



The European Commission

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The European Forum of Northern Sweden's perspectives on the EU Commission's proposal for the regulation - the Net-Zero Industry Act

European Forum of Northern Sweden (EFNS) is a network for politicians at the local and regional levels from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed in respects where it affects northern Sweden. EFNS monitors European issues to influence EU legislation, EU strategies and action programmes, and the EU budget. The purpose of EFNS is to safeguard the interests of northern Sweden both in the European arena and in relation to national level issues with a clear European perspective.

European Forum of Northern Sweden (EFNS) welcomes the ambition behind the European Commission's proposal for the regulation net-zero industry act (NZIA) but has some comments on certain aspects of the proposal.

EFNS would like to present its perspectives on the proposal for the regulation on the Net-zero Industry Act (NZIA).

Summary of EFNS positions:

- The European Commission should focus on reducing climate impact rather than steering towards specific technologies. Technology neutrality is essential to promote innovative development. The regulation's limited list of net-zero technologies risks excluding other technologies that are or may become vital for the green transition.
- Fast-tracking strategic projects may hold a risk, as it may hinder processes for other types of business establishments that are also important for the green transition as well as local and regional development.
- Developing faster and transparent permit processes for more efficient business establishments is crucial, but they should allow member states, regions, and municipalities to develop faster processes according to their own conditions and resources.
- The proposal involves detailed regulations that pose a risk of surpassing national self-determination and encroaching on the self-governance of Swedish municipalities. It is important to protect the decision-making rights of the member states, municipalities, and the regions. Local and regional engagement is necessary to enhance societal acceptance in industrial establishment. NZIA should have a territorial dimension that engages municipalities and regions, while considering democratic anchoring and the Swedish municipal planning monopoly.



Permit Processes

EFNS welcomes the ambition to shortening the timeline for permit processes but holds that how national permit processes should be set up is an issue that should be managed at the national level. The focus should be on encouraging each member state to make general adjustments to their processes, promoting predictability, transparency, and efficiency.

The permit processes for large industrial establishments can be complex and time-consuming, posing obstacles to their implementation. Therefore, it is encouraging that efforts to strengthen EU value chains and enhance innovation capacity are addressing the challenges associated with permit procedures for business establishments. The industry plays a pivotal role in regional development, generating employment, tax revenues, and overall attractiveness. Streamlining and expediting permit processes for such establishments are of utmost importance.

Nevertheless, the proposed regulations risk going beyond national self-determination and infringing upon the autonomy of Swedish municipalities. Safeguarding the decision-making authority of member states and local authorities is crucial to ensure social acceptance of industrial establishments. Rather than imposing detailed regulations, the EU should provide platforms and networks for member states to exchange experiences and knowledge. Moreover, considering economic and geopolitical interests, it is vital for the EU to utilize its coordinating role in mapping and clarifying Europe's reliance on foreign ownership within net-zero technologies. These insights can help member states to strike a balance between strategic autonomy and trade with third countries.

EFNS identifies potential risks in fast-tracking strategic projects, as it could impede the processes for other types of business establishments that are also pivotal for the green transition and local/regional development.

Technology Neutrality

To promote new developments, technology neutrality is essential. Enforcing legislation that dictates which technologies or materials should be promoted, risks disadvantaging crucial areas that can address climate challenges, potentially hindering new discoveries or innovations.

Deviation from technology neutrality significantly limits the capacity for transition if prevailing circumstances change. This can impede processes for other types of business establishments, not just net-zero technologies, which are also important for the green transition.

The regulation's limited listing of net-zero technologies risks excluding technologies that are or may become vital for the green transition. For example, there is room for increased production and utilization of biomass-based technologies, which should continue to be part of the solution for a fossil-free Europe and reduced carbon footprint.

EFNS holds that the European Commission should set requirements for reduced climate impact – not steer towards specific technologies.



Local Anchoring for Industrial Establishments

Local and regional levels play a crucial role in achieving the goals of a climate-neutral Europe. They can define local conditions, challenges, and opportunities necessary to attract investments and increase the production of green technology throughout the value chain. Therefore, EFNS emphasizes the need for NZIA to have a territorial dimension that involves municipalities and regions and considers the planning monopolies of Swedish municipalities.

The proposal regarding faster permit processes and greater national coordination through a one-stop-shop for establishments risks reducing democratic anchoring at the local and regional levels, which could contribute to increased polarisation. The NSPA emphasizes the importance of involving the local community. The local community, indigenous peoples, and valuable natural assets are aspects that must be respected and involved early in the process. Fair and democratic establishment processes are crucial for achieving social acceptance and require engagement from citizens, civil society, as well as local and regional authorities. Moreover, there is a wealth of knowledge about local and regional conditions accumulated within government agencies, organizations, and universities, which should be fully utilized in the processing of permit applications.

A special consideration of each region's context and objectives is the key to sustainable development in all parts of the EU. Smart specialization and diversification are important components in sparsely populated areas for increased competitiveness. It enables regions to leverage relevant capacities and work efficiently, allowing research and entrepreneurship to lead the way in the development of new ideas and products.

Industrial establishments play a vital role in the economy of affected regions but also impose requirements on the areas in which they operate. For sustainable growth in the industry, investments in community development and skills supply are also needed.

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