

CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

This document aims to inform the public and stakeholders on the Commission's future legislative work so they can provide feedback on the Commission's understanding of the problem and possible solutions and give the Commission any relevant information that they may have, including on possible impacts of the different options.

TITLE OF THE INITIATIVE	Industrial Decarbonisation Accelerator Act – speeding up decarbonisation
LEAD DG (RESPONSIBLE UNIT)	DG GROW – Unit I1
LIKELY TYPE OF INITIATIVE	Regulation
INDICATIVE TIMETABLE	Q4-2025
ADDITIONAL INFORMATION	Clean Industrial Deal

A. Political context, problem definition and subsidiarity check

Political context

Europe's industrial base is central to our identity and essential for our competitiveness and resilience. The Clean Industrial Deal¹ is Europe's new growth strategy to **accelerate decarbonisation** and **competitiveness** for European industry. It aims to increase sustainable and resilient industrial production in Europe, while investing in decarbonisation. Decarbonising energy-intensive industries (EIIs) is necessary to reach climate neutrality. However, this will not succeed without safeguarding the competitiveness of EIIs. These industries are of strategic importance to the EU's resilience, security and economic prosperity. They are the key starting point for many value chains, providing raw, processed and intermediate materials to downstream sectors such as automotive, construction, net-zero technologies, engineering products, defence and aerospace, and form the basis of the green and digital transitions. For these reasons, EIIs require urgent support to decarbonise, electrify as well as tackle high energy costs, unfair global competition and complex regulations that jeopardise their business case, harm their competitiveness and weaken European resilience.

The Clean Industrial Deal announces an Industrial Decarbonisation Accelerator Act to address permitting bottlenecks related to industrial decarbonisation and access to energy and support the creation of lead markets for the development of European clean and resilient industrial technologies and products.

Problem the initiative aims to tackle

EIIs represent 19% of the EU's greenhouse gas emissions, while employing 7.8 million people and providing added value of EUR 549 billion.

The competitiveness of these sectors is undermined by several factors: higher energy costs than in non-EU countries, demand slowdown in some of the main downstream sectors (e.g. automotive, construction), and non-market overcapacities driven by export-led growth strategies and state-subsidised production in non-EU countries². This results in higher price pressure through cheap imports and the risk of creating dependencies in strategic sectors.

¹ COM(2025) 85 final – The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation.

² [https://one.oecd.org/document/DSTI/SC\(2023\)3/FINAL/en/pdf](https://one.oecd.org/document/DSTI/SC(2023)3/FINAL/en/pdf).

To overcome this and building on other existing or ongoing initiatives, this initiative aims to address the following specific problems. First, lengthy permit-granting procedures³ for decarbonisation projects (sometimes linked to access to energy infrastructure) are a concern for EIIs that want to decarbonise. Second, the technologies to decarbonise EIIs are often not yet cost-competitive due to high capital and operational costs, very long payback times and are often not yet deployed on a large scale. Third, there is a lack of demand for clean industrial products at current prices compared to their conventional alternatives.

All these factors contribute to a decline in industrial production and a challenging business environment for decarbonisation investments⁴. The strengthening of the EU Emissions Trading System (ETS) will improve the business case over time, but carbon prices remain highly uncertain. Today, emissions reductions are too often the result of reduced production output rather than increased efficiency, energy system integration and decarbonised manufacturing processes, especially for the most energy-intensive sectors (e.g. pulp and paper, basic metals, minerals and chemicals⁵). **Investments in clean technologies are not materialising fast enough to offer viable business pathways for decarbonising EIIs and meet the European climate neutrality objective⁶.**

Basis for EU action (legal basis and subsidiarity check)

Legal basis

Article 114 of the Treaty of the Functioning of the European Union (TFEU) provides the appropriate legal basis as it enables the EU to adopt measures that strengthen harmonisation, ensuring a level playing field within the single market in order to maintain and increase industrial production by supporting decarbonisation investments. Article 173(3) TFEU on industrial policy could also provide a relevant legal basis to help Member States secure the conditions necessary for industrial competitiveness.

Practical need for EU action

The current context creates the conditions for EU intervention to support the European industrial business case. The problem can only partially be addressed by Member States due to the integrated nature of the market for energy-intensive industrial products and that of energy markets. We need to preserve a level playing field in the single market. The absence of additional EU action would maintain the status quo, increasing the risk of losing European strategic industries and becoming excessively dependent on non-EU countries for the EU's green, digital, defence and economic security objectives. Action at EU level would provide added value in terms of simplifying the regulatory burden and administrative practice, creating a faster, more coordinated framework to facilitate decarbonisation investments and strengthen European resilience. A coordinated EU approach would also increase investment efficiency and support the development of European low-carbon lead markets, while preventing internal market fragmentation.

B. Objectives and policy options

The general objective of the Industrial Decarbonisation Accelerator Act is to increase sustainable and resilient industrial production in energy-intensive industrial sectors in the EU by supporting decarbonisation investments. Besides the baseline scenario (status quo), the Commission will assess options focused on legislative and non-legislative measures. The Act will consider three specific

³ See for instance Business Europe final report, Licence to transform – SWOT analysis of industrial permitting in Europe, February 2024.

⁴ See the example of low-carbon steel projects – LeadIT Green Steel Tracker, showing a slowdown in new project announcements in Europe in 2024, against a wider spread of investments globally.

⁵ https://climate.ec.europa.eu/document/download/7bd19c68-b179-4f3f-af75-4e309ec0646f_en?filename=CAPR-report2024-web.pdf.

⁶ This was one of the main findings of the [Draghi report](#) on the future of European competitiveness.

objectives: 1. Speed up permitting procedures for industrial decarbonisation; 2. Identify and promote priority industrial decarbonisation projects and clusters; 3. Create and protect European lead markets for European low-carbon products. It will also seek to contribute to the sixth priority area of the Clean Industrial Deal, i.e. ensure skills, job quality and just transitions by establishing this dimension across all objectives and actions.

The initiative will focus on EIIs (i.e. chemicals, steel, pulp and paper, refineries, cement, non-ferrous metals, glass, and ceramics) and, where relevant, consider related downstream industries within a value chain logic. The impact assessment will assess and identify the scope of the relevant sectors and consider measures aligned with the specified objectives:

- 1. Speed up permitting procedures for industrial access to energy and industrial decarbonisation, while ensuring high environmental standards:** The impact assessment will consider different measures, including measures to improve access to energy (primarily electricity but also hydrogen) and access to carbon capture, utilisation and storage infrastructure. These measures will build on experience acquired through the EU Emergency regulation on permitting⁷ the Renewable Energy Directive⁸, the TEN-E Regulation⁹, the Critical Raw Materials Act¹⁰ and the Net Zero Industry Act¹¹, while also harnessing digitalisation.
- 2. Identify and promote priority projects and clusters:** The risks linked to investments in decarbonisation projects are high, therefore public intervention is often crucial to help de-risk investment in clean technologies. The impact assessment will assess relevant criteria to identify priority industrial decarbonisation projects or clusters and assess policy measures to support and promote them, including by facilitating access to funding. Policy options will also consider how to support Member States in planning and implementing an appropriate enabling environment for industrial clusters.
- 3. Create and protect European lead markets for low-carbon products:** The impact assessment will consider measures to support lead markets, including by:
 - Introducing sustainability and resilience criteria and minimum EU content requirements in public (and in some circumstances, private) procurement in strategic sectors. This aims to create lead markets for low-carbon industrial products, while aligning with other legislative initiatives and the EU's international commitments.
 - Promoting industrial products with a low carbon intensity, including options for an EU label. It will develop a voluntary label for steel based on ETS data and building on the EU's Carbon Border Adjustment Mechanism methodology. The impact assessment will also consider incentives for uptake of clean carbon feedstock, including carbon capture and utilisation, sustainable biomass and recycled waste.
 - Protecting European lead markets. Policy options will consider measures to boost the single market benefits of (foreign direct) investment in innovative technologies and address industrial challenges, complementing where relevant existing trade policy instruments.

The initiative is consistent with existing national and EU policy and will be in line with the EU's international commitments. It implements policy decisions announced in the Clean Industrial Deal and complements existing legislation such as the Net Zero Industry Act, the EU ETS, the EU's Carbon Border Adjustment Mechanism, rules on the energy markets and trade defence instruments.

⁷ Council Regulation (EU) 2022/2577.

⁸ Directive (EU) 2023/2413.

⁹ Regulation (EU) 2022/869.

¹⁰ Regulation (EU) 2024/1252.

¹¹ Regulation (EU) 2024/1735.

C. Likely impacts
<p>In terms of economic impact, the impact assessment will assess options in terms of their ability to accelerate industrial decarbonisation, including by supporting investments, while ensuring that Europe maintains its strategic industries and their competitiveness. The measures would help remove regulatory barriers and bottlenecks to new and existing decarbonisation investment projects by simplifying procedures and stimulating the demand for resilient and low-carbon products. As such, they are expected to improve the competitiveness and resilience of the EU, maintaining the added value of manufacturing companies and quality jobs. At the same time, measures that will help create lead markets for low-carbon products or support industries for strategic or security reasons could have some negative impacts in terms of increasing the cost for downstream products and/or final consumers. These impacts will be carefully assessed. The costs and benefits of the various options will be investigated and quantified where possible. Given the simplification dimension of this initiative, it will focus on the identification of burden reduction. In addition, special attention will also be paid to analysing the small and medium-sized enterprise (SME) and competitiveness dimension of the various options.</p> <p>In terms of social impact, the measures would support industrial decarbonisation projects in the EU, providing opportunities for regional development, preserving the current employment level in EIs and potentially increasing it, including through up- or reskilling efforts.</p> <p>In terms of environmental impact, the measures would help reduce greenhouse gas emissions in industrial sectors and regions, while supporting the uptake of cleaner technologies in line with the EU's climate ambition.</p>
D. Better regulation instruments
Impact assessment
<p>The Commission will carry out an impact assessment to assess different policy options and their likely impact. The analysis will be supported by the results of the open public consultation, the targeted consultation that is also envisaged, internal analysis and external studies and will help with the preparation of the Commission's proposal¹².</p>
Consultation strategy
<p>The purpose of the consultation is to collect evidence and views from stakeholders and citizens, including those who will be directly affected by this initiative. This will give them the opportunity to provide relevant information on the problems and potential solutions.</p> <p>Consultation activities will include i) this call for evidence and the accompanying public consultation, open for feedback for a duration of 12 weeks on the Have Your Say portal; ii) targeted consultations with Member States, social partners, stakeholders and experts as necessary. In these activities, particular consideration will be given to SMEs, investors, citizens and consumers. Stakeholder workshops will be organised to gather additional evidence.</p> <p>Following the public consultation, a factual summary will be published. A synopsis report of all consultation activities will be published as an annex to the impact assessment.</p>
Why we are consulting?
<p>The consultation aims to ensure that all relevant stakeholders can provide their views, evidence and experiences. This will also improve the evidence base underpinning the initiative and enable the Commission to take into consideration information and views on the problems and potential solutions.</p>

¹² [Draghi report](#) on the future of European competitiveness; [SWD\(2025\) 12 final – Second annual report on key findings from the European Monitor of Industrial Ecosystems \(EMI\)](#).

Target audience
All citizens and stakeholders are welcome to contribute to this consultation. Contributions are particularly sought from national and sub-national administrations in the EU, businesses, including SMEs, European and national trade associations, non-governmental organisations, social partners, think tanks, consumer associations, research institutions and non-EU countries.