



WKO Strategic Capital Networking (SCN) Polish EU Presidency

Austrian Federal Economic Chamber (WKO)
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Executive Summary: The Polish EU Presidency starts into a critical year for the EU and the whole world. It coincides with the start of the new EU Commission with its planned Clean Industrial Deal and the US Presidency of Donald Trump. The stop of supply of Russian natural gas and other fossil fuels does not just affect Austria and other EU Member States but also EU neighbouring countries such as Moldova and Transnistria - and of course especially Ukraine. What are the options for the Polish Presidency to do politically, diplomatically and in terms of EU legislative dossiers? That concerns the upcoming EU dossiers, current Green Deal dossiers which are not yet finished at EU level as well as concluded Green Deal dossiers with upcoming EU comitology and national implementation and application.

Polish EU Presidency regarding EU environmental, climate and energy policy

The period of the Polish EU Presidency from January 2025 until the end of June 2025 is highly critical. Besides the envisaged Polish priorities such as Ukraine, security, energy security and competitiveness, there may be some short-term emergency issues on the agenda - i.e. recently concerning Transnistria, Moldova and Ukraine. This affects fossil fuels supply from Russia as well as electricity supply and nuclear safety.

- **WKO:** How will the Polish Presidency deal with the EU Commission kick-off action programme and the envisaged dossiers? How will it deal with geopolitical challenges such as the issue of Russian fossil energy supplies and the upcoming Presidency of Donald Trump in the USA with its implication to the EU-US transatlantic relationship? How does the Polish Presidency define “access to energy in sufficient quantities and at an affordable price, without discriminating against any of the clean energy sources”? Will there be an initiative on future energy technologies/sources such as hydrogen?

Upcoming EU dossiers to be proposed by the new Commission

After five years of very challenging developments - continuing highspeed legislation of the European Green Deal in spite of pandemics, Russian aggression against Ukraine and the resulting energy crisis - the economic situation in Europa is critical. EU businesses and EU economies are facing a recession of already several years, the implementation of the Green Deal at national level is still ahead of us and the available announcements are not very encouraging in terms of reducing new obligations and bureaucracy:

- **Clean Industrial Deal:** from what we know, the new Commission plans to address the following issues with its upcoming Clean Industrial Deal, which we understand both as an extension and an answer to the outgoing European Green Deal: Affordable energy prices, critical industry sectors such as automotive, critical grids package, energy security (see above), energy sharing, digitalisation, NZIA (Net-zero Industry Act) application and possible extension, red tape reduction (omnibus regulation expected for end of February).
 - **WKO:** The question is, is this really the needed help for businesses in terms of better EU environmental and energy policy with less bureaucratic burden and less certification burden?
- **Climate target 2040:** After the “fit for 55” package (FF55) to fulfil the 2030 target of minus 55% greenhouse gases versus 1990 a “fit for 90” package is to be expected to set the interim target of around 90% GHG reduction vs 1990 for the year 2040 on the way to climate neutrality in 2050. The 2040 target itself as well as the referring legislation to be adapted such as ETS and RED III and a dozen of other legislative dossiers are highly relevant for European businesses and especially industries including the Austrian ones.

- **WKO:** The level of the target itself and its achievability is highly relevant for the businesses as well as the referring legislation which may be up to improvement in bureaucratic terms on the one hand and which may also be up to improvement in its substantial obligations.
- **Chemicals, Water Resilience, Circular Economy:** A revision of the chemical policy dossier REACH regulation is envisaged as well as a revision of the Water Framework directive. Further dossiers - following the recently concluded circular economy legislative acts on waste streams such as batteries and packaging - are to be expected to improve circularity of especially secondary materials.
 - **WKO:** From the European Green Deal we have learned that new legislation may burden companies with both certification and reporting obligations which are not directly linked to the environmental improvement impact. Therefore, these future dossiers on chemicals, water and waste should avoid or minimise this potential burden right from the beginning.
 - **WKO:** Regarding the revision of REACH, are you able to share already, if there will be a proposal during your presidency? And if yes, are you able to sketch its content to us?
- **EU “repair” of European Green Deal dossiers:** The delay of application of the EU Deforestation Regulation (EUDR) by one year has shown that the legislative hurry of Green Deal dossiers in the years 2019-2024 has compromised their quality and applicability. But beyond the delay, the affected sectors are in need of solutions which can substantially improve provisions in the text of EUDR. This may refer as well to more EU acts beyond the 70-100 Green Deal legislative acts, such as: Taxonomy Regulation, CSRD (Corporate Sustainability Reporting Directive), Ecodesign Regulation (ESPR: Ecodesign of Sustainable Products Regulation), CSDDD (Corporate Sustainability Due Diligence Directive) in connection with longterm energy contracts (e.g. Qatar and Germany), Packaging Regulation, CBAM Regulation (Carbon Border Adjustment Mechanism), EPBD (Energy Performance of Buildings Directive), UWWTD (Urban Wastewater Treatment Directive), Nature Restoration Regulation and many more.
 - **WKO:** It might be clever to adapt these acts before they are implemented or applied to avoid a foreseeable disproportionate burden for affected business sectors.

Current European Green Deal dossiers to be concluded at EU level

Some dossiers could not be concluded within the period 2019-2024 and are therefore still ongoing at EU level. These dossiers should be finished not in a hurry and with a view to a better EU competitiveness and the ex-ante reduction of red tape, such as:

- **Green Claims Directive Proposal, trilogues starting in January 2025:**
 - **WKO:** very critical on mandatory verification and on mandatory LCA for green claims (claims on environmental impact of products or companies) - detailed WKO text proposals jointly with IV (Austrian Federation of Industries) are on the table.
- **Soil Monitoring Directive Proposal, trilogues ongoing:**
 - **WKO:** one big point is the term “soil destruction” established by the Council general agreement before the trilogues (started October 21, 2024) which means that any kind of economic activity having an impact on soil (such as the extraction of raw materials or the construction of buildings) is considered as “soil destruction”; the consequence might be that finally such activities could be banned. This would reduce the available options to utilize soil enormously and therefore be a potential threat for economic competitiveness of European companies.
- **Waste Framework Directive (WFD) Amendment Proposal, trilogues since October 22, 2024:**
 - **WKO on food waste:** Concerning the prevention targets for food waste, it is necessary to separate the areas of hospitality, retail and households (which are

- wrongfully combined in the draft directive) to adequately take into account the differences between the areas and to define targets in a fair relation.
- **WKO on VLOPs:** A proposed legal clarification in the WFD revision should be concluded in the trilogue procedure as one important step to solve a serious problem: Very large online platforms (such as Temu or Shein from China) should be responsible for ensuring that producers from third countries who contract directly with consumers to import products from third countries via the platform pay the financial contributions to EPR schemes (or the VLOPs pay for the producers). VLOPs create a problem for the local retail trade sector all over Europe as well as for EPR schemes, the extended producer responsibility schemes. Products and packaging are imported into the EU without contributing financially to the EPR schemes which organise the collection and treatment of waste streams (such as packaging, electrical and electronic equipment and batteries). In the future, such EPR schemes are planned for textiles, too. The lack of financial contribution to EPR schemes (also called free-riding) through these producers from third countries, of course undermines EPR schemes since they have to deal with waste streams from third countries which are not financed in advance (contrary to EU packaging and products which are financed in advance through payments from producers/importers to EPR schemes).
 - **End-of-life Vehicles Regulation Proposal, orientation debate at env. Council 17.12.2024:**
 - **WKO:** currently going into the right direction, but attention concerning additional red tape.
 - **OSOA (“one substance, one assessment”) Package Proposal:**
 - **WKO:** watch red tape concerning the “common data platform”
 - **Microplastic Pellets Regulation Proposal:**
 - **WKO:** The proposal intervenes substantially into national permitting schemes. Therefore, it is important to include national permitting schemes (into Article 5a of the proposal) as an alternative to certification schemes.

National implementation and application of concluded European Green Deal dossiers - exchange of status and best practices

This concerns the long “repair” list from above including the “fit for 55” climate-energy dossiers and many more (70-100 legislative acts). Their impact on the affected economic sectors will become quite visible in the years to come through implementation (of directives) and application (of regulations):

- **WKO:** We recommend a balanced implementation (no gold-plating) and application after a further review of the concluded legislative texts. The comitology (such as delegated and implementing acts), a multiple number of legislative acts following the European Green Deal main legislative acts, should be minimised and managed transparently in a balanced manner.



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