



ENABLING THE EU INDUSTRIAL TRANSFORMATION

RECOMMENDATIONS FOR AN EFFECTIVE INDUSTRIAL ACCELERATOR ACT

January 2026

INTRODUCTION

The Industrial Accelerator Act¹ is the first Act to be published since the European Commission's Clean Industrial Deal announcement in February 2025. It is an opportunity to speed up industrial decarbonisation while scaling-up clean tech sectors in Europe. Energy-intensive industries (including steel, cement, chemicals, paper and aluminium) account for 19% of EU greenhouse gas (GHG) emissions,² making their rapid decarbonisation crucial. The clean technologies necessary for their decarbonisation, beyond direct electrification, exist and are ready to be further deployed and scaled up. The international clean-tech markets are expected to triple in size, to more than 2 trillion dollars in 2035,³ and the EU has a chance of becoming a leader in developing these markets. Both energy-intensive industries and clean tech sectors are central to achieving EU climate goals while ensuring the EU remains resilient and economically dynamic. The upcoming Act aims to speed up the decarbonisation of Europe's industry by

streamlining permitting, improving access to clean energy and supporting key low-carbon projects. It also seeks to link competitiveness and decarbonisation effectively by creating lead markets for clean industrial products.

In 2026, several pieces of legislation are expected to be released such as the proposal for an Industrial Decarbonisation Bank, a Circular Economy Act as well as the revisions of the Public Procurement Directives and the EU Emissions Trading System (EU ETS). Thus, the Industrial Accelerator Act should not be thought of as an isolated piece of legislation. To decarbonise EU energy-intensive industries in time, and to effectively support the deployment of clean technologies, EU legislators will need to consider the following recommendations while drafting the Industrial Accelerator Act.

WWF Recommendations for an Effective Industrial Accelerator Act:

1. Be embedded in regulatory stability to guarantee long-term investment
2. Promote circularity and material efficiency for energy-intensive industries
3. Create lead markets for clean industrial products and circular materials
4. Invest in green technologies that are proven to be effective and easy-to-scale
5. Align funding for industry with decarbonisation and social commitments
6. Include all relevant stakeholders in the decision-making process
7. Develop EU clean tech industries without adding new permitting rules
8. Be linked to the carbon pricing framework to provide an effective incentive for industry to decarbonise and make sure polluters pay

1. The upcoming Industrial Accelerator Act is expected to be released on 29 January.

2. See the European Commission website, EIIs represented around 19% of EU's total GHG emissions in 2022: [Energy-Intensive Process Industries - Research and innovation](#).

3. International Energy Agency, 2024, 'Energy Technology Perspectives 2024': [Global market for key clean technologies set to triple to more than \\$2 trillion over the coming decade as energy transitions advance - News - IEA](#).

1. BE EMBEDDED IN REGULATORY STABILITY TO GUARANTEE LONG-TERM INVESTMENT

Preserving and strengthening EU industry while achieving its decarbonisation, and reaching climate neutrality on time, will only be possible through the right regulatory environment. Europe's predictable climate framework is a key strategic advantage.⁴ It provides businesses with the confidence to commit to long-term green investments and enables first movers to make informed, forward-looking financing decisions. Undermining these rules now would erode trust, slow progress and disadvantage early movers already leading the transition towards low-carbon technologies. Investors and businesses want long-term regulatory certainty as underlined in this letter signed by [more than 130 businesses, industry associations and investors](#).

2. PROMOTE CIRCULARITY AND MATERIAL EFFICIENCY FOR ENERGY-INTENSIVE INDUSTRIES

Integrating circular economy principles and material efficiency into the EU's industrial strategy would ensure the EU's strategic independence and build its resilience while reducing its GHG emissions. Setting clear recycling targets and material efficiency targets, such as requirements for recycled content in products and measures to prevent waste stream contamination (e.g. copper in steel scrap), will drive innovation, decrease dependency on raw materials and accelerate industrial decarbonisation. Circular economy strategies in just four key industries (steel, cement, aluminium and plastics) could [double emission reductions](#) in the EU by 2050, cutting up to 231 Mt CO₂-eq per year, as much as Spain emitted in 2024, compared to relying solely on decarbonisation efforts. These strategies include both reducing feedstock, recycling waste and extending the lifetime of end products. For instance, the use of calcined clay in the cement industry or new mechanical recycling of plastics technologies (like electrostatic separation) in the chemical sector can help decrease the use of feedstock, thereby [reducing emissions in both sectors](#).

3. CREATE LEAD MARKETS FOR CLEAN INDUSTRIAL PRODUCTS AND CIRCULAR MATERIALS

Pushing demand for clean products, including circular materials, through a comprehensive lead markets strategy at the EU level is necessary. While decarbonisation projects in sectors like ammonia, aluminium, cement and steel represent an estimated [€100bn investment opportunity](#), little progress has been made due to the lack of robust markets for clean industrial products. A comprehensive EU strategy on lead markets must be adopted through the Industrial Accelerator Act. It must include clear EU-wide definitions of what constitutes green labels and set performance-based product standards. Both are needed to give businesses and consumers confidence in sustainable products. Voluntary labels for green steel and/or cement will be part of the instruments to achieve this, but it is crucial that these are carefully designed and align with broader frameworks like the Ecodesign for Sustainable Products Regulation. To complement this, strategic use of public procurement and targeted funding for specific sectors need to be leveraged to further increase demand for clean products. In addition, the European Commission should carefully assess whether local content requirements, which would require a certain percentage of a product's value or components to be sourced or manufactured within the EU, have a real impact in reducing industrial CO₂ emissions. Demand for circular materials should also be encouraged through lead markets. To ensure this, embedding recycled-content and recyclability standards should be reflected in the upcoming Circular Economy Act (announced for Q3 2026).

4. INVEST IN GREEN TECHNOLOGIES THAT ARE PROVEN TO BE EFFECTIVE AND EASY-TO-SCALE

Prioritise existing EU funding for industrial decarbonisation, for direct electrification where possible, as well as energy efficiency measures, and shifting away from fossil gas. Up to [90% of industrial heat demand](#) can be electrified by 2035. Therefore, specific attention should be given to electrifying industrial processes by prioritising future investments, especially those coming from the upcoming Industrial Decarbonisation Bank towards electrification for industrial sectors.⁵ [Renewable hydrogen investments](#) could also be

4. See the example of how EU sectoral roadmaps aligned with the Climate Law can help making finance flows consistent with climate goals: European Commission, 2025, [Making finance flows consistent with climate goals](#).

5. See the Electrification Alliance, 2025, [Electrification Alliance reaction paper on the Affordable Energy Action Plan and Clean Industrial Deal](#).

prioritised for key sectors (like primary steel and basic chemicals), provided it is produced through additional wind and solar energy.⁶ Large scale electrification will depend on, in parallel, updating and expansion of the grid and deployment of renewables. These available technologies should be favoured over costly technologies like fossil-based hydrogen and Carbon Capture and Storage (CCS), except for sectors with limited alternatives to decarbonise due to their process emissions (like cement and lime).⁷ Fossil-based hydrogen and CCS technologies already received substantial support through existing EU funds such as the EU ETS Innovation Fund. For instance, from 2020 to 2024, the EU ETS Innovation Fund allocated [€2.5 billion](#) of its total €6.4 billion budget to Carbon Capture and Storage and Carbon Capture and Usage projects.

5. ALIGN FUNDING FOR INDUSTRY WITH DECARBONISATION AND SOCIAL COMMITMENTS

Financial support through public spending for industrial decarbonisation projects should be carefully considered and allocated, ensuring wider benefits for decarbonisation and the public. Access to more public funding, especially through the future Industrial Decarbonisation Bank, must be conditioned to a full phase out of free EU ETS allowances. It is also important that public funding for energy-intensive industries is always tied to strong sustainability and social criteria. To make sure that funded projects are environmentally sustainable, companies should have a credible climate transition plan in place, including clear emission reduction targets and resource efficiency measures. To guarantee that funded projects are socially fair, companies should properly engage with workers and communities (e.g. involve them in future transition planning processes), strongly protect workers' rights, and guarantee that certain services are not relocated to non-EU

countries with lower social and environmental standards.⁸ In addition, to ensure the Industrial Accelerator Act contributes to a just transition, identification of priority projects and clusters as well as an assessment of level and type of support to be offered under the IAA should be done using criteria (geographical, emissions levels, socio-economic indicators) which actually contribute to EU cohesion. Detailed mapping by region and sub-region would be needed to assess how the EU's regional diversity can be a competitive advantage. Thus, the Industrial Accelerator Act must guarantee that these principles are considered when allocating future funding to industries, e.g. through the Industrial Decarbonisation Bank.

6. INCLUDE ALL RELEVANT STAKEHOLDERS IN THE DECISION-MAKING PROCESS

To ensure progress towards industrial decarbonisation and policy consistency, a strong governance framework is needed. Designing a fair and sustainable industrial transition will require the participation of various stakeholders, including civil society organisations and independent researchers. Thus, future strategic dialogues with industries must be designed in a balanced and transparent way, following a deliberative model, which includes a wide range of voices and results in clear recommendations.⁹ Moreover, planning the transition at company-level requires the active involvement of workers and communities. This planning could also be reflected in long-term local plans, developed in an inclusive multi-stakeholder manner, drawing on the model of Territorial Just Transition Plans.¹⁰ Thus, relevant stakeholders needed to achieve a just industrial transition must be included within the design of the Industrial Accelerator Act.

6. See [WWF EPO position on hydrogen](#).

7. See [WWF EPO answer to the European Commission public consultation on Industrial Carbon Management](#), 2023.

8. These social conditionalities should be implemented both through the revision of the different relevant EU funds, as in the state aid framework. Moreover, similar 'criteria' could be introduced through the revision of the EU Public Procurement Directive. For more examples of social conditionalities that are necessary to create quality jobs, see the European Trade Union Confederation (ETUC) latest policy brief on the topic: ETUC, 2024, [Industrial policy for quality jobs: social conditionalities for social progress](#).

9. Since the launch of the Clean Industrial Deal in February 2025, the European Commission's strategic dialogues have largely involved corporate actors and trade unions, leaving civil society and researchers underrepresented. See for example this article from the VUB: Lea Schewe, Simon Otto, and Sebastian Oberthür, 2025, [‘The EU's strategic dialogues – are they just ‘participation washing’?’](#).

10. JTJPs are a key element of the EU Just Transition Mechanism. They are developed, implemented, and monitored by multi-stakeholder structures, which increase local engagement and promote transparency and accountability. For more see: European Commission, 2025, [‘Adapting the Just Transition Mechanism to the needs of regions in transition: key lessons and recommendations for the future’](#).

7. DEVELOP EU CLEAN TECH INDUSTRIES WITHOUT ADDING NEW PERMITTING RULES

Member States are already required to implement the existing frameworks on permitting as decided upon in the Net-Zero Industry Act for strategic net-zero technologies. Therefore, the focus should be on implementing existing legislative frameworks rather than introducing new permitting rules, to avoid any overlaps. This will reduce administrative burden, unnecessary confusion and potential delays while safeguarding EU environmental standards. Industrial decarbonisation should never come at the cost of lowering the EU's environmental standards. The policy efforts should instead support practical improvements, including pre-permitting procedures with early public consultations, sufficiently supporting national permitting authorities, and digitalising permitting processes to streamline approvals for clean tech projects. Good practices already exist: for instance, Swedish green steel producer Stegra [facilitated its permitting process](#) by early and transparent engagement with stakeholders, including proactive dialogue with local communities and authorities. Thus, the Industrial Accelerator Act should not include further permitting measures.

8. BE LINKED TO THE CARBON PRICING FRAMEWORK TO PROVIDE AN EFFECTIVE INCENTIVE FOR INDUSTRY TO DECARBONISE AND MAKE POLLUTERS PAY

Ensuring strong EU carbon pricing will be effective in driving deep reductions in the energy-intensive industries in Europe only by ensuring that the negative externalities of carbon emissions are fully reflected in the price for pollution. It will also drive innovation in clean tech sectors by making sure pollution is more expensive, which will encourage investment in low-carbon technologies. In 2023 alone, [€40 billion were lost](#) through free EU Emission Trading System (ETS) allowances when it could have been invested in the decarbonisation of EU industries. To strengthen the current carbon pricing framework, the EU industrial strategy will need to promote a reform of the EU ETS that guarantees the agreed timeline¹¹ of the phase out of EU ETS allowances given for free to industry. This timeline is gradual and balanced because of the Carbon Border Adjustment Mechanism (CBAM)

protection. Keeping to this timeline will ensure first movers, who invested in decarbonisation measures, are not penalised. It will also guarantee that the EU ETS remains a predictable climate tool which enables industrial transformation.

11. This timeline was agreed by co-legislators in 2022 because of the revised EU ETS in the context of the 'Fit for 55 package'.



OUR MISSION IS TO STOP THE DEGRADATION OF THE PLANET'S NATURAL ENVIRONMENT AND TO BUILD A FUTURE IN WHICH PEOPLE LIVE IN HARMONY WITH NATURE

For more information

Camille Maury

Senior Policy Officer on Industrial
Decarbonisation at WWF EU
cmaury@wwf.eu

Seppe Dewulf

Policy Assistant on Industrial
Transformation at WWF EU
sdewulf@wwf.eu

Florian Cassier

Climate Communications Officer at
WWF EU
fcassier@wwf.eu



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WWF European Policy Office, 123 rue du Commerce, 1000 Brussels.

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