



## Feedback on the proposal for a Regulation establishing a voluntary framework for the certification of carbon removals in the European Union

The Confederation of European Forest Owners (CEPF) thanks for the opportunity to give feedback on the proposal for a Regulation establishing a voluntary framework for the certification of carbon removals in the European Union.

Although many details still remain unclear or to be defined, CEPF finds the proposed regulation as an important first step in the process of creating voluntary markets for carbon removals and recognizing the valuable work of forest owners in decarbonising Europe. European private forest owners applaud especially the opportunity to be compensated by committing to carbon sequestration in forests as well as producing raw material for wood-based products which store carbon and substitute fossil materials. The basis for this is sustainable forest management.

CEPF supports that the EU should establish clear monitoring and trading rules both for projects privately funded and voluntarily established. The market needs to be a clear possibility to diversify sources of income and not an obligatory target-based initiative.

## **Carbon farming**

CEPF welcomes the fact that the EU carbon removal certification would be based on voluntary measures. To build trust to rules for carbon removal schemes, monitoring, reporting and verifying for carbon credits should be created with as simple and implementable as possible and note already existing tools by Member States. Although the quality of already existing carbon certification schemes is getting better across the Europe, CEPF is open to defining minimum rules for carbon removal certification to increase transparency and bring synergies for carbon removal trading.

Some questions arise due to the fact that important detailed rules are left for future delegated or implementing acts. This could hamper the certainty needed to make the certification work and question the flexibility for forest-based solutions. Additionally, delegated and implementing acts can be in contradiction with Members State's competence on sustainable forest management which is to be decided as close to the forest holding as possible. A "one-size-fits all approach" in criteria preparation could hamper the efficient climate work of forests and prevent to make the schemes implementable in practice.

**CEPF applauds that** the new carbon removal regulation considers sustainable forest management as a nature-based solution that has a great role in delivering long-term contributions to climate change mitigation by increasing the carbon uptake in forests.

Part of the QU.A.L.I.TY criteria, additionality is mentioned as a key factor when developing carbon removal schemes. CEPF would like to highlight that in context of forest management, concepts of additionality and permanence mentioned in the proposal are complex concepts, since carbon removals fluctuate depending on different practises, lifecycle stages and possible natural disturbances. Therefore, different points of departure and different types of carbon removals should be well acknowledged depending on the type and state of forests.

In addition, the additionality concept should not be based only on certain management practices (afforestation, reforestation, restoration and improved management) but take into account all relevant practices resulting in carbon removals. According to the Commission, additionality should be considered when a quantified carbon removal goes beyond union and national statutory requirements. European forest owners have concerns that these requirements may lead to market discrimination since national requirements between Member States differ on great extent.

Overall, additionality should be based on a legally, scientifically and practically possible baseline which allows enough flexibility among Member States and different forest management practices. To secure long-term climate actions and investments to forestry, it is essential that certification related requirements do not change after a short period of time: forests are managed with time horizons up to 100 years and therefore to secure stable schemes is essential.

## Carbon storage products

Active forest management increases forest growth and thus carbon uptake which contributes to wood production. Therefore, long-term commitment to active forest management practices should be duly considered when determining the carbon removal certification and additionality. Supporting forest owners in long-term forest management should be seen as a necessary part of delivering "carbon storage products and materials" mentioned in the proposal.

In addition to carbon sinks and storages in forests, the Commission should ensure that all relevant wood products are included in a robust and coherent framework of carbon removals. Possible future marketable products could be e.g. increasing storage, holding stock or construction with timber.

## Sustainability and data collection

Since the work of framing a workable market for carbon removals in Europe is just starting, the carbon removal certification development should focus on its main objectives which are climate change mitigation and adaptation.

European private forest owners have concerns that putting in place additional requirements, e.g. objectives from Taxonomy biodiversity and climate-related criteria and Nature Restoration Law, would bring too much complexity, limit number of activities eligible for certification and hamper the climate efforts of forests. Therefore, links to other policy files could be considered at a later stage when having

more information about the actual implementation of carbon removal certification and more information about the final provisions of other EU-forest related files.

According to the Commission, forest monitoring and data collection will become an important factor when implementing the carbon removal framework. On that subject, national forest inventories - which combine both field and satellite data - are key in delivering reliable and accurate data on carbon sequestration and carbon farming, and in this case, data privacy of forest owners needs to be well considered.