CZECH BDSD'S POSITION ON ADDRESSING LOW-EMISSION ISSUES, PERMITTING, AND PUBLIC PROCUREMENT IN THE DRAFT REGULATION ON THE INDUSTRY ACCELERATOR

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List of Abbreviations

Abbreviation	Meaning / designation in the document
CBAM	Regulation (EU) 2023/956 on the Carbon Border Adjustment Mechanism
Czech BCSD	Czech Business Council for Sustainable Development, z.s.
CPR	Regulation (EU) 2024/3110 on Construction Products
DPP	Digital Product Passports
EPD	Environmental Product Declarations
ESPR	Regulation (EU) 2024/1781 on the Ecodesign of Sustainable Products
ESRS	European Sustainability Reporting Standards
EU	European Union
EUBR	Regulation (EU) 2023/1542 on Batteries
EU ETS	Directive 2003/87/EC on a scheme for greenhouse gas emission allowance trading
GHG	Greenhouse Gases
GWP	global warming potential
IAA	Industrial Accelerator Regulation
LCA	Life Cycle Assessment
MINPPO	Major Industrial Manufacturing Projects Permitting Observatory
IAA Proposal	Proposal for a Regulation of the European Parliament and of the Council of March 4, 2026, establishing a framework of measures to accelerate industrial capacity and decarbonization in strategic sectors and amending Regulations (EU) 2018/1724, (EU) 2024/1735, and (EU) 2024/3110, COM (2026) 100 final, 2026/0068(COD)[1]
Public Consultation	European Commission public consultation on the Industrial Accelerator Act – Speeding up Decarbonization initiative ([2]
VSME	Voluntary Sustainability Reporting Standard for Small and Medium-Sized Enterprises (EFRAG)

Executive Summary

This position paper by the Czech Business Council for Sustainable Development (Czech BCSD) has

[1] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52026PC0100
[2] See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14505-Industrial-Accelerator-Act-speeding-up-decarbonisation_en

been prepared as input for the European Commission's public consultation on **the Industrial Accelerator Regulation – Speeding Up Decarbonisation** , which aims to accelerate industrial decarbonization, strengthen the European manufacturing base, and create demand for low-emission and European products through public procurement, public support, and faster permitting of strategic industrial projects (Public Consultation). The Commission presented the draft Industrial Accelerator Regulation (IAA Proposal) on March 4, 2026, as part of a framework of measures to accelerate industrial capacity and decarbonization in strategic sectors.

Czech BCSD addresses only three selected areas of the proposed amendments in the IAA Proposal: **low-emission products, public procurement, and the permitting of industrial projects**. Overall, it considers the proposals in these areas to be meaningful and necessary, particularly in terms of supporting European competitiveness, strategic autonomy, the development of clean technologies, and the acceleration of decarbonization investments. At the same time, however, it points out that, in its current form, the IAA proposal does not provide sufficiently clear, uniform, cost-effective, efficient, effective, and transparent solutions in many respects within the assessed areas. Without these additions, legal uncertainty, methodological fragmentation, a higher administrative burden, and the risk of undermining the very goal of decarbonization may arise.

In the area **of low-emission products**, the main problem is methodological ambiguity. The IAA proposal combines approaches based on actual emissions under the EU ETS and CBAM with product LCA approaches under the CPR, ESPR, and EUBR. However, these systems operate with different system boundaries, data sources, and levels of informative value. Czech BCSD therefore recommends clearly separating actual measured or estimated emissions data from model LCA scenarios and aligning product emissions accounting with corporate emissions accounting according to the GHG Protocol, ESRS, and VSME. The solution should also include mandatory reporting of vintage data, regular updates of emission factors, and a preference for high-quality primary data over generic database averages.

The Czech BCSD considers **Digital Product Passports (DPPs)** in accordance with ESPR, EUBR, and CPR to be a systemic solution for demonstrating low-emission status. DPPs can create a unified European framework for product data, its updating, sharing, and verifiability across the value chain. This position paper therefore recommends not creating a new parallel verification system for low-emission status, but rather accelerating the implementation of DPPs and establishing a harmonized methodology for product carbon (emission) footprints within them, ideally covering the "cradle-to-gate" scope and linked to corporate and project emissions accounting in accordance with corporate sustainability reporting.

In the area **of public procurement**, according to the Czech BCSD, the IAA proposal lacks a sufficiently specific technical solution that would stand up to the principles of transparency, proportionality, equal treatment, and mutual recognition. In particular, the verification of emission intensity and "EU origin" remains unclear. For complex products, recycled materials, chemical mixtures, or multi-tiered supply chains, determining origin can be very difficult both practically and legally. The Czech BCSD therefore recommends supplementing harmonized evidence standards and sector-specific methodologies for assessing origin from both within and outside the EU, and basing the future system on DPP.

At the same time, it is advisable to align the IAA with the upcoming revision of EU public procurement directives. **Low-carbon status should not be understood solely as a product's embodied carbon but should also appropriately account for operational carbon**, as this is economically significant for public procurers throughout the entire lifecycle of a building, service, or product. The introduction of low-emission requirements should take place gradually, in waves, so that new requirements can be piloted, methodologically refined, and the capacities of both contracting authorities and suppliers can be expanded.

In the area **of permitting,** the Czech BCSD supports the IAA's efforts to accelerate and simplify the permitting of large industrial projects. However, it recommends supplementing the proposal with an EU coordination mechanism for sharing best practices in the permitting of large industrial projects, uniform technical standards for digital permitting processes, integration with the European Business Wallet, and EU-wide technical assistance for member states. It is also important to set firm deadlines for the implementation of digital permitting processes and single points of access.

In conclusion, the Czech BCSD recommends that **the IAA** not merely serve as a tool for rapid industrial support, but rather **become a practical, transparent, and methodologically consistent framework for the genuine decarbonization of European industry**. The key is to align low-carbon practices, public procurement, digital product data, and permitting into a single interoperable system that reduces administrative burdens, strengthens legal certainty, and supports companies that are genuinely investing in decarbonization, the circular economy, and European competitiveness.

1 Introduction

This position paper by the Czech Business Council for Sustainable Development, z.s. (**"Czech BCSD"**) has been prepared as input for the European Commission's public consultation on **the March 2026 draft Industry Accelerator Regulation** (**"IAA Proposal"**). We view the IAA Proposal not as an isolated legislative proposal in the field of decarbonization, but as **part of a broader transformation of European economic, industrial, and security policy within the European Union** (**"EU"**). The EU is in a period where the traditional foundations of its prosperity are changing: relatively cheap energy, open global supply chains, a stable geopolitical environment, and the ability to rely on external sources of strategic inputs are no longer a given. Decarbonization is therefore increasingly becoming not only a climate and environmental goal, but **also a tool for industrial renewal, economic resilience, energy security, and the EU's strategic sovereignty**.

This shift in external conditions is evident in Mario Draghi's September 2024 report on the future of European competitiveness[3] , which highlights that Europe must simultaneously address three interconnected challenges: **a lag in innovation, high energy costs, and growing strategic dependencies**. The Competitiveness Compass from January 2025[4] builds on this diagnosis and translates it into a policy framework based on closing the innovation gap, decarbonizing the economy, and reducing dependencies. The Clean Industrial Deal[5] further concretizes this logic in relation to energy-intensive sectors, clean technologies, affordable energy, financing industrial transformation, public procurement, and access to critical raw materials.

The IAA has the potential to be one of the practical tools of this new European industrial policy. Its ambition is to accelerate the development and modernization of industrial capacities in key strategic sectors, create demand for low-emission and European products, and shorten the time required for the preparation and permitting of major industrial projects. In doing so, it can contribute not only to reducing greenhouse gas emissions but also to **ensuring that decarbonization does not become a factor in Europe's deindustrialization, but rather a source of its new production capacities, technological advancement, and export strength**.

The other side of the decarbonization coin, however, is energy and material security. The transition from fossil fuels to a low-emission economy reduces the EU's dependence on imports of oil, gas, and coal, including from geopolitically risky suppliers. At the same time, however, it creates new demands for critical and strategic raw materials, clean technologies, electricity, networks, storage, recycling, industrial materials, and resilient value chains. Without sufficient access to materials, processing capacities, secondary raw materials, and reliable supply chains, European decarbonization cannot be rapid, economically sustainable, or secure.

The IAA should therefore be designed as a tool that links climate ambition with real industrial feasibility. The low-carbon transition must not be based solely on the formal reporting of emission parameters or the administrative creation of new product categories. It must **support real investments** in decarbonized production, electrification, energy efficiency, renewable energy, circular solutions, recycled materials, technological innovation, and European manufacturing capacity. It is equally important that the new rules be methodologically clear, legally predictable, digitally feasible,

[3] See https://commission.europa.eu/topics/competitiveness/draghi-report_en.
[4] See https://commission.europa.eu/topics/competitiveness/competitiveness-compass_en.
[5] See https://commission.europa.eu/topics/competitiveness/clean-industrial-deal_cs.

and practical for both businesses and public procurers and permitting authorities.

At the same time, the goal is to achieve a higher degree of strategic autonomy and resilience through supply diversification, the development of European production and processing capacities, support for recycling and the circular economy, a reduction in dependence on fossil fuels, and the strengthening of European demand for clean and resilient industrial solutions. It is precisely in this sense that the IAA can play a significant role: it can build a bridge between climate policy, industrial policy, energy and material security, and the material and geopolitical resilience of the European Union.

However, for the IAA to realize this potential, it must be firmly integrated into the broader framework of **European initiatives,** in particular the Competitiveness Compass, the Clean Industry Pact, the Critical Raw Materials Act, public procurement reform, digital product passports, and competitiveness coordination tools. Only in this way can a coherent European framework emerge that supports not only faster decarbonization but also a competitive, secure, and resilient European industry.

2 Low-carbon

2.1 Definition of low-emission products

1.1.1 The basis for addressing the challenge

The IAA Proposal is **meaningful** and **necessary** in this regard, treating low-emission products as a tool for industrial policy, public procurement, and decarbonization support. However, it is not clear from the IAA Proposal how a product's low-emission status is to be demonstrated in a uniform, comparable, and auditable manner. At the same time**, the technical framework does not reflect the logic of measured decarbonization**, as the transparent use of extensive secondary emission factors and imprecise predictive methods based on life cycle assessment (**LCA**) approaches cannot be objectively applied, particularly in public procurement.

1.1.2 The Discrepancy Between the EU ETS/CBAM and CPR/ESPR/EUBR Approaches

The fundamental problem lies in the fact that **the IAA Proposal combines two distinct methodological approaches.** On the one hand, it is based on the logic of the EU Emissions Trading System (**"EU ETS"**) and the Carbon Border Adjustment Mechanism (**"CBAM"**), which are grounded in actual greenhouse gas (**"GHG"**) emissions, operational monitoring, and production emission intensity. On the other hand, it refers to product-based approaches under the Construction Products Regulation (**"CPR"**), the Ecodesign Regulation for Sustainable Products (**"ESPR"**), and the Battery Regulation (**"EUBR"**), which are based on LCA indicators, global warming potential (GWP), environmental product declarations (EPD), and database models. These methodologies have different system boundaries, data sources, calculation logic, and informative value. The EU ETS and CBAM capture actual operational emissions, while LCA approaches model environmental impacts based on selected databases and scenarios. **The IAA thus creates methodological ambiguity regarding whether low-emission status should be demonstrated through actual decarbonization of production or through product LCA calculations**. We therefore recommend clearly defining the methodology for low-emission products in the IAA and **clearly distinguishing approaches based on real emissions data from model-based LCA approaches**.

1.1.3 Link to Corporate Decarbonization

Another weakness of the IAA Proposal is the insufficient linkage between low-emission products and corporate emissions accounting. At the corporate level, relatively harmonized systems already exist based on the GHG Protocol for Scopes 1 through 3, the European Sustainability Reporting Standards (**ESRS**), and the Voluntary Sustainability Reporting Standard for Small and Medium-sized Enterprises (**VSME**). However, the product level creates a parallel system that may not reflect a company's actual decarbonization performance. **This can result in a situation where a company demonstrably reduces GHG emissions, but product-level calculations fail to capture this change.** We therefore recommend **ensuring methodological alignment between corporate emissions accounting on the one hand and product** (public procurement) **and project accounting** (support programs) **on the other.**

1.1.4 Data vintage and dynamic updates

The IAA proposal does not address the issue of data age for determining low-emission levels and their regular updates. Product calculations are often based on LCA databases using emission factors that are five to ten years old. These databases may therefore not reflect current corporate investments, particularly in:

- renewable energy sources,
- process electrification,
- fuel switching,
- new technologies,
- recycled materials, and
- circular business models.

Without regular data updates**,** there is **a risk that the system will not support truly decarbonized products, but only products with a more favorable historical database profile**. We therefore recommend introducing mandatory reporting of vintage data and regular updates of emission factors (maximum age) as well as product calculations. Without a dynamic data system, it will not be possible to:

- credibly demonstrate the low-carbon nature of products;
- objectively assess companies' progress;
- create functional public incentive systems; and
- support the actual decarbonization of industry.

1.2 Evidence of low emissions

1.2.1 The foundation for addressing the challenge

The IAA proposal makes **sense** and **is necessary** in this regard; that is, it assumes a specific method of proving emissions levels, but—apart from the aforementioned flawed logic underlying the definition of low-emission status—it **also** assumes an additional parallel system for proving low-emission status, which**, however, particularly in light of the imminent introduction of Digital Product Passports** (**DPPs**) **is, from the perspective of administrative costs and other transaction costs** for both contracting authorities and suppliers in public procurement, as well as for grant applicants and administrators of support programs, **completely uneconomical and also highly risky in terms of the principles of transparency and the rules on which EU regulations against "greenwashing" are based**.

1.2.2 Digital Product Passports as a Systemic and Transparent Solution

We view the introduction and use of DPP in accordance with the EUBR, ESPR, and CPR as a potential systemic solution to the current methodological fragmentation. DPP has the potential to create a unified European framework for product data, its sharing, updating, and auditability across the value chain, not only in relation to the emission profile of products but also to aspects of the circular economy. However, the functionality of a consistent DPP system requires harmonized reporting of a product's carbon footprint based on up-to-date and high-quality (preferably primary) data. We therefore recommend **using DPP as the future unified European system for demonstrating the low-carbon**

nature of products, avoiding the creation of non-functional parallel systems in the interim, and, conversely, significantly accelerating the implementation of DPP across various product categories. We consider the following to be key in this regard:

- standardizing the DPP product carbon footprint methodology to a “cradle-to-gate” scope;
- a clear separation of actual (measured or estimated) emissions data from model LCA scenarios;
- linking product data to corporate emissions accounting according to the GHG Protocol and subsequently linking it to project emissions accounting as well;
- a strong preference for primary data over generic database averages;
- transparent reporting of data vintage and, where applicable, data integrity in accordance with global methodologies, e.g., the WBCSD PACT Methodology, Version 3.0, April 2024, and its metrics “Primary Data Share” (PDS) and “Data Quality Rating” (DQR); and
- annual updates to emission factors and product calculations reflecting actual decarbonization and circular economy measures.

3 Public Procurement

3.1 Relationship with public procurement rules

3.2.1 Foundation of the Solution

The IAA proposal is **meaningful and necessary** in this context, **but it lacks a technical solution that would stand up to the principles (transparency, proportionality, equal treatment, and mutual recognition) and existing public procurement rules.** A key shortcoming of the proposed solution is, in particular, the absence of clear evidence regarding the emission intensity and EU origin of individual products/materials. **Such evidence must be unambiguous for contracting authorities and suppliers and also cost-effective to obtain or verify**. At the same time, sufficient safeguards against circumvention, falsification, and fraud must be in place. Without addressing this shortcoming, public procurement for construction projects falling under the category of above-threshold public contracts could effectively grind to a halt in practice, thereby undermining the fundamental economic purpose of public procurement.

3.2.2 Alignment with General EU Public Procurement Regulations

The IAA proposal should be aligned with the upcoming revision of the EU public procurement directives, with the Commission expected to release the first draft for public consultation in the summer of 2026 (**"Proposal for the Revision of the Public Procurement Directives"**). According to the results of the latest public consultation published this spring, the proposed revision of the public procurement directives is expected to be highly comprehensive and extensive. It is also expected to assign a much greater role to sustainability in public procurement, including in the areas of evaluation criteria and grounds for exclusion; that is, it is likely to address not only the issue of low-carbon emissions but also other aspects of sustainability, and possibly resilience and security as well. **Without knowledge of at least the first draft of the revision of the public procurement directives, it is not possible to seriously assess the solutions in the IAA Proposal,** as the solutions in the IAA Proposal must be fully compatible with the final draft of the revision of the public procurement directives.

3.3 Definition of "originating in the EU"

3.3.1 Definition of "EU origin"

The IAA proposal in its current form does not specify whether "EU origin" refers to the place of final manufacture, substantial transformation, the origin of components or raw materials, nor what evidence should be considered sufficient in this regard. Particularly problematic is the concept of "substantial transformation," to which the non-preferential rules of origin under the Union Customs Code refer. This concept has long been considered ambiguous in interpretation and heavily dependent on the specific circumstances of the case. The customs declaration determines only the economic nationality of the product based on the last substantial transformation, not the actual share of European content or the origin of individual inputs. In practice, a product can thus acquire "EU origin" even if it is made from recycled materials originating in third countries and undergoes subsequent processing in the EU. This contradicts the stated goal of supporting European recycling chains and limiting waste imports from third countries. At the same time, it is necessary to take into account that in some segments, the corresponding material inputs are not available in the EU in the required quality,

capacity, or timeframe, or under competitive conditions, or there may be only a limited number of suppliers. In such cases, it should be possible to use inputs from third countries without disproportionate regulatory restrictions or penalties. We therefore recommend that the Commission ( ) supplement the IAA Proposal with **an obligation to develop sectoral methodologies for complex products from the perspective of their "EU origin" or "non-EU origin," e.g., in the form of delegated acts**.

3.3.2 Proof of EU origin

The IAA Proposal in its current form **does not sufficiently clarify how "EU origin" is to be determined and verified in practice.** This can be particularly problematic for products with multi-tiered and global sourcing, such as chemical mixtures, composite and multilayer products, recycled materials, electronic components, and others. For these products, the origin of individual inputs and the extent of processing within the EU may be difficult to document, as suppliers often do not disclose product composition, supply chain structure, or the origin of individual inputs to protect intellectual property and trade secrets. We therefore recommend **supplementing the IAA Proposal with harmonized standards of proof for "EU origin."**

3.4 Definition of Low-Carbon and Public Procurement

3.4.1 Scope of low-emission status versus product carbon footprint

The definition of low-carbon in the IAA Proposal overlooks the economic and emissions logic of decarbonization based on three fundamental forms of greenhouse gas (**"GHG"**) emissions, namely (a) embedded carbon (or capex carbon); (b) operational carbon (opex carbon); and user carbon. The IAA Proposal defines low-carbon solely as capital carbon without any link to operational carbon. We agree that user carbon cannot currently be transparently measured and quantified and therefore cannot be included in the concept of low-carbon status under the IAA Proposal. **However, from an economic perspective, it is not possible to base a general definition of "low-carbon status" and preferential treatment in public procurement solely on capital carbon**. Operational carbon is an economically significant parameter for the contracting authority, as it will generate costs over the lifetime of the product, service, or construction project. Operational carbon can also be estimated and measured with regard to the contracting authority's future position (much more easily than capital carbon). It is precisely the combination of capital and operational carbon that far more objectively expresses the emission level of a public contract in the contracting authority's specific situation, as well as the resulting financial significance of GHG emissions during the use (life cycle) of the subject of the public contract; GHG emissions from operational carbon can also be monetized using the shadow price of carbon**. At the same time, both of these approaches (capital and operational carbon) used simultaneously correspond to the basic measurement of GHG emissions according to the GHG Protocol for the contracting authority** (Scope 1, Scope 2, and Scope 3 in the preceding, i.e., supplier, part of the value chain). They fully and transparently track and consistently support the goal of genuine, transparent decarbonization—that is, the measured reduction of GHG emissions for the contracting authority—while eliminating outdated and inaccurate estimates based on LCA systems, which significantly undermine the transparency of competition in public procurement.

3.4.2 Integrity and Verifiability of Low-Emission Data

Legislative solutions for measuring and quantifying low-carbon status at the product level (embodied carbon) must be based, in both the IAA Proposal and the Proposal for the revision of the Public Procurement Directives, on high-quality primary, up-to-date, and verified data that do not discriminate against products manufactured in the EU, i.e., they are based on "cradle-to-gate" GHG emissions measurements "from cradle to gate"; it is precisely GHG Protocol approaches of this type that also make it possible to capture, for example, the carbon footprint of steel shipments from Brazil to the EU, which cannot be expressed transparently and in granular detail using an LCA-based approach . **Therefore, if low-emission products are to be given preference in procurement procedures, there must be a clear, comparable, and auditable system for assessing the carbon footprint of products**. Under current conditions, there is a risk of:

- incomparability of bids;
- methodological uncertainty for both contracting authorities and suppliers;
- the risk of "greenwashing";
- discrimination against companies that are genuinely decarbonizing;
- legal challenges to procurement procedures; and
- inefficient use of public funds.

3.4.3 Evidence of Low-Emission Status in Public Procurement

At the same time**,** it must be **clear** to both contracting authorities and contractors **what will be considered objective evidence of compliance with low-emission requirements, not only during the public procurement phase but also when demonstrating proper performance and the (non-)application of penalties during the performance of public contracts** (e.g., the supply of a specific type of low-emission cement), to prevent disputes regarding substantial changes in the performance of public contracts in accordance with **the** established case **law** of the European Court of Justice (see, e.g., the ECJ case Pressetext)[6] . If such an evidence system is not currently available within the framework of public procurement in the EU, it is more appropriate not to introduce any transitional evidence system for public procurement purposes at the EU level in the interim. **Its introduction would, in fact, give rise to potentially extraordinary additional factual, time, and litigation costs for both parties to public procurement (contracting authorities and suppliers).** Furthermore, given the general lack of knowledge and skills in the areas of emissions accounting and decarbonization on the part of both contracting authorities and suppliers**, the risk of conflicts, disputes, confusion, and fraud in public procurement—which would be difficult to prove**—would **also increase significantly**. As a result, the transparency of procurement procedures would also be generally weakened, which could lead to the discrediting of public procurement, public policy, as well as decarbonization and sustainability efforts at the EU level as a whole.

[6] The current wording in the IAA Proposal is: *"The verification system should therefore be based on self-declarations by economic operators. Such an approach is consistent with the general framework for public procurement established by Directive 2014/24/EU, in particular Article 59 of that Directive, which provides for a self-declaration of compliance with the requirements, subject to subsequent verification of the successful tenderer."* However, the IAA proposal does not address at all how *the "subsequent verification of the successful tenderer"* should be conducted transparently, i.e., through what evidence. This creates enormous scope for legal uncertainty, risks of lack of transparency, and significant complications in public procurement.

3.4.4 Low-carbon in public procurement and digital product passports

As a basis for defining "low-carbon" under both the IAA Proposal and the Proposal for the revision of the Public Procurement Directives, we recommend using the emerging ecosystem of Digital Product Passports (**"DPP"**) under the Ecodesign Regulation for Sustainable Products (ESPR), the Battery Regulation (EUBR), the Construction Products Regulation (CPR), or other future similar regulations (e.g., potential future tracking of GHG emissions for packaging under the Packaging and Packaging Waste Regulation, PPWR). At the same time, it is recommended **to define emission characteristics in DPPs according to GHG Protocol standards, for both capital and operational carbon**. This is because GHG Protocol standards are also used in sustainability reporting for financial and non-financial companies, as well as in the EU Taxonomy. **DPPs can thus serve as a unified source of information for both contracting authorities and suppliers.** In the future, DPPs may also expand the competitive elements of public procurement to include additional sustainability information beyond emissions—particularly regarding the circular economy—and extend to products other than mortar, concrete, steel, and aluminum, as outlined in the IAA Proposal. In this regard, it is important to note that **both non-financial and financial companies use the GHG Protocol standards to develop and manage their climate transformation plans.** In this context, we also note that **the GHG Protocol and ISO** agreed last year to develop unified, harmonized global emissions and decarbonization standards under a single common brand, with relevant working groups—including the one addressing product emissions—already working on the new standards. **It is therefore desirable that issues related to emissions reporting in DPP and public procurement be aligned with these new standards**. Any other specific method of measuring "low-emission" status will result in "single-purpose" duplicate measurements of low-emission status for suppliers—which they will not use outside of public procurement—as well as additional administrative costs and risks for both contracting authorities and suppliers.

3.4.5 National Assistance Centers for the Implementation of Sustainability in Public Procurement

A more extensive and intensive integration of sustainability into public procurement will not be successful without sufficient and high-quality knowledge and skills, particularly on the part of contracting authorities. We therefore recommend introducing, either in the IAA Proposal or in the Proposal for the revision of the Public Procurement Directives, a requirement for the establishment of **national public procurement assistance centers** that would help integrate sustainability aspects into public procurement on a larger scale, including a network and cooperation among these centers at the EU level. We must acknowledge that a large proportion of contracting authorities have no idea what measuring and quantifying a carbon footprint entails, what DPPs are, how the circular economy is measured and reported, and so on. Public procurement reform will not be successful in this regard unless it is accompanied by sufficient **EU-wide coordination in the development of best practices, high-quality communication, and the dissemination of information at the national level**, including a robust offering of methodologies, model solutions, and capacity-building programs for contracting authorities and suppliers. It is essential that this reform of public procurement toward sustainability not remain merely theoretical—i.e., "on paper"—but also be practical and effectively implemented in practice—i.e., "in action."

3.4.6

We also recommend **establishing low-emission requirements in the IAA Proposal using** a phased-in approach of the new rules, in two waves over a two-year period, i.e., at one-year intervals, starting with above-threshold contracts of the highest value or significance and moving toward smaller or **less** significant above-threshold public contracts. This will allow the new requirements to be piloted first on a limited number of public contracts and gradually expanded to all above-threshold public contracts so that it is possible to respond to legal, methodological, knowledge, skill, and other gaps in practice and gradually eliminate them without causing large-scale delays in public procurement or materializing large-scale risks.

4 Permitting

4.1 Inefficient permitting processes

4.1.1 ’s Approach to Addressing the Challenge

The IAA proposal is **meaningful and necessary** in this regard, as national systems in many Member States do not provide fast, modern, and effective national support conditions for the permitting of large industrial projects, which, among other things, hinders the implementation of large innovative cross-border investments. The current situation thus leads to **suboptimal utilization of** the internal market’s **potential**, slower economic and social development, and a poorer environment in the EU, which, in the current geopolitical context, also **significantly undermines the security and strategic sovereignty** of both the EU as a whole and each individual member state. Ultimately, every individual EU citizen is also a victim of this situation.

4.1.2 Coordination and harmonization at the EU level – industrial production projects

In addition to new procedural and substantive requirements for national permitting systems, the IAA proposal should **also** be **supplemented by an EU coordination and harmonization mechanism (observatory)** for monitoring and sharing EU best practices in the area of permitting major industrial construction projects—the so-called Observatory for the Permitting of Major Industrial Manufacturing Projects (Major Industrial Manufacturing Projects Permitting Observatory, **“MINPPO”**)—and at the same time linked to the Competitiveness Coordination Tool included in the Competitiveness Compass[7] .

4.1.3 Uniform standards for digital permitting processes

The **IAA** Proposal **should address the issue of uniform EU digital permitting processes to a greater extent**. These uniform standards will be necessary, in particular, for potential cross-border industrial manufacturing projects, where it is neither practical, economical, nor efficient for an investor to have to comply with different national technical requirements for digital permitting processes. The proposed system should therefore include the creation of uniform EU technical standards for digital permitting tools used primarily in cross-border industrial projects. The EU should focus in particular on harmonizing approaches regarding interoperability, data sharing, uniform submission of documentation and official communication, cybersecurity, and coordination among competent authorities. These standards should also be substantively, technically, and temporally linked to the

[7] According to the Competitiveness Compass, the Commission is to propose a new instrument for competitiveness coordination to jointly negotiate with Member States on common competitiveness priorities in selected key areas and projects considered strategically important and in the common European interest. The European Semester and the NextGenerationEU instrument have successfully established a framework for linking reforms and investments to implement EU priorities at the national level. This approach should be complemented by coordinated cross-border and EU-wide measures. The aim of the Competitiveness Coordination Instrument is to align industrial and research policies and investments at the EU and national levels. It will thereby help implement new major initiatives and/or cross-border projects with European added value for structural economic transformation, productivity, long-term growth, and quality jobs, and for the benefit of the Single Market. Measures relating to common competitiveness priorities in a given sector, necessary supporting reforms and investments, and specific projects requiring cross-border coordination will be identified in close cooperation with Member States and other key stakeholders. The coordination tool is intended to operate in conjunction with a streamlined European Semester focused on reforms and investments in competitiveness at the national level. Both are to be part of a coherent and simple governance mechanism that will inform investment and reform decisions at the EU and national levels. This new governance mechanism will link EU priorities to the EU budget, as aligning EU, public, and private spending with EU competitiveness priorities will be essential for the realization of the Investment Union.

upcoming European Digital ID ( ), digital wallets, and other digital identity tools, as well as relevant ontologies (e.g., Digital Building Logbook).

4.1.4 Deadline for the implementation of digital permitting processes in Member States

The IAA proposal refers to the Single **Digital** Gateway under Regulation 2018/1724, which includes a requirement for fully online procedures and a technical system based on the "Once-Only Technical System Services" principle, with **specific implementation deadlines for Member States to adopt them**. Similarly, the IAA should also set firm deadlines for Member States to implement digital permitting processes for "industrial production projects," preferably by January 1, 2029.

4.1.5 Alignment with the European Wallet and more detailed rules

The area of digital permitting processes should also be **more closely linked** in the IAA Proposal **to the European Wallet initiative**[8] **for a secure, standardized, and interoperable platform for businesses to interact with public sector entities**; To this end, the IAA Proposal should include a requirement for a delegated act that would establish minimum uniform standards for national authorization process systems.

4.1.6 EU-wide technical assistance – industrial production projects

In order to unify or harmonize digital permitting processes across the EU, the Commission should **provide sufficient free technical assistance over the medium term (approximately two years) to ensure that individual national permitting processes for "industrial production projects" are as interoperable, cost-effective, efficient, and effective as possible across the EU-27**. Therefore, the first step is to map existing systems at the national level across the EU-27, identify gaps and synergies, and establish harmonized roadmaps and implementation and coordination frameworks for their execution at both the EU level and the level of all member states, covering at least the following aspects: (1) Approaches, (2) Governance, (3) Commons, (4) Enablers, and (5) Change.

4.2 Single Points of Access

4.2.1 The Basis for Addressing the Challenge

The IAA proposal is **meaningful and necessary** in this regard, as national systems in many Member States lack single points of access with broader powers and responsibilities to support large-scale industrial investments. This absence also creates cross-border barriers to the formation of complex industrial production clusters spanning multiple Member States.

[8] The establishment of single access points should be based on the European Business Wallets established under [the proposal for a regulation on the establishment of European Business Wallets 27], as they provide a secure, standardized, and interoperable platform for businesses to interact with public sector entities. This should enable efficient and effective submission of applications while ensuring a high level of data protection, cybersecurity, and information integrity. European Business Wallets will also make it possible to streamline investments and avoid unnecessary duplication, thereby optimizing resources and reducing the administrative burden on businesses. When establishing single access points, existing Union digital infrastructures, catalogs, and building blocks should also be utilized to the greatest extent possible, including those created under the "once-only" technical framework and its implementing acts. This would promote complementarity, interoperability, and the efficient use of public resources, while preventing the duplication of existing digital solutions.

4.2.2 Deadline for the establishment of single points of contact

A firm deadline should be **set for the establishment of one-stop shops in Member States with a minimum level of functionality**, preferably by January 1, 2028, i.e., the first day of the new EU programming period 2028–2034.

4.2.3 EU network of single access points and register of senior responsible persons

In addition **to** new procedural and substantive requirements for single access points, the IAA proposal should **also include a Union network of these single access points and a registry of key information about them**, including the obligation to appoint specific individuals responsible for managing them, as well as for managing individual industrial production acceleration areas and individual industrial production projects, known as senior responsible owners (Senior Responsible Owners).

4.2.4 Building sufficient and high-quality capacity among Senior Responsible Owners

The IAA proposal envisages a single submission, coordinated permitting procedures, digital interoperability, and a higher degree of procedural accountability on the part of public administration. Therefore, it is desirable that Senior Responsible Owners for industrial transformation of European significance undergo **high-quality, comprehensive initial training and subsequently ongoing further training through a robust support program for institutional strengthening, exchange of best practices, capacity building, and skills enhancement**. This objective should ideally be supported by a specialized academy that could be responsible for developing common methodologies. A key institution of this support program could be the European Network of Senior Responsible Officers.

4.2.5 Building sufficient and high-quality capacity among Senior Responsible Officers

In addition, **free technical assistance** should be provided to member states that express interest, **aimed at creating a functional ecosystem of Senior Responsible Officers** who will operate not only at single access points but also at the level of individual acceleration areas and specific industrial projects.

4.2.6 Interconnection with the European Competitiveness Coordination Instrument

The entire support framework for single entry points should also be **linked to the European Competitiveness Coordination Tool** (European Competitiveness Coordination Tool) **in accordance with the Competitiveness Compass**, so that the practical coordination of the creation of industrial production acceleration areas and subsequent industrial production projects is reflected in the broader management and synchronization of activities that strengthen the EU dimension of competitiveness, industrial resilience, and strategic investments. This should significantly support cost-effective, efficient, and effective practices for large transformative industrial projects across the EU[9] .

[9] The Academy should systematically develop, in particular, skills in the areas of strategic management of permitting processes, program and project management, coordination of relevant authorities, working with European digital tools, legislation and regulation, risk management, stakeholder engagement, communication with investors, digital tools (e.g., digital twins), financing, cybersecurity, and ensuring the transparency and traceability of decision-making steps. The training should also include competencies related to industrial decarbonization, the assessment of low-carbon technologies, measuring decarbonization and the

4.2.7 Escalation and Remedial Mechanism

An escalation and remedial mechanism should also be an important element **for cases where coordination within a single entry point, an acceleration area, or a specific industrial project is not proceeding properly or where there are undue delays or irregularities**. This mechanism should enable the timely identification of problems, their escalation to the appropriate level, and the adoption of corrective measures so as to maintain the predictability, legal certainty, and time efficiency of the entire process. Problems in a single Member State can have negative impacts on the entire EU economy.

4.3 Acceleration Areas for Industrial Production

4.3.1 The basis for addressing the challenge

The IAA proposal is **both sensible and necessary** in this regard, as the national systems in many Member States do not have an effective permitting framework in place; in particular, the quality of the land-use planning process is underestimated, which subsequently leads to delays, ambiguities, and greater risks in the subsequent processes of siting large industrial facilities. These shortcomings discourage real-economy entities from making large investments, leading them to choose locations outside the EU for their investments. National systems in many Member States thus fail to provide fast, modern, and **effective enabling conditions for the existence of industrial production acceleration zones as defined in the IAA Proposal**, i.e., large-scale development areas for major industrial investments whose economic viability and sustainability are demonstrated on the basis of robust and comprehensive data (see in particular Articles 25(2) to 25(4) and Article 26 of the IAA Proposal).

4.3.2 Coordination and harmonization at the EU level – industrial production acceleration zones

The establishment of industrial production acceleration areas should, similarly to the permitting processes for industrial production projects, be **coordinated and harmonized at the EU level**. In this regard, it is appropriate to build on the aforementioned proposal to establish the MINPPO and, at the same time, to closely link the IAA Proposal with the mechanisms of the Competitiveness Coordination Tool, which is part of the Competitiveness Compass. Industrial production acceleration zones designated for major industrial investments will, as a rule, require a specific type of production and, consequently, the corresponding scope, capacity, and functionality of technical, energy, digital, and transport infrastructure, as well as related sub-ecosystems (e.g., financing, reskilling, science, research, and innovation). For this reason**,** it is essential **to establish a mechanism that prevents the uncoordinated development of similarly focused industrial zones across multiple Member States if their combined capacity does not correspond to the actual needs of the EU economy**. Without EU-wide coordination, certain areas of industrial production could remain underutilized, while other strategically necessary areas of industrial production would be lacking. Such a development would lead not only to the inefficient allocation of public and private resources, but also to delays in

circular economy, public support and public procurement, supply chain resilience, and the practical application of acceleration tools, so that the single points of access function as high-quality assistance centers staffed by highly competent and experienced personnel.

the implementation of key industrial investments and to a weakening of the EU's overall industrial competitiveness and its strategic goals and interests.

4.3.3 EU-wide technical assistance – industrial production acceleration areas

To harmonize procedures, **develop institutional capacities, and share best practices in the development of industrial production acceleration areas**, the Commission should provide Member States with **free, systematic technical assistance**. This could **be** modeled after the InvestEU Advisory Hub, specifically as a specialized IAA Advisory Hub. This center would provide Member States with methodological, technical, and coordination support, particularly in preparing their first pilot national industrial production acceleration zones. The experience gained through these pilot projects could subsequently be used to expand the system to additional industrial production acceleration areas following the "pilot-to-scale" principle for actual industrial production projects[10] .

4.3.4 Support Toolkit and Methodology – Industrial Production Acceleration Zones

The IAA's permitting support framework should therefore also include **a practical toolkit of best practices and a methodology for fulfilling, in particular, the so-called basic conditions for industrial production acceleration areas under Article 26 of the IAA proposal**. These tools should help Member States harmonize the interpretation of requirements, establish appropriate institutional processes and data sources, identify necessary preliminary analyses, and ensure that the preparation of industrial production acceleration areas aligns with both the objectives of the IAA Proposal and the broader priorities of European industrial policy, competitiveness, decarbonization, and sustainability. Without high-quality, rapidly prepared industrial production acceleration areas—which encompass not only aspects of construction readiness but also a set of additional guarantees regarding the viability and sustainability of individual projects—the economic benefits for the EU will either be delayed or diminished.

4.3.5 EU-wide Register of Industrial Production Acceleration Areas

The IAA Proposal should include **requirements for the creation of an EU-wide Register of Industrial Production Acceleration Zones and Industrial Production Projects and set out related time-bound reporting obligations for Member States**. Member States should not only provide basic information on existing industrial production acceleration areas to the register but also notify their intention to create new industrial production acceleration areas within a specific timeframe and with a specific production focus. This would enable these plans to be continuously coordinated and aligned at the EU level. At the same time, such a register could provide important market signals to private investors, enhance the transparency of planned industrial capacities, and contribute to better planning of strategic investments in the EU. The functioning of the register should therefore be sufficiently described in the IAA Proposal and linked to the adoption of a delegated act setting out its

[10] At the outset of technical assistance, a gap analysis should be prepared for each Member State, particularly regarding the institutional, technical, and capacity requirements for establishing this new type of industrial area. This analysis should primarily take into account the extensive technical and organizational requirements related to the designation of national industrial production acceleration areas under Article 25 and the fulfillment of the basic conditions under Article 26. These requirements may be significantly more demanding, both in terms of quality and process, than current practices for the preparation of industrial zones in individual EU Member States.

details, the scope of the data provided, the rules for updating it, and its link to other EU coordination tools.