

Joint call to action for a strategy on regional CO₂ infrastructure in the Netherlands, Belgium and North Rhine-Westphalia

The climate crisis is one of the most important and urgent challenges of our generation. The IPCC Special Report on a global warming of 1.5 degrees shows clearly that the next 10 years are crucial in reducing greenhouse gas emissions. Amongst other sectors, heavy industry faces great challenges to transform and align with international and European climate targets and immediate action is therefore necessary. The European Green Deal aims to reduce greenhouse gas emissions from the European Union by 55 percent in 2030 and to reach net zero in 2050. Of these emissions, 18 percent originates from the production of basic materials like steel, cement, lime, ferro-alloys, aluminium and chemicals (ammonia, methanol, ethylene and propylene).

A substantial part of the European basic materials production happens in industrial clusters in north-western Europe. The ARRRRA (Antwerp-Rotterdam-Rhine-Ruhr Area) cluster produces 40 percent of all chemicals in Europe. Steel and cement companies also show a high degree of integration in this region. The mutual interdependence of companies operating in the cluster translates into common needs and comparable emission reduction challenges. To act on climate change, fulfil their societal role and stay competitive in the future, companies in the ARRRRA cluster must comply with the net-zero and circularity objectives of the European Green Deal. Given its highly interconnected nature, the cluster needs a renewed joint strategy towards net-zero emissions in 2050 (or 2045, as is the ambition of the German federal government) for all sectors. The cross-border nature of some of these industries calls for cross-border government efforts to decarbonise.

This letter, signed by a large group of civil society and private sector stakeholders from the Netherlands, Belgium and North-Rhine Westphalia, calls on the national and regional governments of the Netherlands, Belgium, Flanders, Wallonia, Germany, and North Rhine-Westphalia to accelerate and deepen their collaboration on industrial transformation planning. We call for a common vision and strategy to realise a CO₂ transport and storage infrastructure that accelerates industrial decarbonisation and structural emission reductions. This is an integral part of infrastructure for climate neutrality, besides an enlarged electric grid and hydrogen pipelines. Governments need to take the lead in foreseeing the cross-border infrastructure needed to make the large-scale emission reductions possible. As society relies on industry to decarbonise, the companies rely on the government to ensure the enabling infrastructure. This is both an infrastructural and a climate policy challenge, both a private and a public matter.

While this letter focusses on Carbon Capture and Storage as a part of the solution, the signatories acknowledge that companies have a portfolio obligation in the transformation towards net zero emissions. In such an 'and-and' approach, measures that decarbonise production processes, such as energy efficiency, electrification with renewable energy and

circular production processes should be prioritised. At the same time, they recognise that the development of Carbon Capture and Utilisation (CCU) for long-lived, (repairable, reusable) and recyclable products and Carbon Capture and Storage (CCS) are additional solutions to reach the 2030 and 2050 climate targets. An industrial transformation plan requires actions in all these domains, coupled with a finance strategy and plans to realise the required infrastructure.

Call for action:

- 1. Set up a cross-border CO₂ transport and storage infrastructure working group:** This working group should facilitate ongoing knowledge exchange and joint planning between the relevant authorities, should develop a common vision, policy, and rulebook on the roll-out of cross-border CO₂ infrastructure, and should align authorisation procedures in close consultation with private and civil society stakeholders. Ensure that the infrastructure is open access and prevent monopolies. The infrastructure should be future proof, multimodal and multi-purpose, so that it can also be used for Carbon Dioxide Removal (CDR) solutions to achieve negative emissions.
- 2. Take a leading role in defining the framework conditions for CCS:** Survey the full scope of CCS-needs in the integrated ARRRRA industrial cluster in the short, medium, and long-term, taking into account the risks for stranded assets and lock-ins.
- 3. Develop a common legal framework:** Ratify the London Protocol and negotiate international agreements between the Netherlands, Belgium, and Germany for the transport of CO₂ across borders in line with the London Protocol. Develop and exchange transparent, robust, and effective liability regimes for the allocation of leakage risks for CO₂ transport and long-term storage facilities. Reflect this in coalition agreements and national climate plans, respecting existing national policies and CCS-conditions.
- 4. Provide the necessary funding framework:** Set up a joint funding mechanism to help organize financial instruments at the local, national, and EU-level to address CO₂ infrastructure needs, blending public and private financing. This mechanism should involve clear conditions for receiving funding and include a cap and end date for subsidies. Create a mapping of capture, transport and storage solutions and their respective costs to facilitate the long-term planning of CCS as a mitigation intervention by companies. Define which sectors qualify for funding, keeping in mind the following principles:
 - a.** Prioritise direct emission reductions over CCS and ensure that CCS does not hinder the development or deployment of other forms of emission reductions including electrification. Ensure that funding for CCS does not hinder the phaseout of fossil fuels.
 - b.** Companies applying CCS should include it as part of a long-term plan to reduce greenhouse gas emissions.
 - c.** The use of the CCS should be prioritized in the industrial sector.

5. **Acknowledge and standardize the multi-modal and multi-purpose nature of CO₂ transport and storage infrastructure**, the deployment of new infrastructure, as well as the retrofitting of existing onshore and offshore infrastructure where this is opportune. Ensure that different modes of transport (pipelines, ships, barges, trains, trucks) are planned according to their specific merits and that infrastructure is developed to serve different purposes over time.
6. **Ensure that infrastructure can be expanded to connect to other industrial clusters further inland** (for example in Germany and France).

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