



Commission welcomes political agreement to make clean technology manufacturing in the EU resilient and competitive

Strasbourg, 6 February 2024

The Commission welcomes the provisional political agreement reached today between the European Parliament and the Council on the **Net-Zero Industry Act (NZIA)**. This agreement will help the EU become home to clean technologies and make significant strides towards building a strong domestic manufacturing capacity of those technologies in the EU. NZIA will enhance the competitiveness and resilience of the European industry and support the creation of green, quality jobs as the EU seeks to reach climate neutrality by 2050.

Ursula **von der Leyen**, President of the European Commission, said: *"The political agreement on the Net-Zero Industry Act is a significant stride towards realising our ambitious climate and economic objectives. It demonstrates our collective commitment to build a more sustainable, resilient and competitive industrial sector in Europe. Together, we are making the EU a global frontrunner in the clean energy transition."*

As a central part of the [Green Deal Industrial Plan](#), the Act will ensure the EU is well-equipped for the clean energy transition by establishing a benchmark for **EU manufacturing capacity for net-zero technologies to reach at least 40% of expected EU demand by 2030**. The agreed Act will create the favourable regulatory conditions necessary to attract and support investment in technologies and related projects that will make a significant contribution to decarbonisation. The agreed provisions will in particular help build more production facilities of net-zero technologies, in a faster manner. It will facilitate access to markets for products that meet European sustainability and resilience criteria and that help to diversify from over-concentrated supply sources. It will also ensure that the necessary skilled workforce is available to support the race to net-zero.

More specifically, the provisionally agreed regulation identifies a broad set of **net-zero technologies** that can be supported via strategic projects. These are for example solar photovoltaic (PV), onshore and offshore wind, fuel cells, electrolysers, batteries, grid technologies and sustainable alternative fuels, among others. Following the provisional deal reached today, energy intensive industries such as steel, chemicals or cement that produce components that are used in these net-zero technologies and that invest in decarbonisation can also be supported as strategic projects.

Boosting net-zero manufacturing investments and projects

Today's agreement will also allow to:

- **Create a simplified and enabling regulatory environment for clean tech:** The agreed Act will reduce administrative burden and simplifies permitting for net zero technologies. For **Net-Zero Strategic Projects it speeds up permitting even more**. The deal reached today introduces the concept of Net-Zero Acceleration Valleys, which can be set up by Member States to facilitate the creation of clusters of net-zero industrial activity and further streamline administrative procedures. Environmental assessments of the geographic area under applicable legislation will help to streamline subsequent planning for individual projects.
- **Accelerate CO₂ capture and storage in the EU:** The provisional agreement sets an EU objective to reach an annual 50 million tonnes of injection capacity in geological CO₂ storage sites in the EU by 2030. **These Net-Zero Strategic CO₂ Storage Projects will be realised with contributions from EU oil and gas producers** based on their pro-rata production. In line with the aims of the [Industrial Carbon Management Communication](#) published today, the agreement removes a major barrier to developing CO₂ capture and storage as an economically viable climate solution, in particular for hard-to-abate emissions in energy-intensive industries.
- **Facilitate market access for net-zero products:** The compromise reached requires public authorities to consider sustainability and resilience criteria for certain net-zero technologies in procurement processes as well as in auctions for the deployment of renewable energy. For public procurement procedures, at least one additional criterion among social sustainability,

cyber security and an obligation to deliver on time has to be used. When it comes to auctions for the deployment of renewables, the deal sets mandatory non-price criteria, namely the auction's sustainability and resilience contribution, cybersecurity, responsible business conduct, and ability to deliver projects fully and on time. These criteria will have to apply to at least 30% of the volume, or 6 gigawatts, auctioned every year by a Member State.

- **Support the development of net-zero skills and innovation: Net-Zero Industry Academies** will be established to support the upskilling of workers needed for the scaling up of net-zero industries in the EU and to facilitate their mobility within the European single market. The agreed Act also includes incentives for industry to invest in the education and training of Europe's workforce. To foster innovation, the new rules will empower Member States to create **regulatory sandboxes** for testing innovative net-zero technologies under flexible conditions.

Finally, the Act foresees the creation of a **Net-Zero Europe Platform** to serve as a central coordination hub, fostering information exchange to facilitate the implementation and supporting investment initiatives throughout the EU.

Next Steps

Today's political agreement reached by the European Parliament and the Council is now subject to the formal approval of both EU co-legislators. Once adopted, it will enter into force the day following that of its publication in the Official Journal of the EU.

Background

The Net-Zero Industry Act was announced by President **von der Leyen** as a part of the Green Deal Industrial Plan, which was presented on 1 February 2023. The Plan sets out how the EU will sharpen its competitive edge for the scaling up of the EU's manufacturing capacity for the net-zero technologies and products required to meet EU's ambitious climate targets. It responds to the invitation by the European Council for the Commission to make proposals to mobilise all relevant national and EU tools and improve framework conditions for investment, with a view to safeguarding the EU's resilience and competitiveness. The first pillar of the Plan aims to create a predictable and simplified regulatory environment for net-zero industries.

The Commission presented the [NZIA proposal](#) on 16 March 2023. It was put forward in parallel to the [Critical Raw Materials Act \(CRMA\)](#), which aims to secure a sustainable and competitive critical raw materials value chain in Europe. The European Parliament and the Council reached a [political agreement on the CRMA](#) on 13 November 2023.

For More Information

[Net-Zero Industry Act](#)

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Quotes:

"The political agreement on the Net-Zero Industry Act is a significant stride towards realising our ambitious climate and economic objectives. It demonstrates our collective commitment to build a more sustainable, resilient and competitive industrial sector in Europe. Together, we are making the EU a global frontrunner in the clean energy transition."
Ursula von der Leyen, President of the European Commission - 06/02/2024

"I welcome the political agreement on the Net-Zero Industry Act, emphasizing our dedication to a sustainable industrial future. This landmark agreement provides a robust framework, fostering innovation and enhancing competitiveness in the transition to a more sustainable economy, for the benefit of all Europeans."
Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age - 06/02/2024

"The Green Deal is the EU's jobs and growth strategy: the political agreement on NZIA will add an important instrument to our toolbox to create growth and jobs in the net-zero technologies that will build a climate-neutral society. The EU needs those technologies and the whole world needs those technologies: today the EU underlines its commitment to invest in manufacturing of these technologies so that they are available for the EU and for the world."
Maroš Šefčovič, Executive Vice-President for European Green Deal, Interinstitutional Relations and Foresight - 06/02/2024

"With the Net-Zero Industry Act, we are strengthening Europe's manufacturing base along the clean technology value chain. We are setting a bold benchmark for EU manufacturing capacity, aiming to meet at least 40% of the anticipated EU demand for net-zero technologies by 2030. We ensure our security of supply to remain an industrial leader that exports products and technologies while preserving EU jobs."
Thierry Breton, Commissioner for Internal Market - 06/02/2024

"Achieving our targets on renewables and energy efficiency for 2030 requires a massive roll-out of wind turbines, solar panels, batteries, heat pumps and smart grid technologies – and I could mention many more. If Europe wants to play a lead role in the clean energy transition, we need to ensure a strong European manufacturing capacity and create better conditions for investing in new projects. We have to avoid becoming dependent on just a single supplier. Today's political agreement on the Net-Zero Industry Act gives the EU the necessary framework to ensure that our net-zero supply chains are resilient and competitive at home and beyond. The Net-Zero Industry Act will facilitate the scale up of clean tech industry through easier permitting, support for innovation and skills and leveraging public demand through resilience criteria in renewable auctions and procurement."

Kadri Simson, Commissioner for Energy - 06/02/2024

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