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Net-Zero Industry Act: Empowering the EU's Clean Tech Future

Key policies: *European Green Deal, European Climate Law, National Energy and Climate Plans (NECPs), European Climate Risk Assessment (EUCRA), Union Civil Protection Mechanism (UCPM), EU Solidarity Fund, Cohesion Policy, "Do No Significant Harm" Principle, Forest Monitoring Law and Soil Monitoring Law, Reflection Group on Climate Resilience Financing, Galileo Emergency Warning Satellite Service (EWSS), Nature Restoration Law*

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Net-Zero Industry Act (NZIA), European Green Deal, Green Deal Industrial Plan, Critical Raw Materials Act (CRMA), European Climate Law, EU Renewable Energy and Energy Efficiency Targets, Net-Zero Europe Platform

On May 27, 2024, the European Commission celebrated the final adoption of the **Net-Zero Industry Act (NZIA)**, a landmark regulation designed to make the European Union a global leader in clean tech manufacturing and green job creation. This act marks a critical step in the EU's efforts to strengthen its industrial base, reduce dependencies on external suppliers, and achieve climate neutrality by 2050.

Transforming Clean Tech Manufacturing

The NZIA sets ambitious objectives for scaling up the EU's manufacturing capacity for strategic net-zero technologies. By 2030, the EU aims to meet at least **40% of its annual deployment needs** for these technologies through domestic production. This target provides long-term predictability for manufacturers and investors, positioning the EU as a competitive player in the global clean tech market.

To support the green transition, the act also establishes a target of **50 million tonnes of annual CO2 injection capacity** for geological storage by 2030, promoting innovation in carbon capture and storage.

Simplifying Investments and Permitting

The NZIA introduces measures to streamline and accelerate permitting processes, reducing administrative burdens for clean tech projects. Public authorities will prioritize sustainability, resilience, and cybersecurity in procurement and renewable energy auctions. Member States can designate "strategic projects" that benefit from priority status, shorter permitting timelines, and streamlined procedures.

Energy-intensive industries such as steel, chemicals, and cement will also be supported in their decarbonization efforts. Additionally, **Net-Zero Acceleration Valleys** will create clusters of industrial activity, fostering collaboration and innovation.

Investing in Skills and Innovation

Recognizing the need for a skilled workforce, the act establishes **Net-Zero Industry Academies** to train 100,000 workers within three years. It also introduces **regulatory sandboxes** for testing innovative net-zero technologies under flexible conditions.

This project is supported by the Interreg Danube Region Programme co-funded by the European Union.

The **Net-Zero Europe Platform** will serve as a central hub for coordination, enabling Member States and stakeholders to exchange information and drive progress toward the act's goals.

Strengthening Energy Security

By reducing reliance on external suppliers for clean tech components, the NZIA addresses the risks of replacing fossil fuel dependencies with technology dependencies. This approach ensures a secure energy transition by promoting affordable, domestically produced clean energy solutions.

Supporting EU Climate and Industrial Goals

The NZIA is a cornerstone of the **Green Deal Industrial Plan**, presented in February 2023. This plan underscores the EU's commitment to achieving ambitious climate targets while fostering industrial competitiveness and job creation. Alongside the **Critical Raw Materials Act** and electricity market reforms, the NZIA reinforces the EU's leadership in the global clean energy transition.

Looking Ahead

The Net-Zero Industry Act will officially enter into force one day after its publication in the Official Journal, expected in June 2024. Its adoption signals Europe's readiness to address global challenges, attract investments, and deliver on the promises of the **European Green Deal**.

For more information, visit the Net-Zero Industry Act webpage.

Source: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_2309