

IOGP feedback to the European Commission's Roadmap on restoring sustainable carbon cycles

The International Association of Oil & Gas Producers (IOGP) supports the goals of the Paris Agreement and the EU's ambition to reach climate neutrality by 2050. We recognize that there are many challenges on the road to meet this objective as the energy transition will require significant investments, new technologies, effective policies, and behavioural changes. To this end, IOGP welcomes the development of a long-term vision for sustainable carbon cycles and to kick-start the development of both technological and nature-based solutions to remove CO₂ from the atmosphere, which should complement mitigation efforts under the European Green Deal.

In order to reach the goal of climate neutrality by 2050, it is essential to capture CO₂ from the atmosphere, and also directly from large point sources, and store it permanently. In this context, several modelling scenarios from the IPCC, International Energy Agency (IEA), Hydrogen4EU Study¹ together with EU analysis have showcased that technology-based solutions, such as Carbon Capture and Utilisation (CCU) and Carbon Capture and Storage (CCS), as well as nature-based solutions are essential solutions for climate mitigation. As an example, the 2018 IPCC SR15² Report underlined that reducing emissions alone is no longer enough. **The latest IEA Energy Technologies Perspective Report 2020³ and the Net Zero by 2050 Report⁴ highlighted that CCS/CCUS can make the fourth-largest contribution to the EU in reaching Net Zero Emissions. CCS is a safe, cost-effective and scientifically proven negative emissions technology.**

IOGP would like to share some key observations relevant for the upcoming Communication on carbon removal and carbon farming:

- **The Commission's Communication should not only consider nature-based and technology-based carbon removal solutions but also carbon reductions/avoidance solutions, such as CCS and CCUS.** Technologies such as CCS and CCUS are available at scale, proven and safe. They have the capacity to significantly contribute to negative emissions capture, possibly faster and more cost-effectively than nature-based solutions. Furthermore, a policy framework for storage for technology-based solutions, such as CCS through the CCS Directive, sets out transparent liability provisions. To this end, access to existing and new CO₂ transport and storage infrastructure is needed and will accelerate the development of additional carbon dioxide removal (CDR), and carbon reduction/avoidance facilities. It is important that a framework, including financial incentives, is established for both nature-based and technology-based solutions to facilitate short deployment timelines encouraging activities leading to carbon reductions, removals and storage.

¹ IFPEN, SINTEF, Deloitte Finance (2021), [Hydrogen4EU Study](#)

² Intergovernmental Panel on Climate Change (2018), [Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change](#)

³ International Energy Agency (2020), [Energy Technology Perspectives](#)

⁴ International Energy Agency (2021), [Net Zero by 2050](#)

- **An EU-wide carbon removal certification (CRC) mechanism is needed which provides for a robust certification of carbon removals and should meet the following requirements:**
 - It should be based on a robust Monitoring, Reporting, and Verification (MRV) framework to ensure that emissions are accurately and consistently monitored, reported, and verified by independent third-party entities; based on a robust life-cycle analysis.
 - It should be designed such that it can evolve over time accommodating new technologies, new carbon removal solutions and new MRV methodologies, including best practices developed within the voluntary markets, without losing robustness, stability, and transparency.
 - It should be based on a transparent and harmonised framework across the EU to enable cross-border tradability of certificates to foster financial incentives for investment in carbon removal technologies. A standardized type of certificate should be developed that may be traded and counted towards incentives or targets for emissions and removals in all sectors. Global compatibility should also be prioritised.
- **Certified carbon removals must be valued to provide appropriate financial incentives to incentivise the uptake of CDR technologies.** Under the current rules, the EU ETS does not recognise negative emissions. The establishment of a market for carbon removal certificates which recognises negative emissions and is compatible with the EU ETS is therefore needed to encourage a wider range of technology-based and nature-based technology investments.
- **We welcome the Commission’s proposals to account for all CO₂ transportation modes in the revised EU ETS Directive, to establish provisions for accounting of CO₂ within CCU processes, to introduce Carbon Contracts for Differences (CCfDs), and to bolster the Innovation Fund.** We believe that these are needed to support the ongoing development of carbon infrastructure across Europe – which goes in line with recommendations laid out in the IOGP-coordinated Madrid Forum report on ‘The potential for CCS and CCU in Europe’.⁵

⁵ IOGP (2019), [The potential for CCS and CCU in Europe](#)