

Position: Fit-for-55 Package

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Businesses and chambers understand the significance of delivering on the climate targets and are eager to contribute to the transformation. We see the long-term opportunities arising from the green transition, as well as inherent new market opportunities for the “pioneers” in the green tech sector, in which Europe plays a leading role.

In the short and medium term, however, we should not forget that there will also be many “defenders” if we don’t get the economics and overall transition right. As a result, we must take everybody on board and make it possible for not yet green businesses to follow suit. Without the economy the transition will not be successful.

Many of the (industrial) companies under pressure to decarbonise today are also the solution providers of tomorrow, as many green technologies rely on industrial products such as steel, cement, or aluminium. Furthermore, the industry plays a major part in the center of a whole ecosystem, which is strongly linked to SMEs as part of their supply chain or solely due to their presence and associated positive effects on jobs and the region’s wealth.

The EU ETS should remain at the center of European climate policy because it has proven to be effective while allowing companies to choose how to meet the target. As a result, the most cost-efficient measures are implemented, competition is stimulated, and innovation is encouraged.

The ETS must go hand in hand with an effective instrument to avoid Carbon Leakage. Companies leaving the Union territory can already be observed in some sectors, highlighting the importance of providing free allowances to the most efficient plants. This creates a strong incentive for businesses to invest in cleaner technology.

It remains to be seen whether the CBAM, as an alternative to free allowances, can provide the same level of protection. For the time being, it is crucial to keep free allowances because there are too many unknowns regarding the role of European companies’ exports to third countries, as well as how neighbouring countries in the accession process (which thus will anyway be required to implement the ETS) or developing countries will be treated.

To keep industry in Europe, the Commission must step up and strongly advocate for global action. Although more countries are declaring goals on climate neutrality, this is not yet automatically translating into measures, whereas Europe is already on the implementation side. Aside from being a leader, Europe should make certain that others follow suit by heavily utilising formats such as G7, G20, or COP 26.



Balancing regulation and incentives is critical, especially now that many SMEs are struggling with the consequences of COVID-19. New rules and higher targets as a result of the fit-for-55 review process, as well as in the field of disclosure and due diligence, will result in a greater administrative burden, particularly on SMEs. The introduction of new regulations and requirements must thus be well balanced with the appropriate incentives on the other side in order to make it appealing for companies to take more ambitious actions. The revised better regulation “one-in-one-out” approach should be followed in this context. Companies will not only want to, but will also be able to, make the necessary investments and thus make the right decisions for a future-proof economy if enabling, economically attractive, and incentivising framework conditions are provided.

The principle of technological neutrality should be followed when developing new measures. We cannot afford to exclude technologies that will ultimately help to reduce GHG emissions due to the short time frame, even if they are only for transitional periods.

The availability of sufficient and affordable renewable and low-carbon energy, including hydrogen, is a prerequisite for a successful transition; otherwise, industry will be unable to decarbonise its processes. Again, timing is crucial. We must rapidly scale up renewable installations over the next ten years in order to reach our goals. As a result, we must simplify and accelerate permitting procedures for wind and solar installations and facilitate provisions on self-consumption for businesses. This must go hand in hand with infrastructure projects (renewable energy installations, CCUS, H2), where the review of the RED and TEN-E regulation should result in significant improvements on the ground.

Last but not least, the importance of financial assistance is emphasized. Many companies will need to make significant upfront investments in new technologies to decarbonise production processes. At the same time, ongoing R&D must develop new breakthrough technologies. The Taxonomy and the Strategy for Financing the Transition to a Sustainable Economy should encourage investment in cleaner technologies. Transitional activities or investments that do not yet meet strict thresholds but result in significant GHG emission reductions must also be eligible. We need to ensure easy and equal access to adequate finance, especially for SMEs.



EUROCHAMBRES - The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe - 98% of which are SMEs - through 45 members and a European network of 1700 regional and local Chambers.

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