

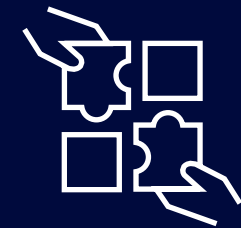
# The Clean Industrial Deal: European Commission 2025



## Objectives



Accelerate Europe's transition by addressing climate crisis, competitiveness, and economic resilience simultaneously.



Unite climate action and industrial competitiveness under a single growth strategy.



Prioritize decarbonization, reindustrialization and innovation, creating a stronger business case for climate-neutral investments in energy-intensive industries and clean technologies.

## Timeline

### Q1 2025

- Action Plan for Affordable Energy.
- Increase InvestEU's risk bearing capacity.
- Simplification of the Carbon Border Adjustment Mechanism (CBAM).
- Union of Skills.

### Q2 2025

- EIB pilot offering financial guarantees for PPA offtakers, focusing on SMEs and energy-intensive industries.
- Clean Industrial Deal State aid framework.
- Ecodesign Work Plan adoption.

### Q3 2025

Comprehensive CBAM review to assess the feasibility of extending the CBAM scope to other sectors and emissions, and enhance support to exporters.

### Q4 2025

- Industrial Decarbonisation Accelerator Act.
- Guidance on CfD design, including on combining CfDs and PPAs.
- Trans-mediterranean Energy and Clean Tech Cooperation Initiative.
- Quality Jobs Roadmap.

### During 2025:

- IPCEI Design Support Hub.
- Pilot auction under the Innovation Fund.

### Q1 2026:

- European Grids Package
- European Fair Transition Observatory.

### Q2 2026:

- Industrial Decarbonisation Bank.

### Q4 2026:

- Revision of Public Procurement Directives to mainstream the use of non-price criteria.
- Set up of the EU Critical Raw Materials Centre for joint purchases and management of strategic stockpiles.
- Circular Economy Act.
- Green VAT initiative.
- Trans-Regional Circularity Hubs.

### During 2026:

Strategic Roadmap for Digitalisation and AI in the Energy Sector – AI-driven digitalization in energy.

Fusion Strategy and Public-Private Partnership – Roadmap for advancing fusion technology commercialization.

Pilot of InvestEU Blending Operation with LIFE CET – Financing mechanism for energy efficiency projects, including an EUguarantee scheme.

### Q4 2027:

- Review of State aid GBER rules for social enterprises and recruitment of disadvantaged workers

## Expected impact

- Increase economy-wide electrification rate from 21.3% today to 32% in 2030.
- Annually install 100 GW of renewable electricity capacity up to 2030.
- Reach 40% of domestically produced key components of clean tech on the EU market.
- Reduce external vulnerabilities of the clean industry supply chain by decreasing the current External Vulnerability Index (0.19).
- Increase the total volume of investment supporting industrial transition from EUR 52.7 billion.
- Increase circular material use rate from 11.8% today to 24% by 2030.
- Reduce the labor shortage in occupations requiring specific skills or knowledge for the green transition. In 2024, there were 27 such occupations.

## Pillar I Affordable Energy



\* For more information, see EsadeGeo's Cheat sheet #1 on the ***Action Plan for Affordable Energy***

The Commission will:

- Launch an Action Plan for Affordable Energy including measures to (1) lower energy bills, (2) accelerate the roll-out of clean energy and electrification and (3) ensure well-functioning gas markets.
- Support Power-Purchase-Agreements (PPAs): EIB and the Commission pilot program for corporate PPAs for an indicative amount of 500M€, for SMEs and energy intensive industries.
- Simplify State aid rules by the Commission alongside new rules on cross-border forward capacity allocation and promoting remuneration of flexibility in retail contracts.
- Put forward a European Grid Package to simplify Trans-European Networks for Energy.
- Propose concrete measures to address permitting bottlenecks related to industrial access to energy and decarbonization in the Industrial Decarbonization Accelerator Act.
- Set up a Gas Market Task Force and ensure EU Natural Gas markets optimal functioning and pricing.
- Align energy and financial market rules (MiFID/REMIT) and reduce the administrative burden on financial markets trading for energy.

## Pillar II Lead Markets



The Commission will

- Launch The Industrial Decarbonization Accelerator Act which will develop a voluntary label on the carbon intensity of industrial products, based on a simple methodology with ETS data and building on the CBAM methodology.
- Propose to revise the Public Procurement Framework for long-term adoption of non-price criteria.
- Include non-price criteria in private procurement.
- Simplify and harmonize carbon accounting methodologies.
- Adopt the delegated act on low carbon hydrogen (LCH), to clarify the rules for producing low carbon hydrogen and provide certainty to investors.
- Launch a third call under the Hydrogen Bank with a budget of up to EUR 1 billion and encourage Member States to use the auctions-as-a-service platform.

## Pillar III Financing



In the short term: the Clean Industrial Deal will mobilise over EUR 100 billion to improve the business case for EU-made clean manufacturing.

- In the long term, the Competitiveness Fund will support innovative industry for sustainable investment and provide simplified access to EU funding. The Commission will adopt a strategy on a Savings and Investment Union to enable mobilizing capital for private investment.
- Commit EUR 6 billion from the Innovation Fund in 2025, including for clean tech, battery manufacturing, the Hydrogen Bank and industrial decarbonization.
- Launch a flagship Horizon Europe call of EUR 600 million under the 2026-2027 work program to support fit-for-deployment projects.
- Put forward an amendment of the InvestEU Regulation to increase InvestEU's risk bearing capacity which would mobilize additional EUR 50 billion until the end of the current MFF.
- Speed-up the design of new IPCEIs, to strengthen the efficiency of the tool.
- Work with the EIB Group and private investors to deploy a TechEU investment program to bridge the financing gap and support disruptive technologies.

The Commission will

- Propose an Industrial Decarbonization Bank aiming for EUR 100 billion in funding based on resources from the Innovation Fund, additional revenues resulting from parts of the ETS, and the revision of InvestEU.
- Launch in 2025 a pilot with a EUR 1 billion auction on the decarbonization of key industrial processes across various sectors.

## Pillar IV Circularity and Access to Materials



The Commission will

- Prioritize the implementation of the Critical Raw Materials Act, including a first list of Strategic Projects in March 2025.
- Set up a dedicated EU Critical Raw Material Centre to jointly purchase raw materials on behalf of interested companies and in cooperation with the Member States.
- Adopt the Circular Economy Act in 2026 to enable the free movement of circular products, secondary raw materials and waste, foster a higher supply of high quality recycles and stimulate demand for secondary materials. Complementary to the rolling out of the Ecodesign for Sustainable Product Regulation.
- Launch Trans-Regional Circularity Hubs to foster cooperation between Member States and interested economic actors and to promote smart specialization and economies of scale for recycling.
- Review the rules on the second-hand scheme contained in the VAT Directive.

## Pillar V Partnerships



The Commission will

- Launch negotiations for the first Clean Trade and Investment Partnership that bring together regulatory cooperation, investment and strategic value chains with international partners.
- Propose to substantially simplify CBAM, reducing administrative burden on industries and their supply chains while continuing to incentivize global carbon pricing.
- Assessing the feasibility of extending the CBAM scope to other EU ETS sectors at risk of carbon leakage.
- Adopt guidelines on key concepts of the Foreign Subsidies Regulation (FSR), such as how the Commission will assess distortive effects of foreign subsidies.
- Continue to make fast and efficient use of Trade Defense Instruments (TDIs), such as anti-dumping or anti-subsidy duties where necessary.

## Pillar VI Skills



The Commission will

- Launch the Skills Portability Initiative to facilitate that a skill acquired in one country is recognized in another.
- Prepare the Quality Jobs Roadmap to guide labor standards, attract talent and contribute to the competitiveness of European industries.
- Adopt the European Affordable Housing Plan.
- Assess if and how state aid rules can be updated to provide better incentives for industry to invest in upskilling, reskilling, quality jobs and recruitment of workers.