to seeing you in June.

Navraj Ghaleigh, Justin Macinante and Luka Strubelj

Grant agreement no. 101080377 HORIZON-CL5-2022-D1-01-two-stage



