

## CEMENT EUROPE'S FEEDBACK TO EC LEGISLATIVE INITIATIVE ON CO<sub>2</sub> TRANSPORTATION INFRASTRUCTURE AND MARKETS PUBLIC CONSULTATION

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Cement Europe, the European Cement Association ([www.cementeurope.eu](http://www.cementeurope.eu)), welcomes the opportunity to comment on the EC's Legislative initiative on CO<sub>2</sub> transportation infrastructure and markets public consultation.

As a key material in constructing buildings, infrastructure, public transport and renewable energy equipment, cement and its end-product concrete are of key strategic importance for the green transition.

Our industry is at a critical juncture. In May 2024, CEMBUREAU published its [Net Zero Roadmap update](#), which looks at an increased ambition for the decarbonisation of the European cement industry, on the back of significant investments (please see our [interactive map](#)). As the hard-to-abate cement sector launches large-scale decarbonisation projects, a strong regulatory framework is indispensable to meet this ambition. As outlined in the CEMBUREAU's Net Zero Roadmap update, the EU cement sector aims to store **up to 12 million tonnes of CO<sub>2</sub> per year by 2030**, increasing to 62 million tonnes of CO<sub>2</sub> per year by 2050. Achieving the ambition requires a robust regulatory framework, as well as a reinforcement of EU's competitiveness.

In October 2025, Cement Europe published its [Cement Action Plan](#) which addresses the dual challenge of competitiveness and transition and signals a strong sense of urgency for establishing a clear, credible regulatory framework. This will enable a solid business case for the investments required for the cement industry to reach net carbon zero by 2050, with the potential for carbon-negative performance over the value chain.

In relation to the CO<sub>2</sub> transport infrastructure, Cement Europe underlines its deep concerns about the insufficient funding & de-risking tools which are needed for the decarbonisation of hard-to-abate sectors.

An **urgent action towards the following de-risking factors** needs to be considered, in order for the Final Investment Decisions (FID) of the carbon capture projects in the cement plants to go ahead:

- a) **Political:** A strong political willingness from both the Member States and the European Union is fundamental. Carbon capture projects will only advance in the EU if there is clear political determination. The long-term commitment to climate neutrality goals must be ensured, as investments in cement plants have a payback period spanning several decades.

- b) **Timing:** Once carbon capture projects are completed at cement plants, the CO<sub>2</sub> infrastructure (preferable pipelines) must also be in place in order for the CO<sub>2</sub> to be transported to the storage or the usage site. The contrary is also valid; the CO<sub>2</sub> pipeline construction requires certainty of supply. It goes without saying that this interdependency calls for guarantees to mitigate timing risks across the value chain. For example, if a CO<sub>2</sub> pipeline is delayed, cement plants that have invested in capture technology should not be penalized for emissions they cannot avoid. Timing derisking becomes even more crucial for projects funded under the EU Innovation Fund, which has a very strict time framework.
- c) **Economic:** investments in carbon capture technologies are highly capital intensive combined with substantial operational costs for cement plant operators. Since the current cost of ETS allowances does not provide a viable business case, supportive funding mechanisms are essential, such as well-designed Carbon Contracts for Difference (CCfD), tax incentives or targeted subsidies.
- d) **Technical – double penalty:** the design of a “guarantee” mechanism to address unforeseen risks and obligations along the CO<sub>2</sub> value chain should be included. Such unforeseen risks include maintenance works of a cement kiln, when no CO<sub>2</sub> is emitted, but also breakdowns in the value chain, including the transport, the liquefaction, the shipping, the storage, etc. Whenever a problem occurs in the entire value chain, a cement plant is exposed to the risk of a penalty for issues beyond its own control. The use of the Market Stability Reserve (MSR) to address the above issue, is something worth considering, as it would preserve the integrity of the Emissions Trading Scheme (ETS) while avoiding additional costs for public authorities.
- e) **Leakage:** Better clarity is required for the liability of the CO<sub>2</sub> when is transferred towards the storage sites. In our view, it is not fair that the complete liability lies only to the emitters until the CO<sub>2</sub> reaches the storage site, because the transfer conditions are out of control of the emitter. Furthermore, the upcoming legislation shall include a way on how to deal with the liability for trains or trucks (maybe also ships, barks) that transport CO<sub>2</sub> but return to the capturing facility not fully empty. There may be cases where a capturing facility receives CO<sub>2</sub> with impurity or corrosive components from other installations.

Cement Europe believes that when planning for the CO<sub>2</sub> transportation, equal priority must be given to **onshore storage** and **Carbon Capture Use (CCU)**, alongside offshore storage to ensure the reliance of the network. As cement plants are dispersed around Europe, they all need to have fair access to carbon storage capacities. The EC should give equal priority to interconnections not only with the northern countries such as the UK and Norway, but also with southern countries such as Algeria, Egypt, etc. Furthermore, there is a need for a more balanced approach and for promoting mainland as well as coastal projects.

With regard to **tariffs**, Cement Europe is in favour of a fair and non-discriminatory access to the CO<sub>2</sub> network. All cement sites should have the possibility to connect at the same tariff, independently of their distance from the CO<sub>2</sub> storage site. The development of the CO<sub>2</sub> network must target both mainland locations and coastal sites as well as the industrial hubs. A stepwise approach could start with unique EU-wide tariffs, to allow first movers to progress quickly, followed by a transition towards more cost reflective tariffs as the network matures.

Moreover, tariff levels should be linked to the cost of ETS allowances and should reflect the financial burden of meeting the required CO<sub>2</sub> specifications. Finally, tariffs should vary per each mode of transport (pipeline, ship (barge), rail, truck, etc.,).

Cement Europe looks forward to actively contributing to discussions on the EU's Legislative initiative on CO<sub>2</sub> transportation infrastructure and markets.

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