

December 17, 2024

To:

Ursula von der Leyen, President

Teresa Ribera, Executive Vice-President for Clean, Just, and Competitive Transition

Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy

Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth

European Commission

Open Letter on the Clean Industrial Deal: Securing Europe's Climate Leadership and Economic Competitiveness by Advancing the Carbon Removal Sector

Dear President,

Dear Executive Vice-Presidents,

Dear Commissioner,

We, the undersigned, commend the European Commission's ambition to unveil the **Clean Industrial Deal within the first 100 days of the new mandate**. This initiative comes at a pivotal moment as the EU seeks to strengthen its industrial competitiveness while reinforcing its global climate leadership. The Clean Industrial Deal should provide much-needed clarity and support for the **permanent carbon dioxide removal (CDR) industry**, a sector that is essential to achieving climate neutrality.

The science is clear: **achieving climate neutrality is unattainable without carbon removal**.¹ CDR plays a critical role in addressing both residual and historical emissions, ensuring the EU remains on track to achieve net-zero by 2050 and progress toward negative emissions thereafter. Globally, up to **10 gigatonnes of CDR will be required annually by 2050** to meet the Paris Agreement targets, yet only 2 gigatonnes are removed today, with most coming from existing land sinks.^{2,3} For the EU, between **400 and 800 megatonnes** of removals will be necessary each year by 2050, underscoring the urgency of scaling this sector into a gigatonne-scale industry within the next five years.⁴

In addition to the Clean Industrial Deal, the upcoming **revision of the European Climate Law** provides another key opportunity to support the development of a European CDR industry. We urge the Commission to put forward **separate sub-targets for gross-emissions reductions, LULUCF, and permanent carbon removals** within the broader 90% net-emissions reduction target for 2040. The Clean Industrial Deal and the revised Climate Law must go hand in hand, creating a cohesive framework that provides long-term regulatory certainty and a robust demand signal for the CDR industry, driving investment, innovation, and large-scale deployment.

1. IPCC, [AR6 Synthesis Report](#) (2023)

2. IPCC, [AR6 Synthesis Report](#) (2023)

3. Oliver Geden et al., [2nd Edition State of Carbon Dioxide Removal](#) (2024)

4. ESABCC, [Scientific advice for the determination of an EU-wide 2040 climate target and a greenhouse gas budget for 2030–2050](#) (2023)

As you prepare the Communication on the Clean Industrial Deal, we urge the Commission to leverage this framework to address the following key priorities for the CDR sector:

1. Streamline Permitting Processes

Current permitting processes for CDR projects are often lengthy and complex, deterring investment and slowing deployment. Simplifying these procedures would enhance the EU's appeal as a hub for CDR projects and other clean technologies, facilitating the faster implementation of critical climate solutions.

2. **Establish an Important Project of Common European Interest (IPCEI) for CDR** to foster cross-border coordination in key areas. Efficient CO₂ transport and secure storage across national boundaries require harmonised infrastructure and regulatory frameworks, which an IPCEI can support through collaborative efforts and investments. Additionally, by pooling resources, an IPCEI can address the diverse financing needs of CDR projects, from large-scale undertakings to modular deployments, ensuring the feasibility and scalability of ambitious initiatives.

3. Create Competitive Financial Incentives

The EU must establish financial mechanisms that rival global competitors such as the US, to attract and retain CDR companies. Attractive financial incentives, including public procurement, Carbon Contracts for Difference, subsidies, tax deductions, R&I support etc., will draw substantial investment, enabling the expansion of CDR projects and infrastructure. This will foster economic growth, create jobs, and establish the EU as a key leader in the global CDR industry.

4. Invest in Workforce Development

Understanding and addressing the needs of the CDR industry through targeted investments in specialised education and training programs will drive sector growth and facilitate a just transition. This approach will enhance the EU's economic resilience and competitiveness, while a well-trained workforce will serve as a significant incentive for companies to develop and implement their technologies in Europe.

The exclusion of CDR from prior legislative efforts, such as the Net-Zero Industry Act, represents a missed opportunity. By incorporating the above measures into the Clean Industrial Deal, the EU can rectify this oversight and position itself as a **global leader in this vital sector**. This approach will not **only drive decarbonisation** but **also unlock significant economic opportunities, including a projected €220 billion market and 670,000 new high-quality jobs by 2050**.⁵

The upcoming Communication on the Clean Industrial Deal and the revised European Climate Law represent a decisive moment for the EU to affirm its commitment to climate neutrality and economic resilience. We look forward to collaborating with the Commission to ensure the CDR sector thrives as a central pillar of Europe's green transition.

5. BCG & DVNE, [Carbon dioxide removal: Europe and Germany's role in Catalyzing a Trillion-Euro Industry](#) (2024)

The undersigned,



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