

THE MINISTER-PRESIDENT OF THE GOVERNMENT OF FLANDERS AND FLEMISH MINISTER FOR
ECONOMY, INNOVATION AND INDUSTRY, FOREIGN AFFAIRS, DIGITALISATION, AND FACILITY
MANAGEMENT,

THE FLEMISH MINISTER FOR ENVIRONMENT AND AGRICULTURE

'QUATER' COMMUNICATION TO THE GOVERNMENT OF FLANDERS

Concerns: Flanders' priorities for the Industrial Accelerator Act

Summary

European industry is faced with high energy costs and fierce global competition, and urgently needs measures that have an impact. Businesses have been sounding the alarm for some time, including here in Flanders. Flanders is therefore pushing for targeted European measures that strengthen the competitiveness of European industry while supporting its transition to climate neutrality.

With the Industrial Accelerator Act (IAA), the European Commission is aiming to formulate a response to this specific problem. The Government of Flanders looks forward to the publication of the IAA, sets out its priorities for this Act in this communication, and calls on the European Commission to give it top priority.

Flanders emphasises the importance of a well-considered and coherent development of the IAA as an essential instrument within the broader European Clean Industrial Deal. Flanders calls for the main focus of the IAA to be on energy-intensive sectors, in a technology-neutral manner. A modern and efficient permit framework, coordination as much as possible with the existing European regulatory framework such as the Net-Zero Industry Act, and avoiding any additional complexity, are crucial conditions in this regard. This is the only way the IAA can contribute to both strengthening competitiveness and accelerating the industrial transition towards climate neutrality.

In addition, Flanders advocates for administrative simplification and minimal burdens, so that the regulation remain workable for our industry, without relinquishing the underlying objectives. Using non-price criteria in public procurement as a result of the IAA must be limited, well-designed and targeted, with respect for free market principles and the rules of the World Trade Organization. By focusing on digitisation and transparency, Flanders wants to ensure that new legislation is workable and easy to apply for businesses. Only a forward-looking, straightforward and consistent regulatory framework can allow Flemish and European industry to invest, innovate and grow sustainably.

1. CONTEXT

In the *Clean Industrial Deal* of February 2025, the Von der Leyen Commission II initially announced an Industrial Decarbonisation Accelerator Act (IDAA), which aims to speed up the transition to low-carbon production in energy-intensive industries like steel, chemicals, and non-ferrous metals by focusing on developing and disseminating clean technologies and by creating market demand for low-carbon products. Indeed, energy-intensive industries are currently facing major challenges, including geopolitical and economic uncertainties and high energy costs, with the result that investments in decarbonisation projects are getting postponed. The IDAA was intended not only to support the transition of these sectors, but also to envisage instruments such as a streamlined permitting process for industrial transition projects and encouraging the use of non-price criteria in public and private procurement.

However, during the State of the Union 2025 on 10 September, Commission President Ursula von der Leyen announced that the initiative would continue under the name *Industrial Accelerator Act* (IAA). “*Finally, we need to keep up the speed. So the Commission will propose an Industrial Accelerator Act for key strategic sectors and technologies.*” This name change therefore appears to go hand in hand with a broader scope. The focus is no longer exclusively on the decarbonisation of energy-intensive industries, it has been extended to key strategic sectors and technologies. In so doing, the European Commission is positioning the Act as a key instrument of the broader Clean Industrial Deal, with a view to both achieving the climate targets and strengthening European strategic autonomy and industrial competitiveness.

These priorities focus on the following elements:

- the scope of the legislative proposal;
- permits;
- public procurement and non-price criteria;
- simplification and minimal administrative burdens.

Permits and the use of non-price criteria in public procurement will clearly be a fundamental component of the IAA and are therefore among Flanders’ key priorities. However, this does not preclude other elements that could form part of the European Commission’s new legislative initiative for an IAA, on which the Government of Flanders will take a position at a later stage.

2. SCOPE OF THE LEGISLATIVE PROPOSAL

The scope is the basis of any legislation, and Flanders asks that the European Commission carefully specify this for the IAA, starting from and building on a strong impact assessment, so that the legislation does not miss its objective.

Flanders emphasises that the IAA **must focus primarily, and as a priority, on energy-intensive industry** and, from a value chain perspective, the latter’s suppliers. Energy-intensive industry is crucial to the Flemish economy – accounting for 38% of industrial activity compared to the EU average of around 25% – and is under particularly intense international competitive pressure. Whereas the Net-Zero Industry Act focuses primarily on the production of clean technologies and the decarbonisation of energy-intensive industries that directly supply this production, the IAA should concentrate on the decarbonisation of the broader energy-intensive industry, without restrictions on the technologies it supplies. It is important in this regard to ensure coherence with existing legislation, such as the Net-Zero Industry Act, but also the Critical Raw Materials Act. Flanders wants to avoid a situation where the IAA increases complexity for businesses.

Flanders recognises that, from the perspective of economic security and open strategic autonomy, other sectors could also be considered, but emphasises that this is only possible on the basis of **clear and objective selection criteria** that demonstrate that it is necessary to be included in the scope of the IAA. In any event, the scope with regard to the use of non-price criteria in **public procurement** as a result of the IAA must be **limited** to energy-intensive industry and, in particular, the steel and chemical sectors (see part 4).

The principle of **technology neutrality** must be a key focus of the IAA.

3. PERMITS

Flanders emphasises that an efficient and predictable permitting policy is an essential condition to realise industrial climate and transition projects in good time, and for attracting investment. Businesses are currently too often held back by long lead times (including appeal procedures) and opaque sector-specific rules make the permitting process less coherent, leading to legal fragmentation.

There is also a focus on this issue in Flanders, in the Coalition Agreement and the Integrated Action Plan for Flemish Industry, and in particular through the Expert Committee on Permits. In particular, work is being carried out to create a more transparent and efficient permit framework for industry, among other things, by translating the recommendations of the Expert Committee into a concept paper. To this end, we are looking at an enhanced preliminary process, a predictable and robust permit procedure and efficient legal protection.

In addition, there is a focus on digital simplification, strategic prioritisation and European coordination. Flanders is committed to coherent environmental legislation, parallel procedures and clear time limits, so that investment projects can be realised more quickly and with more certainty. This permit policy is a key focal point within the Flemish productivity and competitiveness agenda ('Flemish Acceleration'), and contributes to an attractive business climate in which industries can invest and innovate with confidence.

In order to strengthen the competitiveness of our industry at European level and speed up the transition to climate neutrality, the Government of Flanders therefore advocates for modernising the European permitting framework, with a view to an efficient and predictable permit policy.

Specifically, Flanders is asking the European Commission to focus on the following with the IAA:

- **Accelerated and simplified procedures:** by setting clear maximum time limits for permit decisions, the process becomes more predictable and projects can be realised more quickly. A one-stop-shop approach, supported by a digital platform, can significantly reduce the administrative burden on businesses. Coordination as much as possible with existing sectoral legislation such as the Net-Zero Industry Act and the Critical Raw Materials Act is essential.
- **Priority treatment of strategic projects:** projects that are essential for the industrial transition must be recognised as being of European strategic importance, based on criteria set out in the IAA. They deserve an accelerated pathway and access to simplified procedures, similar to the approach in the Net-Zero Industry Act and Critical Raw Materials Act. Harmonised application of these criteria within the EU is essential.
- **Better coordination and predictability:** Businesses must be able to rely on a consistent and transparent regulatory framework, including at European level. The current application of the European regulatory framework often results in permit problems. Differing interpretations between Member States and administrations currently lead to legal uncertainty and delays. Clear and unambiguous European guidance can limit differences in interpretation, ensure

more predictability and reduce the number of legal cases. Flanders calls for a review of European law that affects the Flemish permitting process and also calls for more coherence between the various European sector-specific laws that have an impact on the permitting process. We are reviewing all European permit requirements and directives, and their impact on the competitiveness of the Flemish economy and its businesses. We will use the results of this review to enter into discussions with the European bodies. Only by better harmonising these rules can legal incoherence be avoided and the permitting process made more efficient and predictable, with a view to ensuring balanced treatment of the various economic sectors.

Flanders calls on the European Commission to incorporate these reforms coherently into current and future initiatives, such as the IAA and the broader Clean Industrial Deal package.

4. PUBLIC PROCUREMENT AND NON-PRICE CRITERIA

For Flanders, the **free market principles** must always and everywhere be the main focus. In order to promote innovation, efficiency and competition, which lead to economic growth and prosperity, supply and demand must be the primary catalysts for determining prices and production, not government intervention.

The Flemish authorities are already using their **procurement policy** to pursue policy objectives in areas such as innovation and sustainability, and are already applying qualitative award criteria to this end. The position set out below is without prejudice to this.

If, in the context of European discussions on an IAA, it is deemed necessary to use additional qualitative award criteria (on sustainability, resilience or 'made in Europe') as a strategic instrument to create lead markets, this must only be possible when it is crucial to **safeguard our strategic economic interests**, in particular when the competitiveness of our businesses is impaired by distortions to the free market.

The use of non-price criteria in public procurement as a result of the IAA should therefore be limited to **energy-intensive industry, in particular the steel and chemical sectors**. Only for these sectors, where strategic autonomy and economic security are at stake, should the government be able to use tenders in the context of the IAA as a tool to accelerate the transition and protect strategic interests.

Furthermore, Flanders believes that strict conditions must be attached to this:

- Flanders emphasises the importance of rules-based, multilateral world trade, and insists that new regulations and procurement criteria should always comply with the rules of the **World Trade Organization (WTO)**.
- Using non-price criteria in public procurement in these sectors remains **optional**. There is no general obligation, the aim is rather a targeted, sectoral application.
- Imposing non-price criteria in the IAA must not lead to substantial **additional costs** or unbalanced price increases for businesses and governments.
- **Local governments** must be given as much freedom as possible to decide for themselves whether and how they apply non-price criteria in their procurement policy. Flanders recognises the diversity of local needs and contexts, and wants to avoid imposing excessive harmonisation or centralisation.
- All criteria included in public procurement in the context of the IAA must be **clear, unambiguous and consistent**. Both contracting authorities and tenderers must know exactly what they have to comply with.

- Flanders strives to use **existing measures and instruments** as much as possible when implementing the IAA in its procurement policy. Existing and recognised mechanisms will be used as much as possible in order to avoid additional burdens.

To ensure as much coherence as possible, the proposed IAA must be drawn up with the revision of the **Public Procurement Directive** in mind. These priorities do not prejudice the position of the Government of Flanders in the context of the announced revision of the Public Procurement Directive.

In organising a sustainable procurement policy, **voluntary labels** for the carbon intensity of industrial products can be an important information tool for both public and private actors. Producers can use these labels to promote the sustainable aspects of their products. The Government of Flanders is keeping a close eye on developments and takes a positive view of the development of voluntary labels for the carbon intensity of industrial products in the context of the IAA, in particular with regard to their role in the steel and chemical industries (but also with regard to voluntary actions in, for example, the cement sector). The Government of Flanders nevertheless emphasises that this must fit within a harmonised European framework, must not contribute to market fragmentation and must not create additional administrative burdens for businesses.

5. SIMPLIFICATION AND MINIMAL ADMINISTRATIVE BURDENS

As stated in the Coalition Agreement, Flanders has been committed to **minimal administrative burdens** from the start of the European legislative process. As such, administrative simplification is a crucial consideration of the Flemish approach to the IAA. It is a fundamental policy choice to limit bureaucracy as much as possible, so that regulations remain workable for citizens, businesses and governments, without relinquishing the underlying objectives. Flanders wants to avoid situations where the business community is confronted with overly complicated legislation that entrepreneurs are unable to navigate. Indeed, overregulation leads to frustration, inefficiency and holds back innovation. Moreover, what often happens is that the legislation in question has to be revised again within a few years.

As regards public procurement, Flanders advocates **simplifying** and **digitising** procedures. By streamlining the increased number of sectoral rules on public procurement, Flanders wants to counteract fragmentation and unnecessary administrative burdens, and ensure a transparent, accessible and future-proof regulatory framework.

The Flemish Minister for Economy, Innovation and Industry, Foreign Affairs, Digitalisation, and Facility Management

Matthias Diependaele

The Flemish Minister for Environment and Agriculture

Jo BROUNS