February 6, 2024

EU Unveils Comprehensive Plan for Sustainable Carbon Management

Key policies: *European Green Deal, Net-Zero Industry Act, EU Emissions Trading System (ETS), CCS Directive, Horizon Europe, Innovation Fund, Voluntary Framework for Carbon Removals Certification, Important Projects of Common European Interest (IPCEIs), Circular Economy Action Plan, International Carbon Pricing Standards*

On February 6, 2024, the European Commission adopted a detailed **Industrial Carbon Management Communication**, laying out a roadmap to sustainably capture, store, and use carbon as part of the EU's goal to achieve **climate neutrality by 2050**. This initiative recognizes that while reducing emissions remains the priority, technologies for capturing and managing CO2 will be essential, particularly for hard-to-abate sectors like cement production and waste-to-energy plants.

Scaling Carbon Storage and Capture

Under the **Net-Zero Industry Act**, the EU aims to develop **50 million tonnes per year of CO2 storage capacity by 2030**, with plans to increase this capacity to **280 million tonnes annually by 2040**. The new strategy emphasizes:

- **Building a Single Market for CO2**: The Commission will prepare a regulatory package addressing CO2 transport and storage, including third-party access, market structures, and investment incentives.
- **Carbon Removal and Storage**: Assessments will determine the volumes of CO2 to be removed directly from the atmosphere and permanently stored, integrating these measures into the **EU Emissions Trading System (ETS)**.
- **Infrastructure Development**: Guidance will streamline permitting processes, and a new atlas will identify potential storage sites. An aggregation tool will match CO2 suppliers with transport and storage operators.

Creating a Carbon Value Chain

The strategy sets the foundation for a robust CO2 value chain in Europe by:

- **Encouraging Investments**: The EU and Member States will promote industrial carbon management projects under programs like the **Innovation Fund** and **Important Projects of Common European Interest (IPCEIs)**. Competitive funding mechanisms, including auctions-as-a-service, may also support CO2 capture projects.
- **Boosting Innovation**: Funding for carbon management research under **Horizon Europe** and other instruments will be increased, while a knowledge-sharing platform will foster collaboration on Carbon Capture, Use, and Storage (CCUS) projects.
- **Raising Awareness**: Public awareness campaigns will highlight the benefits of these technologies and engage local communities in discussions about their implementation.

This project is supported by the Interreg Danube Region Programme co-funded by the European Union.

A European and Global Perspective

The Commission will work with international partners to harmonize carbon reporting and accounting standards. This will ensure global alignment on carbon management, particularly in hard-to-abate sectors, and integrate removals into international carbon pricing frameworks.

Supporting Heavy Industry and Innovation

Carbon management technologies are vital for industries where process emissions cannot be entirely eliminated. The strategy includes innovative approaches such as **bioenergy with carbon capture and storage (BioCCS)** and **direct air carbon capture and storage (DACCS)**. These technologies will play a pivotal role in reducing emissions while enhancing the competitiveness of European industry.

A Path to Climate Neutrality

The Commission's strategy builds on existing legislation, including the **CCS Directive** and the ETS, which has funded industrial carbon management projects through the Innovation Fund since 2013. In 2022, the Commission also proposed a voluntary framework to certify carbon removals, further supporting innovative solutions.

Commissioner Wopke Hoekstra emphasized:
"The green transition requires technologies to capture CO2 and remove it from the atmosphere. Today, we propose a roadmap to boost and finance these technologies across Europe, creating a business environment for CO2 and helping us achieve net zero emissions by 2050."

The Road Ahead

This comprehensive plan reinforces the EU's leadership in climate action by integrating carbon management into its broader strategy for a sustainable and competitive economy. With clear targets, coordinated policies, and significant investments, the EU is setting the stage for a cleaner, greener future.

For more details, visit the Industrial Carbon Management Communication page.

Source: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_585