

ERCST Reflection Note

Aligning Policy Ambitions: Assessing the Omnibus Regulation Against the Antwerp Declaration and the Clean Industrial Deal

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1. Introduction

The European Union (EU) is navigating a pivotal moment in its industrial and environmental policy landscape, marked by the dual imperatives of maintaining global competitiveness and achieving deep decarbonization. Central to this effort is the Clean Industrial Deal (CID) – a foundational component of the EU’s newly established Competitiveness Compass – which sets a joint roadmap for fostering industrial competitiveness while advancing climate neutrality. Alongside this, the Antwerp Declaration outlines guiding principles for sustainable industrial growth.

This paper aims to critically assess whether the Omnibus Regulation aligns, in spirit, direction and content, with these overarching frameworks. By evaluating the coherence between the Omnibus Regulation and the strategic goals of the CID and Antwerp Declaration, this analysis seeks to shed light on the degree to which current regulatory instruments support the broad political direction and priorities that emerged from the von der Leyen II administration.

2. Initiatives

2.1 Antwerp declaration

The Antwerp Declaration’s comprehensive action plan aimed to elevate competitiveness as a strategic priority, streamline regulatory frameworks, and secure public funding for clean technology deployment. It underscored the necessity of a coordinated European approach enhancing the EU’s global competitiveness. The Antwerp Declaration explicitly called for an

- European Industrial Deal to complement the EU Green Deal and create a business case for investments in Europe as well as safeguarding quality jobs
- Omnibus proposal to serve as the first legislative initiative of the new EU institutional cycle, aimed at implementing corrective measures across existing EU regulations to ensure they support industrial competitiveness and sustainable growth.

Additionally, Pillar 9 of the Antwerp Declaration (a new spirit of law-making) advocated for a transformative approach to EU legislation, aiming to foster entrepreneurship and investment in clean technologies. It calls for a shift away from overly prescriptive regulations, prevent over reporting, emphasizing the need for coherence, reduced administrative burdens, and alignment with industrial realities. The pillar proposes the integration of competitiveness checks and innovation stress tests in

polymaking, supported by robust data and scientific evidence, to ensure that new laws effectively promote sustainable industrial growth.

These are ambitious adjustments and cannot be made true with cosmetic and simplification changes but would require directional changes if they are to have material impact.

2.2 Clean industrial Deal (CID)

The EU Commission's Clean Industrial Deal (CID), launched on 26 February 2025, aims at decarbonizing European industry while enhancing competitiveness and ensuring a just transition, as well as providing clear business incentives to drive emissions reductions within Europe. It focuses on supporting energy-intensive sectors, promoting clean technologies, and fostering sustainable economic growth across the EU.

Key actions mentioned by the CID include:

- (i) **Financial Support:** Establishing an Industrial Decarbonisation Bank to mobilize €100 billion, expanding InvestEU for an additional €50 billion, and creating a Clean Industrial Deal State Aid Framework (CISAF) to fast-track funding.
- (ii) **Demand Stimulation:** Introducing the Industrial Decarbonisation Accelerator Act (IDAA) with sustainability-focused procurement and voluntary carbon intensity labels for products like steel.
- (iii) **Energy Cost Reduction:** Implementing the Affordable Energy Action Plan (APAE) to lower energy costs via Power Purchase Agreements (PPAs) and Contracts for Difference (CfDs).
- (iv) **Regulatory Simplification** Revising public procurement rules and simplifying the Carbon Border Adjustment Mechanism (CBAM) to reduce administrative burdens.
- (v) **Sector-Specific Strategies:** Tailored plans for critical industries, including automotive, steel, and chemicals.
- (vi) **Strategic Autonomy:** Securing raw materials through the Critical Raw Materials Act (CRMA) to reduce supply chain vulnerabilities.

The CID strives to reflect a political commitment to enhancing Europe's competitiveness. However, it is essential that its ambition translates into concrete measures that genuinely deliver on the EU objectives and generate meaningful changes. While the CID aligns in principle with the spirit of the Antwerp Declaration, which called for a European Industrial Deal, it risks falling short of fully responding to the current needs of the EU market and the EU society. There is a risk that the proposed actions may result in additional layers of regulation, rather than representing a substantive step towards increased competitiveness, regulatory clarity and simplification. As such, the CID risks failing to meet its stated goals and may prove inadequate

in addressing the structural challenges faced by European industry. Therefore, ensuring coherence and continuity between political direction, regulatory frameworks, and tangible outcomes is essential to strengthening EU competitiveness and responding to current domestic and geopolitical challenges.

2.3 Omnibus

The “Omnibus Proposal”, officially termed the Omnibus Simplification Package, was introduced by the EU Commission on February 26, 2025. Its primary aim is to alleviate regulatory burdens on small and medium-sized enterprises (SMEs) and certain larger companies within the EU.

This initiative responds to concerns that the EU’s stringent sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D), could disadvantage European businesses compared to counterparts in regions with less rigorous regulations, such as the United States and China. With the Omnibus package the Commission therefore aims to simplifying regulations, by achieving at least 25% reduction in administrative burdens, and at least 35% for SMEs until the end of this mandate. The Omnibus Package is not limited to the CSRD and CS3D. Simplifications will occur with regard to other legislative proposals as well, such as the EU Taxonomy and the Carbon Border Adjustment Mechanism (CBAM). The package includes amendments to the CSRD¹, the CS3D², and the EU Taxonomy, which are now moving through the formal legislative

¹ The amendments to the CSRD include: (i) alignment of the scope of CSRD with CS3D by removing all the undertakings with less than 1000 employees; (ii) reduce by about 80% the number of undertakings subject to mandatory sustainability reporting requirements; (iii) adoption of a delegated act by the Commission to revise the first set of European Sustainability Reporting Standards (ESRS); (iv) delete sector-specific reporting standards, avoiding an increase in the number of prescribed data points that undertakings should report; and (v) the Commission will adopt voluntary standards as a delegated act that can be used by those undertakings not subject to mandatory sustainability reporting requirements.

² The amendments to the CS3D include: (i) target due diligence to direct business partners by limiting it to the companies’ operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners; (ii) remove the duty to terminate the business relationship as a last resort in the case of actual and potential adverse impacts; (iii) simplify the definition of “stakeholders” to limit it to workers and their representatives, and to individuals and communities whose rights or interests are “directly” affected; (iv) clarify the meaningful engagement with stakeholders limiting it to “relevant” stakeholders that have a link to the specific stage of the due diligence process; (v) extend the intervals in which companies have to regularly assess the adequacy and effectiveness of due diligence measures, from 1 year to five years; (vi) make general guidelines on how to conduct due diligence available by half a year (26 July 2026); (vii) ensure more alignment between CS3D and CSRD by removing the obligation to “put into effect” the climate transition plan under the CS3D; (viii) delete the ‘minimum cap’ requirement of 5% for the fine to the company’s net worldwide turnover – the Commission will develop guidelines to assist supervisory authorities in determining the level of penalties; and (ix) remove the EU-wide liability regime, the requirement to allow representative action in case of different rules and traditions at the national level, and the requirement for Member States to ensure that the liability rules are of overriding mandatory application where the law applicable is not the national law.

process. This process³, characterized by complex negotiations and multiple rounds of amendments, involves coordination across various EU institutions and Member States. A notable component of the package is the “stop-the-clock” measure, adopted by both the European Parliament and the Council without further amendments⁴.

3. Evaluation

3.1 Omnibus and Antwerp Declaration

The Antwerp Declaration explicitly called for the development of an Omnibus proposal as the first legislative initiative of the new EU institutional cycle, aimed at revising existing regulations to better support industrial competitiveness and sustainable growth. Building on this call, the European Commission published the Omnibus Simplification Package which reflects a broader recognition of the need to revise the EU’s legislative framework in line with the evolving realities of industrial transformation and the green transition.

Additionally, the Omnibus Simplification Package directly aligns with Pillar 9 of the Antwerp Declaration, which calls for a new spirit of EU law-making that fosters entrepreneurship and innovation-friendly legislation while also avoiding excessive reporting requirements.

It is essential that the Omnibus proposal leads to a concrete simplification of EU legislation, which currently imposes significant burdens on companies and undermines their global competitiveness. Superficial or cosmetic adjustments that fail to address the practical challenges faced by businesses and that do not result in meaningful legislative change should be avoided. A real and substantial simplification must safeguard environmental protection, human rights, and social standards, striking the right balance between simplification and these core values.

If administrative and bureaucratic burdens are not reduced, many businesses may struggle to remain competitive in international markets. For example, Article 22a of the Corporate Sustainability Reporting

³ As part of the legislative process, the JURI Committee is expected to prepare the first draft report on this proposal by early June, with a formal presentation scheduled for the end of June. The deadline for submitting amendments to the JURI draft is June 27, while other committees providing opinions may submit their proposed changes until the end of August. The final vote in the JURI Committee is planned for mid-October.

⁴ This measure introduces the following compliance deadline extensions: (i) postpone by one year the first phase of the entry into application of the CS3D (26 July 2028, instead of 26 July 2027) and the transposition deadline for the Member States (26 July 2027, instead of 26 July 2026); (ii) postpone by two years the entry into application of the reporting requirements under the CSRD for large undertakings in the second wave (1 January 2027, instead of 1 January 2025) and listed SMEs in the third wave (1 January 2028, instead of 1 January 2026).

Directive (CSRD) poses serious practical difficulties for companies. While the Paris Agreement aims to “hold the increase in the global average temperature to well below 2°C, while pursuing efforts to limit the increase to 1.5°C,” it is based on Nationally Determined Contributions (NDCs). This framework allows each country to determine its own targets and methodologies according to domestic priorities and contextual factors. Translating global targets into obligations for individual companies diverges with the spirit of the Paris Agreement and shifts the burden from governments to companies, a move that is both inappropriate and impractical⁵. Furthermore, the extraterritorial effects of Directives such as CS3D, risk straining relations with international partners and hinder rather than support global efforts to combat climate change.

3.2 Omnibus and Clean Industrial Deal

The Omnibus Package and the CID focus on different aspects of the EU’s green and industrial agenda: the Omnibus aims to streamline regulatory frameworks and reduce administrative burdens while the CID is mainly focused on fostering industrial transformation.

While their scopes differ, the Omnibus Package and the CID should work as complementary pillars of a broader strategy that brings together industrial competitiveness with climate and sustainability objectives. The success of the CID in accelerating industrial decarbonization depends, among other factors, on the regulatory environment in which companies operate. Without a meaningful reduction in bureaucratic complexity, the ambitious goals outlined in the CID, such as increased uptake of clean technologies and investment in low-carbon manufacturing, may remain out of reach. In this context, the Omnibus Package plays a critical enabling role: by easing compliance costs and clarifying regulatory requirements, it can help ensure that the clean industrial transition is economically viable. The reporting obligations in the Omnibus, particularly through the adjustments made to the Corporate Sustainability Reporting Directive (CSRD), may support greater transparency and monitoring for state aid beneficiaries.

Both the Omnibus and CISA aim to simplify existing EU frameworks. However, it is essential to ensure that this simplification, along with the reduction of duplication, avoids adopting a cosmetic approach or a "maximalist approach" that, while harmonizing obligations, may inadvertently impose a heavier burden and create greater competitiveness challenges by applying excessively strict measures universally.

Finally, it’s important that the Omnibus and the CID ultimately serve the same overarching objective: enhancing the EU’s competitiveness and driving decarbonization. To be effective, these initiatives must

⁵ ERCST Paper ‘OMNIBUS SIMPLIFICATION PACKAGE: CSRD and CSDDD’ available at <https://ercst.org/omnibus-simplification-package-csrd-and-csddd/>

align and reinforce each other creating a coherent policy framework, ensuring that regulatory simplification and industrial support work hand in hand to advance both decarbonization and economic resilience within Europe.

Practical examples of simplification of regulatory instruments are the Carbon Border Adjustment Mechanism (CBAM) which is discussed in the following section 3.2.1 and the Clean Industrial Deal State Aid Framework, discussed in section 3.2.2.

3.2.1 CBAM Simplification

A key aspect of the CID is the recognition of the need to simplify regulations to reduce burdens on businesses and encourage investment in a low-carbon economy. One of the specific areas for simplification mentioned within the CID is CBAM. The CID views this simplification as a way to enhance the efficiency of CBAM while ensuring European industries remain competitive in the face of global competition. The Omnibus Simplification Package is a set of proposed amendments to various EU regulations, including the CBAM, with the explicit aim of reducing administrative burdens and enhancing the EU's economic competitiveness.

Under the Omnibus, the existing €150 de minimis value threshold was replaced by a mass-based exemption set at 50 tonnes per importer, per covered product category. This 50-tonne ceiling aims to capture about 99% of embedded emissions while freeing approximately 90% of current importers from certificate-purchase obligations. Recognizing that a mass-based approach could invite “threshold-hopping,” the proposal also introduces strengthened monitoring and enforcement measures, including penalties to deter the artificial splitting of consignments or other circumvention tactics.

After being introduced in February 2025, the proposed CBAM simplifications are proceeding through the legislative process. The relevant EP committees (ITRE, INTA and BUDG) have all adopted their opinions, and a full Parliament vote is expected in spring 2025, followed by Council consideration and trilogue negotiations. In principle, the amended CBAM rules could be formally adopted by late 2025, in time for the definitive CBAM regime scheduled from 2026 onward.

In parallel, the European Commission is scheduled to present a comprehensive review report on the CBAM in the second half of 2025. That report will assess (1) whether to extend CBAM to additional EUETS sectors, downstream products, and indirect emissions; (2) what support might be offered to exporters of CBAM-covered goods; and (3) how to further guard against circumvention. Based on the findings of this review, the Commission plans to put forward a legislative proposal in early 2026.

While the Omnibus Package offers a pathway to reducing regulatory burdens, particularly for smaller businesses, the CBAM review signifies a commitment to ensuring the effectiveness and long-term viability of this crucial climate policy instrument. However, this complex and evolving regulatory landscape introduces significant uncertainty for industry. Businesses want CBAM to operate effectively: mitigating carbon-leakage risks, maintaining global competitiveness, and minimizing administrative burden however, many remain cautious as they await the review's findings on scope and implementation. Ultimately, the success of CBAM will depend on striking a judicious balance between the imperative for ambitious climate action and the practical considerations of economic competitiveness.

3.2.2 Clean Industrial Deal State Aid Framework

The Clean Industrial Deal is accompanied by a new State aid framework, the Clean Industrial Deal State Aid Framework (CISAF), which aims to provide a five-year planning horizon for Member States and enhance investment predictability for businesses. It seeks to simplify the State aid approval process for clean-tech and decarbonization projects, enabling targeted support for specific technologies such as wind and solar. The Commission launched a consultation – which ended in April 2025 – seeking the views of relevant stakeholders on a draft for this framework to be adopted by June 2025.

However, although the CISAF is intended to support industrial decarbonisation and enhance Europe's competitiveness, it does not fully embrace the principle of technology neutrality. By favouring certain technologies certain technologies, it may hinder innovation and fail to consider more mature or cost-effective options. Additionally, despite the European Commission's aim to simplify the framework, the CISAF introduces additional layers of complexity, such as the numerous conditions that certain technologies must meet to qualify for State aid.

4. Conclusions

- The Omnibus Simplification Package aligns in spirit and direction with the Antwerp Declaration, which called for the adoption of corrective regulatory measures as a key priority at the start of the next EU institutional cycle. Framed within this context, the Omnibus Regulation can be viewed as a step toward addressing these demands. It seeks in fact to simplify existing legislative frameworks, enhance coherence across EU instruments, and create a more supportive regulatory environment for industrial transformation. By doing so, it aims to contribute to the broader objectives of strengthening the EU's competitiveness while advancing its climate and economic ambitions. The key question remains whether the suggested modifications to existing regulations are sufficient to significantly enhance competitiveness. Cosmetic changes that fail to address the real challenges faced by EU economic sectors will not deliver the level of simplification needed to ensure that the EU and its businesses can truly thrive. At the same time, reforms that aim to enhance competitiveness should also safeguard environmental integrity and deliver tangible benefits for the society as a whole.
- When it comes to the Omnibus proposal and the Clean Industrial Deal (CID), it should be noted that they address different yet complementary dimensions of the EU agenda. As outlined in Section 3.2, the Omnibus focuses on reducing administrative burdens for companies by simplifying regulatory frameworks. The CID aims to drive the transformation of Europe's industrial base through targeted support for clean technologies, including financial incentives. While these initiatives tackle distinct aspects of EU policy, their success depends on mutual alignment. Regulatory simplification and industrial transformation must go hand in hand to enhance the EU's competitiveness and accelerate the transition to a decarbonized economy.
- If the political commitment expressed through the Omnibus and the CID does not translate into concrete and coordinated changes, there is a risk that these initiatives will fall short of delivering meaningful impact. Without tangible simplification measures and effective support for industrial transformation, the EU may miss the opportunity to enhance its competitiveness, accelerating decarbonization, as well as maintaining its strategic autonomy in a challenging and rapidly evolving global landscape.
- Just trying is not enough. We must succeed and this may mean that features that many stakeholders want may not make it. We are at a stage where there is not a lot of margin for error as we live in the real world.