

Challenge Coalition Guidance

UK Carbon Management Innovation
Challenge (part of the UK Cleantech
Innovation Challenges programme)

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UK Cleantech Innovation Challenges

The UK Cleantech Innovation Challenges programme was established to accelerate innovation in mission-critical areas to unlock the benefits of the UK's clean energy economy. It aims to support UK innovation as a catalyst to grow clean energy industries; address the areas of greatest need for innovation to support current and future carbon budgets; and provide support in areas where no similar initiatives or mechanisms already exist. Further information about the programme is available [here](#).

Each Innovation Challenge will seek to: set direction for innovation through an ambitious, timebound and measurable challenge statement; support market demand for new technologies and remove barriers to innovation through a suite of policy activities; engage industry through Challenge Coalitions to own and shape challenge activity and drive delivery; provide targeted non-financial support to high-potential UK technology developers; and measure progress against the challenge statements.

UK Carbon Management Innovation Challenge

The first challenge in the programme is focused on carbon management.

UK Carbon Management Innovation Challenge statement

Accelerate the development, demonstration and commercialisation of innovative solutions for carbon capture and greenhouse gas removal in the UK. This challenge will be delivered through three pathways, with intermediate milestones, to reach the following ambitionsⁱ for 2040:

- Innovation to **halve the cost of point-source carbon capture**ⁱⁱ across key UK applications compared to 2025 benchmark costs.
- Innovation to **halve the cost of direct air capture**ⁱⁱⁱ compared to 2025 benchmark costs.

ⁱ These ambitions are aspirational, non-binding targets to drive engagement between government and industry.

ⁱⁱ Measured through the levelised cost of capture for a given application, adjusted for changes in exogenous factors such as energy costs, cost of capital and materials; this includes point-source carbon capture across a range of applications, including, for example, industrial CCS, power-CCS, BECCS and others.

ⁱⁱⁱ Measured through the levelised cost of capture, adjusted for changes in exogenous factors such as energy costs, cost of capital and materials; benchmarked for a 1 MtCO₂pa capacity plant.

- A healthy UK ecosystem of **10 or more commercial-scale non-CCS reliant engineered GGR projects of at least 20ktpa capacity**, across a diverse portfolio of technologies, and with robust monitoring, reporting and verification.^{iv}

The UK Carbon Management Innovation Challenge is set out [here](#)

UK Carbon Management Innovation Challenge Coalition

We are seeking stakeholders to join the Challenge Coalition which will deliver the UK Carbon Management Innovation Challenge. This coalition will comprise technology developers, project developers and operators, investors, offtakers, academics, research organisations, industry bodies, trade associations, public sector organisations and others who are committed to supporting the ambition of the challenge, sharing their knowledge and experience, and championing the advancement of cleantech innovations.

The Coalition will own the challenges – shaping the challenges’ activities, driving delivery across industry and government, building partnerships, sharing knowledge and supporting the tracking of progress against challenge objectives. Organisations that wish to join the Challenge Coalition for the UK Carbon Management Innovation Challenge are invited to submit an [expression of interest form](#).

A note on Innovation Champions

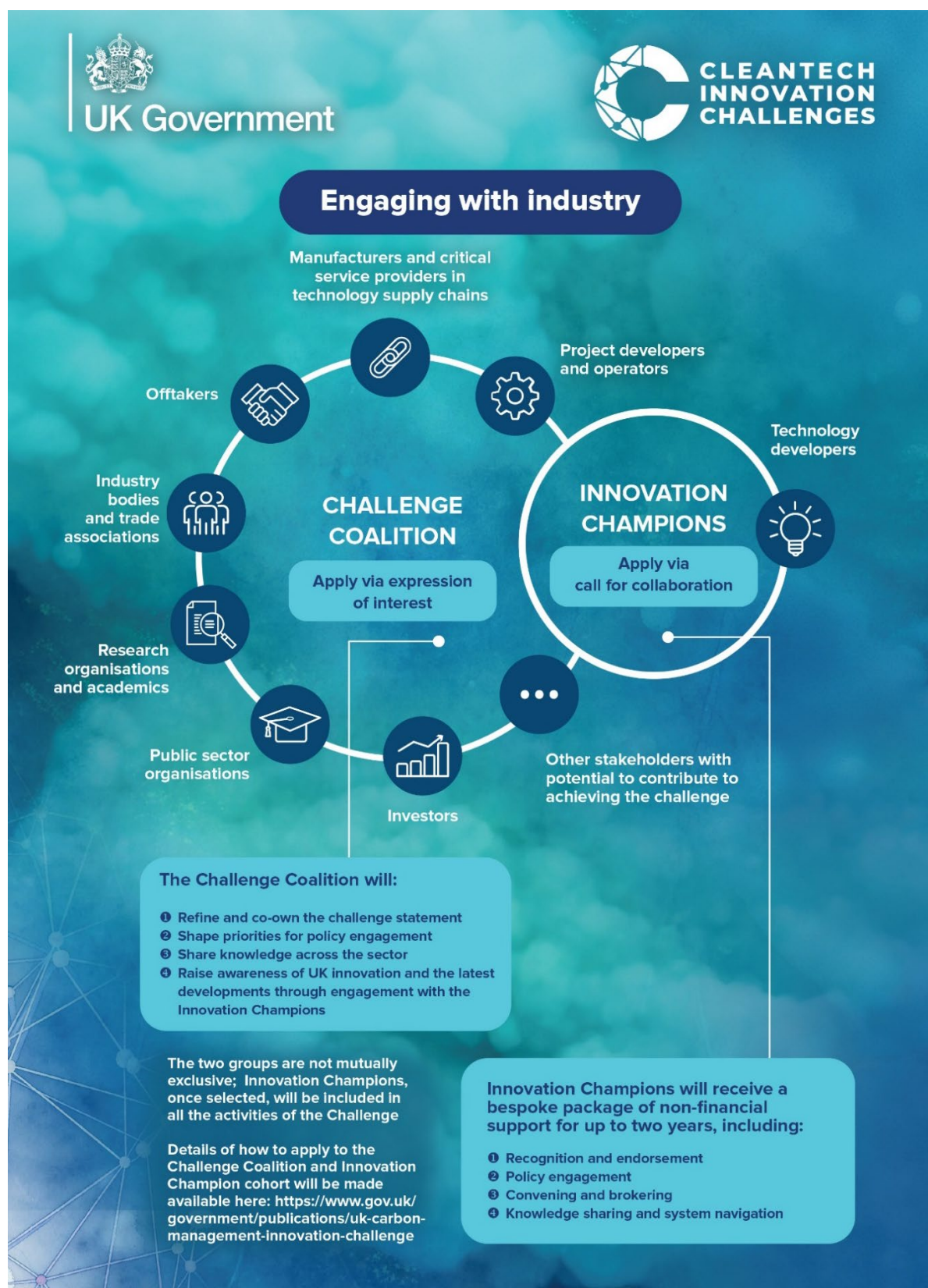
In addition to the Challenge Coalition, the Department for Energy Security and Net Zero (DESNZ) will establish a small cohort of high-potential technology developers with solutions expected to have an impact on the challenge goals – the Innovation Champions. Companies will be selected to join this cohort through a competitive process and will receive targeted non-financial support for their innovative solution over a period of up to two years. The application process for the Innovation Champions for the UK Carbon Management Innovation Challenge is expected to commence in Autumn 2026, with further details to be provided.

The two groups are not mutually exclusive; Innovation Champions, once selected, will be included in all the activities of the Challenge Coalitions. Technology developers interested in applying to become an Innovation Champion are

^{iv} At least three different types of technologies that generate accurate and independently verifiable estimates of carbon removal, aligned with recognised standards and frameworks where available or grounded in scientifically rigorous methods

encouraged to submit an [expression of interest form](#) to join the Challenge Coalition to ensure they can engage on the challenge from the start.

Figure 1. Relationship between Challenge Coalition and Innovation Champions



What does membership of the Challenge Coalition involve?

The Challenge Coalition will be expected to meet around four times over a period of up to two years. The first meeting is expected to be in Autumn 2026. Activities will include:

- Shaping the challenge's activities, including influencing how the programme is delivered, and informing and shaping policy sprints;
- Driving action across industry, government and the wider carbon management ecosystem;
- Sharing knowledge and supporting the tracking of progress against challenge objectives. This will include helping to review and agree the monitoring framework, benchmark methodology and underlying model used to track progress against the challenge ambitions.

In addition, the Challenge Coalition will be invited by DESNZ to take part in other meetings and events according to the coalition members' expertise and interests. This could be, for example, an invitation to attend a knowledge sharing session on latest research and developments in a particular technology area relevant to the challenge; an invitation to attend a pitch day with innovators testing market proposition or delivering pitches for investment; or an invitation to a match-making event helping to build relationships between technology developers looking to trial or deploy cleantech solutions and potential customers. Meetings are likely to be virtual but may occasionally be held in person.

The coalition's activities will be supported by a secretariat and overseen by an independent Coalition Chair.

The independent chair will steer the work of the Coalition, facilitate collaboration across members, ensure a balanced range of perspectives are represented, and act as a champion for delivery of the challenge's ambitions. The independent chair will be appointed at the discretion of DESNZ. Participation as the independent chair is on a voluntary basis – requiring an expected time commitment of three to four hours a month, to be discussed on appointment. DESNZ reserves the right to change the chair at any point. If you are interested in being considered for the role of chair, please indicate this in your expression of interest form.

Principles of engagement

The core purpose of the coalition is to bring together a diverse range of stakeholders with shared interests in the challenge to work in partnership to support its ambition. As such, the intention is to foster an open, honest and supportive environment where knowledge, expertise and information will be shared. Coalition members are expected to represent the views of their organisations and to prioritise attendance at meetings, nominating suitable deputies as required.

Participation is on a voluntary basis. No financial compensation will be available for participants or the Coalition Chair.

From time to time, it may be beneficial for the purpose of the coalition for confidential information to be exchanged amongst its members. Where this is done it will be done on an entirely voluntary and non-legally-binding basis, however, we expect that all confidential information will be treated appropriately.

Draft terms of reference for the coalition will be issued in advance of the first meeting.

Who can join?

The Challenge Coalition is open to all organisations with an interest in advancing cleantech innovation in the carbon management sector in the UK. It is for organisations with a strong interest in innovation in carbon management technologies that would meaningfully engage with DESNZ and others across industry to contribute to achieving the challenge's ambitions. This includes, but is not limited to, organisations such as:

- Technology developers
- Project developers and operators
- Manufacturers and critical service providers in technology supply chains
- Offtakers
- Industry bodies and trade associations
- Research organisations
- Academics and experts
- Investors

To be eligible to join the coalition, applicants must meet the following three criteria:

1. UK-based company or organisation, or otherwise demonstrating a strong interest in supporting cleantech innovation in the UK specifically;
2. Evidenced interest in one or more of the UK Carbon Management Innovation Challenge pathways;
3. Evidenced intention to meaningfully engage with DESNZ and others across industry as part of the coalition.

How to respond to the expression of interest

To apply to become part of the Challenge Coalition for the UK Carbon Management Innovation Challenge, please follow the link to complete a short expression of interest form: [UK Carbon Management Innovation Challenge Coalition - Expression of Interest – Fill in form](#).

We encourage you to submit your expression of interest form as soon as possible, however, it will be open to responses until 23rd August 2026.

The expression of interest form includes the following sections of questions:

- Applicant information: details about your organisation and contact details;
- UK Carbon Management Innovation Challenge: your organisation's interests, activities and plans with regards to the ambitions of the carbon management challenge statement;
- Challenge Coalition participation: your organisation's ability to contribute towards Coalition activity, capacity to participate, and agreement with the principles of engagement.

How the Challenge Coalition will be selected

Based on the evidence provided in the expression of interest forms, DESNZ will select organisations to take part in the coalition. This selection will be based on the eligibility criteria outlined above, and ensuring the coalition has a balanced membership with representatives from across the various stakeholder groups and the challenge pathways and ambitions.

In the event of a large number of applications, DESNZ reserves the right to select coalition members to ensure the coalition remains manageable in size.

Applicants will be informed of the outcome of their expression of interest and on next steps for the Challenge Coalition in September 2026.

Future opportunities to join the Carbon Management Innovation Challenge Coalition

As delivery of the challenge progresses over a period of up to two years we anticipate there being further opportunities for eligible organisations to join the coalition. Details on how and when this will occur will be provided in due course. We encourage companies to express their interest in this round to maximise the value of this engagement.

Challenge Coalitions for other Cleantech Innovation Challenges

As subsequent Innovation Challenges are launched within the Cleantech Innovation Challenges programme, we expect to follow a similar process to form challenge-specific coalitions.

This publication is available from: <https://www.gov.uk/government/publications/uk-carbon-management-innovation-challenge>

Any enquiries regarding this publication should be sent to us at:
innovation@energysecurity.gov.uk

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