



## The Danish Government's response to the European Commission's roadmap consultation on the communication concerning restoring sustainable carbon cycles

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### The Danish Government's key priorities for the Commission's Communication on restoring sustainable carbon cycles

- Development of a robust and transparent regulatory framework for certification of carbon removals.
  - Further integration of CO<sub>2</sub> removals from negative emissions technologies and nature-based solutions in EU climate policy to incentivise their development and deployment.
  - Including negative emissions technologies in the Emissions Trading System could effectively create better economic incentives for the technologies, which do not exist today.
  - Certification of carbon removals could pave the way for new business models for farmers and foresters etc., thus for example improving incentives for farmers to enhance carbon sinks and reservoirs in soils and forests.
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Substantial removals of CO<sub>2</sub> from the atmosphere are needed to reach Member States' individual climate targets, the EU's climate target for 2030 of reducing net greenhouse gas emissions by at least 55 pct. as well as the EU's objective of becoming climate neutral by 2050.

The Commission's communication on restoring sustainable carbon cycles need to be future-proof. It is therefore necessary that the Commission in its upcoming communication focus on creating a system for certification of carbon removals, which covers both nature-based and technological solutions. A robust and transparent certification system is a precondition for implementing effective policies that create strong incentives for CO<sub>2</sub> removals.

#### *Incentives for carbon dioxide removals for land managers*

There is a need for initiatives that directly incentivise sustainable carbon management for land managers, such as farmers and foresters, with the aim to conserve and enhance sinks and reservoirs in soils and forests. This is particularly urgent with the increased ambition in the LULUCF sector as decided in the European climate law and the proposed amending of the LULUCF regulation. In addition, new tools such as applying biochar from pyrolysis to soils must be encouraged and accounted for. An EU methodology to certify carbon dioxide removals at the level of farmers could enable policies incentivising the sustainable management of carbon stocks in agricultural soils, e.g. through the CAP or by means of a new market mechanism. The environmental integrity of such solutions should be ensured by robust and transparent carbon accounting to monitor and verify the authenticity of carbon removals and storage.



*Integrating negative emissions technologies in the Emissions Trading System*

While natural sinks can deliver significant removals, technological solutions for carbon capture and storage (CCS) delivering negative emissions will also play a significant role in the efforts to reach national climate targets as well as the EU's objective of climate neutrality by 2050. Negative emissions can be achieved through, for example, the use of bioenergy with CCS (BECCS) or from direct air capture of CO<sub>2</sub> (DACCS). Developments of BECCS is noted in several Member States, but currently there are lacking economic incentives to deploy these technologies.

Consequently, the Commission is encouraged to present policy options for further incentivising the development and deployment of these technologies. A special attention should be paid to the possibility of integrating negative emissions in the Emissions Trading System (ETS), which could effectively create better economic incentives for investing in negative emissions technologies. This could be achieved by allocating allowances to installations that generate negative emissions through CCS based on robust monitoring, reporting and verification (MRV) in the ETS. In this light, a regulatory framework for carbon removals should complement and be closely interlinked with current climate policies in the EU.