



Feedback from the Nordic Carbon Removal Association on European Climate Law

The European Climate Law (ECL) sets the rules of the road for EU climate policy in the crucial years leading up to 2050. The ongoing revision of the Law to set a target for 2040 is an opportunity to strengthen its ambition and provide a clear signal for market actors seeking to mitigate their emissions.

The Nordic Carbon Removal Association (NCRA) welcomes the revision and supports the 90% emissions reduction target for 2040 in the revised European Climate Law. The headline target sets the EU on a trajectory to achieving its 2050 climate neutrality and subsequent net negative emissions. Building on such an ambitious headline target, the EU must take additional steps to ensure that the role of permanent carbon removals in mitigating climate change is adequately accounted for in the amended Law.

CDR is critical in meeting EU and Nordic climate targets.

CDR is no longer optional in any realistic climate scenario – it has become a climate necessity. The Communication on the 2040 climate target¹ and the European Scientific Advisory Board on Climate Change² both show that reaching this target requires not only deep emissions reductions but also a rapid scale-up of carbon removals. Therefore, CDR must complement necessary emission reductions to meet climate ambitions.

The Nordics have the potential to become Europe's carbon sink.

Strong natural endowments such as access to geological storage, a strong regulatory framework and policy ambitions, and an already growing ecosystem of actors in the CDR space provide both relevant capabilities and experience to successfully scale a Nordic CDR ecosystem.

The [launch report](#) for the Nordic Carbon Removal Association developed in partnership with Implement Consulting Group finds that the Nordics could remove 85–160 MtCO₂ each year by 2050, covering up to 60% of Europe's expected need. In turn, this would create upwards of €9–17 billion in annual GDP and 148,000 jobs, about 1 % of regional GDP.

The European Climate Law is key to realising the potential of carbon removal.

Carbon removal provides Europe an opportunity to make a virtue of necessity, where carbon removal is an investment both in the climate and in the competitiveness of the EU economy. As the only means of reaching the net-zero target for 2050, carbon removal must therefore be reflected more clearly and coherently in the revised Law.

¹ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Securing our future Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society. COM/2024/63 final

² European Scientific Advisory Board on Climate Change (ESABCC). Scaling up carbon dioxide removals Recommendations for navigating opportunities and risks in the EU. (2025) DOI:10.2800/3253650



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With clear targets for carbon removal as part of the European Climate Law, the EU can set itself on the path to become a global leader in carbon management. The NCRA has four points that should be considered when setting targets for 2040.

1. The overarching target of 90% emission reductions by 2040 must be complemented by a separate sub-target for permanent carbon removal.

Emissions and removals must be accounted for separately, with the role and value of high-durability removals in reaching our climate goals must be reflected in the revised ECL. The revised ECL must mandate distinct accounting for gross emissions reductions, permanent removals, and land-based removals.

2. The 2040 sub-target for CDR should focus on domestic permanent carbon removal as defined by the CRCF to secure;
 - a. Verifiable climate benefits where high-quality permanent carbon removals are used to compensate for fossil emissions, like for like
 - b. Regulatory control and robustness in terms of certification
 - c. Competitiveness and economic growth in a strategic sector
3. The use of international credits should be limited and subject to stringent quality and certification standards.

International credits may be needed to meet the 2040 target and to boost supply of high-quality permanent removals. Nonetheless, their inclusion must be approached with a high level of caution. Clear guardrails should be in place to prevent them crowding out domestic mitigation efforts, with quality as the priority.

4. Dedicated policies that deliver the required volumes of permanent carbon removal are needed, including purchasing programs and compliance mechanisms. A 2040 target for permanent CDR would anchor these policies and serve to catalyze action.

The Commission's efforts to develop short-term policies for CDR whilst carrying out a rigorous assessment of the potential role of CDR in the EU ETS are very welcome. The EU ETS can provide an important source of initial demand for permanent carbon removals. However, ETS integration will not be sufficient to create a competitive CDR sector in Europe, and it was not designed for this purpose.

No single method can deliver the required volumes of CDR, meaning a diverse portfolio of CDR methods is required to manage costs, timing, and risk. Generating the required CDR volumes needed to reach EU climate targets will mean introducing a suite of policies to support the deployment and scale up of a portfolio of permanent methods.

Complementary measures directed to CDR, such as public procurement and contracts for difference, and setting up a Removal Compliance System (RCS) focused on CDR, would strengthen investment confidence and accelerate deployment. In tandem, the EU should seek to harmonize EU frameworks with voluntary market demand to crowd in early movers on the corporate side and help reach scale.



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About the Nordic Carbon Removal Association (NCRA)

The [Nordic Carbon Removal Association](#) (NCRA) is the voice of the Nordic carbon dioxide removal (CDR) sector. Our mission is to drive strong and sustained demand for, and supply of, high-quality carbon removal in the Nordics while fostering a globally competitive Nordic CDR industry. Founded in 2025 to position the Nordics as global leaders in scalable, science-backed carbon-removal, the NCRA represents the interests of the entire value chain for permanent CDR in the Nordic region.