



7 Policy Guidelines to Boost CCU for 2024-2029

To Reach Climate Neutrality, the EU Needs to Harvest the Full Potential of CCU Technologies

2024 can be a transformational year for Europe with elections in June, a new EU Parliament being sworn in, new Commissioners being appointed, and generally, with the launch of a new EU political cycle.

As representatives of the Carbon Capture and Utilisation (CCU) community in Europe, we believe it is more crucial than ever for the EU to continue its climate transition and adopt appropriate rules to drive industries to decrease emissions and defossilise production.

However, climate neutrality in 2050 will not be achieved unless an adequate policy framework allowing for Europe to harvest the full potential of CCU technologies is put in place.

Indeed, the recent *Communication on Industrial Carbon Management (ICM)* from the European Commission estimates that carbon capture and utilisation (CCU) will be the path taken for up to “one third” of the CO₂ captured in 2040 and more than 45% in 2050, either for the production of e-fuels, chemical building blocks or through the mineralisation of CO₂ in building materials. Our association estimated [in its quantitative assessment of the contribution of CCU to climate neutrality](#) that CCU deployment will correspond to 21% of the emission reductions achieved from technological efforts (representing 20% of total GHG emissions reduction in the industry, 35% in the maritime sector and 38% in the aviation sector).

Building on the results of our quantitative exercise and the recent publications by the European Commission of the *ICM* and of the *EU Climate target 2040*, we call on all political parties to commit to promoting sustainable EU policies in the next mandate. This can only be achieved by properly accelerating CCU deployment.



We therefore recommend for EU institutions to:

1

Support the scaling up of carbon capture, regardless of whether it is meant for utilisation or storage. The *ICM* estimates that 280Mt CO₂ will be captured in 2040 and 450Mt CO₂ in 2050. This can only be achieved if the EU supports the deployment of carbon capture technologies as a whole.

2

Embrace the concept of carbon circularity with the reuse of unavoidable carbon, biogenic carbon or carbon coming from the atmosphere as a key lever to move away from fossil resources.

This will be achieved thanks to:

- A global approach including all carbon emissions which can be used, ensuring that all stakeholders along the CCU value chain find incentives – including through CO₂ accounting – to invest and implement CCU solutions both when they lead to permanent and non-permanent storage (e.g. revision of ETS to recognise non-permanent CCU);
- A clear distinction between fossil fuels emissions and unavoidable emissions (i.e. process emissions from cement, steel, lime productions) and the recognition of a role for reusing unavoidable carbon emissions after 2040;
- Including references to CCU and setting related targets for fuels, chemicals, and materials for 2030, 2040 and 2050 in all future policy initiatives (EU climate targets for 2040, Industrial Decarbonisation Deal, future European Climate Law, a potential Circular Carbon Strategy, etc).

3

Reinforce and synchronise support of CCU technologies at EU and Member State level through dedicated instruments (e.g. Innovation Fund, Recovery and Resilience Facility, Important Projects of Common European Interest) and encourage Member states to include in their national plans (e.g. NECP) the deployment of CCU projects as strategic activity.



Create new legal obligations to use alternative carbon feedstock (i.e. quotas), including captured carbon, for the production of chemicals and mandate incorporation targets for renewable materials in essential products (e.g. packaging, textiles, etc.).



Put in place market uptake mechanisms (e.g. public procurement) and strong certification frameworks to incentivise CO₂ mineralisation projects.



Reinforce and unblock the role of CCU fuels (both RFNBOs and RCFs) as contributing to the transition of aviation, maritime, long distance/heavy duty land transport and hard to abate industries (e.g. revision of the 2040 sunset clause for RFNBOs made from unavoidable CO₂, allow renewable PPAs for displaced electricity during RCFs production, etc.).



Develop strong standards and applicable compliance mechanisms to complement domestic manufacturing of CCU products with imports outside Europe.