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The Association of Finnish Cities and Municipalities (AFCM) is a national organisation with all 308 municipalities and cities in Finland as its members. Finnish municipalities have extensive responsibilities for public basic services, including education, employment and economic development, environmental matters, and technical infrastructure.

Position paper of the Association of Finnish Cities and Municipalities on Industrial Accelerator Act (IAA)

The Association of Finnish Cities and Municipalities (AFCM) welcomes the Commission's objective to strengthen the EU's industrial base, enhance value creation within Europe, and reduce strategic dependencies on external suppliers. These objectives also contribute to strengthening local and regional vitality, employment, and the conditions for sustainable growth. Furthermore, the promotion of cleaner industrial technologies is consistent with municipalities' climate and sustainability objectives.

However, the proposal should better reflect the practical challenges of implementation at local level. Key concerns relate to land-use planning, permitting procedures, administrative burden, public procurement and the availability of resources. Introducing new obligations without adequate resourcing risks delaying projects rather than accelerating them.

Digitalisation requirements in EU environmental legislation (art. 4)

EU should adopt a cautious approach to the creation of new digital platforms and access points linked to regulatory obligations. The Industrial Accelerator Act would create a centralised Single Access Point with specific functional requirements and links to the European Business Wallet. Recent EU initiatives — including the Industrial Accelerator Act, Cloud and AI Development Act, Chips Act 2.0, Environmental Omnibus and the Grids Package — would together require extensive national electronic portals. In practice, this would mean integrating services from multiple authorities, including municipalities, into national systems. Experience indicates that “one-stop-shop” solutions is a complex and resource-intensive undertaking, requiring careful assessment. These obligations risk generating significant additional costs and undermining existing investments in digital infrastructure. The more detailed the EU-level technical requirements, the greater the risk of duplication and inefficiencies. Finland already has multiple data repositories and digital services, particularly for permitting, making large-scale rebuilding neither efficient nor necessary.

Public procurement needs simplification, not retroactive origin requirements or higher costs (art. 11)

It should be explicitly clarified that Union origin requirements for electric vehicles in public procurement apply only to new vehicles, including in relation to public service contracts. The



Regulation should not apply retroactively to vehicles already lawfully acquired, registered or placed in service in the Union, nor prevent their continued use after 31 December 2035 (Annex III, Part I). Otherwise, the rules could restrict the use of clean vehicles already purchased for public transport and other service contracts, increase administrative burden and compliance costs, reduce competition, and raise public procurement prices.

AFCM questions the assumption in Article 11(3)(c) that local authorities should accept prices for products of European origin that are up to 25% higher. This concerns very substantial sums at a time of severe fiscal constraints. For example, given municipalities' annual procurement volume of approximately EUR 10 billion, the financial impact could be significant. Case law under EU competition law considers a price difference of 5–10% to be indicative of product differentiation (the so-called SSNIP test). The proposed 25% margin departs substantially from this benchmark and poses a significant risk to public finances.

Spatial planning is an instrument of local democracy

As a matter of principle, AFCM considers that the EU should refrain from regulating Member States' spatial planning. The EU is not considered to have the competence to regulate spatial planning under the ordinary legislative procedure (Article 192(2) TFEU). Spatial planning is a core expression of local democracy and municipal self-government. It is closely linked to land policy and land ownership, and municipalities have broad powers to determine whether planning is required and to prepare and adopt plans. As directly elected local representatives, municipal decision-makers are best placed to balance competing interests and determine appropriate land-use solutions in light of local conditions. Spatial planning and permitting are distinct processes. However, permitting rules may in practice interfere with spatial planning. Competence limits cannot be circumvented through the harmonisation of permitting procedures: regulation that effectively directs planning discretion interferes with municipal competences regardless of its formal characterisation. EU legislation must therefore ensure that permitting rules do not de facto interfere with spatial planning.

The streamlining of procedures is acceptable only provided that it does not encroach upon land-use planning (art. 25 and 27)

AFCM notes that Articles 25 and 27 would interfere with the competence of the Member States and spatial planning powers of local government by requiring the designation of physical areas and the approval of a baseline permit for activities located within them. AFCM considers this highly problematic. Compliance with this obligation — also subject to a 12-month deadline — would in practice require a planning procedure, since projects listed in Annex I generally require a legally binding land-use plan. The proposed regulation can only be considered acceptable if it does not interfere with land-use planning or restrict the nationally organised system of spatial planning and municipal decision-making in practice. Due regard must therefore be given to distribution of competences and it must be ensured that the Union's competences are exercised in accordance with the principles of subsidiarity and proportionality laid down in the Treaties.

The nature and practical implementation of the baseline permit are difficult to envisage, since environmental, water management, building and other permits cannot properly be granted in the absence of a specific project and sufficient information about its impacts.

The cost liability must remain with the operator

AFCM considers that the “polluter pays” principle must cover the costs of public supervision and the administrative procedures required for environmentally harmful activities. Those costs must remain with the operator. The proposed Industrial Accelerator Act would depart from the fundamental principle that operators bear the costs of the environmental assessments and administrative approvals, including permits, required for their activities. A system under which so called baseline permits are effectively granted ex officio by public authorities would shift the costs of economic activity from operators to the public — and, in particular, to the residents of the municipalities where the activity is located. Such an outcome cannot be regarded as acceptable. Such regulation is particularly inappropriate at EU level, where individual Member States have limited ability to influence the outcome.

The proposed regulation relies on an unclear “toolbox” approach that undermines legal clarity

AFCM adopts a critical stance towards regulatory solutions whereby crucial procedural rules are included into so-called “toolbox regulation” proposed in the Regulation on Speeding Up Environmental Assessments and subsequently activated through other legislative instruments. Such a structure may undermine the clarity of the legal framework, particularly where the referenced provisions have not yet been adopted or may later be amended. The regulatory framework should, where necessary, be implemented using more transparent legislative drafting techniques, so that the relevant provisions are incorporated into each instrument concerned on a case-by-case basis, rather than being effected through cross-referencing provisions in other instruments. In any event, particular caution should be exercised in extending the scope of tacit approval, as the procedure is ill-suited to complex environmental and permitting processes involving the rights of third parties and considerations of public interest. Such procedures require an express decision that is based on an actual substantive assessment by the competent authority.

European Commission's Proposal on the Industrial and Accelerator Act (IAA)- AFCM Amendments

Recital **xx** (new)

Text proposed by the commission	Amendment
	(xx) This Regulation does not interfere with Member States' competence for town and country planning, including any terrestrial or land spatial planning system used to plan how land and coastal zone should be used.

Justification

A new recital should be added to the preamble to the legislation expressly safeguarding the Member States' decision-making powers in matters of spatial planning. The proposed amendment promotes the interests of European Union citizens by strengthening democratic participation and local self-government and ensuring that the Union's competences are exercised in accordance with the principles of subsidiarity and proportionality laid down in the Treaties.

Amendment 1

Article 4.	
Single access points 1. Member States shall set up a single access point at national level for the submission by project promoters of the single application for industrial manufacturing projects referred to in Article 5(1). The single access points shall automatically attribute the permit applications to the relevant authority, inform the applicant about all steps of the permit-granting procedure, the status of the procedure and of the decisions of the relevant authorities, and enable the applicant to check compliance with applicable deadlines. To that effect the single access points shall use the European Business Wallets established pursuant to [Proposal for a Regulation on the establishment of European Business Wallets].	Single access points 1. Member States may set up a single access point at national level for the submission by project promoters of the single application for industrial manufacturing projects referred to in Article 5(1). The single access points may automatically attribute the permit applications to the relevant authority, inform the applicant about all steps of the permit-granting procedure, the status of the procedure and of the decisions of the relevant authorities, and enable the applicant to check compliance with applicable deadlines. To that effect the single access points may use the European Business Wallets established pursuant to [Proposal for a Regulation on the establishment of European Business Wallets].

2. Through the use of European Business Wallets, the single access points shall enable: (a) interoperability and automated data exchange between competent authorities; (b) re-use of data and documents already held by public authorities; (c) a high level of cybersecurity, and integrity of information; (d) transparency and accountability of the permit-granting procedure. 3. When setting up the single access points, Member States shall, where appropriate, make use of existing Union digital infrastructure, catalogues and building blocks established by Union law.	2. Through the use of European Business Wallets, the single access points may enable: (a) interoperability and automated data exchange between competent authorities; (b) re-use of data and documents already held by public authorities; (c) a high level of cybersecurity, and integrity of information; (d) transparency and accountability of the permit-granting procedure. 3. When setting up the single access points, Member States shall, where appropriate, make use of existing national or Union digital infrastructure, catalogues and building blocks established by Union law.
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Justification

From local perspective, certain recently introduced administrative frameworks (e.g. in renewable energy, critical raw materials, and net-zero projects) have not simplified permitting procedures; in some cases, they have increased complexity. Any further harmonisation efforts should therefore be subject to careful and critical assessment. Proposed requirements, including the establishment of a national contact point and integrated permitting procedures, can and should be implemented primarily through existing national administrative systems.

Amendment 2

Article 5.	
Permit-granting procedure 1. Member States shall establish a single permit-granting procedure based on a single application covering all permits required for industrial manufacturing projects. 2. Member States shall designate a competent authority to coordinate the permit granting procedure referred to in paragraph 1 in order to ensure the adoption and issue of a comprehensive decision within the applicable time limit. 3. No later than 45 days from the receipt of the application for a permit for industrial manufacturing projects, the competent authority shall either acknowledge that the application is complete or request any missing information needed to process the application. Where, after the submission of any missing information, the application is still deemed to be incomplete, the competent authority may, within 30 days of the submission of the requested missing information, make a second request for any information still missing. The competent authority shall not request information in areas not covered in the first request for additional information and shall request further information only as necessary to cover the missing information.	Permit-granting procedure Deleted OR 1a. Member States shall implement proposed requirements, including the establishment of a national contact point and integrated permitting procedures, through existing national administrative systems.

4. The provisions of this Article shall not apply where rules to streamline the administrative and permit-granting processes are established in other Union legislative acts for specific industrial manufacturing sectors.	
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Justification

It is essential to ensure that proposed requirements, including the establishment of a national contact point and integrated permitting procedures, can be implemented primarily through existing national administrative systems.

Amendment 3

Article 6.	
Energy-intensive industry decarbonisation projects 1. Chapter II, Section II, of Regulation (EU) 2024/1735 shall apply to all energy intensive industry decarbonisation projects. 2. All energy-intensive industry decarbonisation projects shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purposes of [Article 14 of Proposal for a Regulation on speeding-up environmental assessment]. Points 1, 2 and 3 of the Annex in that Regulation shall apply.	Deleted

Justification

The current wording would grant the Commission excessively broad powers to bring procedures relating to projects within the scope of the procedural matters listed in the annex. Given the uncertainty surrounding the content of environmental omnibus, such open-ended delegation of powers should be opposed. The article could, at worst, result in unforeseen implications for public authorities and businesses.

Amendment 4

Article 6 – paragraph 1a (new)	
	<i>1a Member States shall not be required to introduce or extend systems of tacit approval where such systems are not provided for under national law.</i>

Justification

The extension of tacit consent as proposed by the rapporteur should be approached with caution, as it is ill-suited to complex environmental and permitting procedures affecting third-party rights and public interest.

Amendment 5

Article 11 – paragraph 3 – point c	
(c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance. <i>Estimated cost differences exceeding 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.</i>	(c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance.

Justification

Assumption that local authorities should accept prices for products of European origin that are up to 25% higher concerns very substantial sums at a time of severe fiscal constraints. For example, given municipalities' annual procurement volumes, the financial impact could be significant.

Amendment 6

Annex III, Part I	
Where public procurement procedures concern public service contracts referred to in subparagraph 2, vehicles already registered in the Union shall be deemed to comply with the requirements set out in this Annex until 31 December 2035.	Where public procurement procedures concern public service contracts referred to in subparagraph 2, only new vehicles procured for the performance of such contracts shall be required to comply with the requirements set out in this Annex.

Justification

This amendment clarifies that Union origin requirements apply only to new vehicles procured for public service contracts and do not extend to vehicles already in lawful use in the Union. This is necessary to avoid legal uncertainty, unnecessary administrative burden and higher procurement costs, and to prevent unnecessary barriers to the continued use of clean vehicles.

Amendment 7

Article 25	
- Member States shall designate at least one industrial manufacturing acceleration area on their territory by [OP please insert date: 12 months following the entry into force of this Regulation] to cluster industrial manufacturing projects in one or several of the strategic sectors listed in Annex I. - Member States shall designate industrial manufacturing acceleration areas by decision, on the basis of the following elements:	- Member States may designate at least one industrial manufacturing acceleration area on their territory by [OP please insert date: 12 months following the entry into force of this Regulation] to cluster industrial manufacturing projects in one or several of the strategic sectors listed in Annex I. - Member States may designate industrial manufacturing acceleration areas by decision, on the basis of the following elements:

Justification

The designation of acceleration areas should be voluntary for Member States. Articles 25 and 27 with mandatory designation of areas and granting a baseline permit would interfere with the planning powers of Member States and competent spatial planning authorities by requiring the designation of specific areas and the approval of a baseline permit for activities located within them. This obligation — also subject to a 12-month deadline — would in practice require a planning procedure, since Annex I projects generally require land-use planning. The distribution and limits of competences must be respected and cannot be circumvented.

Amendment 8

Article 27(1-3)	
Permit-granting procedures in acceleration areas 1. For each designated industrial manufacturing acceleration area, Member States shall prepare and issue an aggregated baseline permit authorising industrial activities located within that area. 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. 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). 3. Industrial manufacturing projects located within an industrial manufacturing acceleration area shall be required to obtain only those additional permits or authorisations that fall outside the scope of the aggregated baseline permit referred to in paragraph 1.	Deleted

Justification

As a rule, environmental permits cannot properly be granted without a concrete project. Environmental, water management, construction and other permit requirements presuppose

information on the precise location of the project, its energy use, water requirements, waste heat, noise, traffic and other relevant factors. A baseline permit granted without an identified project would shift responsibility, including the costs of investigations and assessments, to the authorities and would weaken their ability to assess the actual impacts. Operators should bear the costs of environmental assessments, regulatory supervision and official approvals, including administrative permits, required for their activities.

When read in conjunction with the proposed provisions on the designation of areas, Article 13 would interfere with the competence of Member States and the spatial-planning powers of their local authorities, as compliance with the requirements would require the exercise of land-use or other spatial-planning discretion.

Amendment 9

Article 27(4)	
4. All industrial manufacturing projects located within an acceleration area shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purposes of [Article 14 of Proposal for a Regulation on speeding-up environmental assessment]. Points 1, 2 and 3 of the Annex to that Regulation shall apply.	Deleted

Justification

The toolbox regulation (proposed in the Regulation on Speeding Up Environmental Assessments) would apply procedural rules to sector-specific legislation through cross-references. This may undermine the clarity of the legal framework, especially where referenced rules have not been adopted or may later be amended. A transparent legislative technique should be used. Tacit consent should be approached with caution, as it is ill-suited to complex environmental and permitting procedures involving applicants, third-party rights and the public interest. They require an express decision that is based on an actual substantive assessment by the competent authority.

Amendment 10

Article 27a (new)

Text proposed by the commission	Amendment
-	Nothing in this Regulation shall affect the competence of the Member States with regard to spatial planning.

Justification

An express safeguard clause should be added to the legislation to protect the Member States' decision-making powers in matters of spatial planning (cf., for example, Article 12 of Directive (EU) 2025/2360 on soil monitoring and resilience).