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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Regulation for Industrial Accelerator Act - European Commission replies to MS questions : Chapter V

Chapter V – Industrial Manufacturing Acceleration Areas

Questions	Replies
Article 25	
In Chapter V, Article 25, we are interested in why the provision is written as an obligation for Member States rather than voluntary? This is a major challenge, particularly for small Member States that do not have regional structure and based on experience from the NZIA (Acceleration valleys)? Is it appropriate to make the establishment of an accelerator area compulsory in each Member State? Could it be voluntary? Why is the designation of acceleration areas deemed compulsory, instead of leaving it up to Member States, similarly to net-zero Acceleration Valleys under NZIA? Why is an obligation to designate accelerator areas necessary? What is the specific target of that obligation? Not every member state has industrial clusters or is actively seeking to designate one, while the member states that do lay emphasis on clustering industrial activities are probably inclined to designate one either way. Regarding the legal basis and the competence of the EU: would it not be better to give the possibility to member states to designate an acceleration area and give obligations and concrete advantages once the accelerator area is designated? Each Member State must designate at least one acceleration area for a cluster of projects in one or more strategic sectors. Why should every Member State be obliged to reserve space for activities listed in annex I which entails interference by the EU with the prerogative of Member States to decide its industrial policy aims and objectives?	The obligation to designate industrial manufacturing acceleration areas aims to harmonise business investment conditions across Member States. The initiative introduces a common set of requirements applicable to all acceleration areas throughout the EU. When designating the areas, Member States shall consider alignments with other Union initiatives, including Net Zero Acceleration Valleys, in accordance with Article 25(2)b). Therefore, Member States are free to designate an already existing cluster under other Union legislation, as an industrial manufacturing acceleration area.

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Does the obligation to designate at least one acceleration area imply that existing industrial areas where relevant activities are already clustered must be re-designated via the procedure set out in Articles 25(3) to 24(5)?	
Given that the areas to be designated are unavailable for any use other than the manufacturing industry listed in Annex I, does the designation requirement imply that Member States will compete with one another to attract the same investments under annex I? Did the Commission do any particular analysis on whether the IAA could create internal distortions between Member States, particularly through 'acceleration zones' that are excessively attractive in certain countries and the effect this could have in terms of tax, land or regulatory competition? How does the EU take care of a level playing field between the accelerator areas in the EU; since many of the enabling conditions come from member states, differences between the accelerator areas can arise. Furthermore: what are the consequences for the competitiveness of industrial clusters that need to transition but cannot be named accelerator areas due to the strict framework?	While the sectors listed in Annex I constitute the primary focus, industrial manufacturing projects beyond these sectors may also be established within these areas. The measure is not expected to create distortions within the internal market, nor to affect level playing field between Member States. Each Member State is required to designate at least one Industrial Acceleration Area, meaning that support is not concentrated in a limited number of regions or countries. The objective is to ensure that all Member States provide at least one location where industrial manufacturing projects can be developed under specific enabling conditions. The choice of location remains with the Member States, which may build on existing industrial ecosystems or infrastructure. Importantly, the Act does not confer exclusive subsidies or selective financial advantages on specific companies within these areas.
Article 26	
Are acceleration areas primarily intended for brownfield sites, or may Member States also designate new greenfield areas? How should potential conflicts with other legitimate land-use interests — such as housing, protected nature or the rights of Indigenous peoples (e.g. reindeer herding) — be addressed? 3 Should such balancing be carried out fully under national law, or is there an EU-law dimension? What if the territory in a Member State has already completely been designated for the different purposes (housing, industry, leisure, nature,…)?	Under article 25 (3)e, the Regulation encourages Member States to consider pre-existing brownfield sites. However, this is not mandatory, and acceleration areas may also be designated on greenfield sites. Regarding the balance of land use, the proposal does not set minimum or maximum size requirements. Economic interests must often be weighed against other land uses; accordingly, projects located in these areas may benefit from considerations of public interest and, in certain cases, be deemed of overriding public interest. At the same time, environmental protection interests must still be duly balanced, with appropriate mitigation or compensation measures applied where necessary.

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	Balancing environmental protection interests with the industrial manufacturing acceleration aims is also reflected in Article 27(2), requiring projects acquiring additional permits and authorisations falling outside the scope of the aggregated permit.
Article 27	
What if a MS does not have the concept of "**aggregated baseline permits**"? Does Art. 27 require MS to establish such a concept? If so: the operative part of the IIA gives no indication as to what permits are "**installation-specific**" and which permits are not. What if, in a MS all permits are installation-specific? Does the IIA oblige MS to make some of them (which ones?) "non-installation-specific"? Article 27.1 against backdrop of other EU legislation establishing a permit obligation: which permits are within scope of the 'aggregated baseline permit' and which permits are within scope of the 'installation-specific' permit (i.e. additional permit, as referred to in Article 27.3)? The 'aggregated baseline permit' in its capacity of a permit: does the competent authority need to take a decision on the applicability of the 'aggregated baseline permit' to the project? Article 27.1 against the backdrop of the IAA PGP as mentioned in article 4 and 5: does the IAA PGP (article 5) only apply to the 'additional permit'? Could the Commission clarify the legal nature of the "aggregated baseline permit"? Which elements are intended to be covered at area level, and which should remain subject to project-specific permitting? Does Article 25 allow for individual permits to be granted before the aggregated permit is established?	Pursuant to Article 27, Member States are required to prepare and issue an aggregated baseline permit for each industrial manufacturing acceleration area following its designation even if the concept of an aggregated baseline permit does not yet exist in national law. Given that permit-granting procedures vary across Member States, it will be for each of them to determine which permits can be aggregated at area level and which should remain project-specific. This is why the regulation does not specify which permits are project-specific, except in the case of Union legislation, where permits and assessments arising from the Industrial Emissions Directive and the Environmental Impact Assessment Directive cannot be included in the aggregated baseline permit. Article 5 applies to all individual permits that project promoters must obtain in addition to the aggregated baseline permit issued by the relevant competent authorities. The competent authority in article 5 has a coordination role between authorities for the single application requirement. Recital 58 merely refers to those relevant authorities that are involved in issuing the aggregated baseline permit. One of the authorities involved in the aggregated baseline permit could be the competent authority chosen for the coordination role of the single application, but there is no obligation.

« This aggregated baseline permit shall cover the permits and administrative authorisations required for the industrial manufacturing projects located within the acceleration area, excluding those permits that are installation specific »: does this include planning/urban planning permissions? To what extent is this compatible with the administrative organization of the Member States and with the principle of subsidiarity? can the Commission provide some examples of which permits and authorisations that are to be covered by the baseline permit, when permits that are installation specific are excluded? We would like to know how to interpret 'installation specific' since most permits could be considered installation specific depending on the interpretation. What does an aggregated baseline permit entail? Point 58 speaks of 'public authorities covering the permits'; how does this relate to article 5 of the proposal (single entity)? What is the significance of the basic permit if a plant-specific permit is required anyway? Could you please clarify which permits and administrative authorisations shall be covered by the aggregated baseline permit pursuant to Article 27(1)? Which assessments are to be carried out by the Member States pursuant to Article 27 para. 2 sentence 1?	
How does the Commission assess the added value of acceleration areas compared to the general permitting provisions already set out in Chapter II?	The designation of Industrial Manufacturing Acceleration Areas provides added value that goes beyond streamlined permitting, notably through the clustering of industrial activities. Projects located within these areas could benefit from accelerated permitting procedures, enhanced coordination, and improved access to infrastructure, financing, and skilled labour. Geographical concentration of economic operators may also generate positive spillovers, including faster innovation, stronger generation and retention of know-how, and more efficient deployment of and access to infrastructure For instance, the assessment of the energy needs of each acceleration area will be shared with relevant system operators (e.g. transmission system operators, TSOs)

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	to ensure that the necessary grid connection investments are adequately anticipated and planned. In addition, the proposal introduces an aggregated baseline permit to improve efficiency; this mechanism can only be implemented within designated acceleration areas.
Environmental assessments	
Could the Commission clarify art 27.2. "*Before issuing the aggregated baseline permit referred to in paragraph 1, Member States shall carry out all necessary assessments, including relevant environmental assessments, planning procedures and evaluations applicable at the level of the acceleration area. Member States shall take into account the assessment carried out pursuant to Article 25(5)*."? Could the Commission confirm that the provisions aim to exempt project of environmental assessment if the plan/program that includes the projects has been subjected to environmental assessment? In case some impacts of projects could not be identified at the planning stage, how could they be addressed with regard to the proposal? The article specifies that « Member States shall carry out all necessary assessments, including relevant environmental assessments, planning procedures and evaluations applicable at the level of the acceleration area ». Does the Commission imply that these assessments shall be carried out and financed by the Member State as a pre-planning measure? And if yes, how would this connect to State aid regime? Could the Commission precise if any substantial modification or new environmental effect can generate a new assessment and a new authorisation? Can the Commission clarify the scope of application of the strict protection regime for species and explain how a derogation from this regime may be granted under Article 16 of the Habitats Directive and Article 9 of the Birds Directive? Must such a derogation be granted for the entire area or for each individual project? To what extent is this provision equivalent to the renewable energy acceleration areas introduced by Directive (EU) 2023/2413 (RED III)? Should it be understood, through a combined reading of paragraphs 2 and 3, that projects are exempt from	Certain assessments are required to designate the area, notably the carrying out of a Strategic Environmental Assessment by the Member State, as is usually standard for plans and programmes, in order to facilitate any necessary project-level assessments. Similarly, any other assessments required at national level for the issuance of the baseline permit should be conducted in advance. This is also in alignment with the provisions of the proposal for a regulation on speeding up environmental assessments. The aggregated baseline permit, and the provisions applicable to these areas, do not grant any environmental derogations or exemptions from the existing European and national acquis. Where relevant, and in accordance with Directive 2011/92/EU (as amended by 2014/52/EU), project promoters may still be required to carry out individual environmental assessments at project level. Likewise, permits under the Industrial Emissions Directive remain applicable at project level and cannot be included in the aggregated baseline permit. Regarding Article 27(4), and for the purposes of Article 14 of the Proposal for a Regulation on speeding up environmental assessments, granting public interest consideration to projects located in these areas does not create a presumption of overriding public interest. Point I of the Annex of the Proposal for a Regulation on speeding up environmental assessments only states they "shall be considered to be of public interest and ***may*** be considered to have an overriding public interest". Under article 25(3)c, Member States are encouraged to prioritise areas where projects are not expected to have significant environmental impacts, including avoiding areas such as Natura 2000 sites, in order to both protect the environment

environmental assessment if they comply with the avoidance and mitigation measures provided for in the plan/program? How does the proposal ensure coherence with impact assessments under the Habitats and Water Framework Directives in order to ensure the necessary level of detail, given this type of project-disclosure would not be required in industrial acceleration areas? Is the intention that the IAA should not prohibit nationally protected and ecologically sensitive areas from being included in industrial acceleration areas? Does Article 27 para. 4 sentence 1 contain an assumption that all sectors/projects listed in Annex I to the IAA contribute to decarbonisation or resource efficiency? If so, what is the basis for this assumption? What are the criteria for determining the sectors/projects which may be considered to have an overriding public interest? Is sentence 2 of Article 27(4), including the explicit mention of all three points from the Annex to the proposed Regulation on speeding-up environmental assessments necessary? Is the reference to Article 14 of the proposed Regulation on speeding-up environmental assessments, according to which the provisions set out in the Annex shall apply, not sufficient?	and facilitate project approval elsewhere. However, the Regulation does not expressly prohibit or exclude specific land uses. As regards the reference to Article 14 of the proposed Regulation on speeding up environmental assessments, the explicit mention of the three points in the Annex is a drafting choice intended to clarify that all of them apply.
NZIA VALLEYS AND OTHER	
Did the Commission conduct a review of the Net Zero Valleys that were introduced in the NZIA which we could learn from for these IMAAs? What is the actual difference between the NZIA net-zero valleys and the IAA acceleration areas? Do the IAA's acceleration areas overlap with the rapid development areas of RED?	Industrial Manufacturing Acceleration Areas (IAA Areas) and Net-Zero Acceleration Valleys (NZIA Valleys) are complementary concepts with a shared objective: to accelerate manufacturing projects in defined areas and attract new investments. NZIA valleys are voluntary, whereas Industrial Manufacturing Acceleration Areas (IAA Areas) are proposed to be mandatory. Article 25(1) requires Member States to designate at least one such area, taking into account, among other factors, the participation of SMEs and small mid-caps (SMCs) (art 25(2)c). In terms of sectoral scope, NZIA valleys focus on to net-zero technologies, while IAA Areas may cover industrial manufacturing more broadly, with priority given to the

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How is the interplay between acceleration areas in IAA and net-zero Acceleration Valleys in NZIA foreseen? Can the Commission provide evidence that net-zero Acceleration Valleys have actually achieved their objectives? How do the areas relate to the areas presented in the NZIA and the RED? How would industrial manufacturing acceleration areas articulate with other zonal initiatives such as the EU ports strategy, RefuelEU aviation or the Sustainable Transport Investment Plan? Would both be articulated? How does this proposal relate to the changes planned in parallel discussions in other Council bodies, namely the Grids package? What is the relationship between the NZIA valley and the IAA acceleration areas?	strategic sectors listed in Annex I of the IAA. No explicit link has been made to the Renewable Energy Directive's areas. As regards benefits, IAA Areas provide for an aggregated baseline permit. In addition, relevant grid system operators are expected to take due account of the energy needs of new investments in each acceleration area when planning grid connections.
How should coherence with spatial planning, environmental law, infrastructure planning and regional development be ensured?	The regulation allows brownfield sites to be designated as acceleration areas and, in fact, encourages prioritising certain locations in order to minimise environmental impacts and leverage existing infrastructure and land use. (art 25(3)e) Within these areas, projects may be considered to be of public interest, which can give them greater weight under relevant EU environmental legislation when undergoing the necessary assessments to obtain permits. At the same time, environmental protection considerations must be duly balanced, and appropriate mitigation or compensation measures should be applied.
The industrial acceleration areas should take into account Small Mid-Caps. As there are however now several different thresholds for what could be considered a SMC, could the Commission elaborate further, which particular SMCs should be taken into account?	The definition is currently being discussed in the context of Omnibus IV.

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