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New EU Studies Explore a Purchasing Programme to Scale Up Permanent Carbon Removals

Key policies: *European Climate Law, EU Climate Neutrality Objective 2050, EU 2030 Climate Target, EU Framework for Carbon Dioxide Removals (CRCF), Innovation Fund, EU Emissions Trading System (EU ETS), Horizon Europe, European Green Deal, EU Clean Industrial Deal*

To achieve **climate neutrality and move towards net-negative emissions**, the European Union must rapidly scale up **permanent carbon dioxide removals (CDR)**. However, limited demand remains a key barrier to the large-scale deployment of these technologies. To address this challenge, **DG CLIMA** is exploring the design of an **EU-wide purchasing programme for permanent carbon removals**, aimed at stimulating investment, accelerating technological progress and supporting the EU's long-term climate targets.

Exploring an EU-wide demand-side instrument for CDR

In support of this work, DG CLIMA has published **three analytical reports**, prepared by **Ramboll Management Consulting** and **Ecologic Institute**, which assess policy options, market readiness and financing needs for permanent carbon removals in Europe.

The studies focus on how an EU-level purchasing programme could help **create early and predictable demand** for permanent CDR, thereby enabling technologies to scale up during the critical period from **2025 to 2030**.

Designing an EU purchasing programme for permanent CDR

The first report, *An EU Purchasing Programme for Permanent Carbon Removals: Assessment of Policy Options and Recommendations for Short-term Policy Design*, examines different design options for purchasing CDR at EU level.

Key findings and recommendations include:

- An EU purchasing programme should **go beyond simply buying removal credits**, and instead strategically support a **portfolio of permanent CDR technologies**
- Demand-side support can accelerate **technology development, cost reductions and market efficiency**
- A mix of **funding sources** should be considered, including the EU budget, Member State contributions and private financing
- Strong synergies should be created with existing EU instruments, such as the **Innovation Fund**, to streamline procedures and increase investor confidence

The analysis also draws on stakeholder input from the workshop *Perspectives on a Purchasing Programme for CRCF Permanent Carbon Removal Credits*, held on **21 May**, where investment incentives and prerequisites for an effective EU initiative were discussed.

Mapping Europe's carbon removal landscape

Two additional reports provide a deeper assessment of the current state of permanent CDR in Europe.

The report *Carbon Removals in the EU: Review of Current Carbon Removal Projects and Early-stage Financing* offers a comprehensive overview of:

- Existing and planned permanent CDR projects across Europe
- Key technologies and their maturity levels
- Cost structures and financing needs
- Deployment barriers and future potential up to **2035**

This mapping exercise highlights both Europe's growing innovation base and the significant scaling challenges that remain.

Strengthening funding models for early-stage CDR

The third report, *Carbon Removals in the EU: Assessment of Existing EU Funding Programmes and New Funding Models to Increase Carbon Removal Supply*, reviews how current EU funding instruments support CDR, including:

- **The Innovation Fund**
- **Horizon Europe**

It also explores **innovative funding models** that could complement existing programmes and better support **early-stage CDR projects**, where financial risk and capital needs are highest.

Supporting EU climate ambition

Together, these studies provide an evidence base for developing a **coherent EU strategy on permanent carbon removals**, aligned with the EU's objectives under the **European Climate Law** and the pathway to climate neutrality by 2050.

By addressing the demand gap and creating predictable market signals, an EU-wide purchasing programme could play a **catalytic role** in scaling up permanent CDR technologies — supporting innovation, strengthening Europe's clean tech leadership and enabling the transition towards a climate-neutral and climate-resilient economy.

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