

Mr Darragh O'Brien
Minister for Climate, Energy and the Environment
Chair of the Environment Council

By email only: Minister.O'Brien@decc.gov.ie

Prague, 7 October 2026

Subject: Eurochambres input for the 12 October Environment Council

Dear Minister,

European businesses are committed to advancing the green transition, but their efforts continue to be hampered by inadequate enabling conditions, including high energy prices, lengthy permitting procedures and disproportionate rules, such as those arising from the Packaging and Packaging Waste Regulation (PPWR). These shortcomings undermine both Europe's competitiveness and its ability to achieve sustainability objectives.

The 12 October Environment Council provides an opportunity to take decisive action to reconcile environmental ambition with industrial competitiveness. Eurochambres invites environment ministers to consider the following priorities in their discussions on the EU Emissions Trading System (ETS) review, preparations for COP31 and the Birds and Habitats Directives. The chamber network also urges you to positively consider any request from a delegation to address the implementation challenges associated with the PPWR as an item under Any Other Business.

Revision of the EU ETS: delivering a realistic and competitive pathway for decarbonisation

The revised ETS trajectory, the extension of free allocation and the stronger financing framework are key changes that provide businesses with a more realistic and economically viable decarbonisation pathway while preserving the EU's climate ambition. At the same time, the proposal limits the use of international carbon credits and the new conditionalities attached to free allocation risk increasing regulatory complexity. Eurochambres therefore calls on the Environment Council to:

- **Support the more realistic decarbonisation pathway and strengthen flexibilities:** The more gradual trajectory is essential to avoid a premature ETS endgame in 2039 and provide hard-to-abate sectors with a more viable emission reduction pathway. To further strengthen flexibilities, the integration of carbon removals should be brought forward to 2029, and eligibility should be extended to all CRCF-certified removals. The 'fallback mechanism' for international carbon credits should be removed entirely to provide legal certainty for project developers.

- **Deliver a coherent and targeted financing framework:** The Industrial Decarbonisation Bank and other ETS funding instruments must provide accessible, technology-neutral and geographically balanced support. Particular attention must be paid to ensuring that SMEs have effective access to these funding opportunities. The share of national ETS revenues dedicated to the decarbonisation of ETS sectors and to enabling infrastructure should be increased substantially.
- **Provide effective carbon leakage protection:** The extension of free allocation remains essential for industries exposed to carbon leakage. However, the proposed investment conditionalities should be reconsidered, as they risk increasing administrative burdens, restricting investment flexibility and penalising companies where the necessary infrastructure or technologies are unavailable. If retained, the conditionalities should at least be introduced gradually and accompanied by robust safeguards to ensure that companies are not penalised for factors beyond their control.
- **Recalibrate the proposed ETS scope extensions:** The proposed changes to the aviation and maritime sectors require stronger safeguards against traffic diversion, carbon leakage and loss of connectivity, alongside greater support for sustainable fuels and clean technologies. The timing of surrender obligations for waste incineration should also be reconsidered until effective circular economy measures, safeguards against landfill diversion and viable abatement options, such as carbon capture, are in place.

COP31: strengthening the business dimension of international climate policy

Eurochambres welcomes the draft Council conclusions' focus on implementation, competitiveness and the removal of barriers to the clean energy transition. To further strengthen the business dimension, ministers should also underline the need to expand and better coordinate carbon pricing mechanisms internationally, advance the harmonisation of greenhouse gas accounting standards and accelerate the global production and availability of sustainable fuels for aviation and shipping. Better alignment between European and international climate policies would increase their impact on global emissions while promoting a global level playing field for European businesses.

Birds and Habitats Directives: reconciling nature protection with faster permitting

The Birds and Habitats Directives remain cornerstone legislation for EU nature protection, but their extensive requirements also represent a major obstacle to the realisation of infrastructure, energy and industrial projects that are critical to the green and digital transitions. Complex authorisation procedures, rigid species protection rules, extensive assessment requirements and insufficient consideration of socio-economic factors are among the key factors leading to delays and higher permitting costs. Against this background, Eurochambres urges ministers to identify opportunities to streamline and digitalise permitting processes, move towards a population-based approach to species protection and establish more workable derogation procedures.

Implementation of the PPWR: urgent action to restore workable cross-border trade

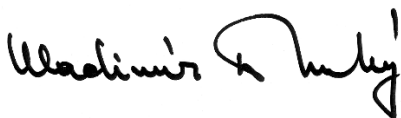
The recent application of the PPWR is causing major disruptions across Europe's economy. Smaller businesses in particular are struggling with the regulation's complex and disproportionate requirements and the absence of key secondary legislation, resulting in high compliance costs and legal uncertainty. Most notably, the requirement to appoint an authorised representative for Extended Producer Responsibility (EPR) in each member state has forced many businesses to limit or suspend cross-border sales, as the associated compliance costs often exceed the commercial value of these activities.

While the chamber network welcomes the Council's decision to reopen negotiations on a targeted solution for the EPR requirements, precious time has been lost. Eurochambres therefore urges member states to build on the outcome of the ENVI Committee's vote on 5 October and to swiftly agree on a broad suspension of the authorised representative requirement, covering at least all SMEs and without introducing tonnage thresholds.

Advancing the Environmental Omnibus would provide immediate relief for businesses, but would not resolve the PPWR's broader implementation problems. We therefore urge you to give favourable consideration to any request from a delegation to raise the PPWR under Any Other Business at the 12 October Environment Council. In particular, chambers call on member states to press for an immediate 'stop-the-clock' to allow sufficient time for the adoption of the missing delegated and implementing acts and for targeted simplification to make the regulation workable for businesses. In parallel, the forthcoming Circular Economy Act should deliver a broader structural solution to the fragmentation of EPR systems, including an EU-wide digital one-stop shop for EPR.

Thank you on behalf of the European chamber network and business community for taking these priorities into consideration. Europe must deliver a practical and proportionate regulatory framework that supports both its sustainability and competitiveness objectives.

Yours sincerely,



Vladimír Dlouhý
Eurochambres President