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Carbon Certificates under a European Legal Framework: Ready for Lift-off?

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Regulation 2024/3012 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products (hereafter: CRCF Regulation or Regulation) creates a European quality framework for carbon certificates. In this blog post I argue that the CRCF Regulation can pose a risk to the integrity of EU climate policy, as the supervisory powers given to Member States are flawed. Through an examination of a recent Dutch proposal for an implementing act, I illustrate that national implementation cannot repair the inherent flaws of the Regulation. Therefore, for reliable enforcement to be achieved, the Regulation will have to be amended.

The current state of carbon certificates and the goals of the CRCF Regulation

At present, carbon certificates are issued and traded globally in the private sector largely without regulation. The biggest actors worldwide are Verra and Gold Standard. There are also initiatives for certifying carbon removals within Member States, such as Label Bas Carbone in France, Registro de Huella de Carbono in Spain and Stichting Nationale Koolstofmarkt in the Netherlands. While carbon certificates come in many different forms, a commonality is that they are supposed to quantify the positive climate action of projects, mostly expressed in tonnes of CO_2 stored or reduced. A simple example of a project is an actor planting trees, which act as carbon sinks by absorbing CO_2 from the atmosphere, on a plot of fallow land. Such a CO_2-absorbing or reducing project is then certified through a private organisation, such as the aforementioned Verra or Gold Standard, and the amount of CO_2absorbed is issued as a carbon certificate. The buyer of a carbon certificate is then able to offset its own emissions by investing in that project.

However, carbon certificates are often criticised because carbon removals have been known to be overestimated and the actual performance often still has to be realised at the time the certificates are issued. Studies show that projects underlying carbon certificates, viewed in hindsight, often perform less well than expected (see the response by Verra). This is where the CRCF Regulation comes in: it is meant to improve the integrity and transparency of carbon removal projects and contains a quality framework to safeguard the reliability of carbon certificates.

The CRCF Regulation seems particularly important as the European Commission has recently proposed the integration of carbon certificates for permanent carbon removals into the EU Emissions Trading System (ETS). Moreover, on 5 March 2026, the Councilgave final approval for the EU's new intermediate 2040 emission reduction target of 90% as part of the amended EU Climate Law, which allows a portion of this reduction to be achieved via carbon removals. If the EU quality framework increases the reliability of carbon certificates, this might facilitate carbon removals actually taking place, which would be positive for the fight against climate change. However, if it turns out that unreliable carbon certificates are widespread and oversight or enforcement proves difficult, this framework could be more problematic than promising.

The CRCF Regulation and its Supervision and Enforcement Structure

Before examining the potential of the CRCF Regulation, this section will first set out the Regulation's overarching framework including the supervision and enforcement structure.

The goal of the CRCF Regulation is setting up quality standards as well as a certification structure made up of certification schemes and certification bodies. Within this structure, certification schemes organise the overall certification process, such as handling applications, managing a registry, organising audits, appointing certification bodies, and verifying that the bodies and initiators of projects comply with the Regulation (see Arts. 9 and 11 CRCF Regulation). Certification bodies, then, are responsible for holding certification audits and performing conformity assessments to determine whether projects are in line with quality standards set by the Regulation (see Art. 10 CRCF Regulation).

As to the supervision and enforcement structure, powers and responsibilities are split between Member States and the European Commission.

Next to recognising certification schemes, the Commission sets out rules on structure, format, technical details and process to be followed by certification schemes, and supervises their functioning (see Arts. 11 and 13 CRCF Regulation). If a certification scheme fails to follow the rules, the Commission can exercise its enforcement powers, for example by revoking its recognition (see Art. 13(3) of the Regulation). However, it must be noted that in comparable systems, such as the RED3, the Commission rarely exercises its power to revoke the recognition of such schemes.

The Member States' supervisory obligation in the Regulation can be divided into two parts: First, according to Article 10(1) of the CRCF Regulation, certification bodies appointed by certification schemes must be accredited by a national accreditation authority (in the Netherlands this is the Raad voor Accreditatie). Second, Article 10(4) prescribes that, at the request of the Member States, these bodies must report on their activities. In terms of enforcement, when a Member State identifies non-compliance with the CRCF Regulation, it must notify the bodies and schemes concerned. Such a finding is then recorded in a European CRCF register (which is yet to be established), with the goal of making this non-compliance publicly accessible. Apart from this 'naming and shaming', the Regulation does not provide any further sanctioning tools for Member States.

While the accompanying documents such as the impact assessment, do not elaborate on the reasoning behind this seemingly weak enforcement mechanism, it might have a structural reason: At present, participation in the certification framework under the CRCF Regulation is voluntary, as the first years are seen as a testing phase. In the impact assessment of the CRCF Regulation, it is noted that 'it may be proposed later to apply this framework as mandatory for certain policy uses' (p. 4). It may thus be that sanctioning tools are not necessary (yet) in the testing phase, or that they may deter potential participants, given the voluntary nature of participation. However, this remains problematic, as it is arguably exactly the question of reliable enforcement of the CRCF Regulation that determines whether this testing phase will be a success.

The Dutch legislative proposal as an example of the lack of powers for Member States

To look further into how Member States actually apply their supervisory powers, I look at the Dutch implementation as an illustrative example. To set up supervision of certification bodies in the Netherlands, the Dutch government submitted a legislative act on 23 June 2026 to the House of Representatives. This proposed act creates a legal basis for the Minister of Climate Policy and Green Growth (KGG) to designate officials of the Dutch Emissions Authority (NEa) as the supervisory authority for certification bodies in the Netherlands. The Advisory Division of the Council of State reviewed the act and issued a positive opinion without substantive comments. Moreover, no public consultation was held on the act, because the act merely implements obligations stemming from the CRCF Regulation and, given its technical nature, leaves little room for political discretion. The Dutch implementing act thus appears to be an uncontroversial item that will pass through the legislative process without much (parliamentary) resistance.

However, the NEa has given a critical opinion of the CRCF Regulation and has urged the Dutch government to raise these concerns at the European level, which highlights the Regulation's implications and shortcomings. In this opinion, the NEa criticised its assigned role because of several ambiguities in the CRCF Regulation, and is worried that its role is insufficient for providing reliable enforcement. The extensive implementation assessment of the NEa contains a number of points worth discussing in greater detail, because they illustrate the CRCF Regulation's central flaws: the problems of decentralised supervision and the lack of enforcement powers.

On the supervision structure, a first issue raised by the NEa is that the scope of Member State supervision is unclear, especially in the context of certification processes with a cross-border dimension. This could for example take place when a body accredited in one Member State certifies projects in another. In such instances, it is not clear how supervisory tasks are divided among Member States, nor how often supervision should take place. This carries the risk of a 'supervision gap' between Member States with no oversight being exercised over some certification bodies, which could lead to unreliable certificates. As a second problem, the NEa notes that supervision is exercised *only* over the certification bodies. However, other actors, in particular the parties that actually have to implement the projects, also play an important role in relation to the reliability of carbon certificates. Thirdly, as national authorities can only

address national certification bodies, a project developer whose certificate is withdrawn can keep selling units abroad, or turn to another certification body in another Member State to obtain certificates. As the NEa puts it, 'there is a real risk that the company will still pass on "certified units" further down the chain, or, following any withdrawal of the certificate, will have itself certified by another body' (p. 3).

Furthermore, on the issue of enforcement, the NEa highlights that supervisory powers without an enforcement mechanism may have insufficient deterrent effect. Due to the lack of enforcement powers, it cannot impose, for example, an administrative fine or an order subject to a penalty payment on a certification body if a violation of the CRCF Regulation is established. Also, as mentioned already above, the Authority notes that the power of the European Commission to revoke the recognition of certification schemes is almost never exercised in practice in comparable systems. Therefore, the supervisory mechanisms in the Regulation seem toothless, leaving the Member States without sufficient powers to intervene.

Cause for Concern

In my view, the NEa's critical remarks regarding its limited supervisory powers address the core problem of the CRCF Regulation. The Regulation fails to clearly divide and coordinate supervision responsibilities between Member States, offers no legal framework for exercising national supervision over actors other than the certification bodies, and does not provide for effective enforcement mechanisms such as imposing sanctions.

Frustratingly, a good solution is not on the horizon. As the CRCF Regulation has been adopted fairly recently, an amendment seems unrealistic in the short or medium term. Thus, it seems that Member States will have to make do with it as it stands, but this likely threatens the success of the framework in its current form. If the CRCF Regulation nevertheless becomes mandatory in the long term, as suggested in the impact assessment, this must also come with an amendment of the Regulation. In that amendment procedure, the issue of reliable enforcement must be a key topic.

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