

**Debate “A Common Green Future? Ukraine’s EU Integration and Its Economic Impact on Poland”**  
**4 March 2026**

The debate, jointly organized by the Warsaw Enterprise Institute (Poland) and the Institute of Economic Research and Policy Consulting (Ukraine), was part of a series of events within the project “A Common Future. Poland and Ukraine in the European Single Market.” The discussion focused on the challenges related to the green transformation in Europe and its economic consequences for Poland and Ukraine. Particular attention was paid to the impact of EU climate regulations—such as the EU Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM)—on industry competitiveness and on the prospects for rebuilding the Ukrainian economy after the war. The debate brought together representatives of business, analytical and expert institutions, financial analysts, and organizations supporting business development from Poland and Ukraine:

1. **Marek Zdanowicz**, President of the Management Board, Dalkia Polska Solutions;
2. **Karol Wenus**, President, Responsible Energy Transition Association;
3. **Włodzimierz Ehrenhalt**, Chief Energy Expert, Union of Entrepreneurs and Employers;
4. **Stanislav Zinchenko**, CEO of GMK Center, Chair of the Industrial Ecology and Sustainable Development Committee at the European Business Association (EBA);
5. **Vyacheslav Panov**, Managing Director for Green Transformation at DiXi Group, Decarbonization Expert at the Green Transition Office of the Ministry of Economy of Ukraine;
6. **Oleh Krykavskyi**, Director for Government Relations at ArcelorMittal Kryvyi Rih.

The debate was moderated by **Łukasz Wojdyga**, Director of the Center for Strategic Studies at the Warsaw Enterprise Institute.

### **1. The Green Deal and Industrial Competitiveness**

The discussion began with a question about the impact of the European Union’s climate policy on the competitiveness of European industry. Panelists noted that while reducing greenhouse gas emissions is part of a broader global energy transition, the way EU regulations are implemented can significantly

increase operating costs for businesses, particularly in energy-intensive sectors. **Marek Zdanowicz** pointed out that the energy transition can be viewed from two perspectives: that of energy companies and that of industry as the end user of energy. While the interests of these two groups sometimes overlap, in practice they often diverge, especially amid rising energy costs stemming from climate policy. From industry's perspective, the Green Deal primarily translates into higher energy prices, prompting companies to seek alternative sources of supply. In the case of electricity, one solution has emerged in the form of Power Purchase Agreements (PPAs), which allow companies to buy energy directly from wind or photovoltaic farms. However, according to Zdanowicz, a much greater challenge for industry remains access to processed heat, particularly steam used in production processes. Although it can, in principle, be generated using electricity, this remains a very expensive option at present. Meanwhile, EU climate policy focuses largely on electricity generation, paying much less attention to industrial heat.

Another barrier is regulatory uncertainty, for example, regarding the status of biomass within climate policies, which discourages companies from making investments. Moreover, many of the gains from improved energy efficiency have already been realized, and industry is still waiting for technological and regulatory solutions that would allow energy to be produced more cheaply. Panelists emphasized that the energy transition is not solely a political project of the European Union, but part of a broader global technological trend. **Włodzimierz Ehrenhalt** argued that in the coming decades, the traditional fuel sector may gradually separate from the energy sector: oil and gas will remain important as feedstocks for the chemical and petrochemical industries, while energy production will increasingly rely on electrification and renewable energy sources. During the debate, participants also highlighted the risk of losing industrial competitiveness in the context of global competition. In sectors such as steel, fertilizers, and aluminum production, this may lead to carbon leakage, where production is relocated outside the EU to regions with less restrictive environmental regulations. For this reason, some panelists pointed to the importance of the Carbon Border Adjustment Mechanism (CBAM), which aims to level the playing field by imposing emission costs on imported products, similar to those faced by companies operating within the EU.

At the same time, participants emphasized that the energy transition could also act as a modernization impulse for the European economy, stimulating the development of new energy technologies and industrial sectors. The key challenge, however, remains balancing climate objectives with economic competitiveness.

## **2. The Voice of Industry: Threats to the Ukrainian Steel Sector**

The most critical assessment of the new regulations was presented by **Oleh Krykavskyi**, representing the steel industry. He argued that Ukrainian industry is currently facing a serious threat due to the combination of high energy costs and new climate regulations. He emphasized that electricity prices in Ukraine have at times reached €230–370 per megawatt-hour, while European industry typically expects prices at around €50–70 per megawatt-hour. Under such conditions, the competitiveness of Ukrainian steel producers declines significantly. An additional challenge is the lack of clarity regarding the actual costs of CBAM. According to some companies, the charges could reach as much as €60 per ton of emissions, which could lead to a reduction in Ukrainian steel exports to the European market and increase the market share of producers from countries such as Turkey or India.

### **3. Energy Transition in Poland**

Polish experts emphasized that Poland is at a different stage of the energy transition than Ukraine, but it also faces serious challenges. **Karol Wenus** noted growing skepticism toward the Green Deal in Poland, particularly regarding the costs borne by industry and households. In his view, the energy transition should be carried out pragmatically, without compromising economic competitiveness. **Włodzimierz Ehrenhalt** stressed that Poland will not be able to completely abandon coal in the coming decades. This resource will remain an important element of the country's energy security, especially amid geopolitical instability. At the same time, he highlighted the need to further develop renewable energy sources, particularly onshore wind farms, which are among the cheapest sources of energy.

### **4. Modernization of Ukraine's Energy Sector**

An important part of the debate focused on the future of Ukraine's energy sector and the directions of its modernization in the context of post-war reconstruction and gradual integration with the European Union's energy market. Panelists emphasized that Ukraine's energy transition will be particularly complex, as it must simultaneously rebuild infrastructure damaged by Russian aggression, ensure stable energy supplies for the economy, and adapt the energy system to European climate regulations. The most comprehensive vision for modernizing the sector was presented by **Vyacheslav Panov**. He emphasized that Ukraine has a diversified energy mix that includes nuclear, hydro, wind, and solar power, creating favorable conditions for an energy transition. In his view, the key challenge will be developing renewable energy sources alongside strengthening system infrastructure, particularly transmission networks and energy storage systems. Without such investments, the growing share of wind and solar power could lead to instability in the energy system. **Panov** also highlighted the importance of long-term planning of energy investments. The choice of technologies should take into account not only current energy production costs but also future CO<sub>2</sub> emission prices,

which may significantly affect the profitability of different energy sources in the coming decades. In this context, he pointed to the potential of new nuclear technologies, particularly small modular reactors (SMRs), which could provide a stable, low-emission energy source. Another important element of decarbonizing the Ukrainian economy could be developing the biomethane market.

The importance of stable and predictable investment conditions was emphasized by **Stanislav Zinchenko**. He noted that regulatory certainty and clear rules governing the energy market are essential for businesses. Only under such conditions will it be possible to undertake long-term investments in the energy sector. **Zinchenko** also pointed to the enormous scale of financial needs associated with Ukraine's energy transition. According to estimates, modernizing the energy sector could require up to \$90 billion over the next ten years, which means that strong involvement from international institutions and private investors will be necessary. Oleh **Krykavskyi** stressed the importance of maintaining competitive energy prices for industry. In his view, modernization of the energy sector should not lead to further increases in electricity prices, which already constitute a significant burden for Ukrainian companies. The reconstruction of heavy industry, including the steel sector, will only be possible if Ukraine can ensure stable and relatively affordable energy supplies.

Panelists agreed that Ukraine's energy transition should be gradual and pragmatic. In the short and medium term, the country will not be able to fully abandon traditional energy sources such as coal and gas-fired power plants. Therefore, rebuilding the energy system should follow an evolutionary transformation model, in which the development of new energy technologies complements existing infrastructure. Participants emphasized that the modernization of Ukraine's energy sector should be a multi-stage process combining infrastructure reconstruction, the development of new energy technologies, and integration with the European energy market. If properly designed, this transformation could become one of the most important modernization impulses for the Ukrainian economy in the coming decades.

## **5. Poland as a Partner for Ukraine in the Energy Transition**

One of the key conclusions of the debate was Poland's potential role as a partner to Ukraine in the energy transition and economic integration with the European Union. Panelists repeatedly emphasized that Poland's experience in modernizing its energy sector and adapting to EU climate regulations may offer valuable lessons for Ukraine, which, in the coming years, will have to undergo a similar transformation. **Stanislav Zinchenko** highlighted the importance of cooperation between the two countries. In his view, Poland is an important reference point for Ukraine because, despite operating under the same EU regulatory framework, it has been able to actively defend the interests of its own

industry and negotiate the shape of European energy policy. As he noted, Poland's example demonstrates that even within the single European market, it is possible to pursue economic policies that take into account the specific characteristics of the national economy and the needs of domestic industry. **Włodzimierz Ehrenhalt** pointed to the differences in the level of development of the energy sectors in the two countries. In his view, Ukraine currently faces the urgent task of rebuilding energy infrastructure damaged by the war and ensuring stable energy supplies for industry and households. Poland, by contrast, is at a more advanced stage of the transition and must focus more strongly on adapting its energy system to the requirements of EU climate policy. However, **Ehrenhalt** emphasized that Poland's experience with energy-sector reforms and integration into the European market may offer Ukraine valuable lessons and help it avoid some of the mistakes made by EU member states in the past.

An important theme of the debate was also the potential for economic cooperation in the energy sector. **Marek Zdanowicz** noted that although the energy transition involves high costs, it also creates new investment opportunities. The reconstruction of Ukraine's energy infrastructure and the development of new energy sources will require substantial capital investment and the involvement of international technological partners. In his view, Polish energy companies and technology firms could play an important role in modernizing Ukraine's energy sector, particularly in areas such as district heating, distributed energy systems, and energy efficiency. **Karol Wenus** emphasized the need for a pragmatic approach to the energy transition. He argued that both Poland and Ukraine should pursue energy policies in a realistic way that takes climate objectives into account while maintaining economic competitiveness. In his view, the energy transition should not lead to excessive increases in energy costs for industry, as this could weaken the region's economic potential. **Vyacheslav Panov** also stressed the importance of technological cooperation between Poland and Ukraine. According to him, particularly promising areas of collaboration include the development of renewable energy sources, energy storage systems, and new energy technologies such as small modular reactors (SMRs). He also noted that the modernization of Ukraine's energy system will require not only infrastructure investments but also the transfer of knowledge and institutional experience in operating the EU energy market.

Panelists also agreed that cooperation between Poland and Ukraine in the energy sector may have not only economic but also geopolitical significance. Strengthening regional energy infrastructure, developing cross-border connections, and integrating energy markets could help improve the energy security of Central and Eastern Europe. In summary, participants emphasized that Ukraine's energy transition should not be viewed solely as a regulatory or financial challenge. If designed properly, it

could become a catalyst for deeper economic cooperation between Poland and Ukraine and for building a modern energy system in the Central and Eastern European region.

## **6. Key Conclusions and Recommendations from the Debate**

The debate demonstrated that the energy transition in Europe is part of a broader global technological and investment trend. At the same time, panelists emphasized that the pace and method of implementing climate policy should take into account the specific economic conditions of individual countries. In Ukraine, the key challenge remains the simultaneous reconstruction of energy infrastructure and the adaptation of the economy to the requirements of European climate policy. This will require significant investment, a stable regulatory environment, and access to international financing. Panelists also stressed that, in the short and medium term, Ukraine will not be able to completely abandon traditional energy sources. Rebuilding the energy system will require maintaining conventional power generation and nuclear energy as the foundation of the country's energy security. During the discussion, several recommendations regarding energy policy and economic cooperation between Poland and Ukraine were formulated:

1. Ukraine's energy transition should be carried out gradually and pragmatically. This means maintaining existing energy infrastructure, including conventional and nuclear power plants, while simultaneously developing new energy technologies.
2. Ukraine should establish stable, transparent legal frameworks to support the development of distributed energy and private investment in renewable energy sources. Simplifying administrative procedures and shortening the time required to obtain investment permits will be crucial, as lengthy permitting processes in many European countries continue to hinder the development of new energy projects.
3. The development of renewable energy sources should be accompanied by investments in technologies that stabilize the energy system, such as gas-fired power plants, energy storage systems, and modern nuclear technologies. Without adequate balancing mechanisms, the growing share of wind and solar energy may lead to instability in the overall energy system.
4. Support mechanisms for the energy transition should place greater emphasis on encouraging investment in new technologies rather than relying solely on subsidies for energy production. Such an approach may stimulate the development of modern sectors of the economy and increase the efficiency of public spending.
5. Poland can play an important role as a partner to Ukraine in the energy transition. Its experience in modernizing the energy sector, developing renewable energy sources, and

integrating with the European market can provide valuable knowledge for Ukrainian institutions and businesses.

Panelists also noted that the energy transition should be viewed not only as a challenge but also as an opportunity to develop new sectors of the economy. In many countries, the modernization of the energy sector has led to the emergence of new industries and innovative technologies that may become important drivers of future economic growth. In this context, cooperation between Poland and Ukraine could help create a new model of energy development in Central and Eastern Europe—one that combines energy security, technological progress, and industrial competitiveness.