ALLIANCE for
LOW-CARBON CEMENT
& CONCRETE

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Feedback on Innovation Fund

The Alliance for Low-Carbon Cement and Concrete (ALCCC) – made up of leading innovative business and stakeholders across the value chain – is committed to decarbonising cement and concrete, targeting net-zero by 2040. Proven, scalable and cost-effective solutions exist today. It is on the shoulder of legislators to make them the norm in the EU and beyond. As outlined in our roadmap, this requires policy frameworks to be established in which clean technologies thrive ; a strengthening of the single market through standards ; and the creating of lead markets and stable finance.

We welcome the opportunity provided by the European Commission to give feedback on the evaluation of the innovation fund. In doing so, we would like to highlight the following points:

1) **Level-up investments to the full spectrum of clean cement and concrete technologies.** To date the innovation fund (IF) has almost exclusively supported the deployment of CCS technologies in cement[1]. While important, we believe there is at present no balance in EU funding between support for CCS deployment and support for clinker substitution solutions. To date, 14 out of 15 Innovation Fund projects in cement have been awarded to cement. These represent a portfolio of €2,3 billion, standing in sharp contrast to only 1 small-scale SCM project of 4,5 million. This is a ratio of about 1 to 500 which is not at all aligned with the significant potential for clinker substitution in Europe, to be achieved through a combination of proven, mature and scalable technologies (i.e. SCMs, alternative and novel cement types, clinker recycling…)[2]. This also reflects from the EU Horizon DETOCS project according to which Europe has the potential to drastically reduce its need for cement clinker, going down from a clinker-to-cement ratio well above 70% at present to 40% by 2030 and 35% by 2035. This showcases once again the strong need to level-up investments in clean cement and concrete technologies that can (drastically) reduce the overall need for expensive and energy-intensive end-of-pipe solutions.

2) **Need for better supporting cost-effective decarbonisation technologies**. At present, the IF project award criteria have a bias towards supporting technologies with a green premium, partly explaining the strong focus on CCS deployment given that these substantially increase the cost of cement[3]. In sharp contrast, however, clinker substitution technologies have in common that they are cost-neutral or even cost-effective. Therefore, it is crucial for the IF to revise its award criteria to better support the deployment of innovative cost-effective decarbonisation technologies. For cement and concrete, this is especially relevant to safeguard the affordability of housing across Europe.

[1] Clean Industrial Revolution
[2] See e.g. ALCCC factsheet SCMs ; Cement substitution with secondary materials ; Portland vs. Alkaline cement ; Electric recycling of Portland cement at scale
[3] RMI - five insights on cement and concrete decarbonisation

3) **Fair access to all technologies and market actors.** The IF (and the forthcoming Industrial Decarbonisation Bank) needs to ensure at all times that access to funding is not restricted to ETS installations only, amongst others because of the shortcomings of the ETS (i.e. benchmark only covers clinker production). A level-playing field for all market actors is essential to ensure that the full spectrum of clean tech cement and concrete solutions have access to funding.