Recommendations for the Industrial Accelerator Act

Response to the public consultation on the European Commission's proposal to the Industrial Accelerator Act

18 June 2026

Carbon Management Europe

Carbon Management Europe

Key recommendations

Ensure ambitious and harmonised low-carbon product definitions under relevant legislation	Ensure that delegated acts under the ESPR and CPR define low-carbon products based on their GHG intensity and exclude marginal improvements within conventional production pathways. The thresholds should be linked to an ambitious definition of "low-carbon" reflecting the highest classes of performance.
Make low-carbon requirements mandatory across all forms of public intervention	Require Member States to apply both low-carbon and EU-origin requirements across all forms of public intervention.
Restrict and clarify exemption mechanisms from low-carbon requirements	Ensure that exemptions from the application of low-carbon requirements on the grounds of disproportionate costs remain strictly exceptional by assessing cost impacts at project and/or contract level and establishing a clear, harmonised methodology for their application across Member States.
Include the possibility of introducing private demand-side measures to all strategic sectors with a clear timeline	Broaden Article 16 to expressly enable the European Commission to establish private demand-side measures beyond chemical products to all strategic sectors identified in Annex I, supported by a binding implementation timeline.
Increase and progressively strengthen low-carbon content thresholds	Raise low-carbon procurement requirements for steel, concrete, mortar and aluminium, with clear and progressive milestones for 2030 and 2040 to provide predictable demand signals and long-term investment certainty for decarbonisation projects.
Strengthen industrial ecosystems and policy coherence	Align the Industrial Accelerator Act with existing EU frameworks, including the Net-Zero Industry Act and forthcoming European Competitiveness Fund, while supporting industrial clusters and acceleration areas that enable coordinated decarbonisation.

Introduction

Carbon Management Europe welcomes the opportunity to provide feedback on the Commission's proposal on the Industrial Accelerator Act (IAA). The IAA is a key opportunity to align EU climate ambition with industrial competitiveness objectives by addressing an important barrier to industrial decarbonisation: the lack of predictable and sustained demand for low-carbon products in Europe.

While the EU has established important supply-side incentives through carbon pricing, innovation funding, and support for strategic infrastructure, these measures alone are insufficient to drive the scale of investment required to decarbonise European industry. Currently, low-carbon production continues to face significant cost premiums compared to conventional alternatives, limiting their market uptake and undermining the business case for investment in industrial decarbonisation technologies such as Carbon Capture and Storage (CCS).

The IAA has a critical role to play in complementing existing supply-side measures by establishing a robust framework of demand-side policies capable of creating lead markets for low-carbon products across Europe – an objective that is central to the Clean Industrial Deal.

Carbon Management Europe's feedback aims to enhance the ambition of the IAA and strengthen its contribution to an ambitious, predictable and coherent framework that stimulates demand for low-carbon products, while maintaining consistency with the broader EU industrial and climate policy objectives. To this end, the feedback mainly focuses on the following areas:

- Chapter III – Strengthening the Union's strategic industrial value chains
    - Article 10
    - Article 11
    - Article 12
    - Article 16
- Chapter V – Industrial Manufacturing Acceleration Areas
    - Article 25
- Chapter VI – Final provisions
- Annex II

Chapter III – Strengthening the Union's strategic industrial value chain

Article 10: Definition of low-carbon products
For the purposes of this Chapter, a product covered by Annex II shall be considered low-carbon when it complies with the requirements set out in delegated acts, as follows: (a) for construction products referred to in Regulation (EU) 2024/3110 and covered by a harmonised technical specification or a European Technical Assessment, the delegated acts adopted pursuant to Article 5(5) or Article 22(9) of Regulation (EU) 2024/3110 (b) for all other products, delegated acts adopted pursuant to Article 4 of Regulation (EU) 2024/1781, as applicable.

Carbon Management Europe welcomes the objective of establishing a harmonised definition of "low-carbon products" through delegated acts adopted under the Ecodesign for Sustainable Products Regulation (ESPR) and the Construction Products Regulation (CPR). This approach helps avoid duplication of regulatory efforts and promotes consistency and legal certainty across the EU legislative framework. A harmonised definition applicable across different policy instruments will be essential to ensure a coherent approach to the identification and promotion of low-carbon products within the internal market.

In drafting these delegated acts, the Commission should adopt clear definitions based on genuine decarbonisation of the production process achieving significant lifecycle GHG emissions reductions, rather than marginal improvements within conventional and emission-intensive pathways.

To effectively drive industrial decarbonisation and scale up lead markets for low-carbon products, the IAA should target expansion of demand of the best-performing "low-carbon products", as these deliver the highest GHG emissions reductions while typically requiring significant upfront capital investment to reach commercial scale. [1]

To achieve this, the definition of low-carbon production and corresponding label should be directly linked to the respective product's GHG intensity. These should be based on robust carbon accounting methodologies that reflect the actual lifecycle GHG emissions and differentiate products that achieve substantial emissions reductions from conventional alternatives. This would be consistent with Regulation (EU) 2024/3110, which identifies products falling within the highest two classes of performances as one of the criteria to consider when developing mandatory sustainable public procurement criteria for construction products (Article 83).

In parallel, the revision of the EU Public Procurement Directives should complement the IAA by driving demand for a wider range of low-carbon products through mandatory sustainability requirements in public tenders.

[1] One example is Evo-Zero, Heidelberg Materials' captured near-zero cement. EvoZero Cement < https://www.evozero.com/en> accessed 9 June 2026.

Article 11(2): Low-carbon requirements under public procurement
1. For public procurement procedures referred to in Part I of Annex II and Part I of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with Articles 8 and 10.

Carbon Management Europe welcomes the inclusion of mandatory low-carbon and EU-origin requirements for identified strategic sectors within public procurement under Articles 11(2). This provision is essential to create predictable demand for low-carbon products and strengthen the business case for investments in industrial decarbonisation. In the absence of dedicated demand-side measures, low-carbon products would otherwise struggle to compete with conventional alternatives that benefit from established production processes and lower costs.

Article 12(1): Low-carbon requirements under other forms of public intervention
Without prejudice to Articles 107 and 108 TFEU, Member States shall design public support schemes in a way that they contribute to the objective of strengthening the Union's strategic industrial value chains through the Union origin requirements, low-carbon content requirements, or both, laid down in Part II of Annex II and Part II of Annex III, in accordance with Articles 9 and 10 and without prejudice to Article 13. Member States shall apply the requirements referred to in the first subparagraph to public support schemes accounting for at least 45% of the total national budget allocated to the public support schemes covered by Part II of Annex II and accounting for 100% of the total national budget *allocated to the public support schemes covered by Part II of Annex III.*

Carbon Management Europe welcomes the inclusion of low-carbon and EU-origin requirements for public support schemes, in addition to public procurement procedures. Applying such requirements to grants, subsidies, tax reliefs and other forms of public support can play an important role in steering public intervention towards clean industrial production and creating demand for low-carbon products.

For this provision to have a meaningful catalytic effect, public authorities should be required to systematically apply both low-carbon and EU-origin requirements across all relevant forms of public intervention. However, the current wording appears to allow Member States to choose between Union origin requirements, low-carbon content requirements, or both. This may result in low-carbon requirements being treated as discretionary choice rather than a mandatory requirement, thereby weakening the demand signals intended by the provision. Carbon Management Europe recommends replacing the current phrasing with "Union origin requirements and low-carbon content requirements", to align Article 12 with the wording of Article 11.

Moreover, the current proposal requires Member States to apply these content requirements to public support schemes accounting for at least 45% of the total national budget allocated to the procurement of steel, concrete, mortar and aluminium. While Carbon Management Europe welcomes the introduction of a minimum coverage threshold, limiting its application to 45% would leave a significant share of relevant public funding outside the scope of these steering requirements and may reduce their effectiveness in creating sustained demand for low-carbon products.

Carbon Management Europe therefore recommends increasing this threshold to strengthen the market signal that low-carbon production will be rewarded through public intervention, thereby increasing investment certainty for decarbonised production pathways in strategic sectors.

Article 11(3): Low-carbon requirements under public procurement - exemption clause
3. Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: *(c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance. Estimated cost differences exceeding 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.*

Article 12(3): Low-carbon requirements under other forms of public intervention - exemption clause
The competent authority may still implement support schemes that do not meet the requirements laid down in Part II of Annex II and Part II of Annex III, in whole or in part, if the application of such requirements: *(a) would lead to significant delays due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant; would incur disproportionate costs. (b) Disproportionate costs shall be presumed to exist where, based on objective, transparent and verifiable data, compliance would increase the cost of the underlying final product or technology by more than 30%.*

Carbon Management Europe recognises the need for exemption mechanisms allowing contracting authorities and public bodies to waive content requirements in exceptional circumstances, including where their application would result in disproportionate economic costs. However, such exemptions should be narrowly framed and applied only where strictly justified, so as not to undermine the effectiveness of the obligations or weaken the demand signal that the IAA seeks to create.

In this regard, it is important to note that while the green premium associated with low-carbon products may be relatively limited at the level of final consumer products (around 1–3%),[2] it remains significantly higher at the commodity production stage, ranging from 18 to 100% depending on the material.[3] Consequently, the assessment of whether compliance would result in disproportionate costs is likely to vary considerably depending on whether costs are calculated at material, project and/or contract level.

To ensure the exemption remains genuinely exceptional and does not undermine the effectiveness of the obligation, we recommend clarifying that the thresholds of 25% and 30% under Articles 11(3) and 12(3) should be assessed at project and/or contract level. This would better reflect the overall economic impact of low-carbon requirements on procurement decisions and avoid situations where higher material-level cost premiums lead to a frequent use of these exemptions.

---

[2] Deloitte, *Mobilizing consumer demand for sustainable investments* (Deloitte, September 2025) <https://www.deloitte.com/nl/en/Industries/energy/perspectives/mobilizing-consumer-demand-for-sustainable-investments.html> accessed 28 April 2026.

[3] E3G, *Building Europe's clean industrial future: Unlocking investment through lead markets* (E3G, 28 October 2025) <https://www.e3g.org/publications/building-europe-s-clean-industrial-future-unlocking-investment-through-lead-markets/> accessed 28 April 2026; World Economic Forum, *Net Zero Industry Tracker 2023* (weforum, 28 November 2023) <https://www.weforum.org/publications/net-zero-industry-tracker-2023/in-full/cement-industry-net-zero-tracker/> accessed 28 April 2026.

Carbon Management Europe also notes that the methodology for assessing disproportionate costs would benefit from further clarification. While the proposal refers to "objective" and "transparent" data, it remains unclear which data sources and methodologies would need to be used by public authorities to meet these requirements in practice. Under comparable provisions in other EU legislation, such as Article 25(1) of the Net-Zero Industry Act, proportionality assessments often rely on evidence from previous procurement procedures. However, this approach may be difficult to apply initially, as the introduction of new low-carbon procurement requirements means that comparable historical data are not yet available.

Article 16: Delegation of powers
The Commission is empowered to adopt delegated acts in accordance with Article 30 to supplement this Regulation by laying down Union-level demand-side measures for products from the chemical industry *in order to promote the following activities:* *(a) the production and sales of substances and mixtures of Union origin derived from sustainable carbon sources;* *(b) the use in products made available on the market of substances and mixtures of Union origin derived from sustainable carbon sources.*

Carbon Management Europe welcomes the inclusion of Article 16, which empowers the Commission to adopt delegated acts establishing Union-level demand-side measures for products from the chemical industry, one of the strategic sectors identified under Annex I of the IAA.

The provision refers to activities involving the production and use of products derived from “sustainable carbon sources”. We recommend replacing the term “sustainable” with “low-carbon” to ensure greater consistency with the terminology used throughout the Act. This change would better align Article 16 with other provisions that refer to “low-carbon products”, thus providing greater legal clarity and coherence across the text.

Notably, the reference to "demand-side measures" appears to extend beyond the public intervention requirements set in Articles 11 and 12, leaving discretion to the Commission to potentially introduce measures that also target private markets. Carbon Management Europe welcomes this broader approach, as public procurement alone is unlikely to generate sufficient demand for low-carbon products across all strategic sectors listed in Annex I. This is particularly relevant for sectors such as chemicals, where demand is predominantly private, and for steel, where public procurement represents only around 11% of total demand. [4] Expanding demand-side measures beyond public procurement is therefore necessary to create meaningful market pull and support investment in low-carbon production across these sectors.

Carbon Management Europe therefore recommends clarifying that the scope of this measure extends to private demand-side measures, in addition to public procurement ones. It also recommends extending the Commission's ability to adopt Union-level demand-side measures to all relevant strategic sectors listed in Annex I, rather than limiting this approach to chemical products alone. Such an extension would better reflect the market realities of these sectors, where demand is predominantly driven by private-sector buyers. This would also be consistent with the objectives of the Clean Industrial Deal, which

[4] Tomas Wyns, Harri Kalimo, Gauri Khandekar, *Public procurement of cement and steel for construction* (ClimateWorks Foundation, July 2024) <Public Procurement of Steel and Cement for Construction. Assessing the potential of lead markets for green steel and cement. - Vrije Universiteit Brussel> accessed 8 June 2026, p.9.

identifies the creation of lead markets for low-carbon products through both public and private procurement as a core objective of the Industrial Accelerator Act.

Finally, Carbon Management Europe recommends introducing a clear and binding timeline for the adoption of such delegated acts under Article 16. This is needed to provide greater certainty that future demand-side measures will be developed within a specific timeframe, thus strengthening investment predictability and supporting final investment decisions for industrial decarbonisation projects.

Chapter V : Industrial Manufacturing Acceleration Areas

Article 25 : Designating national industrial manufacturing acceleration areas
Member States shall designate at least one industrial manufacturing acceleration area on their territory by [OP please insert date: 12 months following the entry into force of this Regulation] to cluster industrial manufacturing projects in one or several of the strategic sectors listed in Annex I.

The recognition of industrial ecosystems and clusters is an important element of the proposal. Industrial clusters play a key role in enabling coordinated decarbonisation through shared infrastructure, industrial symbiosis, and joint innovation projects. This also reflects the systemic opportunities created by clustering, as well as the challenges arising from different timelines and geographic conditions. For this reason, Carbon Management Europe welcomes the requirement of setting at least one industrial manufacturing acceleration area per Member States.

Annex II : Low-carbon and Union origin requirements for energy intensive industries

Part I: Public procurement procedures
Where, in the context of public procurement procedures launched on or after 1 January 2029 falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU, where the contracts, works contracts or work concessions include the procurement of products from energy intensive industries, contracting authorities shall require the following minimum percentage shares: (a) Steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of steel used shall be low-carbon; (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, shall be low-carbon and of Union origin; (c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of aluminium used shall be low-carbon and of Union origin.

Part II: Other forms of public intervention
For schemes established or updated on or after 1 January 2029 that benefit households or companies and that primarily aim to support the construction or renovation of buildings for residential and commercial purposes and infrastructure and the lease and purchase of motor vehicles for civil purposes, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall ensure that only beneficiaries that comply with the following minimum requirements, are eligible. (a) Steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of steel used shall be low-carbon; (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, shall be low-carbon and of Union origin; (c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of aluminium used shall be low-carbon and of Union origin.

Carbon Management Europe welcomes the introduction of mandatory low-carbon and Union-origin thresholds for emission-intensive products such as steel, aluminium, concrete and mortar for both public procurement and public intervention.

Setting green public procurement (GPP) mandates has a great potential to drive decarbonisation in these sectors. For example, a report by Bellona Europa highlights that while cement and steel account for roughly 10% of the EU's emissions, 21% of the EU's cement sector emissions and 18% of the EU's steel sector emissions could be lowered through GPP implementation.

However, the proposed thresholds are currently too low to generate a sufficiently strong market signal and meaningfully stimulate investment in low-carbon production in these sectors. Carbon Management Europe therefore recommends raising the thresholds and ensuring they are progressively increased over time in alignment with the EU's climate targets under the EU Climate law. In practice, the IAA should establish thresholds for 2029 as well as 2040, with the possibility to introduce additional milestones as part of the review of the Act. Thresholds should be calibrated to reflect the expected availability of low-carbon products within the relevant sector while remaining sufficiently ambitious to drive meaningful market transformation.

In the case of steel, higher thresholds are both feasible and justified, particularly given that public procurement accounts for only a limited share of total market demand. The threshold should be set at 50% in 2029 and 100 in 2040.[5] Similarly, higher thresholds for concrete and mortar are achievable given the expected scale-up of low-carbon cement production in the early 2030s, including through projects supported by the Innovation Fund and national funding programmes. [6] Threshold should be set at 10% for 2029, increasing to 25% in 2040 and cover the

[5] European Commission, *COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT REPORT Accompanying the document Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors and amending Regulations (EU) 2018/1724, (EU) 2024/1735 and (EU) 2024/3110* SWD (2026) 71 final, p.195, 197.

[6] For cement, 17 low-carbon cement projects supported by the Innovation Fund with a combined annual capture size of 15.3 Mt/yr could be operational by 2032. This means that a substantial share of EU estimated public procurement demand for cement could be met through low-carbon cement. See: European Commission, *Innovation Fund* (European Commission) <https://climate.ec.europa.eu/eu-action/eu-funding-climate-action/innovation-fund/innovation-fund-projects_en > accessed 8 June 2026.

best-performing classes, namely the highest emission bands according to the labelling framework chosen. Additionally, as cement can also be procured as a standalone product, Carbon Management Europe would advise introducing dedicated low-carbon and Union-origin requirements for cement. These requirements should also follow a progressive trajectory increasing from 10% in 2029 to 25% in 2040, alongside those applicable to concrete and mortar.

At the same time, the effectiveness of these provisions will depend on their ease of implementation. The Commission should therefore ensure that the requirements are as clear and straightforward as possible to minimise the administrative burden for contracting authorities. In particular, Carbon Management Europe recommends clarifying the scope of the provision referring to "any product the performance of which depends mainly on concrete and mortar", as the current wording may create uncertainty around which products are covered in practice.

Finally, mandatory procurement requirements should be complemented by targeted support measures for contracting authorities. Carbon Management Europe encourages introducing investments in capacity-building initiatives, including technical guidance, practical tools and training programmes to apply content requirements in public procurement and other forms of public intervention. Strengthening the skills and expertise of public buyers at regional and local level will be essential to ensure consistent implementation across Member States, reduce administrative costs and maximise the contribution of public procurement to industrial decarbonisation, competitiveness and the Union's Just Transition objectives.

Synergies with other legislation

Carbon Management Europe encourages the Commission to strengthen coherence between the IAA and other Union initiatives that identify strategic projects, industrial ecosystems or high-quality investments contributing to the Union's decarbonisation and competitiveness objectives.

In particular, benefits provided under the IAA, including streamlined permitting procedures, aggregated baseline permits, and access to research and innovation support measures under Articles 25 and 27, should also be available to projects and undertakings that have already been recognised under other Union frameworks. This should include, *inter alia*, Net-Zero Strategic Projects and Net-Zero Acceleration Valleys under the Net-Zero Industry Act.

Such an approach would promote greater consistency across EU industrial policy instruments, reduce administrative complexity, and ensure that strategically important projects can benefit from a coherent set of incentives and streamlined procedures regardless of the legislative framework through which they are recognised.

Carbon Management Europe also recommends explicitly establishing synergies between the IAA and the forthcoming European Competitiveness Fund (ECF) in the operative provisions of the Regulation. This includes the recognition of projects that have been awarded the Competitiveness Seal under the future ECF. The ECF's Clean Technology and Decarbonisation window is expected to support the development, manufacturing and deployment of strategic technologies and industrial sectors in the Union. Given the shared objective of strengthening European industrial competitiveness while accelerating decarbonisation, closer alignment between the two instruments would improve the effectiveness of public support and provide greater certainty for investors.

More generally, the IAA should seek to build on existing Union-level assessments and recognition mechanisms wherever possible. Leveraging designations and quality labels already awarded under other EU instruments would reduce duplication, facilitate implementation, and contribute to a more integrated and effective European industrial policy framework.