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Localising EU Industrial Ambition

Making the Industrial Accelerator Act work for local and regional governments: Recommendations on Permitting and Procurement

CEMR key messages:

Europe's industrial transformation will be delivered at the local and regional level. To succeed, the Industrial Accelerator Act (IAA) must empower cities, towns and regions not only as implementing authorities, but as strategic partners in shaping, enabling and delivering industrial development.

CEMR calls for an IAA that is territorially grounded, proportionate and implementation-oriented, organised around three priorities:

- 1. Streamlined permitting anchored in territorial realities:** establish a coherent and flexible permitting framework that respects subsidiarity, reflects territorial specificities and competences, avoids duplication, and involves LRGs throughout the permitting cycle, including in the designation of industrial acceleration areas.
- 2. Support effective implementation:** ensure that new responsibilities and requirements are matched by adequate financial, technical and administrative resources, including capacity-building and digital infrastructure, so that implementation does not create unfunded mandates or divert resources from essential public services and investment.
- 3. Ensure a coherent and workable public procurement framework:** ensure that new IAA procurement requirements are proportionate, clear and consistent with the existing EU procurement framework by introducing stronger and more enforceable safeguards for LRGs as well as simple and predictable rules.

Cities, towns and regions play a central role in achieving the EU's objectives to strengthen industrial competitiveness, accelerate green and digital transitions, and enhance strategic resilience, notably as investors, permitting authorities and public contractors. They are responsible for implementing a significant share of European legislation and investment on the ground and are often the level of government closest to industrial projects and citizens. This gives them an important role in building public acceptance and democratic legitimacy for industrial development.

The Industrial Accelerator Act has the potential to create opportunities for growth, jobs and local prosperity by attracting and retaining industrial investment, facilitating the development of strategic manufacturing projects and strengthening European value chains. Active industrial and economic policy, including closer cooperation between national, regional and local governments, is essential to translate these opportunities into stronger territorial development, industrial competitiveness and progress towards the climate transition.

The Regulation risks generating additional costs and administrative burdens for public authorities.¹ Moreover, while seeking to accelerate industrial investment, the IAA is expected to increase the complexity of an already complex regulatory framework and may, at least in the short term, limit market availability and competition. It may also contribute to higher prices for cars and construction projects, ultimately affecting public authorities and placing further pressure on cities, towns and regions' budgets.

Requirements stemming from the IAA should therefore be proportionate to the size, resources and administrative capacity of local and regional authorities, with particular attention to small and medium-sized municipalities and should not create disproportionate burdens for authorities with more limited capacity.

Concretely, the proposal touches upon several areas where LRGs play a direct implementation role. **Streamlined permitting procedures** can help accelerate strategic industrial investments, provided they build on existing governance systems, respect the division of competences, and preserve legal certainty, environmental safeguards and public participation. **Industrial acceleration areas** will also need to be territorially grounded, taking account of local and regional realities such as land use,

¹ The Commission's [Impact Assessment](#) estimates that the Regulation may increase annual administrative costs by up to €8.92 million EU-wide. Moreover, [Danish public authorities have estimated](#) that implementing the minimum requirements in public procurement could entail annual costs of between €20 and €48 million for public authorities.

infrastructure, energy, water, mobility, housing, skills, and public services. Finally, **public procurement provisions**, including “**Made in Europe**” requirements, should preserve contracting authorities’ ability to deliver affordable, high-quality public services in a flexible, timely and legal manner, without prejudice to existing cooperation with EU partners such as EEA countries. They should not affect in-house provision or public-public cooperation or shift supply-chain verification responsibilities onto contracting authorities.

The success of the IAA will depend on its ability to reconcile Europe's industrial objectives with the practical realities faced by LRGs. New requirements involving public authorities should therefore respect the principles of subsidiarity, proportionality and local self-government, while avoiding unnecessary administrative burdens and ensuring LRGs have the flexibility, resources and legal certainty needed to implement the new framework effectively.

Modernising permitting through streamlined processes, stronger local governance and digitalisation

CEMR supports the objective of the IAA of streamlining permit-granting mechanisms to reinforce Europe’s industrial competences and output. Depending on national and regional governance, LRGs have important responsibilities in areas such as spatial planning, land-use decisions, environmental permitting and infrastructure provision, while also acting as a key interface between project developers, public authorities and local communities.

Faster permitting requires an understanding of what actually delays projects in a specific territory. Bottlenecks may arise from fragmented procedures or limited administrative capacity, but also from environmental constraints, such as nitrogen deposition, and insufficient water, energy or transport infrastructure. Shorter procedural deadlines cannot resolve these constraints on their own. Early coordination between competent local and regional authorities and project applicants, alongside long-term planning for strategic industrial projects, is needed to identify and address them.

Single access points under Article 4 can improve that coordination if they build on existing systems. Member States should be able to assign the coordination function to an existing authority rather than create a new body. Single access points should work with local and regional permitting systems, avoid duplicate procedures and reporting, and use interoperable digital tools that enable data reuse and the once-only principle. Their role and the responsibilities of each competent authority must be

clear. Designating a single access point must not transfer statutory planning, permitting or decision-making powers from LRGs without their agreement.

These arrangements also need to be workable for the authorities implementing them. Many LRGs already operate with limited capacity, while the growing number of accelerated and priority procedures across EU legislation can require the same authorities to treat several types of projects as urgent at once. The Commission should assess the combined effect of the IAA and other streamlining initiatives on local and regional authorities. New requirements should build on existing systems, respect the division of competences under national or regional law, and be matched by adequate human, technical and financial resources. Procedural demands should remain proportionate to the project.

Finally, permit-granting timelines under Article 5 must allow competent authorities to assess projects properly according to the specific local and regional circumstances. Deadlines should run from the submission of a complete application and allow for cases where essential information is missing, the applicant makes significant changes, or legally required procedures cannot be completed within the prescribed period. Comprehensive, while proportionate, environmental assessments are crucial, as they support both nature protection and public acceptance. Moreover, public participation should be ensured where possible, and relevant socio-economic impacts should be considered in permitting decisions, avoiding the risk of public opposition.

The permitting framework should therefore:

- Ensure that single access points are embedded in existing national, regional and local systems, with full interoperability with existing digital tools and no duplication of administrative procedures or reporting obligations;
- provide a clear and balanced allocation of responsibilities across EU, national, regional and local levels, fully respecting subsidiarity and the established division of competences under national or regional law;
- assess the cumulative workload created by accelerated procedures across EU legislation and provide competent authorities with adequate human, technical and financial resources;
- set proportionate and adaptable permitting timelines that reflect the complexity of individual projects and national and regional specificities, allowing Member States, where appropriate, to set or adapt deadlines rather than relying on uniform EU-wide deadlines;

Territorial impact of industrial acceleration areas

CEMR recognises industrial acceleration areas as a potentially useful tool to support the EU's industrial competitiveness, decarbonisation and strategic resilience. Their success will, however, depend on whether they are territorially grounded, adequately resourced, developed in cooperation with the competent local and regional authorities and supported by adequate financial, administrative and technical capacity.

As the IAA proposal requires Member States to designate at least one industrial manufacturing acceleration area (Art. 25), LRGs should be involved from the outset in their identification and designation. Where designation directly affects legal local and regional competences (such as spatial planning, land use or infrastructure), the agreement of the competent LRGs should be required. Designation should not override project-specific planning, permitting or environmental assessment. LRGs are indeed best placed to assess the opportunities and constraints of a specific area, including land use, environmental and climate risks, infrastructure, workforce needs and pressure on local public services. They may identify legitimate territorial constraints that make designation inappropriate or premature. While the focus on brownfield, built-up and existing industrial sites and exclusion of Natura 2000 areas are welcome, LRGs may have valid reasons not to prioritise areas that appear suitable from a national perspective.

The EU framework should therefore leave sufficient flexibility for Member States and competent territorial authorities to reflect national, regional and local circumstances. While national governments may retain responsibility for comparing and selecting potential areas, they should be able, where appropriate, to empower LRGs to designate them through structured cooperation.

Designation and implementation of these areas may require substantial investment in infrastructure and local public services. These costs should be matched by adequate financing and technical support, rather than shifted onto LRG budgets. At the same time, territories facing structural constraints should not be left behind: Member States should consider complementary measures, developed with LRGs, to help them benefit from future industrial investment and avoid reinforcing territorial disparities.

Citizens and local stakeholders should be informed at an early stage about the designation of potential areas. Transparent assessment of the benefits, constraints and likely local impacts can help address concerns, anticipate conflict and build public acceptance.

Finally, the rules for permitting granting within industrial acceleration areas must also clearly define responsibilities. The issuance of an aggregated baseline permit for an industrial manufacturing acceleration area (art. 27) should involve all legally competent authorities. Furthermore, such a permit should not be interpreted as waiving, replacing or pre-authorising decisions which, under national law, fall within the competence of local authorities.

Industrial acceleration areas should therefore:

- be identified and designated through early, structured cooperation with LRGs, with the agreement of the competent authority where designation would determine or constrain a decision legally assigned to it;
- be based on territorial assessments and integrated with local and regional development, spatial planning and sustainability strategies, while allowing Member States, where appropriate, to empower LRGs to designate areas;
- be backed by adequate financing and technical and administrative support for enabling infrastructure and local public services, with complementary strategies for territories facing structural constraints;
- preserve project-specific planning, permitting and environmental assessments, with all legally competent authorities involved in any aggregated baseline permit under Article 27.

A targeted and proportionate “Made-in-Europe” approach

CEMR supports the objective of strengthening European competitiveness, resilience and strategic autonomy. Recent crises have highlighted the importance of secure and diversified supply chains for sectors that are essential to the functioning of local public services and the achievement of Europe's green and digital transitions. In this context, CEMR recognises the strategic objective behind “Made-in-Europe” provisions in the Industrial Accelerator Act, and welcomes the recognition of European countries that are part of the WTO Agreement on Government Procurement (GPA), or linked to the EU through trade agreements, as “trusted partners”, allowing their goods and services to generally fall within the definition of EU origin as set out in Articles 7-9 of the proposal. A more active European industrial policy must not create new barriers between the EU and the EEA and UK and should strengthen, not weaken, cross-border integration. It is essential to avoid new forms of fragmentation

that could undermine investment, competitiveness and cooperation across integrated European value chains.

However, mandatory origin requirements in public procurement require particular caution: contracting authorities' primary task is to procure the works, goods and services needed to deliver public services, not to administer industrial-policy supply-chain objectives. In addition, European preference measures will significantly increase costs for contracting authorities and, ultimately, citizens if applied broadly. These requirements demand careful design, with a clear identification of the strategic objectives, sectors concerned and operational conditions for their use, including enough preparation time for contracting authorities.

Crucially, the identification of the strategic sectors to which 'Made-in-Europe'-requirements apply must be based on objective, transparent, and forward-looking criteria, reflecting their relevance for security of supply, resilience, decarbonisation and the Union's long-term competitiveness. The European Commission should transparently justify the inclusion of each sector and regularly review the sectoral scope in light of technological, economic and geopolitical developments, market capacity and supply conditions. Such reviews should also assess the financial and practical impacts on public contracting authorities and allow sectors to be added to or removed from the scope where the underlying conditions have materially changed. LRGs should be enabled to maintain service continuity, value for money and affordability, including in cases where European supply is limited or where essential products need to be sourced globally. Any European preference mechanism should therefore be designed in a way that safeguards these objectives, while ensuring that the activation of provisions linked to broader security and trade policy considerations remains at EU level, under the responsibility of the Commission rather than individual contracting authorities. CEMR therefore supports a targeted application of Made-in-Europe provisions in genuinely strategic sectors, accompanied by appropriate exemptions where their application would undermine the effective delivery of public services. Such exemptions must be practical and applicable without creating additional administrative burden.

The "Made in Europe" provisions should therefore:

- introduce clear and workable rules, complemented by an EU-wide certification system, in line with Articles 7–9, confirming the European status of bidders and reducing administrative burdens and legal uncertainty for contracting authorities;

- to the greatest extent possible, compliance with Union-origin requirements should be verifiable through official databases and interoperable European systems connected to national e-procurement platforms, avoiding the need for contracting authorities to carry out complex supply-chain checks themselves;
- ensure that the responsibility for demonstrating compliance with Union-origin requirements remain with economic operators;
- clear, predictable and easily applicable exemptions linked to “Made in Europe” preferences, including more proportionate cost-related safeguards that reflect the financial constraints of LRGs;
- thorough impact assessments before extending Union-origin requirements, with particular attention to their financial and administrative consequences for LRGs.

Ensuring flexibility, simplification and coherence in the procurement framework

LRGs use procurement primarily to deliver essential public services and infrastructure in areas such as transport, water, wastewater, waste, energy, housing and public buildings. New requirements related to product origin, sustainability and industrial resilience should therefore not create disproportionate administrative burdens for contracting authorities and be accompanied by simplification measures, legal certainty and practical implementation tools.

In particular, contracting authorities should not be required to verify complex supply chain information, determine the origin of components or undertake burdensome compliance assessments. The responsibility for demonstrating compliance with Union-origin requirements should remain with economic operators and be supported through harmonised European certification and verification mechanisms in line with Articles 7-9 and the self-declaration approach under Article 11(4).

This is particularly important for smaller municipalities with limited administrative capacity.

This flexibility is essential to allow LRGs to support strategic European objectives while maintaining affordability, value for money and timely delivery of public investments. More broadly, CEMR calls for a coherent and consistent EU procurement framework, including the use of consistent and aligned terminology across different pieces of legislation. LRGs already operate within an

increasingly complex legal environment, and the growing use of sector-specific legislation to introduce procurement-related obligations risks creating overlapping or contradictory rules. As the IAA itself acknowledges, many of its procurement provisions will need to be reflected in the future Public Procurement Act. This revision should therefore remain the primary framework for integrating strategic procurement objectives, while ensuring simplification, legal certainty and flexibility for LRGs. In this regard, Articles 7–11 of the IAA should be explicitly aligned with the future Act to avoid fragmentation of Union-origin and procurement rules. The IAA should include an explicit review clause once the revised EU public procurement legislation enters into force. This would also respond to the Commission’s own “simplicity by design” criteria, particularly the requirement to clarify how new obligations interact with existing rules.

The public procurement framework should therefore include:

- a coherent and proportionate framework for any new procurement obligations introduced through the IAA, supported by adequate technical, administrative and financial resources and developed in consultation with LRGs;
- a coordination and scrutiny mechanism to ensure that new sectoral procurement provisions remain consistent with the general EU procurement framework and are feasible for all contracting authorities;
- greater flexibility for contracting authorities, including lowering the proposed cost-difference threshold for considering European supply costs disproportionate from 25% to 10%, while ensuring practical and accessible exemptions and derogations to safeguard public service continuity;
- greater coherence between preference mechanisms across EU instruments, with the co-legislators and the Commission conducting a coherence check on new proposals containing procurement provisions, in line with the Commission’s own ‘simplicity by design’ principle.

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About CEMR:

The Council of European Municipalities and Regions (CEMR) is Europe's first and broadest association of local and regional governments. We are the only organisation that brings together 60 national associations of local and regional governments from 41 countries.

We empower cities, towns, and regions to build peaceful, inclusive, just, and resilient communities by amplifying their voices at European and international levels. Our aim is to ensure that local leaders are fully equipped to drive the sustainable transition of their territories to effectively respond to global challenges.

CEMR also serves as the European section of the global organisation United Cities and Local Governments (UCLG).

 1951
Foundation
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 60
national associations
of local and regional
governments

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countries

 110.000
local and regional
governments

 1.000.000
locally elected
representatives



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