

2023

ANNUAL REPORT



Carbon Removal Summit

Thursday, 8 June 2023
14:00 - 19:00
Brussels Info Place



PUTTING THE NET IN NET ZERO





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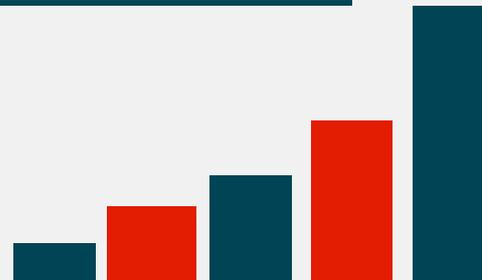
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2023: A significant year for carbon removal

EU Climate Policy Context

The year 2023 marked a significant milestone in the realm of carbon removal policy, both within the EU and on a global stage.

The EU's first-of-a-kind **Carbon Removal Certification Framework** progressed substantially with the European Parliament and Council having adopted their positions and now in the final stretch of finding common ground, setting the stage for a groundbreaking framework.

Simultaneously, the European Commission has started its work on modelling what targets are needed for the EU's **2040 Climate Targets**. This strategic endeavour is designed to propel the EU and its Member States toward achieving net-zero emissions by 2050. The need for separate carbon removals targets from emissions reductions targets is being increasingly recognised, thereby outlining the sector's demand and significance.

The European Commission has also begun drafting the **EU Industrial Carbon Management Strategy** which will, alongside carbon capture and storage (CCS) and carbon capture and utilisation (CCU), assess the gaps of deploying CDR. It will outline the necessary steps to facilitate the widespread adoption of these critical solutions.

In tandem with these initiatives, notable progress was achieved with the EU's **Net-Zero Industry Act**. The European Parliament has adopted its position that includes carbon dioxide removals as a key net-zero technology. This inclusion would pave the way for CDR projects, offering expedited permitting processes, improved access to financing, investments, and direct funding at both the EU and member state levels.



2023: A significant year for carbon removal

Global Policy

Carbon removals has also gained international attention with the **UNFCCC Article 6.4 Supervisory Body** preparing its recommendations on carbon removals. The summer saw the international industry community pulling together making the case for ‘engineered’ removals. This joint effort saw the Article 6.4 Supervisory Body notably shift its position, who then officially adopted its recommendations in November.

Despite this progress and the expectation that the Article 6.4 mechanism would become operational from next year, the CMA decided to not adopt the recommendations during COP28. Nevertheless, COP28 saw more attention being paid to carbon removals than in any of the previous years. The next COP, taking place in Baku, Azerbaijan, will be an opportunity to keep this momentum going and to push for progress on the Article 6.4 mechanism.

Looking ahead

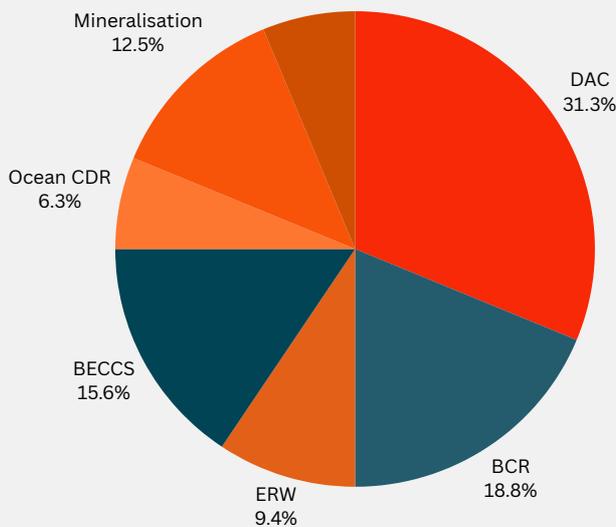
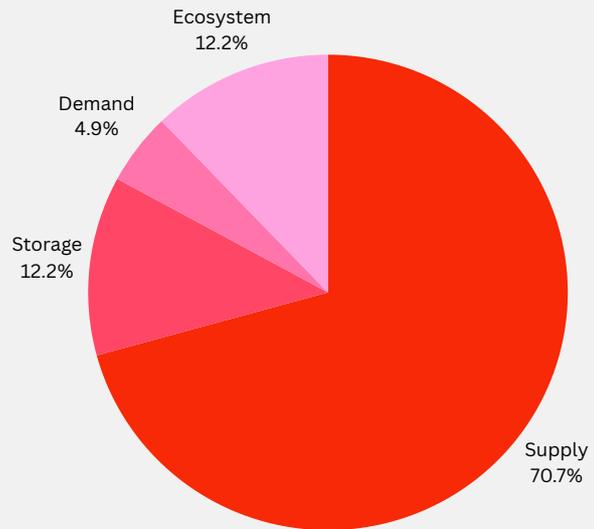
As we conclude this impactful year, NEP is looking at the exciting programme for 2024. Anticipated milestones in the EU include the conclusion of the Carbon Removal Certification Framework, the European Parliament elections which will shape the trajectory of climate policy for the next five years, and the critical 2040 Climate Targets.

We extend our gratitude to all stakeholders, partners, and members for their dedication and collaborative spirit. We look forward to continued engagement as we jointly strive to support the EU on the path to net zero.

Members

In 2023, we added 19 new members, bringing our membership to 42 in January 2024. This represents an over 50% increase in our membership, and a clear indication of the CDR industry’s belief in the importance of collaborating in strong trade associations in order to clarify its identity and amplify its voice.

Our membership now spans all the major families of CDR methods, and also includes key elements of the broader CDR ecosystem, including storage, buyers, marketplaces, investors, consultancies, project developers, and more.



New Members:

- Brilliant Planet
- Ørsted
- Charm Industrial
- Neustark
- Circular Carbon
- CarbonCapture Inc
- Simply Blue
- Heirloom
- Microsoft
- CarbonX
- Carbon Blue
- Covalent
- InPlanet
- Paebbl
- Carbon Atlantis
- Carbon Removal Partners
- Carpe Carbon
- Planeteers
- Stripe

Advocacy in numbers

EU Advocacy



Published 7 papers: 2 on CRCF, 3 on NZIA, 1 on 2040 Climate Targets, 1 on Industrial Carbon Management Strategy, 1 on Green Claims Directive



Responded to 4 European Commission public consultations: 2040 Climate Target, Industrial Carbon Management Strategy, CRCF Industrial Removals methodologies, ETS survey



Co-signed 3 open letters: 2 on the NZIA and 1 on the CRCF



Held 18 meetings with policymakers from the European Commission, Permanent Representatives and Members of the European Parliament: 5 on Green Claims Dir, 11 on CRCF, 2 on NZIA



Participated in 2 Expert Group meetings on Carbon Removals

Non-EU Advocacy



Responded to 2 UNFCCC Article 6.4 Supervisory Body consultations



Responded to SBTI consultation on BVCM

Working Group Meetings



13 High-Level Climate Policy Working Group meetings



15 Certification & Accounting Working Group meetings

Key legislative successes



Carbon Removal Certification Framework



The European Parliament and Member States clarified definitions distinguishing emissions reductions and carbon removals



Member States adopted tech-neutral definitions for carbon removal and permanent carbon storage in the CRCF



European Parliament extended geographical scope of CRCF to include geological storage in third countries

Green Claims Directive

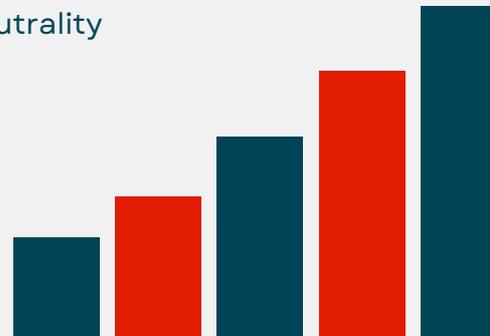


MEPs proposed amendments linking the Green Claims Directive to the CRCF

2040 Climate Targets



Results from the European Commission's public consultation demonstrated clear support for a separate carbon removal target which would put the EU on course for climate neutrality



Key legislative successes



Net-Zero Industry Act



European Parliament adopts position that includes carbon dioxide removals in the scope of the list of net-zero technologies

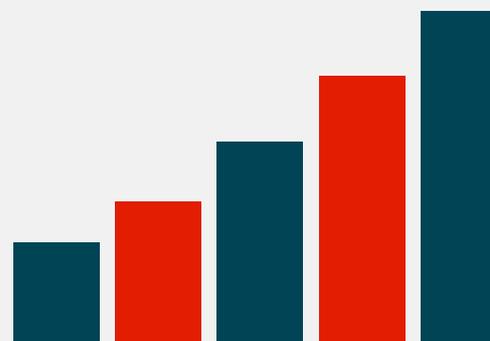


EU set to have binding geological storage targets for 2030

Article 6.4 Supervisory Body



Overtake from Article 6.4 Supervisory Body on its Information Note on carbon removals following criticism from the CDR industry on the misrepresentation on engineered carbon removals



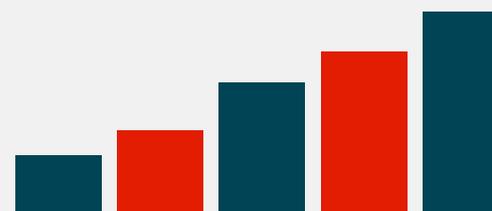
CDR Capital Flow Chapter



We have introduced the CDR Capital Flow Chapter, a dedicated platform aimed at dismantling the financing barriers hindering the development of CDR technologies. Through a series of curated meetings, we aim to foster a collaborative environment where government agencies, foundations, venture capitalists, business angels, private equity firms, impact funds, public agencies, and commercial banks can join forces. The first meeting was held in Zurich in November 2023.

Outputs:

-  Develop the structure for state-of-the-art purchasing contracts/bankable offtake agreements
-  Understand risk-return perspectives of later stage financial investors
-  Understand capital flow differences of various CDR methods and milestones that are missing to attract project funding



Communications

Events

Carbon Removal Summit



In partnership with Breakthrough Energy and Carbon Gap, we have organised conference for and featuring CDR technology developers, policymakers and other members of the CDR ecosystem.

Format: **3 conference-style sessions** covering what CDR is, the transatlantic perspectives on CDR and the business of CDR and an **exhibition**

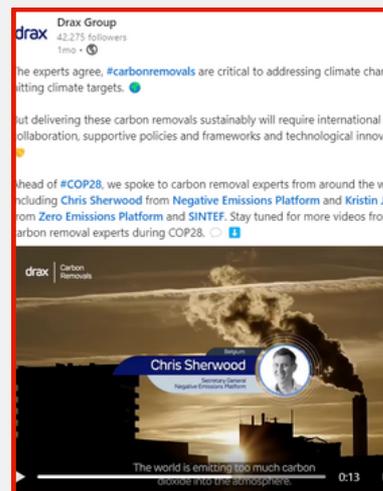
Statistics



Attendance: 75 on-site, 9 exhibition stands, 200 virtually and 190 registered

COP - Virtual attendance

Carbon Removals at COP



We were part of Carbon Removals at COP, an initiative spearheaded by Rethinking Removals, UN High-Level Climate Champions, Puro.earth and Carbon Business Council.

We sent daily news roundups to all Members and participated in Members' own initiatives

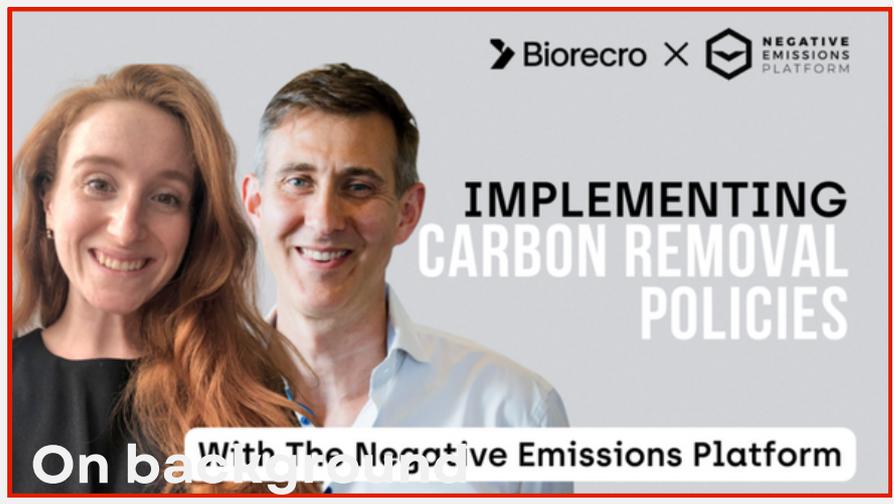
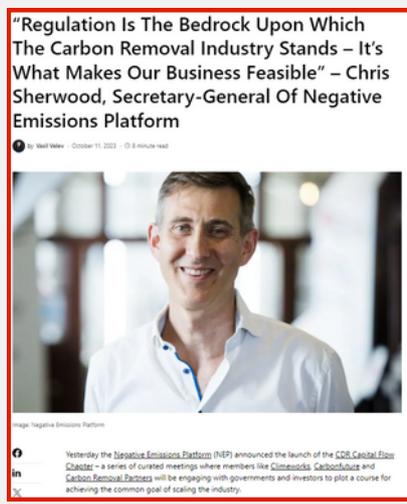


Media engagement

On the record

Carbon Herald

Biorecro



Newsletter



Twice a month



One version for our Members and one for the external audience

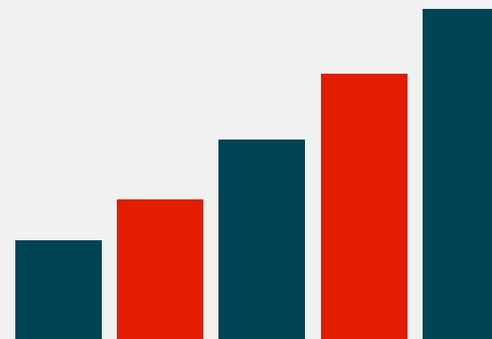


Audience: 144 members and 319 non-members = 463 subscribers

Categories:



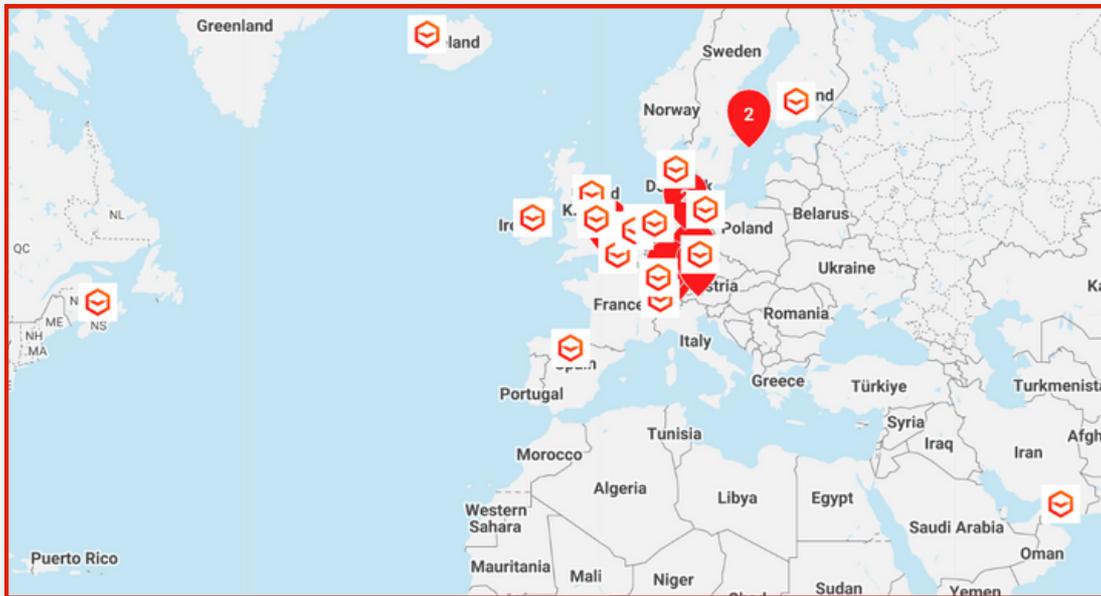
- NEP News
- Policy and Advocacy News
- Business and Industry News
- Reports (including scientific reports)
- Member news
- Events list
- Fun fact



On the website

Notable website additions

NEP Members Map



Features all Members around the world



Updated every two weeks



Created in partnership with CDR.fyi

2023

Annual Report



Prepared by

