

Europex Response to Commission's Consultation on the Legal Framework for the Possible Use of International Carbon Credits Towards the 2040 EU Climate Law Target

Brussels, 04 May 2026,

Europex welcomes the opportunity to contribute to the Commission's consultation on the the legal framework for the possible use of international carbon credits towards the 2040. Please find below our full response.

General Section:

1. Do you support the use of international carbon credits to contribute to achieve the EU's 2040 climate target as set out in the European Climate Law?

- The EU should buy and use international credits from outside the EU towards its 2040 target for less than 5% of 1990 emissions

2. How should international credits be used to support the EU to achieve its 2040 target? Please indicate your preferred option.

- Flexibility – Credits should be bought to provide the possibility for the EU or for a Member State to achieve part of their target using international credits

3. Who should finance international credits?

- The EU from the EU budget
- EU Member States from Member State budgets
- Companies e.g. under the polluter pays principle or to fulfil their net-zero commitments
- Revenues generated through the EU Emissions Trading System (ETS)

4. Do you see any benefits from the purchase and use of international carbon credits and, if so, which?

- It can support investments and the economic development of other countries
- It can incentivise the development and scaling up of new and innovative lowcarbon technologies and their implementation in non-EU countries

- It can support ecosystem protection and restoration in other countries, contributing to sustained mitigation and climate resilience
- It can strengthen the resilience of global supply chains for products sold on EU markets, such as in the agri-food value chain
- It can drive down global emissions more rapidly
- It can be more cost-efficient than domestic emissions reductions
- It can support EU competitiveness by alleviating pressure on EU-based industry
- It can assist other, non-EU countries, in achieving a pathway towards the Paris Agreement goals
- It can give other countries experience of pricing carbon
- It can contribute to global climate justice

5. Do you see any negative aspects in the purchase and use of international carbon credits and, if so, which?

- I do not see any negative aspects

Please specify:

In order for the EU’s 2040 target to remain credible, it is critical that the EU ensures reliability of the credits to be purchased through the use of quality standards (e.g. Article 6 Guidance, CRCF).

6. How confident are you that international carbon credit projects deliver the claimed emission reductions?

- Somewhat confident

7. In your opinion, where would money for climate action be best spent, within the EU or outside the EU?

1 = The EU would be better advised to use finance for climate action for investments in the EU

5 = The EU would be better advised to use finance for climate action for investments outside the EU

Please indicate as below on a scale of 1 to 5.

	1	2	3	4	5	I don't know
Buying international carbon credits from non-EU countries means investing money outside the EU rather than investing in domestic climate action inside the EU.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Expert Section:

1. If international carbon credits are used to partly achieve the 2040 climate target these will substitute climate action within the EU. In which sectors should the use of international carbon credits from mitigation in non-EU countries replace EU domestic climate action?

- In sectors where the action needed to transition to net-zero is most expensive (using a cost-efficient approach)
- Efforts should be equally reduced across all sectors

2. If international carbon credits were used to replace a part of the reductions necessary under the EU ETS, which type of credits should be purchased?

- Any kind of international credits

Please specify:

Only allowing credits guaranteeing permanent reductions or removals would likely stifle supply. At the same time, however, it is critical that the EU ensures reliability of the credits to be purchased through the use of quality standards (e.g. Article 6 Guidance, CRCF) and verification processes.

3. If international carbon credits were used to replace a part of the reductions necessary in the LULUCF sector, which type of credits should be purchased?

- Any kind of international credits

4. Based on which criteria should the EU select the countries from which credits will be purchased?

- Level of climate ambition showing a sufficient level of domestic climate ambition
- Countries with the largest potential to generate credits
- Shared values and geostrategic interests
- Countries that respect democracy and human rights, in line with EU values
- The EU should buy directly on the market, irrespective of the country of origin

5. Which aspects (other than climate change mitigation) should the EU take into account when selecting sectors or types of mitigation activity as a source of international carbon credits?

- Contribution to the EU's economic and industrial development
- Support for the development of EU clean tech industry

- Support for the development of new innovative technologies
- Support for the development of EU-based entities involved in carbon credit activities
- Co-benefits with the protection and restoration of biodiversity and ecosystems
- Co-benefits with adaptation and resilience to climate change
- Co-benefits with social and economic development

6. What additional checks (if any) should the EU consider to implement an effective and transparent process for the validation and verification of activities?

To strengthen integrity and transparency, the EU should build on robust MRV and environmental integrity criteria. The EU should enhance oversight of validation and verification bodies through detailed accreditation, regular performance reviews and strong conflict-of-interest safeguards, particularly where verifiers are selected and paid by project developers. The EU should require transparency through publication of methodologies, monitoring data and audit findings. All measures should remain proportionate and aligned with Article 6 and international best practices, while avoiding unnecessary administrative complexity. For carbon dioxide removals, MRV requirements should also be consistent with the EU's Carbon Removal Certification Framework (CRCF).

7. What transparency provisions should the EU implement as part of bilateral purchasing agreements, to guarantee an adequate level of access to information for the public?

The EU should require full public disclosure of bilateral agreements, including volumes purchased, price ranges, methodologies applied including baselines and corresponding adjustment arrangements. The EU should ensure transparent reporting on how credits contribute to host country NDCs, in line with Article 6. The EU should publish monitoring reports, verification outcomes and information on permanence safeguards, consistent with the emphasis on robust MRV and integrity. The EU should also provide appropriate transparency on benefit-sharing arrangements, and disclose safeguards related to social and environmental co-benefits. Transparency rules should be standardized, proportionate and aligned with international practice.

8. Which quality aspects or criteria should the EU consider a priority when purchasing international credits?

- The additionality of the mitigation outcomes
- The consistency of the quantification methods and crediting levels (including the baselines) with the EU and the Paris Agreement climate goals
- Consistency with long-term ecosystem integrity and the avoidance of biodiversity loss

- The avoidance of lock-in of high levels of emissions, or emission-intensive technologies or practices in the host country
- The robustness and conservativeness of the monitoring and calculation of the mitigation outcomes
- The prevention, reduction and remediation of leakage of emissions
- The permanence of the mitigation outcomes
- The application of robust social, environmental and human rights safeguards and grievance mechanisms in the implementation of the mitigation activities
- The robustness and transparency of the crediting programme governance (including third-party validation and verification)

9. From which types of mitigation activity should the EU prioritise the purchase of credits?

- Forestry and land use (afforestation, reforestation, forest management, soil management, peatland rewetting, land restoration)
- Agriculture (enteric methane reduction, sustainable agricultural practices, biochar, biogas production, N₂O abatement)
- Power (off- and on-grid renewable energy, early retirement of coal power generation, CCS in the power sector, leak detection and repair in gas infrastructure, biodigesters, grids)
- Industry (industrial energy efficiency, industrial CCS)
- Waste (landfill gas capture, landfill avoidance)
- Removals (DACCS, BECCS, biochar, marine carbon dioxide removal)
- Other technologies (efficient cooking stoves, reductions of non-CO₂ climate impacts of aviation and maritime activities)

10. Do you have any specific concerns or suggestions regarding the types of activities?

In principle, all activity types should remain eligible, provided they meet clearly defined priority criteria such as additionality, permanence, MRV requirements and relevant co_benefits, including a further possible change in business practice in the country. Once these criteria are established, the EU could consider developing a transparent “white list” and, where justified, a “black list” of activity types.

11. How should the EU aim to improve on the rules defined by the Article 6.4 mechanism, when setting EU quality criteria for carbon credits?

- The EU should set higher standards than those in Article 6.4

Please specify:

The EU should retain the ability to introduce higher or more specific requirements where evidence shows a need to strengthen integrity, including on additionality, baseline setting, permanence, robust MRV and transparency. Any additional EU criteria should be science-based, proportionate and justified, so as to reinforce credibility without creating unnecessary fragmentation.

12. Should the EU approve methodologies or projects under its cooperative approaches?

- Both projects and methodologies (only projects using approved methodologies would be eligible, and all projects would be assessed before their ITMOs are considered eligible for use towards the EU's 2040 target)

13. Should the EU follow common practice to implement validation and verification rules as part of its cooperative approaches under Article 6.2 of the Paris Agreement?

- Yes, but with some changes to common practice (Please specify below)

Please specify:

Independent oversight and the rotation of verification bodies are required. This will prevent conflicts of interest and ensure high market integrity.

14. How should the EU ensure that the desired level of quality of the credits it purchases is achieved?

- Establish its own standards and methodologies
- Recognise existing standards and methodologies with potential additional further quality criteria or conditions
- Establish whitelist(s) of acceptable types of credits/methodologies
- Establish blacklist(s) of unacceptable types of credits/methodologies
- Accredite its own validation and verification bodies
- Recognise existing validation and verification bodies accreditation schemes

About

Europex is a not-for-profit association of European energy exchanges with 37 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

Contact

Europex – Association of European Energy Exchanges
Address: Rue Archimède 44, 1000 Brussels, Belgium
Phone: +32 2 512 34 10

Consultation response



Website: www.europex.org

Email: secretariat@europex.org

X: @Europex_energy

EU Transparency Register: 50679663522-75