

NEW COMMISSION, NEW YEAR, NEW GEAR

RESOLUTIONS for the Clean Industrial Deal

#1

Industrial decarbonisation
for European competitiveness

#2

European energy systems fit for
purpose

#3

Financing the decarbonisation
in an effective, rapid and just
way

#4

Carbon accounting that
provides transparency

#5

Foster lead markets for
low-carbon products

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Just as the rest of us are deciding which New Year resolutions will stick for the full year, and which one were mere fads, the European Commission is getting ready to publish the Clean Industrial Deal (CID). While we don't know what will be included in the CID, expected on February 26th, Bellona has a clear view on what it should be—based on our already published [Roadmap](#) for the new European Commission mandate. In addition to setting out a clear strategy including and ensuring timely implementation of already agreed-upon initiatives to decarbonise industry in Europe, the Clean Industrial Deal should also include:

RECOMMENDATION #1: INDUSTRIAL DECARBONISATION FOR EUROPEAN COMPETITIVENESS

For European industries to remain competitive globally, they must rapidly decarbonise. The Industrial Decarbonisation Accelerator Act must enable this by prioritising direct electrification where possible, deploying CO₂ transport and storage infrastructure, and enabling a targeted use of hydrogen. The CID must:

- 1** Provide the conditions to directly electrify industrial heat and processes where possible, for rapid and cost-effective emissions reductions as well as lower energy costs for industries. This requires clear targets and dedicated funding schemes to drive implementation.
- 2** Enable the strategic planning and deployment of CO₂ transport and storage infrastructure to facilitate the full decarbonisation of Europe's pillar industries like cement, steel, and chemicals. Establish a clear regulatory framework for CO₂ transport and ensure fair access.
- 3** Support hydrogen deployment for sectors with no viable alternatives, such as steel, chemicals, and long-haul transport. It must ensure its use is supported by additional renewable energy capacity to avoid competition with more efficient direct electrification solutions.

Bellona Europa has developed a joint letter on CCS in the CID, keep a look out on our [website!](#)

RECOMMENDATION #2: EUROPEAN ENERGY SYSTEMS FIT FOR PURPOSE

Strengthening infrastructure, particularly electricity grids, is crucial for the Clean Industrial Deal to build a future-ready energy system. This will drive sectoral electrification and reinforce Europe's industrial competitiveness. The CID must:

- 1** Prioritise the expansion and modernisation of electricity grids to ensure the delivery of renewable energy and enable electrification of industrial sectors.
- 2** Enable flexibility and demand-side response mechanisms to allow for optimal renewable energy integration across all sectors, to utilise the potential of different industrial sectors.
- 3** Propose feasible financial solutions for infrastructure to drive system decarbonisation while ensuring affordable energy prices.

RECOMMENDATION #3: FINANCING DECARBONISATION IN AN EFFECTIVE, RAPID AND JUST WAY

The CID will need to contribute filling the massive financial gap to reach the EU climate needs in a smart and strategic way. It must also enable the transition to a European market economy that works for the climate and the people. The CID must:

- 1** Ensure that ETS revenues are used for climate action, transparently and with no exceptions, adhering to clear criteria: climate impact, system effect, timing, scalability, and the "Do No Significant Harm" principle. Redirect investments from fossil-based activities to renewable and low-carbon technologies.
- 2** Strengthen carbon pricing and CBAM, by phasing out free ETS allowances and implementing a robust CBAM that covers both direct and indirect emissions, closing current loopholes to enhance the mechanism's climate impact.
- 3** Provide dedicated support for regions economically reliant on energy-intensive industries to ensure a just transition, with targeted funding for reskilling workers, modernising infrastructure, and fostering inclusive planning.

RECOMMENDATION #4: CARBON ACCOUNTING THAT PROVIDES TRANSPARENCY ON CLIMATE ACTION

The EU must ensure that our impact on the climate is accurately reflected in its policies and plans. The CID must prevent misleading environmental claims, strengthen the EU's ability to monitor the climate impacts, and provide greater transparency in how it will achieve its ambitious climate plans. The CID must:

- 1** Keep emission reductions as the core pillar of the EU's pathway towards climate neutrality, while providing clear and separate roles for the restoration of land sinks and the deployment of carbon removals.
- 2** Mandate full lifecycle assessments which comprise the whole value chain across geographies, and ensure robust monitoring and reporting of project emissions.
- 3** Ensure that only those projects which truly mitigate industrial emissions across the value chain, considering the origin and destination of carbon, benefit from incentive schemes.

RECOMMENDATION #5: FOSTER LEAD-MARKETS FOR LOW-CARBON PRODUCTS

Demand-side measures are a crucial part of any comprehensive strategy, and in particular for the CID. The CID must enable the creation of lead markets for low-carbon industrial products, and:

- 1** Make green public procurement the norm: the CID should utilise the revision of the Public Procurement Directives to drive demand for low-carbon products.
- 2** Leverage existing legislation that is relevant for industrial products, like the EPBD. It should ensure that the whole-life carbon approach is taken in buildings and infrastructure projects, and aim for an ambitious lifecycle GWP methodology in the upcoming EPBD Delegated Act.
- 3** Create a competitive advantage for Europe and kickstart a EU-wide transition towards zero-emission construction equipment.