



Brussels Info Flash

23 October 2026

H/Advisors' Analysis

EU unveils new Arctic Strategy to strengthen security and geopolitical cooperation

Brussels seeks to reinforce its role in the Arctic as growing strategic competition, climate change and emerging trade routes reshape the region's importance

The **European Commission** and the **High Representative for Foreign Affairs and Security Policy** have presented a new **EU Arctic Strategy**, placing security, climate action, economic prosperity and regional cooperation at the centre of Europe's engagement with the region. The initiative responds to rising geopolitical tensions and the growing strategic importance of the Arctic, particularly as new shipping routes and access to natural resources reshape international competition.

The strategy prioritises **security and resilience**, including stronger surveillance, protection of critical infrastructure and closer cooperation with **NATO** and like-minded partners. It also seeks to strengthen access to **critical raw materials**, renewable energy and emerging trade routes, while supporting transport and digital connectivity and promoting sustainable economic development.

Politically, the strategy reflects the EU's ambition to strengthen its **strategic autonomy** and economic security in an increasingly contested region. At the same time, Brussels aims to balance these interests with **climate protection** and the rights of Indigenous communities, reinforcing Europe's role as a security, economic and environmental partner in the Arctic.

Highlights of the week

- **Energy and climate regulation.** Parliament backed a three-year delay to methane monitoring obligations and revised EU ETS benchmarks, while the Council and Parliament reached an agreement to strengthen the ETS Market Stability Reserve.
- **Competitiveness and regulatory simplification.** The Council advanced the Digital Omnibus and packaging simplification measures, while EU negotiators reached a provisional agreement on securitisation reforms to boost investment.
- **European security and strategic autonomy.** The Commission presented a new Arctic Strategy focusing on security, resilience and sustainable development, while Parliament called for stronger measures to secure Europe's critical raw material supplies.
- **EU budget and future priorities.** Parliament adopted its position on the 2027 EU budget, seeking increased funding for research, energy, transport, agriculture and climate action ahead of negotiations with the Council.

Main Issues in the EU

The Council

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- **Savings and investments union.** The Council and Parliament reached a provisional agreement to revitalise the EU securitisation market by easing capital requirements for lower-risk transactions, simplifying administrative obligations and strengthening supervision. The reforms aim to increase bank lending and channel investment towards businesses and infrastructure.
- **Packaging and waste simplification.** The Council adopted its negotiating position to ease extended producer responsibility (EPR) requirements under the Packaging and Packaging Waste Regulation, proposing to exempt EU producers placing less than one tonne of packaging annually on another Member State's market from appointing an authorised representative there.
- **Digital simplification.** The Council adopted its negotiating position on the Digital Omnibus, proposing simplified GDPR compliance, clearer cookie consent rules and streamlined data legislation, alongside national reporting points for cybersecurity incidents, while maintaining data protection safeguards.
- **EU ETS market stability reserve.** The Council and Parliament reached a provisional agreement to raise the threshold for invalidating emission allowances from 400 million to 700 million, strengthening the market stability reserve to address carbon price volatility and support industrial competitiveness.

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- **Organic farming.** The Council and Parliament reached a provisional agreement to simplify EU organic production, certification and labelling rules, reduce administrative burdens for small operators and clarify requirements for imported organic products. The agreement also extends the recognition of equivalent organic standards in 11 non-EU countries until 2036.

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- **EU crisis preparedness.** The EU launched its Integrated Resolve 2026 exercise, running from 19 October to 20 November, to strengthen coordination and response mechanisms for complex hybrid crises inside and outside the EU, in line with the Preparedness Union Strategy.
- **European Peace Facility.** The Council adopted a €20 million assistance measure to strengthen Nigeria's armed forces, providing non-lethal equipment for countering explosives and drones, night vision and personal protection, as part of broader EU-Nigeria security cooperation.

- **Human rights.** The Council appointed Ilze Brands Kehris as EU Special Representative for Human Rights until February 2028, tasked with promoting EU human rights policy, international humanitarian law and cooperation with third countries and international organisations.
- **Housing and homelessness.** The Council adopted a recommendation to tackle homelessness and housing exclusion, calling for stronger prevention measures, simplified access to social services and increased investment in affordable and social housing.
- **Common Agricultural Policy.** The Council adopted its partial negotiating position on the revised Common Market Organisation (CMO) regulation for 2028–2034, maintaining mandatory sectoral interventions for fruit and vegetables and apiculture, updating marketing standards and the EU school scheme, and aligning agricultural support with the proposed new EU budget framework. Financial provisions remain subject to MFF negotiations.
- **Equality and competitiveness.** The Council adopted conclusions calling for stronger equality and non-discrimination measures to boost EU competitiveness, improve labour-market participation and promote inclusive employment, including by addressing discrimination and monitoring the impact of AI on workers.
- **Workers' protection.** The Council adopted revised rules to protect workers from hazardous substances, introducing new occupational exposure limits for cobalt, polycyclic aromatic hydrocarbons and other chemicals, while extending protection to welding fumes. Member States will have two years to transpose the directive into national law.
- **Employment and Social Policy Council.** Ministers discussed the upcoming Quality Jobs Act, focusing on AI in the workplace, occupational health and safety, the right to disconnect, telework and subcontracting. They also endorsed key employment and social protection findings under the European Semester.

The Commission

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- **Humanitarian assistance.** The European Commission announced an additional €22.5 million in humanitarian aid for Yemen, bringing its total allocation for 2026 to €110 million, amid escalating conflict, displacement and worsening humanitarian conditions.
- **Rule of law.** The Commission launched a targeted consultation to prepare its 2027 Rule of Law Report, inviting stakeholders to provide input on developments across Member

States, including their impact on the Single Market. The consultation will remain open until 4 December 2026.

- **Western Balkans.** The EU and six Western Balkan partners endorsed a joint declaration to strengthen research and innovation cooperation, support research careers and innovation ecosystems, and develop a new joint Action Plan to advance the region's EU integration.
- **European heritage.** The Commission proposed revising the European Heritage Label framework, renaming it the European Heritage List and introducing updated selection criteria, monitoring procedures and support measures for participating sites.
- **Competition enforcement.** The Commission opened a formal antitrust investigation into Omya over suspected abuse of its dominant position in the supply of calcium carbonates to the European paper industry, particularly through exclusive purchasing obligations and rebates.

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- **Consumer protection.** The European Commission welcomed commitments by Coca-Cola, Nestlé and Danone to modify recycling claims on plastic bottles following an investigation into potentially misleading environmental information. National authorities will monitor compliance and may take enforcement action.
- **Bioeconomy.** The Commission launched the Bio-based Europe Alliance, bringing together over 100 stakeholders to accelerate the development of European markets for bio-based materials and technologies. It also opened a public consultation on bio-based plastics in packaging, running until 13 January 2027.
- **Merger approvals.** The Commission approved Schmitz CargoBull's acquisition of Berger Fahrzeugtechnik, finding no competition concerns in the road transport equipment sector.
- **EU-Viet Nam relations.** EU and Vietnamese leaders reaffirmed their strategic partnership, calling for full implementation of their Free Trade Agreement and swift ratification of the Investment Protection Agreement. They also agreed to develop cooperation on critical raw materials, technology, infrastructure and the green transition.

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- **Digital Services Act.** The European Commission opened formal proceedings against Booking.com over potential breaches of the DSA, investigating whether the platform adequately addressed fraudulent listings and phishing scams and properly identified paid listings as advertisements.

- **NextGenerationEU.** The Commission positively assessed Germany's fourth and final payment request of €6 billion under the Recovery and Resilience Facility, covering reforms and investments in energy, transport, housing and digitalisation. Once approved by the Council, Germany will have received its full €30.3 billion allocation.
- **Media freedom.** The Commission launched three calls for proposals worth €20.5 million under Creative Europe to support independent journalism, media pluralism, cross-border cooperation and media literacy, including measures to monitor threats to press freedom.
- **Agricultural State aid.** The Commission approved a €500,000 Slovenian State aid scheme to support agricultural, fisheries and aquaculture businesses facing higher fuel prices due to the Middle East crisis.
- **Merger approvals.** The Commission approved the acquisition of joint control of RTB House by QVP and other investors, as well as Vitamin Well Group's acquisition of EMPWR Nutrition Group, finding no competition concerns.

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- **Sustainable finance.** The European Commission reported over €1.2 trillion in sustainable investments across the EU since 2021, including €320 billion in EU Taxonomy-aligned investments in 2025. European Green Bond issuance has also reached approximately €60 billion since December 2024.
- **Merger approvals.** The Commission approved EP Group's acquisition of Fnac Darty and Siemens Mobility's acquisition of MerMec, finding no competition concerns in the retail and railway technology sectors.
- **Arctic strategy.** The Commission and the High Representative presented a new EU Strategy for the Arctic, focusing on security and resilience, climate change, sustainable economic development and stronger connectivity, including critical raw materials and transport infrastructure.
- **Fisheries and aquaculture.** The Commission presented its Vision 2040 for fisheries and aquaculture, setting out priorities to strengthen competitiveness, promote the energy transition, secure seafood supply chains, improve access to finance and support sustainable production.
- **Critical raw materials.** The Commission and New Caledonia signed a strategic partnership on sustainable raw materials value chains, particularly nickel and cobalt, aimed at strengthening cooperation and supporting the diversification of European supply chains.

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- **Net-zero technologies.** The European Commission selected 77 projects to receive €3.4 billion from the Innovation Fund, supporting industrial decarbonisation, clean technologies and European competitiveness.
- **Climate and environment.** The Commission allocated over €390 million under the LIFE programme to 135 projects supporting climate action, environmental protection and resilience.
- **Agricultural fertilisers.** The Commission proposed amending the Nitrates Directive to allow greater use of manure-derived liquid fertilisers, reducing farmers' dependence on chemical fertilisers and associated costs.
- **Merger investigation.** The Commission issued a Statement of Objections to KKR over allegedly misleading information provided during its 2024 acquisition of NetCo. The investigation remains ongoing.
- **Agricultural State aid.** The Commission approved a €52 million increase to Spain's support scheme for farmers facing higher diesel prices, bringing the total budget to €161 million.
- **Merger approvals.** The Commission approved OCS's acquisition of Mitie and Blackstone's acquisition of Essendi and a hotel portfolio, finding no competition concerns.
- **EU association agreements.** The European Commission signed an Association Agreement with Andorra and San Marino, establishing a framework for closer economic and institutional integration, including access to the EU Single Market under common rules.

The European Parliament

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- **Methane Regulation.** Parliament adopted its negotiating position to postpone certain methane emissions monitoring and reporting obligations by three years, including requirements for fossil fuel importers until 2031 and additional delays for EU operators.
- **EU ETS.** Parliament approved amendments to the EU ETS heat and fuel benchmarks for 2026–2030, increasing the free allocation of emission allowances to industrial installations to mitigate carbon leakage risks.
- **Chemicals simplification.** Parliament approved the provisional agreement on the Chemicals Omnibus, simplifying requirements for cosmetics, fertilisers and chemical labelling while maintaining safeguards for human health and the environment.

- **Erasmus+.** Parliament adopted its negotiating position on the 2028–2034 Erasmus+ programme, calling for a budget of approximately €47.4 billion, improved accessibility and grants reflecting differences in living costs across Europe.
- **COP31.** Parliament adopted a resolution setting out its priorities for the upcoming UN Climate Change Conference in Türkiye, calling for a faster transition away from fossil fuels, increased climate finance and stronger support for vulnerable countries.
- **Black Sea security.** Parliament adopted a resolution condemning Russian strikes and drone incursions affecting EU territory and Black Sea shipping, calling for stronger maritime security cooperation and consideration of an EU naval operation in the region.
- **Middle East security.** Parliament adopted a resolution calling for the Houthis to be added to the EU list of terrorist organisations following escalating attacks in the region. MEPs also called for stronger maritime security measures and additional support for the EU naval operation ASPIDES.
- **Cohesion policy.** Parliament adopted recommendations calling for increased investment in the EU's eastern border regions to strengthen territorial resilience, connectivity, civil preparedness and cross-border cooperation in response to security threats linked to Russia.
- **Sakharov Prize.** The European Parliament awarded the 2026 Sakharov Prize for Freedom of Thought to the International Criminal Court and its officials, recognising their work in international justice amid sanctions against the institution.

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- **EU budget 2027.** Parliament adopted its position on the EU's 2027 budget, seeking to reverse Council spending cuts and increase funding for research, transport, energy infrastructure, Erasmus+, agriculture, climate action and humanitarian assistance. Negotiations with the Council will follow.
- **EU Solidarity Fund.** Parliament approved the mobilisation of approximately €489 million to support Portugal, Spain, Italy and Malta following severe storms and flooding in early 2026, including €261.5 million for Portugal and €149.1 million for Spain.
- **Circular Economy Act.** MEPs debated their priorities for the forthcoming Circular Economy Act, focusing on resource efficiency, competitiveness, strategic autonomy and the simplification of EU waste and circular economy legislation.

- **Business simplification.** Parliament debated measures to reduce unnecessary reporting requirements and compliance costs for European businesses, particularly SMEs, as part of the EU's wider regulatory simplification agenda.

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- **Critical raw materials.** Parliament adopted its negotiating position on amendments to the Critical Raw Materials Act, proposing stronger support for strategic projects and measures to accelerate extraction, processing and recycling, while diversifying European supply chains.
- **Environmental simplification.** Parliament adopted its position on the temporary suspension of extended producer responsibility (EPR) requirements for authorised representatives, covering packaging, batteries, textiles and other waste streams. MEPs supported limiting the exemptions to EU-based small and micro enterprises.
- **Passenger rights.** Parliament approved updated EU passenger rights legislation, strengthening reimbursement arrangements for tickets purchased through intermediaries, introducing standardised compensation forms and improving protection for passengers with disabilities.
- **Posting of workers.** Parliament approved new rules establishing a common digital interface connected to the Internal Market Information System (IMI), simplifying administrative procedures for companies posting workers across EU Member States.
- **VAT fraud.** Parliament adopted a resolution calling for stronger cooperation between national tax authorities, improved information-sharing and more effective measures to combat cross-border VAT fraud and protect EU budget revenues.
- **Competition policy.** During Question Time with the Commission, MEPs discussed the application of EU competition law and the upcoming revision of the EU Merger Guidelines, focusing on the future of European competition policy and its relationship with competitiveness.

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- **EU ETS.** The Environment Committee (ENVI) adopted its report on revised heat and fuel benchmarks for 2026–2030, proposing additional free emission allowances for industrial installations to mitigate carbon leakage risks ahead of the plenary vote.

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