

Note - Consequences of the new European carbon removal certification framework (EU CRCF) in the Global South

Context

The European Parliament has adopted the regulation on the European Carbon Certification Framework (ECCF) to unify the measurement of CO₂ removal in Europe, thereby facilitating the generation of high-quality carbon credits on the voluntary carbon market. However, the current text classifies sequestration activities according to the sole criterion of permanence, devaluing credits from afforestation and reforestation compared with industrial storage.

This approach could undermine the achievement of Europe's climate and biodiversity objectives and, **above all, limit the funding of reforestation projects in the Global South.** For example, in sub-Saharan Africa, forest and land use projects account for 56% of the volume of carbon credits generated since 2013 (i.e. 146 million tonnes of CO₂). As such, it directly harms the interests of African countries, which are nonetheless working to put in place regulations to guarantee the integrity, transparency and permanence of carbon credits generated on their soil, in line with international standards on the subject (VCS, Gold Standard, etc.).

A coalition of around twenty companies and organisations¹ from several continents (NBS Coalition) recently wrote an open letter and made the following complaints to the European authorities:

- Under certain conditions, carbon credits from afforestation/reforestation projects should be recognised as permanent, to maintain their attractiveness and support global climate objectives.
- The members of the NBS Coalition are asking the European authorities to define these conditions, bearing in mind that in addition to their 'climate' impacts, quality reforestation projects also have lasting positive impacts on biodiversity.

Implications for African economies

¹ aDryada, ATIBT ; Africa Energy Transition Services (AETS); Forestry France; France Valley; GO2-Markets; La Belle Forêt; FRONTERRA; AGROMAP SAS; Removall Carbon; EcoAct France; FRANSYLVA Fédération Forestiers Privés de France; Open Forest Protocol, hummingbirds, Reforest'Action, MORFO, NOBLESSE GREEN ENERGY LTD, ECoAct, Peruvian Carbon Association, ELO

1. **Reduced funding for reforestation projects**

- The text devalues carbon credits from afforestation and reforestation activities by treating them as "temporary carbon storage". This could make these projects less attractive to investors and European companies committed to the climate, which must neutralise their residual emissions with sequestration carbon credits.
- As reforestation objectives in Africa are almost exclusively included in the conditional climate objectives of the various countries, they are likely to be largely financed by the sale of carbon credits on the international market, bearing in mind that :
 - By 2030, the value of VCMs is estimated at between 10 and 40 billion dollars (Porsborg-Smith, 2023).
 - Africa's sequestration potential thanks to nature-based solutions is estimated at 680 Mt of CO₂ equivalent.²
 - 308 million tonnes of CO₂ equivalent per year could be financed simply by selling carbon credits on the voluntary market (\$50/tonne) - without taking into account the investment needed to design and develop the projects that generate them.
 - This could generate \$15 billion in revenue and support 35 to 86 million Africans by generating up to 67 million new jobs and improving the livelihoods of a further 19 million people.

2. **Negative impact on biodiversity and local ecosystems**

- Less funding for reforestation projects could lead to a reduction in efforts to reforest and restore African forests, which are crucial for local biodiversity.
- Reforestation and restoration projects play a vital role in protecting flora and fauna.

3. **Economic consequences for local communities**

- Many reforestation and sustainable forest management projects in Africa are additional sources of income for local communities. Reduced funding could reduce this income, thus affecting the economic well-being of these populations.
- Reforestation projects create local jobs and offer economic opportunities that could diminish with the decline in financial support.

² <https://cap-a.org/home/the-promise-of-africa/pathways/carbon-removal/>

4. Reduced effectiveness of efforts to combat deforestation and contradiction with European commitments to combat deforestation

- International support, including from Europe, is crucial for initiatives to combat deforestation in Africa. The current text could discourage reforestation and sustainable forest management efforts in Africa, thereby increasing the risk of deforestation.
- The text runs counter to Europe's commitments to combat global deforestation. By not recognising carbon credits from reforestation projects as permanent, Europe is sending a contradictory message to African countries, suggesting that their reforestation efforts are not sufficiently valued.

5. Impact on global climate objectives

- Reforestation and afforestation projects are essential to achieving global climate goals. By limiting support for these projects, the text could undermine global efforts to sequester carbon emissions and mitigate climate change.

In short, the CRCF text could limit funding, reduce reforestation initiatives, affect biodiversity and harm local economies in Africa, while weakening global efforts to combat climate change and deforestation.