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ENVIRONMENT, TERRITORY AND PUBLIC WORKS COMMITTEE

**FINAL DOCUMENT, PUBLISHED PURSUANT TO RULE 127 OF THE CHAMBER'S
RULES OF PROCEDURE, AND RELATING TO:**

Proposal for a Regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals
(COM (2022) 672)

Approved 25 October 2023

APPROVED FINAL DOCUMENT

The Environment, Territory and Public Works Committee of Italy's Chamber of Deputies,

Having examined under the meaning of Rule 127.1 of the Chamber's Rules of Procedure, the Proposal for a regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals;

Taking cognisance of the report on the proposal produced by the Government under the meaning of Article 6.5 of Law 234 of 24 December 2012;

Taking account of the information and assessments obtained in the course of committee hearings held in connection with the examination of the proposal;

Whereas:

The aims of the proposal are generally commendable in as much as they seek the furtherance of policies to counter climate change. The proposed regulation constitutes an important voluntary instrument for encouraging carbon removal, which is a necessary step in the direction of reaching the climate targets the EU has set itself;

The proposal reaffirms the central importance of farming, land management and sustainable forestry to climate adaptation and the green transition;

Considering that:

Under the proposal, substantial parts of the planned carbon certification system would be defined through delegated acts of the European Commission, including the certification methodologies (Article 8) and the minimum information that the certificates must contain (Article 15). Other elements of the certification process, such as how public systems and registers should operate, are, according to Articles 9, 11, 12 and 13, also to be decided by executive act;

The proposal could put Member States at risk of not reaching the targets set for them in the 2030 climate and energy framework because carbon-removal activities that private operators measure and trade on voluntary markets are not counted towards the national targets;

The potential for the double counting of credits, the uncertainties surrounding the trading of credits and the lack of incentives and funding for the development of carbon-removing technologies are all issues that need to be thoroughly examined so that appropriate changes and additions may be made to the text of the proposal;

Noting with specific regard to the agricultural sector that:

Agricultural practices that promote carbon removal should be remunerated with public incentives that are different and additional to those already available, albeit to an insufficient extent, under the Common Agricultural Policy; Measuring the carbon removed by agricultural enterprises would entail high costs, including for the employment of suitably qualified personnel, as well as administrative burdens that small and medium-sized companies may not be able to bear;

The proposed system for the certification of carbon removal fails to allow for numerous relevant factors such as the effects on agriculture of climate change, exceptional meteorological events, the specific nature or vulnerabilities of a given territory, all of which can affect outcomes regardless of the quality of the farming and land management practices. Further, some results may take a very long time to come about. Consequently, the proposal needs additional provisions not only for the calculation of the carbon actually removed but also for the recognition, in the form of action-based incentives, of activities that contribute to carbon removal;

Proper allowances must be made for the particular characteristics of various soil types and the related differences in the carbon-absorbing capacities of the lands belonging to individual Member States;

Owing to the differences in the absorption capacity of forest stands resulting from local ecological and socio-economic circumstances, account also needs to be taken of individual Member States' specific reforestation and afforestation activities, which must be conducted pursuant both to pan-European principles of sustainable forest management (SFM) and to, in particular, the provisions of the United Nations Framework Convention on Climate Change ("Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC");

The development of innovative cultivation practices with low environmental impact for specific forest monocultures and wood arboriculture in general, which is eligible for co-financing from the European agricultural fund for rural development (EAFRD), will entail giving proper weight to the contribution that such practices make to the goal of carbon removal and storage. They should also be eligible for certification based on technical-scientific criteria centred around the "Do no significant harm" principle;

Mindful that the present final document needs to be transmitted promptly to the European Commission as part of the political dialogue, as well as to the European Parliament and the Council, expresses a

FAVOURABLE ASSESSMENT

with the following conditions:

- 1) The use of delegated and executive acts to determine key elements of the certification framework needs to be specifically restricted and circumscribed by guiding principles and criteria. The key elements in question include the methodologies used, how certification schemes work and how they are assessed, the setting up and governance of public registers and the content of certificates. Applying such restrictions will require the amending of Articles 8, 9, 11, 12, 13 and 15;
- 2) Without prejudice to the voluntary nature of the carbon credit scheme, new rules need to be added to the proposal to clarify the relationship between, on the one hand, carbon removal that has been certified under the proposed voluntary scheme and, on the other, the binding objectives set by the European Union in its "Fit for 55%" package;
- 3) Article 2 needs to be amended with the addition of a definition of "greenhouse gas" and a rewording of its definition of "carbon removal" to align it with the definition adopted by the international scientific community and, in particular, the Intergovernmental Panel on Climate Change (IPCC);

- 4) To prevent the overestimation or underestimation of removals and emissions, there is a need for quantification methodologies that use solid, monitorable and verifiable scientific data in a manner consistent with the guidelines developed by the IPCC. One such quantification method that could be used is the internationally adopted metric for calculating tonnes of CO₂ equivalent, whose adoption would spare agricultural and forestry businesses from additional bureaucratic obligations.
- 5) To determine appropriate starting conditions and make sure the certification framework remains economically and socially sustainable, new regulatory provisions are needed to allow for the peculiarities and differences among Member States, territories, regions and even individual agricultural businesses, crops and cultures;
- 6) Consideration should be given to adding provisions to the proposed regulation to take due account of and therefore encourage (including through the possible allocation of public resources) sustainable forest management practices that reduce overall CO₂ emissions;
- 7) The certification framework must be designed to be simple and straightforward and to entail the lowest possible administrative costs, especially for small and medium-sized businesses, so that it encompasses as many companies and operators engaged in farming and land management activities as possible. The proposed regulation should therefore aim to minimise the costs and expenses of small producers, including farmers, and should contain tools and mechanisms that enable farmers to join collective projects;
- 8) So that the proposed system does not refer exclusively to the results obtained by the agricultural sector, a separate regulatory framework is needed to govern natural methods of carbon removal from agricultural land and the reduction of greenhouse gas emissions;
- 9) The proposed regulation should in any case be applied in conjunction with measures that award farming practices that promote carbon removal from the atmosphere by providing additional incentives to those already contemplated in the Common Agricultural Policy;

and with the following remarks:

- a) It may be useful to allow Member States to identify other eligible environmental and agricultural practices that merit encouragement;
- b) In light of the above-mentioned question of the locally specific characteristics of agriculture and the difficulties of communicating, monitoring and verifying results, an assessment should be made of the potential usefulness of rules that favour the setting up of a voluntary carbon trading market that deals also in temporary carbon credits from the agricultural sector.