The Government of The Netherlands

We consider it essential that the following three priorities are reflected in the IDAA:

1. Fostering lead market development

Creating lead markets for energy-intensive industries is an environmental necessity and an economic opportunity to lead in green/clean technologies. Targeted development of European lead markets, focused on current and future comparative advantages, accelerates economies of scale and boosts investment security. The EU should primarily focus on the steel and chemical sectors due to their CO_2 emissions and strategic relevance. Other energy-intensive industries should also be included.

Recommended actions/ areas of intervention:

- Ecosystem: harmonized regulations (ESPR, NZIA, RED, CPR, EVL, high net tariffs, nitrogen depletion), streamlined permitting, and diversified (circular) material (re)use – including a strong market for high-value scrap and, for specific sectors, tradeable certificates tied to product carbon footprint or sustainable carbon content of end-products.
- Green/clean production: qualitative criteria for procurement, product carbon footprint requirements for end-products, minimum recycled/bio-based carbon content targets for end-products, subsidies or guidelines for fiscal incentives to reduce the green premium for low-carbon, sustainable carbon and other circular products.
- Green consumption: a common EU product label (building on ESPR, for green and low-carbon products in suitable sectors), with harmonized standards and certification schemes.

2. Strengthening Industrial Clusters through Cross-Border Infrastructure

A genuine cluster approach treats co-located companies as interconnected ecosystems, fostering collaboration on knowledge, infrastructure, and resources. The Netherlands applies this nationally; a European extension with attention for cross-border infrastructure could strengthen competitiveness, improve efficiency, and accelerate decarbonization.

The transition of industrial clusters increasingly depends on robust cross-border infrastructure (e.g. for CO_2, hydrogen, electricity). Yet, key investments face obstacles from fragmented regulations, cross-border permitting, unclear cost-sharing, and nascent markets for CO_2 and hydrogen.

Recommended actions/ areas of intervention:

- European CO_2 network strategy: a coordinated EU strategy is urgently needed. Member States should develop regulatory frameworks to support implementation.
- Funding for cross-border infrastructure: accessible EU-level funding options should be explored.
- Technical agreements: Member States must agree on key specifications (e.g. hydrogen purity, pressure, flow) to ensure cross-border interoperability and safety.

3. Streamlining/improving permit procedures

Many decarbonisation/defossilisation projects face delays due to complex permitting and litigation.

Recommended actions/ areas of intervention:

- Fast-tracked, coordinated permitting for strategic projects: includes the option to apply centralized coordination of permits for key decarbonization/defossilisation projects, provided it is expected to lead to actual acceleration of the permitting process.
- Defined areas around EIIs: clearly defined spatial/environmental zones (inspired by NZIA valleys) provide regulatory clarity and focus, streamlining permitting. Applicants must ensure

clean production to minimize environmental impact, preserving capacity for future projects and maximizing cluster efficiency. This reduces uncertainty and accelerates decisions.

- Incentivising impact reduction for faster permitting: it could be determined whether acceleration is possible by stimulating companies to implement measures that reduce (local) environmental impacts.