Feedback: Industrial Accelerator Act

Response from the Rethink Plastic Alliance to the public consultation on the Industrial Accelerator Act

June 2026

About Rethink Plastic

The Rethink Plastic Alliance is a coalition of leading European NGOs advocating for ambitious EU policies to tackle the growing crisis of plastic pollution. It brings together the Center for International Environmental Law (CIEL), ClientEarth, the Environmental Investigation Agency (EIA), the European Environment Bureau (EEB), the European Environmental Citizen's Organisation for Standardisation (ECOS), Greenpeace, Seas At Risk, Surfrider Foundation Europe, and Zero Waste Europe. Together, these organisations represent thousands of active groups, supporters and citizens in every EU member State working towards a future free from plastic pollution.

Introduction

The Industrial Accelerator Act (IAA) is considered one of the key pieces of the European Commission's Clean Industrial Deal. The proposal, in its explanatory memorandum, outlines some of the main issues European industries are currently facing from "the weaponisation of EU dependencies of trading partners" to high energy prices.

Initially announced as a way to accelerate the decarbonisation of European industry, the IAA has been reduced to an instrument aimed more generally at boosting a re-industrialisation process without sector-specific plans. While the initial decarbonisation focus alone would not have been enough to address the complexities of a fair and just transition that includes defossilisation, decarbonisation and detoxification, it could have represented an opportunity to move a first step in this direction.

The scope of this proposal extends to plastic production, a sector that is already facing significant challenges both in terms of overcapacity and because of the huge impacts of its full supply chain on the environment, climate and the health of communities across the globe, both near and far from production facilities.

Decarbonisation and defossilisation at the centre

Decarbonisation and defossilisation should remain at the core of the proposed regulation's objectives. According to Art. 2, its overarching goal aims at ensuring that by 2035 manufacturing represents 20% of the EU GDP. While we understand that the underlying intention is to stimulate certain sectors, it is unclear how such an arbitrary goal will deliver on that, or address the structural problems outlined as the rationale for the legislative initiative.

Even if "decarbonisation" is no longer in the name of the regulation as it was initially planned, the EU's climate and environmental commitments remain and it is unclear how this objective would contribute to them and in what measure. Art. 2 should mention specific criteria indicating clear conditions and parametres for an industrialisation objective that also delivers towards decarbonisation, defossilisation and detoxification of European industry.

The petrochemical sector, and in particular plastic production, is structurally dependent on fossil fuels both as an energy intensive sector and because of the reliance on fossil feedstock. A goal that merely intends to stimulate production, without any condition attached to the deep transformation this industry needs, reinforces fossil feedstock dependence and overproduction. It is crucial that the industrial acceleration does not come at the expense of decarbonisation of production processes, defossilisation of material inputs, toxic pollution reduction and alignment with circular economy objectives.

Strategic for whom?

The IAA recognises that the sectors covered by its scope represent "a limited share of EU manufacturing output but play a disproportionate strategic role". However, Art. 3 "Definitions" does not include a clear definition of "strategic sector" and to what criteria it responds.
Annex I details the list of sectors considered strategic. Such a list includes sectors that are in clear opposition to the EU's climate and environmental goals (e.g. Manufacture of coke and refined petroleum products) or that would require a deep transformation before meaningfully contributing towards those goals and to the energy transition (e.g. Manufacture of rubber and plastic products). Instead of the blanket cover listed in Annex I to the regulation, the proposal should state that such a definition, and its connected benefits, should be granted only to those projects that advance the EU's climate and environmental goals. Fossil fuel and fossil feedstock production should be removed from the list of strategic sectors as it contradicts the EU's own goal to progressively phase-out fossil fuels.

Any measures to promote industrial development in this and other pieces of legislation must preserve environmental safeguards and uphold the polluter pays principle: The costs of pollution, remediation and health impacts must be borne by operators, not by affected communities or public authorities. This is all the more important where expanded industrial activity increases exposure risks for people living near industrial sites.

Permitting

While the rationale for "strategic" is not clear, Art. 6 of the proposed regulation deems strategic "all energy-intensive industry decarbonisation projects" for the purpose of faster and streamlined permitting procedures linking it to regulation proposed as part of the "Environmental Omnibus" (Proposal for a Regulation on speeding-up environmental assessment).

According to the latter, such projects could then be granted "overriding public interest" status and "tacit approval" procedures. We believe that extending these labels so easily and with so few considerations as to their impact creates significant risks for the environment, climate and health.

By widening the scope of the applicability of what constitutes an overriding public interest, the proposal breaches the principles of proportionality and of precaution, which according to the Treaties and established case law[1] constrain the discretion of EU policymakers.

Even for the supply of critical raw materials, jurisprudence[2] has clarified that several conditions are required to be met for the condition of overriding public interest to be met, including related to the uses that the materials produced will be put within the common market. Simply ensuring global supply of a scarce material does not qualify as sufficient. The mere fact of generating employment or profit for private companies is also considered insufficient by the Court.

When the concept of overriding public interest is considered in relation to the production of petrochemicals such as ethylene and propylene, it becomes very clear that the conditions are not met. There is no global scarcity of these products. In fact, there is rampant oversupply. This oversupply is affecting the profitability of the industry, including in Europe, and giving further incentives for production would only exacerbate the problem.

According to the European Commission, "[c]ircularity is an essential part of a wider transformation of industry towards climate-neutrality and long-term competitiveness". "As half of total greenhouse gas emissions and more than 90% of biodiversity loss and water stress come from resource extraction and processing, the European Green Deal launched a concerted strategy for a climate-neutral, resource efficient and competitive economy. Scaling up the circular economy from front-runners to the mainstream economic players will make a decisive contribution to achieving climate neutrality by 2050 and decoupling economic growth from resource use, while ensuring the long-term competitiveness of the EU and leaving no one behind."[3]

As the Minderoo Foundation explains, increased supply of virgin polymers make it more difficult to scale up reuse systems and recycled plastic: "If growth in demand for single-use plastics fails to keep up with growth in production, over-supply will result – a scenario that could be lethal for the transition to a sustainable circular plastics economy. Virgin polymer prices will likely be depressed,

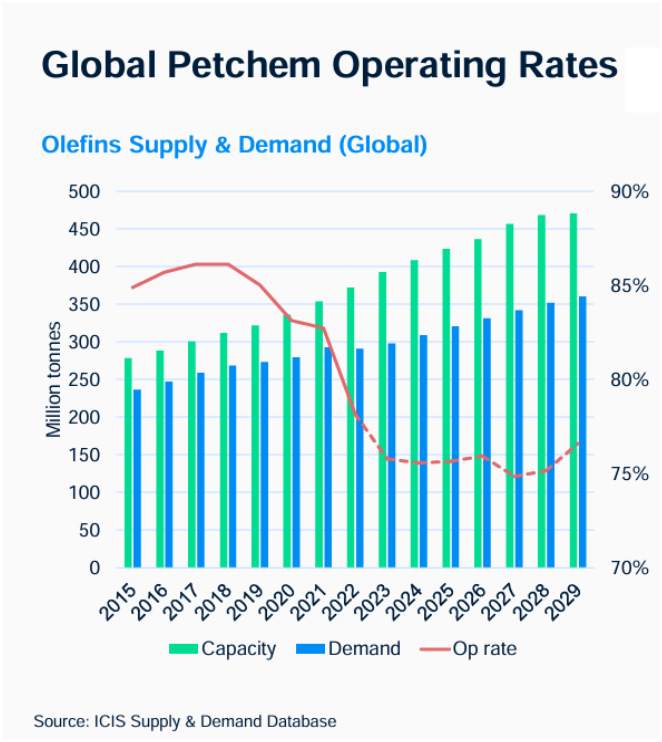
[1] Court of Justice of the European Union (CJEU), C-541/20 to C-555/20, Lithuania and others v. European Parliament and Council, paras. 423 et seq, as well as the General Advocate's opinion delivered on 14 November 2023, paras. 569-583.

[2] EFTA Court, Case E-13/24, Friends of the Earth Norway and Young Friends of the Earth Norway and The Norwegian Government

[3] European Commission (2020) Circular Economy Action Plan. Available from: https://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN

and consequently maintain or even increase their economic advantage over recycled polymers. Efforts to bring innovative substitute material and re-use models to market at scale will also be commercially challenged – and greater intervention from policymakers will be required."[4]

Therefore, far from it being of overriding public interest to incentivise the production of chemicals such as ethylene and propylene, this decision hinders Europe's competitiveness.



Acceleration Areas

Art. 25 lays out the obligation for Member States to designate "industrial acceleration areas" to cluster together projects from strategic sectors. It is unclear how an obligation to designate at least one area will tackle the challenges the industry is facing. This seems to be driven by a simplistic quantitative approach where a greater number of industrial areas is assumed to speed up the progress toward the overarching industrialisation goal stated in Art. 2, rather than the needed qualitative one.

Moreover, the provision does not exclude these areas from being designated on Natura 2000 sites or other national areas whose nature and biodiversity are protected, which can open the doors to significant environmental damage. This provision is also inconsistent with other EU legislation where similar permitting issues and strategic projects are concerned, like the Renewable Energy Directive and the "renewables acceleration areas".

[4] Charles D, Kimman L, & Saran N 2021, The Plastic Waste Makers Index, Minderoo Foundation, p.4. Available from https://cdn.minderoo.org/content/uploads/2021/05/27094234/20211105-Plastic-Waste Makers-Index.pdf

Acceleration Areas

We focus here on the chemical industry dimension of the lead market chapter. Art. 16 gives the Commission delegated power to introduce future demand-side measures for chemical products derived from "sustainable carbon sources". This could only become useful if it is strictly designed to support genuine decarbonisation and defossilisation. Art. 3 defines "sustainable carbon sources" as 1) RED-compliant biomass; 2) waste; and 3) carbon from captured CO_2 emissions. As currently defined, these categories are extremely broad and cannot be presumed sustainable:

- RED sustainability criteria were developed for biomass used for energy purposes, not as a sustainability framework for using biomass as chemical feedstock. Delegated acts should go beyond RED compliance and ensure that any support for biomass-based chemicals is consistent with the cascading principle and the reality of limited sustainable biomass availability. Support should not undermine food and feed uses, ecosystem protection or existing material uses, and should not exacerbate pressure on forests and biodiversity.

- Waste-based feedstocks must not undermine the waste hierarchy or incentivise continued waste generation to create carbon feedstock for the chemical industry. Any support must be consistent with the prevention first principle and must not divert waste from prevention, reuse or mechanical recycling in line with the waste hierarchy.

- Criteria for using captured CO2 as a "'sustainable carbon source" must limit support to CO2 from genuinely unavoidable emissions and require full lifecycle emissions accounting, covering: the CO2 source, the energy and hydrogen inputs used to convert CO2 into chemical feedstocks, whether the product genuinely displaces virgin fossil carbon, and whether emissions are avoided or delayed. Demand-side support must not create perverse incentives to maintain avoidable fossil-based emissions in other sectors to supply captured carbon to the chemical industry.

Future lead market measures under Art. 16 must only promote applications that reduce virgin fossil feedstock use in absolute terms, deliver real climate value and respect circular economy principles. They should also be coherent with other EU demand-side and circular economy measures, so that different policy files do not create parallel incentives that undermine waste prevention, reuse or mechanical recycling.

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