

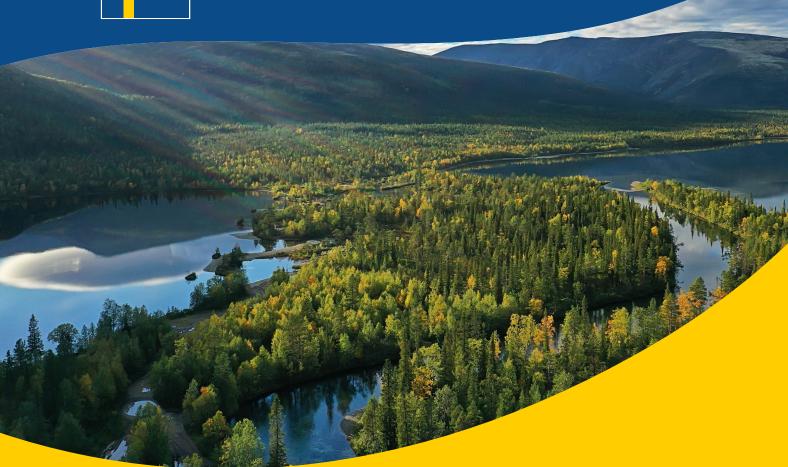
### The EEB's

Assessment of the Environmental Performance of the

# Swedish Presidency of the Council of the EU

January - June 2023







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Together, we work for a better future where people and nature thrive together.

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### Introduction

This is an assessment of the Swedish Presidency of the Council of the European Union by the European Environmental Bureau (EEB), the largest network of environmental citizens' organisations in Europe, with thanks for inputs from Seas at Risk, and signed off by the EEB Board with members from across Europe. The assessment encompasses all environment-related issues, a broad agenda comprising 'traditional' environmental issues as well as sectoral and horizontal policies with a direct or potential environmental impact, sustainable development, and participatory democracy.

The Swedish Presidency came at a critical juncture of the European Green Deal (EGD) as there are only two Presidencies left before the EP elections in June 2024 and hence the window for completing the EGD files is shrinking. Significant progress during the Swedish Presidency is essential for the Spanish and the Belgian presidencies to "finalise" progress on many of the EGD files as possible. The Presidency faced both growing calls for halting regulatory progress from some voices, while the flooding, forest fires and droughts, plus the growing evidence of health and pollution impacts and biodiversity loss call for more ambition.

The efforts by anti-regulation ideologues and lobbying by short-term vested interests to drop, delay or degrade environmental and social protections, and pressure to resist change by a range of Members States, run counter to their and the EU's medium- and long-term needs for a just transition.

We view the six-month Council Presidencies as convenient periods over which to measure progress on the EU's environment-related policies and legislation. We appreciate that a Presidency cannot make decisions on its own; it needs the cooperation of the European Commission, European Parliament, and other Member States. Nonetheless, the Presidency can still have considerable impact and influence, for example through the priority and profile it gives to specific issues and through the way in which it chairs discussions, prioritises practical work and engages with other Member States to enable progress.

Success depends on the willingness of Member States to commit as well as on political will, ideas, and the use of political capital to achieve results. In addition, policy agendas are often highly affected by external events and new Commission priorities, as has been and still is the case with the ongoing Russian war in Ukraine, a turning point in European history. This is a key moment for the EU itself – the European Project is again recognised as an essential project of peace for Europe and for the EGD itself, given its potential to help push for energy and materials independency from Russia and support of wider social and economic resilience. The EGD should be seen as a peace project as it sets a basis for future energy and resource independence.

The assessment is not an overall political assessment of the Presidency's performance, nor is it an assessment of the Swedish national political or environmental situation or its domestic policies, except to a limited degree linked to its role in leading or failing to lead by example. We are not assessing its role on foreign affairs issues, internal security matters or migration policies, for example, except insofar as such issues have a direct bearing on the environment.

On the other hand, the assessment is not limited to the activities and outcomes of the Environment Council. It covers all Council configurations to the extent that they deal with topics that affect the environment, as well as the European Council, which is formally not under the Swedish Presidency responsibility, but where the Presidency plays an important role. Our assessment is based on the <u>Ten Green Tests</u> we presented to the Swedish Government at the start of its Presidency on 1 January 2023.

While we recognise that the geo-political context is difficult, we are critical of many of the results achieved, which we assess as inadequate in light of the challenges Europe and the planet faces, and insufficient to give youth confidence that they will inherit a liveable world.

We are, however, grateful, for the openness and collaboration of the Swedish Presidency team on the environmental files, and for the level of engagement of the Minister for Climate and the Environment Romina Pourmokhtari and her commitment to advance on legislative files under her responsibility, while ensuring the tradition of being a "neutral broker" within the Council was, with a couple of unfortunate exceptions, generally upheld.

Patrick ten Brink

Secretary General

# Ten Green Tests for the Swedish Presidency: Assessment

### Poor progress across most environmental files and disappointing for health and environment, but with some progress on climate and energy

2009 was the last time Sweden held the Council Presidency and the second time in its history; the first was in 2001. <u>EEB's assessment</u> of the Presidency performance at the time was "Good Ambitions, Disappointing Outcome", though with a good performance on global mercury reduction, supporting the spring alliance, and some positive aspects on biodiversity leadership. This time, the assessment is more critical, with no outcomes judged positive.

Politics is the art of the possible. However, if and where the possible does too little to avoid dramatic climate change, halt catastrophic biodiversity loss, reduce pollution exposure, or improve governance systems in a way that gives confidence in our governments, institutions and future, then we cannot assess the progress to be good, despite efforts. In times of climate, biodiversity and pollution crises, Member States' governments, under the leadership of the Council Presidency, need to make considerable additional efforts to change what is perceived as possible to align with what is needed. It is in this light of both effort and impact in the context of needs, that we have assessed the performance against the Ten Green Tests.

On the Swedish Presidency 's performance against the Ten Green Tests, item-by-item, we reached the following conclusions:

			Effort	Outcome
•	1	Progress with a transformative Green Deal, foster social, environmental, and economic justice		
-	2	Ensure energy security & fossil-fuel independence while tackling the climate emergency	_	_
淋	3	Reverse the dramatic loss of biodiversity and invest in the resilience of our ecosystems		
2	4	Initiate a transition towards sustainable food and agriculture		
×	5	Tackle pressure on surface and groundwater and ensure clean water for all		
<u>کر</u>	6	Ensure clean air towards zero environmental and health impacts		
Z	7	Call for a toxic-free environment and ambitious implementation of the Chemicals Strategy for Sustainability	<u> </u>	
十	8	Shift towards a zero-pollution industry		
	9	Grasp the full potential of the circular economy		
<u>*</u>	10	Strengthen accountability and the rule of law and promote environmental justice		



# 1 Progress with a transformative Green Deal, foster social, environmental and economic justice

### The verdict





The <u>first Green Test</u> called upon the Swedish Presidency to recognize the EGD as a peace project; promote the green reconstruction and recovery of Ukraine; promote an ambitious reform of the EU Economic Governance Review; Advance discussions on the importance of acknowledging the interlinkages of environmental policies, gender and social justice and push forward a reform of the EU's international trade policy.

### Key developments

- The Swedish Presidency took place within the context of the ongoing Russian war in Ukraine, with the destruction of the Kakhovka Dam in June. Security was a key Presidency priority, complemented by competitiveness, green and energy transitions, democratic values and the rule of law.
- The Commission tabled its legislative proposal on the reform for the Stability and Growth Pact (SGP), EU fiscal rules, and the wider EU economic governance.
- The EC published an EU Voluntary Review reporting to the UN on its progress in implementing the Sustainable Development Goals (SDGs).
- The Swedish Presidency hosted together with the US government – the 4<sup>th</sup> Trade and Technology Council in Lulea, focusing on digitalisation and green transition.
- Key meetings included the informal meeting of <u>Environment Ministers 18-19 April, Stockholm,</u> Environmental Council meetings on <u>16 March</u> and <u>20 June</u>, and wider Council formation meetings.
- At the 29-30 European Council meeting, the European Council invited the Council to conclude legislative work on the Economic Governance Review in 2023.

### Good

The Swedish Presidency hosted the 4<sup>th</sup> EU-US Trade and Technology Council in Lulea. Civil society recognises the efforts made around a high-level stakeholder event where representatives from European environmental groups were invited to share their ideas and concerns around the digital and green transition with top level political decision makers including State Secretary Blinken, US Trade Representative Tai, Vice-Presidents Dombrovskis and Vestager and Commissioner Breton. The stakeholder

- event had been set up in 2022 and is not a specific achievement of the Presidency, but we hereby acknowledge the effort made by Sweden to continue the possibility for exchange.
- While there were concerns that the Swedish Council Presidency would not respect the tradition of being a "neutral broker", with some exceptions, it managed to avoid excessive pushes of its national position into the negotiation process.

### Poor

- The legislative proposal on the EU economic governance fails to be a game changer with a weak integration of climate and environmental concerns. The Presidency failed to lead discussions between MS and Commission to table a more ambitious proposal that would enable MS to achieve a just transition, with only 3 MS being able to close the green funding gap under the proposed rules.
- The Swedish Presidency took the unprecedented act of inviting 27 business leaders to the informal council meeting in April, giving arguably excessive access of business to decision-making. While there is a need for business to be a core part of the solution in the green
- transition, the access raises question of governance and influence
- The Swedish Presidency, whilst open to civil society involvement, failed to steer the EC in improving the content and the process of the European Voluntary Review (VR) of the SDGs. The generation of the EU VR has lacked meaningful stakeholder and civil society engagement, with only a short and rushed consultation through the EESC and no broad civil society engagement and opportunities for input. Sweden could have used its own processes around its Voluntary National Review to put pressure to ensure a participatory and transparent process. We, however, acknowledge the opportunity to engage through the 2030 Agenda Working Party.

In summary, while there was progress advancing on the European Green Deal (EGD) files and Sweden largely played a "neutral broker" role, the level of ambition was far weaker than needed, sacrificing quality for scope for agreement. Overall mixed on effort and poor on impact.



# 2 Ensure energy security & fossil-fuel independence while tackling the climate emergency

### The verdict





The <u>second Test</u> called on the Presidency to promote a nature-positive deployment of new renewable energy assets; lead Council negotiations in the trilogues on remaining Fit-for-55 files; support and promote higher emissions reduction targets; lead the Council discussions on the energy crisis; and lead on the revision of the F-Gas regulation, among other key asks.

### Key developments

- The Presidency organised on 30<sup>th</sup> January a high-level meeting on accelerating electrification of transport in Europe.
- The European Commission published the final Delegated Act on the production of Renewable Fuels of Non-Biological Origin (RFNBOs), setting out rules that hydrogen producers must abide by to be able to label their product as renewable and count towards EU targets.
- The European Commission published a legislative proposal for the EU "Net Zero Industry Act".
- The Presidency continued and concluded interinstitutional negotiations on the Renewable Energy Directive (RED).

- The Presidency continued and concluded interinstitutional negotiations on the Energy Efficiency Directive (EED).
- At the 28<sup>th</sup> March Energy Council, the Presidency managed to steer EU countries to agree on a general approach on two proposals that set common internal market rules for renewable and natural gases and hydrogen; adopt the EU Regulation on CO<sub>2</sub> emissions standards for new cars and vans; hold a first discussion on the European Commission's proposal to revise the EU electricity market design; extend their voluntary 15% gas demand reduction target for one year.

### Good

- The Presidency succeeded in securing agreement on the Energy Efficiency Directive (EED). The text, however, falls short on several provisions, notably on mandatory national energy efficiency targets and the possibility for Member States to exclude social housing from the public buildings subject to the mandatory renovation rate. Overall, the agreed text increases the EU target although not in line with the REPowerEU ambition and introduces a harmonised calculation method and a gap-filling mechanism.
- The Presidency attempts to secure an agreement on the Renewable Energy Directive (RED), which largely reflects the ambition of REPowerEU. The RED now includes an increased target for the share of renewable energy in the EU's final energy demand by 2030, as well as mandatory sectoral targets for transport and heating/cooling, and indicative targets for industry and buildings. The requirements for public participation in line with the Strategic Environmental Assessment (SEA) Directive have been maintained in the final text,
- offering a glimmer of hope for citizens and NGOs wishing to influence the plans designating renewable energy 'acceleration areas'. On the other hand, the Swedish presidency had a decisive and negative role in delivering weakened biomass criteria.
- The Presidency landed a general agreement on the Emission Trading Scheme (ETS), Carbon Border Adjustment Mechanism (CBAM), ETS 2, and the Social Climate Fund (SCF). The dual regulation of emissions in transport and heating in both the Effort Sharing Regulation (ESR) and ETS 2 is a sensible safeguard against imbalances in climate effort that pricing schemes can generate. Further improvements are essential, however, given the imbalance between an uncapped carbon price and a cap on the social measures meant to compensate for high prices is unfortunate, as is the late introduction of the system. The limit in the extent and duration of direct payments to citizens in the SCF is not helpful given the historical lack of transparency when spending other EU funds.

#### Poor

- The Presidency lagged behind in the inter-institutional negotiations on the Energy Performance of Buildings Directive (EPBD), a key 'fit for 55' file that has now become hostage to national political battles.
- In the trilogues on the Renewable Energy Directive (RED) the Swedish Presidency rejected most of the Parliament's amendments that could have helped to stop the most perverse effects for forests of the EU's biomass in this Directive. Given national positions, it appears that here Sweden gave up on the neutrality role it should have played. Furthermore, the Presidency failed to secure final Council approval on the Renewable Energy Directive (RED), after an agreement was reached in the trilogue on 29 March. Worse still, hesitation has led to France succeeding in reaching a blocking minority of pro-nuclear EU countries. The delay in the RED's entry into force is
- very damaging to the EU's ambitions for a clean energy transition.
- The Presidency managed to land a general approach in the council that will help to conclude the F-Gas regulation revision, a key climate file, during the next Presidency. This file is worth 2.5% of the EU emissions. Despite carrying out a swift analysis of the file, the Council's position fails to phase out the production of HFCs and allows for the use of potentially harmful HFOs in heat pumps
- The Presidency failed to make substantial progress on the Energy Taxation Directive (ETD) and did not deliver a Council position on the file. The dossier is crucial for achieving, among other things, the decarbonisation of heating, transport and industry, as it aims to make renewable energy more competitive thanks to a fairer level of excise duty.

In summary, integrating the REPowerEU provisions into the ongoing Fit-for-55 negotiations has been the main challenge for the Swedish Presidency, which has succeeded in doing so in several different files, although some relevant and urgent ones are still missing and have been left aside. These are some fundamental ones - such as the Energy Taxation Directive (ETD) and the Energy Performance of Buildings Directive (EPBD) - that are needed to unlock the climate action contained in the rest of the Fit-for-55. Overall, the verdict is mixed, both in terms of effort and outcome.



# 3 Reverse the dramatic loss of biodiversity and invest in the resilience of our ecosystems

### The verdict





The <u>third Test</u> called on the Swedish Presidency to lead the negotiations for a strong and timely Council position on the Nature Restoration Law; lead the Council work on policy files impacting forestry while maintaining the role of the honest broker; ensure nature-friendly and people-centric roll out of renewables; reverse the increasing degradation of marine and coastal ecosystems; lead the EU to deliver on the Kunming-Montreal Agreement; and lead by example in the implementation of the EU Biodiversity Strategy and EU Forest Strategy for 2030.

### Key developments

- The Presidency continued to facilitate negotiations on the Nature Restoration Law (NRL) mainly via the Working Party on Environment as well as topic workshops and a dedicated session at Forest Directors Meeting on 16 May, Nature Directors Meeting on 25 May as well as joint Water and Marine Directors meeting on 5 June. The AGRIFISH Council discussed farming and forestry aspects of the NRL at the meeting on 20 March 2023. The Energy Council discussed aspects related to renewable energy on 28 March. The Council adopted the general approach on the NRL at the meeting of the Environment Ministers on 20 June.
- As expected, Sweden used their position at the helm of the EU Council to promote Swedish forestry as a role model, downplaying the threat that today's forest industry poses to biodiversity. This was particularly the case at the meeting of the EU Forest Directors in May. Swedish NGOs have been very critical of national legislation, forestry practices and biodiversity funding cuts and launched an alternative vision for the Swedish forests supported by more than 200 scientists and over 60 organizations. It demands, among other things, a halt to logging of forests with high conservation values and a transition to sustainable forestry, closer to nature.
- The Presidency provided early input to the European Commission for their upcoming proposal for the Forest Monitoring and Strategic Planning Law by organising the workshop on forest monitoring and planning on 1-2 February in Uppsala and a dedicated session at the EU Forest Directors meeting on 16 May.

- The Presidency continued and concluded interinstitutional negotiations on the Renewable Energy Directive, though there were substantial delays for the directive entering into force caused by pronuclear countries.
- The Presidency started Council negotiations on the EC proposal establishing a Carbon Removals Certification Framework, but no provisional agreement has been reached yet.
- The Presidency organised a discussion on the implementation of the Kunming-Montreal Biodiversity Framework in the EU at the Nature Directors meeting on 25 May as well as enabling conditions for business community to help halt and reverse biodiversity loss at the informal Environment Council on 19 April (more in section 1). The Presidency led the negotiations in the Council on the reaction to the EC's action plan to conserve fisheries resources and protect marine ecosystems.
- The Presidency concluded the delayed trilogue negotiations on the revised EU Fisheries Control Regulation, ensuring proper monitoring of all fishing activities, including with small-scale vessels, and ensuring increased transparency and traceability of our seafood supply chains.
- The Presidency contributed to the adoption of an ambitious Global Ocean Treaty to protect marine biodiversity areas beyond national jurisdiction at the 4th session of the Intergovernmental Conference on Biodiversity Beyond National Jurisdiction.

### Good

- The Swedish Presidency chaired the Environment Council meeting that adopted the Council's general approach on the NatureRestorationLaw (NRL) including tabling last-minute compromises weakening the EC proposal. However, the week before the meeting, the Presidency had to be pushed by 20 Member States to keep the NRL on the agenda of the Environment Council. Adoption of the Council's General Approach on the NRL sent a strong message to the blocking groups in the Parliament to continue the negotiations in the EP so that trilogues can start.
- The Nature Directors meeting with civil society participation provided a good opportunity for
- exchanges on the implementation of the Kunming-Montreal Biodiversity Framework in the EU, including the global goal to restore degraded ecosystems, which the EU has pushed for. Therefore, it remains of utmost importance for the EU to adopt a strong NRL urgently if the EU wants to be taken seriously by global partners in international
- The Presidency-secured agreement on the Renewable Energy Directive (RED) maintained the requirements for public participation - in line with the Strategic Environmental Assessment (SEA) Directive. This offers a glimmer of hope for citizens and NGOs wishing to

influence the plans designating renewable energy 'acceleration areas'.

 The Presidency secured an agreement on the revision of the Control Regulation of Fisheries during the last trilogue, after more than 5 years of negotiations.

### Poor

- The Presidency compromise on the Nature Restoration Law (NRL) has weakened key elements of the EC proposal. For example, Council's targets to restore peatlands, forests and agricultural ecosystems are less ambitious. The provisions for application of derogations and no deterioration obligations have been made less strict and the additional flexibility for the application of Regulation as well as deletion of the provisions on access to justice will prevent its effective and efficient implementation and thus restoration of ecosystems for climate and biodiversity. In an unprecedented move, the Swedish Presidency voted against the General Approach they had negotiated.
- The Presidency did not demonstrate leadership on balancing the need to protect and restore forests and ensure their sustainable use. The Presidency succeeded in rejecting most of the Parliament's amendments that could have helped stopping the most perverse effects for forests of the EU's biomass rules under the Renewable Energy Directive (RED), thus missing the chance to preserve forests and the climate from the threat of a biomass industry that benefits from unlimited incentives created by RED.
- The Presidency used the EU Forest Directors meeting in May mainly to show how "sustainable" Swedish forestry is. The meeting provided for limited stakeholder and civil society participation and key stakeholders such as Sami community were not invited, even though the meeting was organised in their area. Swedish NGOs provided a more nuanced picture of Swedish forestry outside the meeting.
- The Presidency did not take steps towards banning offsetting within the Carbon Removals Certification Framework. The proposal favours generating carbon credits for sale on voluntary carbon markets, which is a major concern, significantly undermining the EU overall climate ambition and opening the door to widespread greenwashing.
- The Presidency drafted conclusions on the Action Plan to conserve fisheries resources and protect marine ecosystems that unfortunately lacks ambition regarding the reduction of bycatch of sensitive species and the ban of bottom trawling in Marine Protected Areas.
- The Global Ocean Treaty was adopted but does not include a moratorium on deep-sea mining.

Overall, despite last-minute efforts by the Swedish Presidency to delay an agreement on the Nature Restoration Law and Sweden's government not supporting the position negotiated by its Presidency, the Environment Council agreed the Council's general approach on the Nature Restoration Law during the Presidency mandate. However, the compromise is less ambitious than the EC proposal and is below expectations expressed by EU citizens, civil society, scientists, cities and progressive businesses. Moreover, the Presidency failed to play the role of honest broker when it came to discussions on carbon removals and protection and restoration of forests, for example actively weakening the sustainability criteria on biomass in the Renewable Energy Directive, primarily to serve the interests of Swedish forestry. It also failed to ensure Council's action on reversing the degradation of marine and coastal ecosystems Overall, the verdict is therefore poor on effort, poor on outcome.



# 4 Initiate a transition towards sustainable food and agriculture

### The verdict



on effort



on outcome

<u>This Test</u> called on the Swedish Presidency to uphold the ambition and commitments of the Farm to Fork Strategy; organise a debate on emissions reductions in the agriculture sector; resist the pressure to derail the legislative update of EU sustainability rules on pesticide use; respond to the EC's Integrated Nutrients Management Action Plan (INMAP) with Council Conclusions; urge the Commission to publish its long-awaited proposal for a reform of the EU's agricultural and food promotion policy; and organise a debate on emissions reductions in the agriculture, land use and forestry sectors.

### Key developments

- The impacts of the Russian war in Ukraine and of the widespread drought in Spring 2023 on the agri-food sector are clear reminders to the need to transform our food system to make it more sustainable and resilient, requiring urgent crisis measures as well as systemic solutions. However, the policy response has so far focused on short-term fixes and many political and private actors have seized the crisis to undermine the Farm to Fork Strategy.
- Little progress has been achieved in the Council negotiations on the proposal for a Sustainable Use of Pesticides Regulation (SUR), published in June 2022.
  - Several delayed Commission proposals were still not published during the Swedish Presidency (e.g. the INMAP – Integration Nutrient Management Action Plan).

### Good

 The Conference on 'successful environmental practice within the framework of the EU's Common Agricultural Policy (CAP) organised by the Swedish Presidency and the Swedish CAP Network, bringing together experts from research, Ministries, environmental NGOs, and farmers was a positive

- initiative to foster exchange and learning on making the CAP green architecture deliver on environmental objectives.
- No other evidence of good effort or impact could be found.

#### Poor

- In the wake of the Russian war on Ukraine, the Presidency allowed a productivist narrative and supply-focused vision of food security to dominate Council discussions, instead of focusing on the urgent transition to sustainable food systems.
- The Swedish Presidency did not provide leadership in the Council to advance negotiations on the SUR
- proposal, which have been stalled for much of 2023. This puts a key cornerstone of the Green Deal at risk.
- The Presidency continued to give preferential access to agricultural lobbies. Only agricultural representatives were invited to the Informal Council, despite the meeting's focus on the 'green transition'.

Overall, the Presidency made little effort to concretely progress the delivery of the Green Deal in the agriculture and food sector. Therefore, the verdict is poor on effort and poor on outcome.



### 5 Tackle pressure on surface and ground water and ensure clean water for all

### The verdict



on effort



This Test called upon the Presidency to lead the Council negotiations on the revision of the Urban Wastewater Treatment Directive (UWWTD); prioritise Council negotiations on the Commission's proposal to update the list of water pollutants of surface and groundwater; organise a debate in the Council on how to ensure that the environmental objectives of the Water Framework Directive are met by 2027; adopt a strong EU position for more global efforts on water security, transboundary cooperation and tackling freshwater biodiversity loss; and to lead by example in stepping up the implementation and funding of the river basin management plans.

### Key developments

- The Presidency organised several meetings of the Working Party on the Environment on the recast of the Urban Wastewater Treatment Directive (UWWTD) as well as a policy debate on the UWWTD at the Environment Council on 16 March.
- The Presidency reluctantly opened the Council negotiations on the EC proposal to revise the lists of surface water and groundwater pollutants towards the end of its 6-month mandate.
- The Presidency organised a debate on challenges around application of exemptions from the Water
- Framework Directive objectives at the Water Directors meeting on 6 June. However, the meeting was behind closed doors with no involvement of civil society.
- The Presidency co-led preparations of the EU's
  contribution to the UN Water Conference in March
  2023 and made a range of voluntary commitments from
  the EU for the Water Action Agenda on zero pollution,
  climate adaptation and restoration of aquatic
  biodiversity, especially through improved
  implementation of the Water Framework Directive.

### Good

 The Presidency made some progress in the Council negotiations on the recast of the Urban Wastewater Treatment Directive (UWWTD), however, it failed to achieve the Council's general approach on the UWWTD.  The EU played a positive role at the UN Water Conference 2023 which ended with a range of voluntary commitments from governments, companies and civil society to scale up investment in healthy rivers, lakes and wetlands. These commitments need to translate into real action as a matter of priority.

#### Poor

- The Presidency failed to achieve the Council's general approach on the Urban Wastewater Treatment Directive (UWWTD), the current Presidency compromise fails to strengthen the application of Polluter Pays Principle and extended producer responsibility in the UWWTD.
- The Presidency failed to progress with Council negotiations on the EC proposal to update the list of water pollutants of surface and groundwater, thus delaying the interinstitutional negotiations and significantly increasing the risk that this crucial zero pollution revision of water legislation will not be concluded under this legislative mandate, further delaying action to tackle water pollution. The European
- Parliament is set to agree its position before the summer.
- The Presidency discussed the delays in adopting 3<sup>rd</sup> generation river basin management plans at the Water Directors meeting on 6 June (behind closed doors), however, it failed to draw political attention to the need to step up the implementation and funding of the Water Framework Directive (WFD). The NGO assessment of river basin management plans concluded that unless WFD implementation is improved, including exceptional use of exemptions, most EU rivers, lakes and groundwater aquifers will remain unhealthy in 2027.

Overall, the Presidency did not live up to the reputation Sweden has as a champion of water sustainability globally. The Presidency did not prioritise water issues during the six months at the helm of EU Council and only made limited progress on the Council negotiations on the Urban Wastewater Treatment Directive (in parallel with discussions in the European Parliament), and practically no progress in negotiations on the EC proposal to update the list of water pollutants of surface and groundwater. Overall, the verdict is poor on effort and poor on outcome.



# 6 Ensure clean air towards zero environmental and health impacts

The verdict



on effort



on outcome

<u>The sixth Test</u> called on the Presidency to promote Member States engagement for an ambitious revision of the Ambient Air Quality Directives; Lead on the definition of coherent EU legislation and policies for reducing air pollution; support the revision of the Gothenburg Protocol to the UNECE Long-Range Transboundary Air Pollution Convention; and to lead by example in Sweden by revising Swedish's National Air Pollution Control Programme in a timely manner.

### Key developments

- Following the publication of the European Commission's proposal for a revised Ambient Air Quality Directive (AAQD), co-legislators started developing their positions.
- The Environment Council held an exchange on the AAQD proposal, a public session, on 20 June.
- The European Parliament conducted negotiations following the publication of the Rapporteur's Report,
- with the ENVI Committee voting on the file on 27 June.
- The Council and the European Parliament negotiated in parallel the text for a revised Industrial Emissions Directive (IED) and for a revised Euro 7 Regulation.

### Good

 Member state representatives had the possibility to understand the meaning of the European Commission's AAQD proposal during the several working sessions held under the Swedish Presidency.

### Poor

- The Swedish Presidency did not prioritise the revision of the Ambient Air Quality Directive.
- The first policy debate in the Environment Council, open to public scrutiny, was only held on the 20th of June, towards the end of the Presidency.
- When invited to present the work and views of the Council during a debate organised in the European Parliament by the Rapporteur, the Swedish • Presidency communication on the file was very limited.
- Very little information was made available to the general public and interested stakeholders to understand the process and the content of the discussions in the Council.
- No steps forward were made during the semester regarding the explicit positioning of the European Member States in favour of the revision of the UNECE Gothenburg Protocol to expand its scope (to include mercury, black carbon and methane) and to also increase the reduction objectives for the already covered pollutants (including ammonia).
- No updated version of the Swedish National Air Pollution Control Programme had been made available; it is demanded by the National Emission Ceilings Directive, and it was expected by 1 April 2023.
  - Sweden did not promote an ambitious positioning of Member States in the process of revision of the Industrial Emissions Directive (see section 8).

Overall, given the urgency to tackle air pollution, Sweden made little effort to prioritise the topic within the Council. The organisation of the different Working Parties on the Environment meetings had allowed Member States to hold meaningful discussions, but no information was shared with the general public nor with the Members of the European Parliament during a dedicated event. The Swedish Presidency did not prioritise the implementation of the NECD at national level and, unfortunately, no steps were made to secure the revision of the Gothenburg Protocol. Therefore, the verdict is negative on effort and negative on outcome.



# 7 Call for a toxic-free environment and ambitious implementation of the Chemicals Strategy for Sustainability

#### The verdict



on effort



The seventh Test called upon the Presidency to support the revision of the REACH Regulation; actively participate at the high-level roundtable on chemicals; start and speed up the revision of the CLP Regulation; adopt Council Conclusions on the Commission's 2023 Work Programme; urge the Commission to present a legislative proposal to put an end to the exports of chemicals not authorised in the EU; organise an event on key chemicals policy topics; promote EU leadership in strengthening the Minamata Convention on Mercury and on revising the EU Mercury Regulation; and to promote a General Product Safety Regulation (GPSR) and a Product Liability Directive.

### Key developments

- The Swedish Presidency actively participated at the 4th meeting of the High-Level Roundtable of 1 February on the Transition Pathway for the Chemical Industry.
- A Presidency compromise proposal for the revision of the CLP Regulation was initiated.
- The Swedish Presidency advanced negotiations on the Regulation on the sustainable use of Plant Protection Products.
- The new Ecodesign for Sustainable Products
  Regulation (ESPR) Directive, which among other
  things contains Product Passports requiring
  information on chemicals, was a high priority for the
  Presidency.

#### Good

- The Swedish Presidency successfully initiated the general approach for the CLP revision and achieved a partial compromise proposal.
- Although Council Conclusions on the Commission's 2023 Work Programme were not adopted, during the

High-Level Roundtable meeting, the Swedish Presidency called on the Commission to urgently deliver the REACH revision proposal and expressed willingness and readiness to give high priority to starting those negotiations as soon as the proposal was received.

### Poor

- While the Presidency was vocal in pushing for REACH, it did not publicly urge the Commission to present a legislative proposal to put an end to the exports of chemicals not authorised in the EU, nor on the EU Mercury regulation.
- No event on key chemicals policy topics was organised.

The Swedish Presidency successfully prioritized and accelerated negotiations on the main chemicals' files. Although not all our demands were delivered, the verdict is good on effort, given interest in having the (still) awaited REACH revision on the Environment Council agenda, and mixed on outcome.



### 8 Shift towards a zero-pollution industry

### The verdict





### on outcome

<u>This Test</u> called upon the Presidency to commit to clean up industrial production towards a circular, decarbonised and zero-pollution industry; to lead discussions in the Council towards an ambitious reform of the Integrated Pollution and Control Directive; and to improve access and useability of environmental information for the purpose of compliance promotion and benchmarking through the review of the Regulation establishing an Industrial Emissions Portal.

### Key developments

- The Presidency organised several Council working group meetings on the Industrial Emissions Directive (IED) clustered by different topics. Building on the "state of play" presented at the December EU Environment Council, a Common Position was adopted on 16 March 2023. Several Council working groups were held as from April on the on the Regulation establishing the Industrial Emissions Portal (IEP), A common negotiation position was adopted on 7<sup>th</sup> June. The Swedish Presidency failed to provide for public
- participation in development of amendments despite a clear requirement to do in the Regulation.
- In response to the US Inflation Reduction Act (IRA), the European Commission launched the Net Zero Industry Act (NZIA) on 16<sup>th</sup> March 2023. At the 29-30 European Council meeting, the European Council invited colegislators to reach agreement on the NZIA within the current legislative cycle.

#### Good

- Regarding the IED: the use of information generated under the Environmental Management Systems, the substitution assessment of hazardous and minimisation of other concern pollutants is enhanced.
- The content, scope and elaboration process of the operating rules regarding intensive livestock has been improved.
- Member States shall ensure their general binding rules are consistent with best achievable performance and that permits consider life cycle performance of the supply chain and material efficiency.
- NGOs promoting environmental protection are equal to public servants when accessing information.

- considered as confidential business information (CBI), BREFs will have to address decarbonisation.
- It is clarified that decarbonisation and human health protection are explicit IED objectives.
- Regarding the Regulation establishing the Industrial Emissions Portal: No full assessment can be made pending absence of a Common Position of the Council, the only positive element is that reporting on inputs (energy, water and "key" raw materials will be mandatory). The current scope on aquaculture has been reduced but is still far too high (the Commission proposed 100t/yr, Council weakened it substantially to 500t/yr).

### Poor

- Regarding the IED: transitional periods for stricter emission limits values consistent to the strictest end of the levels achieved using Best Available Techniques (BAT) are not clearly rejected (up to 14 years), with 6 years for livestock, provisions do not refer to technical non-feasibility and most effective BAT(s).
- Another Art 15.4 derogation type provision was extended to BAT associated performance levels as well as a new derogation for supply chain interruptions added.
- Article 9(1) (preventing permit writers to set Greenhouse Gas Emissions limits) has been kept, undermining the combined approach on climate protection.
- Last minute pressure by the German government to make energy efficiency requirements optional (Art 9.2) was unfortunately not resisted.
- The provisions on the compensation rights for citizens and sanctions have been significantly weakened, making them close to meaningless.

- A registration regime for intensive livestock activities is kept and thresholds more than doubled (less than 4% of cattle farms would be covered).
- The outdated minimal binding requirements in Annexes of the IED have not been tightened.
- Non-metalliferous mining activities are covered but with a 500 tonnes / day threshold; and
- Production of hydrogen through hydrolysis is exempted if capacities are below 60t/day.
- Regarding the Regulation establishing the Industrial Emissions Portal: The Swedish Presidency has failed in providing for effective and early participation of the public in the elaboration of amendment to the review of the E-PRTR, despite legal requirements to the contrary. On substance, the Swedish Presidency proposal submitted to the last Working Party of the Environment is very weak on several counts: the Industrial Emissions Portal is not made fit for purpose of benchmarking with BAT uptake and compliance promotion, the review of pollutants did not add any further pollutants and will be even more slow and complicated, due to full co-decision

procedure, reporting thresholds have not been removed. Whilst the mandatory reporting on

consumption is maintained, it is not fully clarified what contextual information means in practice.

Overall, the Swedish Presidency 's engagement on zero-pollution industry, set within the context of a high level of opposing voices from the industry, has been one of relatively limited engagement and insufficient progress on the industrial pollution files despite stated commitment to a green transition. For the Portal Regulation, the Presidency was arguably weak on efforts and outcome since they missed the opportunity for progressive change. The overall verdict is poor on effort but poor on outcome.



### 9 Grasp the full potential of the circular economy

### The verdict





In this Test we called upon the Swedish Presidency to: lead the Council to establish an ambitious general approach for an Ecodesign for Sustainable Products Regulation; lead the Council in the trilogues for the Energy Performance of Buildings Directive (EPBD); establish an ambitious general approach and initiate trialogues for the Directive on empowering the consumers for the green transition; lead a first reading of the Green Claims Directive; secure an ambitious approach for the Waste Shipment Regulation; lead an ambitious initial Council reaction to the proposal for Packaging and Packaging Waste Regulation; and integrate the right to repair within any relevant legislation.

### Key developments

- A general approach has been established for the Ecodesign for Sustainable Products Regulation
- There has been a first reading of the Packaging and Packaging Waste Regulation, including a first reaction from the Swedish Presidency.
- Work on the Energy Performance of Buildings
  Directive has slowed down with a general approach
  already being established during the previous
  Presidency. The first trilogue will take place in June.
- The initiatives on Green Claims and Sustainable Consumption of Goods – Promoting Repair and Reuse were published in March 2023.
- The Swedish Presidency prioritised the Empowering the Consumer for the Green Transition initiative and reached a general approach.
- The work on the Waste Shipment Regulation is still yet to be concluded and general approach was released very late during the Presidency.
- Initial compromise texts have been presented for the Construction Products Regulation.
- The Swedish presidency sped up the process to reach a general agreement for the Critical Raw Materials Act (CRMA).
- At the 29-30 European Council meeting, the European Council invited co-legislators to reach agreement on the CRMA within the current legislative cycle.

### Good

 The Swedish Presidency has reached a general approach for the Ecodesignfor Sustainable Products Regulation, increasing the chances that this important file will be concluded within the coming months, it preserves the core of the EU Commission proposal and considered an immediate ban on destruction of unsold textiles goods.

 The Swedish Presidency has played a positive role in ensuring that progress has been made on the Packagingand PackagingRegulation.

### Poor

- Though the Swedish Presidency has advanced quickly on the Ecodesign for Sustainable Products Regulation, the general approach comes with a number of important misgivings. Notably Member States have significantly watered-down national responsibilities regarding enforcement, a key weak spot in the existing Ecodesign Directive.
- The Swedish Presidency has made limited progress on the Waste Shipment Regulation. Extending the delays of this file which is critical for the implementation of the Basel Convention and to cease polluting and unjust exports of plastic waste.
- The Swedish Presidency has failed to take ownership of the Energy Performance of Buildings Directive, demonstrating limited effort to progress on this file.
- The Global Ocean Treaty was adopted but does not include a moratorium on deep-sea mining.
- The Swedish Presidency moved hastily on the Critical Raw Materials Act with concerning measures. The latest (leaked) draft position on the CRMA does not include a specific language on questioning the exponential demand-rise of CRM predictions, nor does it address the concerns over biodiversity protection, community and indigenous rights within Strategic Projects, and regrettably deep-sea is not directly excluded from potential extraction.

Overall, the Presidency has played the role of an honest broker for numerous circular economy files which are under development. Several files have advanced at a good pace, whereas others have stalled. The verdict is mixed on effort and negative on outcome.



### 10 Strengthen accountability and the rule of law and promote environmental justice

### The verdict





Our <u>final Test</u> called upon the Presidency to agree on an ambitious revised Environmental Crime Directive; lead the Council in the discussions related to the evaluation of the Environmental Liability Directive; Lead the Council to an ambitious position during the trilogues on the Corporate Sustainable Due Diligence Directive; avoid the misuse of the 'Better Regulation' process and the 'one in one out' principle; promote civil society space and meaningful participation in decision-making for democratic legitimacy and lead by example by including and empowering civil society.

### Key developments

- The European Parliament's negotiation position on the Environmental Crime Directive was adopted by the plenary in March and trilogues started in early May.
- Likewise, the European Parliament's adopted its position on the Corporate Sustainability Due Diligence Directive (CSDD) in early June.
- The trilogues on the Energy Performance of Buildings Directive (EPBD) took place. The Parliament's position included strong calls for increased publication duties for national authorities to allow tenants to access relevant
- data but text on access to justice was not included in either negotiation mandates.
- The Deforestation Regulation was adopted in April marking it as the first EU law in a long time with a specific access to justice provision.
- The Council General Approach on the Directive on Strategic Lawsuits against Public Participation was adopted on 9 June.

### Good

- The Presidency kept a relatively open mind in the trilogues on the Environmental Crime Directive.
   Managing inflexible national criminal law traditions is no easy task, but the Swedish Presidency was able to avoid an impasse on the file.
- The Swedish Presidency avoided the trap of the "Better Regulation" process of halting legislative progress and
- rather focussed on finalising files ahead of the end of the legislative cycle in 2024.
- The Swedish Presidency continued the tradition of inviting the EEB to speak at the margins of the Working Party on International Environmental Issues ahead of Working Group of the Parties meetings of the Aarhus Convention.

### Poor

- With the Council general approach on the Directive on Strategic Lawsuits against Public Participation, the Presidency seriously failed to support the original objective of the legislation; the right to freedom of expression and the protection of whistleblowers, defenders, and journalists. The Presidency undermined the whole purpose for that legislation when it proposed an amputation of the scope of application, disarmed any chances for having abusive lawsuits dismissed early on, and suggested to delete the only possibilities for victims to obtain compensation and restitution.
- The Council agreed upon revised permitting procedures in the REPowerEU package which unfortunately built on a misguided understanding of the source of bottlenecks in renewable energy project realisation.
   Rather than focussing on slow bureaucratic processes in national authorities due to lack of capacity and funding,
- low levels of digitalisation, and long production chains, the Council zeroed in on and weakened requirements for environmental assessments, promoting deregulation in practice. It failed to secure the application of the Do No Significant Harm principle and endangered future decarbonisation efforts of the Union.
- The Swedish Presidency actively undermined the Commission's proposal for an accountability mechanism in the form of an access to justice provision in the Nature Restoration Law.
- The Council missed an opportunity during the negotiations on the Energy Performance of Buildings Directive to support stronger calls for crucial building data availability for tenants.

Overall, the Presidency failed to stand up for environmental defenders and the right to be compensated. It stayed silent on crucial environmental rule of law questions and prioritised national ministry interests rather than environmental interests in the speeding up of permits for a green transition. It did support the fight against environmental crime with a reasonable effort and remained open to Civil Society voices. The verdict is therefore mixed on effort and mixed on outcomes.

### **Abbreviations**

AAQD Ambient Air Quality Directives
BATs Best Available Techniques

BREFs Best Available Techniques Reference Documents

CAP Common Agricultural Policy

CBAM Carbon Border Adjustment Mechanism

CLP Classification, Labelling and Packaging of substances and mixtures

CRMA Critical Raw Materials Act

CSDDD Corporate Sustainability Due Diligence Directive

EC European Commission

EEB European Environmental Bureau
EED Energy Efficiency Directive
EGD European Green Deal

EPBD Energy Performance of Buildings Directive

E-PRTR European Pollutant Release and Transfer Register

ETS Emissions Trading System

GPSR General Product Safety Regulation
IED Industrial Emissions Directive
IEP Industrial Emissions Portal

NECD National Emission Ceilings Directive

NRL Nature Restoration Law

PRTRs Pollutant Release and Transfer Registers

REACH Registration, Evaluation, Authorisation and Restriction of Chemicals

RED Renewable Energy Directive

RNFBOs Renewable Fuels of Non-biological Origin

SGP Stability and Growth Pact

UNECE United Nations Economic Commission for Europe

WFD Water Framework Directive



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The EEB and its members welcome continued engagement and cooperation with the trio Presidencies.

We develop Ten Green Tests before each Presidency and assess the Presidency performance against these tests. The Ten Green Tests for the Swedish Presidency can be found here. We also develop a paper before each Presidency Trio. The 2022-2023 paper, addressed to the Spanish, Belgian and Hungarian Presidencies which can be read here (coming soon).

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