



THE EEB'S

ASSESSMENT

OF THE ENVIRONMENTAL PERFORMANCE OF
THE **CROATIAN PRESIDENCY** OF THE EU



JANUARY - JUNE 2020

*Prepared in cooperation
with Seas At Risk*



EUROPE'S LARGEST NETWORK OF ENVIRONMENTAL CITIZENS' ORGANISATIONS



We are the largest and most inclusive network of environmental citizens' groups in Europe. Our 160 members from 36 countries cooperate across a uniquely broad range of issues. Together, we advocate for progressive policies to create a better environment in the European Union and beyond.

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Based on the EEB's **Ten Green Tests** for the Croatian Presidency released in December 2019

Good on air pollution and biodiversity, poor on agriculture and chemicals'

Summary of the EEB's verdict on the Ten Green Tests				
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INTRODUCTION

This is an assessment of the Croatian Presidency of the European Union by the European Environmental Bureau (EEB), the largest federation of environmental citizens' organisations in Europe, prepared in cooperation with Seas At Risk. Our mandate 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.

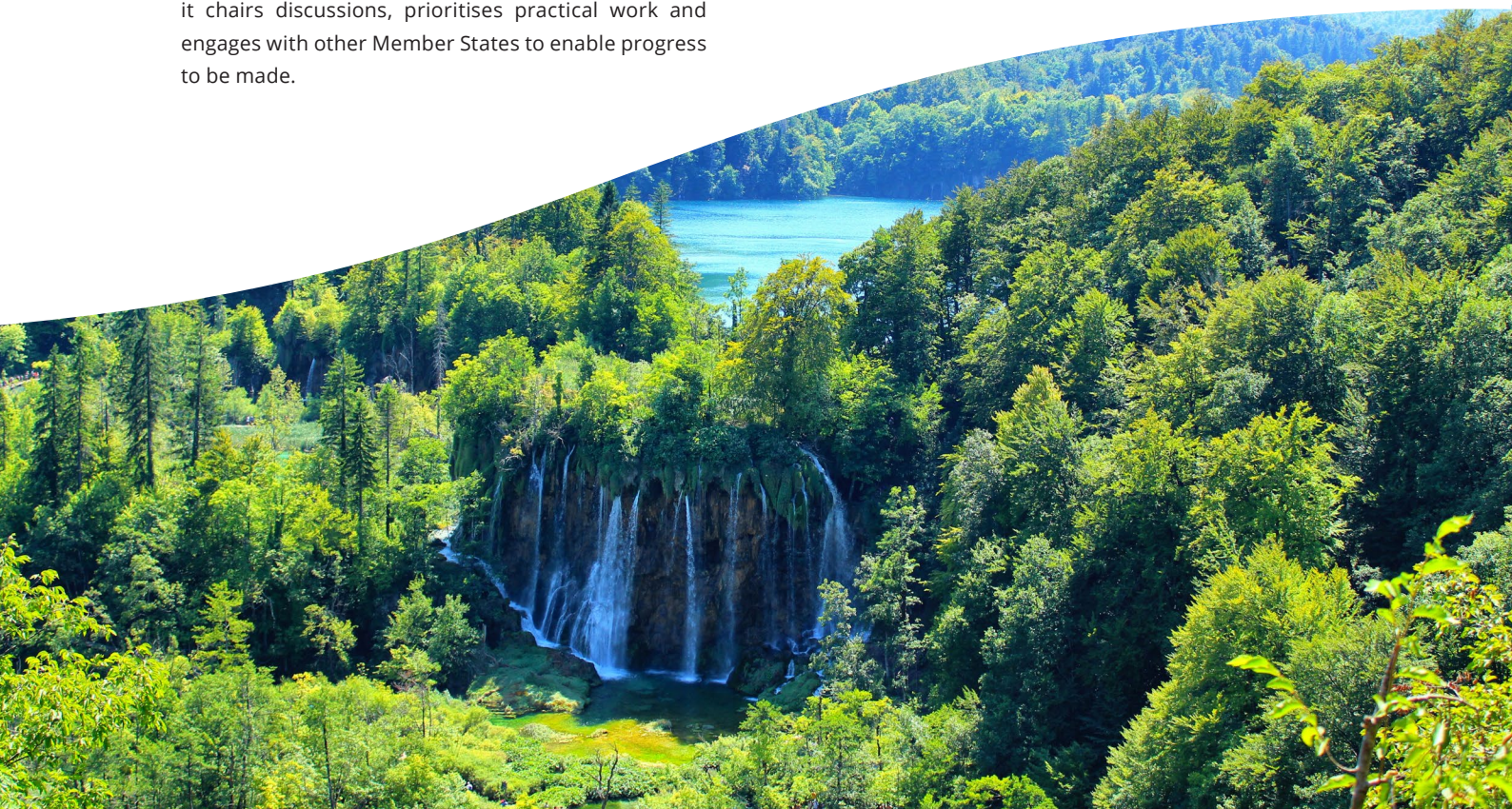
We view the six-month EU Presidencies as convenient periods over which progress on the EU's environment-related policies and legislation can be measured. We appreciate that a Presidency cannot make decisions on its own; it needs the cooperation of the European Commission, European Parliament and other Member States. In addition, policy agendas are often highly affected by external events and new Commission priorities, as was particularly the case for the Croatian presidency – the Corona crisis has had a major effect on the Presidency agenda and what could be achieved. Furthermore, the European Green Deal has had a major impact on policy priorities and Council work programme during the Croatian presidency. But 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 to be made.

The assessment is not an overall political assessment of the Presidency's performance. 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 bearing on the environment. On the other hand, nor is the assessment 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. Our assessment is based on the [Ten Green Tests](#) we presented on 23 December 2019 to the Croatian Government in advance of the start of its Presidency on 1 January 2020.

At the outset, we would like to acknowledge and express our appreciation for the open and cooperative approach adopted by the Croatian Presidency.



Jeremy Wates
Secretary General



OVERVIEW

Croatia has had the unenviable task of running its first presidency of the EU at a time when Europe and the world were confronted by the worst public health emergency for decades. From mid-March onward, the normal functioning of all political processes, including those related to the Presidency, was fundamentally disrupted by the Corona virus. The basis for this assessment is therefore more limited than what would normally be the case. Nonetheless, while allowances should be made for the extraordinary circumstances that prevailed for more than half of the Presidency period, some conclusions may be drawn.

At the [5 March Environment Council Meeting](#), the Croatian Presidency focused on the European Green Deal and steps needed to reach climate neutrality by 2050, adopting the EU's submission to the UNFCCC, in line with its commitment to the Paris Agreement. The Presidency also promoted important progress on air pollution and clean water, with Council Conclusions on the former and an open debate on the latter. At the June 23 video conference of Ministers, it supported the green transition being at the heart of the Recovery Package and held an exchange of views on the Recovery package and MFF, climate, biodiversity and circular economy.

During the 6-month period, significant progress has been made in a range of European Green Deal initiatives, even if some of this was primarily due to the Commission's initiatives. The Corona response and the Recovery Package launched on 27 May was a Commission initiative with major Council engagement, though at Heads of State level and hence less for the EU Presidency itself. That said, the video conference of Environment Ministers hosted by the Croatian Presidency to debate the Recovery package from the perspective of climate, biodiversity and circular economy on 23 June provided an opportunity for Member States to affirm their support for a green recovery.

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

Transformative agendas of EGD

The European Green Deal, while seen as potentially at risk in the early days of the Corona crisis, has remained a central plank of the current Commission, supported by letters of environment ministers from across the EU and by many of the European Parliament. After the timely publication of the [Just Transition Mechanism and European Green Deal Investment Plan](#) on 14 January and the Climate Law proposal (4 March), Circular Economy Action Plan II and Industrial

Strategy (10 March), there were inevitable delays. The Biodiversity Strategy and Farm to Fork Strategy, initially planned for March, were launched on 20 May. The Recovery Package and MFF came on 27 May and the CAP amendment on 29 May. The 8th Environmental Action Programme (8EAP) was delayed to the German Presidency, and the SDGs have played a less visible role during these six months, bar commitments to integrate them into the European Semester and their featuring in mission letter of Commissioners. The Croatian Presidency by and large played a positive role in coordinating the Member State's reactions, first to the EGD at the March Environment Council meeting and subsequently in attempting to ensure the centrality of the EGD in the recovery process through organising the video conference among Environment Ministers that replaced the June Environment Council.

Climate

During the Croatian Presidency, significant advances have been made as regards policy development, notably the Climate Law and commitment to carbon neutrality. However, discussions in the Council have been slow, especially compared to the much higher level of debate in the European Parliament. The lack of progress in the debate puts more pressure on the German Presidency and the European Council if there is still to be agreement this year. On energy, there was a swift reaction during the Corona crisis and Council conclusions focusing on security of supply. There are mixed messages from the Council to the Commission on the post COVID-19 implications for the decarbonisation of the energy sector.

Biodiversity

The Presidency organised important debates on the EU Biodiversity Strategy for 2030 without delay after the Strategy was adopted by the European Commission in May, paving the way for the incoming German Presidency to endorse the ambitious commitments in the Strategy to protect and restore nature and to address the drivers of biodiversity loss such as intensive agriculture.

Agriculture

The Presidency achieved little progress on the CAP reform package. Most of the focus has been on the new delivery model proposed by the European Commission and the drafting suggestions have weakened even more the accountability mechanism of Member States. Furthermore, the Presidency missed the opportunity to align the CAP package with the Farm to Fork strategy, nor did they try to have a more inclusive debate by inviting environmental stakeholders to present their views.

Water

Even though the Presidency failed to adopt Council Conclusions on the future of the EU water policy, the debate among the Environment Ministers, which the Presidency agreed to make public, was an important milestone towards the decision that the Water Framework Directive (WFD) is fit for purpose and should not be revised. The Presidency background paper highlighted the importance of stepping up implementation and financing of the WFD and of the coherence with the other policies, giving a positive framing to the debate.

Air pollution

The Croatian Presidency showed its commitment to deliver ambitious Council Conclusions on the 'Improvement of Air Quality', which were adopted during the Environment Council meeting on 5 March. The adopted text rightly identifies implementation gaps of existing legislation and stresses the need to further act to reduce air pollution at the source, including from agriculture. Member States also welcomed the Commission's intention to propose a revision of air quality standards to align them more closely with WHO guidelines.

Chemicals

Despite opportunities linked to the Commission developing several chemicals-relevant strategies and initiatives, the Croatian Presidency did not take advantage of the opportunity to include the promotion of safe chemicals and a toxic free environment among its priorities. The Croatian Presidency failed to call on the Commission to include urgent actions to prevent chemical risks across all sectors, to detoxify the planet and reduce the exposure of citizens and the environment to toxic chemicals, to ensure coherence and synergies between the different EU legislation on chemicals, and to boost substitution and responsible innovation.

Circular economy

The Croatian Presidency did not greatly affect the circular economy (CE) policy at EU level, notably due to reduced opportunities at the time of COVID-19 pandemic. The CE Action Plan (CEAP) was released by the Commission in March 2020 and the support to circular economy and the CEAP as part of a post-COVID-19 green recovery was emphasized by the Croatian Presidency in its background note ahead of the 23 June video conference. The Presidency recognised the green and resilient recovery potentials of CE, notably highlighting the possibility of job creation linked to sustainable product policy and waste prevention.

EU laws and regulations

The Commission Roadmap on access to justice on environmental matters in the EU was not due to the merit of the Croatian Presidency per se, and there has been limited opportunity during its term to influence this file. Similarly, there has not been a wide opportunity to engage on increasing corporate accountability, as the Commission is set to come up with a proposal in 2021. The Croatian Presidency, however, failed to show leadership against breaches of the Rule of Law in EU Member States, especially since the pandemic began, which has proved to worsen the conditions for participation of NGOs, limits to fundamental freedoms and erosion of democratic processes in some cases.

Wellbeing

While the Corona virus highlighted the importance of the social impacts and raised the profile of wellbeing above that of economic growth in the first months, there has been little policy progress on wellbeing at EU level catalysed by the Croatian Presidency, bar progress on wellbeing at work. The Recovery Package includes progress on the Just Transition Mechanism that can be used to ensure no one is left behind. It remains to be seen how the money will be used and whether the focus will be on wellbeing, social equity and livelihoods – including access to clean air, water and nature – or on a narrower focus on economic growth.

These last six months have arguably been one of the most difficult half-years in recent history and unfortunately this led to less progress on a range of environmental dossiers than hoped for with fewer Council conclusions, which proved particular difficult as it was not possible for Ministers to meet in person. Many decisions had to be delayed to the next Presidency and wider Presidency Trio. The next six months of the German Presidency will be particularly critical for the future of Europe and the green transition that has been committed to via the European Green Deal. The Trio will build on the progress made through the range of debates orchestrated by the Croatian government.



1 Launch and implement transformative agendas to catalyse a just transition to a sustainable Europe

THE TEST

- Request that the European Commission embraces the **triple transformative agendas**, comprising the **European Green Deal (EGD)**, the **8th Environmental Action Programme (8EAP)** and the **Agenda 2030 and SDGs**, and ensure due ambition, coherence and complementarity; and integrate social measures in each, via the **Just Transition Initiative**, the **MFF** and other measures to develop a new **Social Contract for the future of Europe**;
- Request the new Commission to immediately start working on a **Sustainable Europe 2030 Strategy**, to serve as the overarching strategy guiding all EU policies and programmes, with clearly defined EU-wide targets, responsibilities and timelines for the ambitious implementation of the SDGs in and by the EU in line with the recent Council Conclusion of 10 December 2019;
- Ensure that the **European Budget (MFF) is EGD-compatible** and a true climate and sustainability budget; aim for minimum 1% budget for LIFE, ring-fence €15bn for nature protection and restoration, 40% for climate mainstreaming;
- Promote progress on environmental legislative coherence in **EU Accession and European Neighbourhood Policy Countries**, including the **Balkans** and convergence of standards via diplomacy, technical assistance and funding;
- Transform the **EU's trade policy agenda** to one with sustainable development and an emergency level response commensurate with the biodiversity, toxics and climate crises at its heart, and in the short term insist on significant changes to the proposed EU-Mercosur Trade agreement to reflect these priorities prior to any finalisation or ratification of the deal; and ensure that the EU's mandate for negotiating a trade deal with the UK is firm on requiring **a level playing field set by the EU's environmental standards, high level of protection and the precautionary principle**.

THE VERDICT

- ✓ **Good on effort**
- ✓ **Good on outcome**

1.1 European Green Deal (EGD) and the 8th Environmental Action Programme (8EAP)

The European Green Deal is potentially the most important transformative moment for European environmental policy if it lives up to its promises and is implemented. The Communication was launched on 11 December 2019, including an annex with a timetable for specific initiatives, later reflected in the 29 January [Commission Work Programme for 2020](#) (updated on 27 May, in light of the Corona virus). The following EGD initiatives were tabled during the Croatian Presidency (with links on EEB's more detailed response on the range of EGD initiatives tabled during the 6 month period):

- The Just Transition Mechanism together with The European Green Deal Investment Plan on 14 January;
- The Climate Law proposal of 4 March, which, *inter alia*, committed to a climate neutral Europe;
- The Circular Economy Action Plan II, presented together with the Industrial Strategy on 10 March – that reiterated the need for an industrial transformation that enables climate neutral Europe;
- The [Biodiversity Strategy and Farm to Fork Strategy](#) that were launched on 20 May, with commitments on, *inter alia*, nature restoration and a partially progressive approach on food systems;
- The [Recovery Package and MFF](#) on 27 May that presented the green transition at the heart of the recovery package, though with less solid commitments on funding than needed; and



- The CAP amendment of 29 May that contradicted some aspects of what was launched in the Recovery Package and earlier in the Biodiversity and Farm to Fork Strategies, reflecting the ongoing challenge of getting all of the European Commission fully on board in a coherent and effective Green Deal.

Both the Biodiversity Strategy and Farm to Fork Strategy were tabled two months late due to the Corona crisis. The 8th Environment Action Programme, that should have been proposed under the Croatian Presidency, has been delayed until the end of 2020 under the German Council Presidency.

While the EGD and related initiatives are Commission proposals and hence their ambition or limitations are linked to the Commission efforts rather than to the Croatian Presidency, the 23 June video conference of Ministers that replaced the formal environmental Council scheduled for the 22 June gave space for an important exchange of views on the Recovery Package and linked issue of climate, biodiversity and the circular economy action plan, and hence most of the above Commission EGD proposals. The fact that it was livestreamed was welcomed as it allowed wider transparency and access.

This debate during difficult times also underlined the overall commitment to the green transition through the European Green Deal despite significant lobbying by many private sector organisations and political parties for its weakening. It is a tribute to the EU decision makers and the Croatian Presidency that the appreciation of the importance of the EGD was not eclipsed. That said, there are many conservative elements in the details of the proposals that suggest that progress will not be as fast or as extensive as promised and considerably less than what is needed to address the challenges of a green transition that addressed climate change, biodiversity loss and widespread pollution.

1.2 SDGs and Sustainable Europe 2030 Strategy

The Croatian Presidency has not framed its programme around the Sustainable Development Goals (SDGs) and the 2030 Agenda. Its priorities referred to some of the SDGs in a rather patchy way and, again, focused the EU's implementation of the SDGs on external affairs rather than making them the compass for all EU policies, domestic and external. It is therefore no surprise that during the Croatian Presidency, the EU has not taken any major steps to strengthen the EU's governance around the SDGs.

The repeated demand from both the Council and the European Parliament that the Commission needs to present a Sustainable Europe 2030 Strategy with an implementation plan for the SDGs and clear EU-wide targets, has not progressed with the attention first on the European Green Deal, which is narrower than the areas covered by the 2030 Agenda, and then on dealing with the pandemic.

The 2020 cycle of the European Semester has also shown that the reform of the instrument to integrate the SDGs is far from advanced. The 2020 country reports

refer to SDGs in a rather random manner without a clear analysis with which goals and targets the Member States struggle most. Annexing a table with Eurostat's SDG indicators to each country report falls short of the analysis that is needed for each country and does not really increase the EU's pressure on Member States to deliver on the Goals.

1.3 An EGD-compatible European Budget (MFF)

The negotiations on the MFF have been an important responsibility of the Croatian Presidency, inheriting from the Finnish and earlier Presidencies some partial general agreements of funding legislation and Finland's MFF "Negotiating Box" presentation on 5 December, that fed into the 12-13 December European Council, though no agreement on the MFF was achieved. Negotiations continued under the Croatian Presidency, however these were soon overtaken by the Corona virus response.

The Recovery Package and MFF, launched on 27 May by the European Commission to respond to the Corona crisis, was a major step to demonstrate solidarity, chart a way forward to invest in both the recovery and resilience of the EU. Crucially, it also puts the green transition at the heart of the recovery. However, it misses some important win-win opportunities for the green transition in the more specific commitments that operationalise the overall positive vision and fails to prevent EU funding being spent in ways that go directly against sustainability principles. The political level commitment is constructive, but some of the content has adopted a more traditional conservative way forward. The content needs to be brought in line with the high-level commitment to the European Green Deal.

There were a range of positive elements including:

- The scale of funding proposed for the recovery effort and MFF (€750bn of the recovery package and €1,100 bn of the MFF) and the proposal for a mix of grants and loans, demonstrating EU solidarity.
- The European Green Deal is at the heart of the recovery package.
- The commitment to the green oath to "do no harm".
- The increased Just Transition Mechanism (JTM) budget to help countries manage the transition.
- The MFF proposals includes the option for the EU to raise "own resources"

However, there are also a range of weaknesses:

- The current proposal is weak regarding conditionality and transparency.
- The targeting of money could be improved by focusing on green jobs, ecological resilience, economic development that respects the green oath and cost effectiveness.
- The package still allows investments that risk undermining the EGD or EU resilience.



- Much of the money allocated gives very high levels of flexibility to Member States and comes with insufficient provisions regarding State Aid conditionality.
- Finally, the Recovery Package needs to give greater recognition to the cause of the crisis and target funds and policies to address the drivers with a view to avoiding future crises.

For more details: [EEB's reaction to the Recovery Package](#) & EEB and partners' [report on the EU budget](#).

As regards the specific ten test set, the final Recovery Package and European Budget (MFF) is stated to be EGD-compatible and a driver of a green transition to fight climate change and support sustainability, yet in practice this target is far from being met. The hope was for 40% for climate mainstreaming, a significant budget for nature and 1% for LIFE. For LIFE the budget it is still €5,45bn for 6 years as a top figure (much lower than the levels asked for by the European Parliament and civil society) and in the more detailed tables there is even a €20m cut compared to the initial Commission proposal. While €20bn was promised under the Biodiversity Strategy, this is not in the final package and the 40% for climate is only at 25% and with no ringfencing to make even that 25% realistic. The package relies on Member States to recognise and prioritise the win-wins of, *inter alia*, renewable energy, energy efficiency, building restoration and agro-ecological practices for the 25% to be reached and impactful.

As with the EGD, the Croatian Presidency was arguably more a spectator than a driver in these developments as it is the European Commission, European Council and European Parliament that decide rather than the Council Presidency. However, the Croatian Presidency did organise the video debate with Ministers of the environment on 23 June, which was welcome.

1.4 EU Accession and European Neighbourhood Policy Countries

The Croatian Presidency made the EU's accession and neighbourhood policy in the Western Balkans a priority of its Presidency. With the EU-Western Balkans Zagreb Summit in May, the Croatian Presidency brought new attention to the needs of the accession and neighbouring countries in the region. During the Presidency, the accession process gained new momentum with the adoption of a new accession methodology, the Serbian Government adopting the negotiating position for Chapter 27 on environment and climate change and the EU giving its formal approval to begin accession talks with North Macedonia and Albania in March 2020.

In the Annex to the Commission's Green Deal roadmap, the new Commission President announced a "Green Agenda for the Western Balkans" being prepared for 2020. The Agenda is said to be based on five pillars: decarbonisation, circular economy, pollution reduction, sustainable farming and biodiversity. Civil

society organisations have spoken out in favour of a legally binding agreement with the region. While the Commission's proposal for the Green Agenda has been welcomed, no proposal has been tabled during the Croatian Presidency while the Agenda is meant to be endorsed by the relevant authorities before autumn 2020. Civil society engagement around the drafting of the Agenda seems to be weak. Many leading environmental NGOs in the region have not been consulted or informed about the process even though civil society organisations in the region need the support from EU Member States to strengthen their position vis-à-vis their governments.

1.5 Transform the EU's trade policy agenda

Croatia's Presidency followed the political agreement on the EU-Mercosur Free Trade Agreement (FTA) in June 2019. The Council Conclusions of 21 November under the Finnish Presidency did mention the effective implementation of trade agreements for the benefit of EU companies and citizens, however, there was no mention of the need to put in place enforceable sustainability chapters and legally binding commitments to the Paris Agreement in each FTA.

In the context of this trade deal, the primary aim of Mercosur countries is to boost the export of agricultural products, while the EU is mainly interested in exporting manufactured goods, in particular cars. The deal is criticised by European farmers, who fear their prices will be undercut by increased beef imports from the Mercosur area, and environmentalists in the EU and indigenous groups in Latin America calling out the increase in deforestation in Brazil with cattle farming being its main driver as well as environmental conflict around increased mining activities. Environmental groups have highlighted that the EU undermines its own net zero target if its trade deals help to destroy the planet's largest carbon sink in the Amazon. In this context, it was much welcomed that the Finnish Government in 2019 suggested a potential temporary ban on imports of Brazilian beef and excluding these from the agreement to disincentivise farmers from grubbing of Amazon forest. However, such temporary measures are not enough. The losers of this deal would be both the environment and small-scale farmers in the EU and the Mercosur region.

During the Croatian Presidency, the Dutch Government voted down the Mercosur FTA and, together with the French Government, requested the EU to anchor climate protection and high standards on environmental and social issues in trade agreements with concrete measures. The Economics Ministers of France and the Netherlands presented a joint proposal to the other Member States during the Croatian Presidency, calling on the Commission to increase tariffs against trading partners that fail to meet their sustainable development commitments. However, the Croatian Presidency has done very little to address the growing discord over the future conclusion of a free trade agreement between the EU and the Mercosur countries.



2 The European Parliament declared a Climate Emergency: Act accordingly

THE TEST

- In the follow up to UNFCCC COP25, secure endorsement of a European Climate Law that **commits to net-zero greenhouse gas by 2050 at the latest and preferably by 2040**, complemented by a **European Climate Pact** to get a whole of EU approach; **support an increase of the 2030 GHG, energy efficiency and renewable energy targets, securing a GHG emission a reduction target of 65% by 2030** in time for the COP26 in Glasgow, and help demonstrate EU leadership;
- Prioritise regulatory efforts to **close any gap between the EU's 2030 climate and energy targets (energy efficiency and renewables) and the national contributions** and to improve the draft national energy and climate plans (NECPs);
- Encourage an **industrialisation strategy that integrates circular economy measures to support the transition to a net-zero greenhouse gas economy by 2050**; use performance-based standards to the fullest extent i.e. the EU BREFs to address GHGs as well overhaul of the Industrial Emissions Directive;
- Promote a **zero-carbon construction sector**, notably by calling for an accelerated 3% renovation rate, full decarbonization of heating and uptake of carbon neutral construction products;
- Negotiate for a **truly Paris-compatible MFF** and ensure that robust measurement methods for carbon saving allocations from EU spending are integrated into the MFF and remaining legislative acts being negotiated (CAP);
- Encourage due ambition for the **Energy Tax Directive** reform and associated **carbon border tax** to facilitate progress with GHG mitigating incentives, complemented by urgent promotion of **harmful subsidy reform** (and clear timetable for their phase out in the **National Energy and Climate Plans** as requested by the Commission), **Paris-compatible State Aid Guidelines** and **Action Plan on Green Financing**.

THE VERDICT

- Mixed on effort
- Mixed on outcome

2.1 EU Climate Neutrality target

The European Commission adopted the first EU Climate Law on 4 March 2020. The proposed Regulation enshrines a binding objective of climate neutrality in the Union by 2050. It also announced the consideration of options for a new 2030 target of 50 to 55% emission reductions compared to 1990 and a proposal to amend the target if deemed necessary, with an assessment of national measures against the climate neutrality objective under the NECPs only in 2023. While a positive step forward, the proposed Climate Law is not addressing the climate emergency and the need to respond through urgent action as demanded by science and civil society. Delaying action will drastically reduce the possibility to meet the 1.5°C global warming target that the EU signed up to at the Paris COP. Moreover, to meet this, a reduction of at least 65% by 2030 is needed and climate neutrality by 2040, as well as global action.

2.2 Closing the gap between EU's 2030 energy targets and Member States pledges

The Regulation on the Governance of the Energy Union requires Member States to have submitted their final National Energy and Climate Plans (NECPs) by 31 December 2019. Initial assessments made by the Commission revealed gaps on the achievement of the energy targets (energy efficiency, renewable energy) as well as a number of other issues. The current national plans suggest that the existing 2030 targets will be missed and that efforts will be needed to update and upgrade the NECPs in the first half of 2020, under the Croatian Presidency.



The Commission will present its assessment of the final NECPs in September/October 2020. A recent statement (May 2020) by the Commission has highlighted a gap regarding the achievement of the energy efficiency target. On 3 June 2020, the European Court of Auditors published a special report, highlighting the need for more cost-effectiveness in energy efficiency measures in buildings. The Croatian Presidency (Energy Council) has drafted Council Conclusions on the subject, asking the Commission to further develop planning and targeting of investments on energy efficiency measures before approving programmes for the spending of Cohesion Policy Funds while putting in place financial instruments to meet specific market conditions, also assessing whether the programmes regarding the Cohesion Policy Funds are in line with the National Energy and Climate Plans and the National Long-Term Renovations Strategies.

However, under the Croatian Presidency, the Council debate on the Climate Law (Environment Council) was significantly delayed until almost the end of May. This probably reflects the Corona virus impacts, including some Member States' first reactions towards the economic crisis and the call for an EU Recovery Plan to inject new money into the implementation of the European Green Deal objectives.

On the other hand, the Croatian Presidency was more reactive towards the crisis in the energy sector and drafted Council Conclusions on the Recovery of the Energy Sector, by highlighting the need to strengthen energy security, prioritising energy efficiency in the recovery, increasing electrification and driving investments in innovative technologies (with special focus on hydrogen). There are clear political mandates to the Commission for upcoming legislation (Hydrogen Strategy, Smart Sector Integration, Renovation Wave, State Aid review) which will need to be monitored, especially as regards subsidies to fossil fuels (natural gas still remaining in the grid) hindering the achievement of carbon neutrality by 2040, but also from the perspective of Europe still relying on harmful options such as nuclear power.

2.3 Industrialisation strategy that integrates circular economy measures

During the Presidency, the European Commission published the Industrial Strategy which fails to define pathways to climate neutrality for the different sectors. It highlights the role of circular economy but does not put it at the centre of the transformation, while relying more on technological solutions such as digitalisation and hydrogen. Following the COVID-19 crisis the Presidency failed to prevent that some EGD objective were questioned by Member States during the Competitiveness Council of 20 May in view of the new economic situation. It is also worth mentioning that derogation from state aid rules has not come with any environmental conditionality. Lastly, requests for a recovery plan for industry were focused on jobs and growth potentials, rather than on climate and environmental potential. On a positive note, the request to shorten value chains and make the EU more independent from raw material imports might be pushing higher recycling ambitions.

2.4 A truly Paris-compatible MFF

No compromise was reached under the Croatian Presidency on the MFF for 2021-2027. After the presentation of the Recovery Package by the Commission on 27 May, the discussions on the MFF are now strictly connected with the Recovery Plan (especially with the Recovery and Resilience Facility, REACT EU and Just Transition Fund). The Commission underlined the need to anchor the Recovery Plan in the European Semester and in the investments in national plans, including the National Energy and Climate Plans (NECPs). The Croatian Presidency did organise a video conference of Ministers on 23 June to facilitate an exchange of views on the Recovery Package. The finalisation thereof will be fall under the German Presidency period. *See also Test 1 above.*



3 Recognise the dramatic loss of biodiversity and respond to this existential crisis

THE TEST

- Lead the **preparation of an ambitious EU position on the global biodiversity policy framework post 2020** to be adopted at the CBD COP 15 in Kunming in October 2020 including proposals for strong implementation and accountability mechanisms;
- Work closely with the European Commission in **adopting a transformative EU Biodiversity Strategy to 2030 as part of the European Green Deal**, including legally binding restoration targets for ecosystems important for biodiversity and climate such as wetlands, peatlands, biodiversity rich grasslands, marine ecosystems and free-flowing rivers. Ambitious action at home will allow the EU to demonstrate credible leadership on biodiversity in the global negotiations for the post-2020 biodiversity framework;
- Step up implementation of the **EU's nature, water and marine legislation** as well as **improve their coherence with other EU policies** and **mobilise sufficient funding** for reaching their objectives. In particular, encourage a reformed CAP and CAP Strategic plans to reduce risks to biodiversity from agriculture;
- Ensure that **harmful fisheries subsidies**, banned by the EU in 2004, are not reintroduced in the next **European Maritime and Fisheries Fund** in the ongoing trilogue negotiations;
- Lead the development of an ambitious Council position on the revision of the **Control Regulation** to ensure full compliance of the fishing sector with fisheries and nature laws, requiring fully documented and transparent fisheries;
- Encourage all Member States to **adopt fisheries management measures in their Marine Protected Areas**, including by the use of the Article 11 CFP mechanism, and to protect sensitive species against fisheries bycatch under the Technical Measures Regulation, and lead by example by starting the processes for Croatia;
- Ensure effective long-term protection measures for the **Eastern Baltic Cod** in the amended **Baltic Multi Annual Plan**.

THE VERDICT

- ✓ Good on effort
- Mixed on outcome

3.1 EU and global post 2020 biodiversity frameworks

The Croatian Presidency intended to finalise Council deliberations on the new EU Biodiversity Strategy for 2030 during its 6 months at the helm of the EU Council. Unfortunately, the COVID-19 pandemic caused a delay in the European Commission's adoption of the EU Biodiversity and Farm to Fork Strategies which were adopted on 20 May, a few months later than originally planned. The Croatian Presidency, however, was able to organise the initial discussion on the EU Biodiversity Strategy among the EU's Nature Directors on 4 June

and the Environment Ministers on 23 June as part of the debate on the green recovery. Both debates were important in supporting the high level of ambition of the EU Biodiversity Strategy for 2030 and emphasized that the Strategy should be an important element of the bloc's green recovery from the COVID-19 crisis. They have paved the way for the incoming German Presidency to finalise the Council's endorsement of the biodiversity targets and commitments until 2030, including important commitments to protect and restore nature and tackle drivers of biodiversity loss. This should enable the EU to play a leadership role in the negotiations on the global post-2020 biodiversity framework, currently also delayed until 2021.



3.2 Stepping up implementation of the EU's environmental laws and improving policy coherence

The Croatian Presidency's focus has been on the EU Biodiversity Strategy and thus little progress was made in getting the EU governments to fast-track measures to trigger a step change in the quality of implementation of the nature, water and marine legislation across the EU. Unfortunately, the Croatian Presidency also missed an opportunity to secure additional funding for nature protection and restoration both from the EU budget and as part of the green recovery package. Finally, the Presidency did not try to address the need to restore biodiversity in the CAP reform discussions.

3.3 Achieving the objectives of the Marine Strategy Framework Directive

Despite 2020 being the deadline for achieving the objective of the Marine Strategy Framework Directive (MSFD) of Good Environmental Status in EU seas, there were no major developments under the Croatian Presidency in this regard. To their credit, Croatia had worked with the Commission and Finland to organise a large event on the marine environment, taking stock of progress or lack thereof under the MSFD in March, then May 2020. The COVID-19 crisis prevented them from organising what would have been a good contribution to raising awareness of the need for more action.

3.4 Reducing the harmful impacts of fisheries on the marine environment

Under the Croatian Presidency, co-legislators continued trilogue negotiations on the European Maritime and Fisheries Fund (EMFF), which are still not concluded. Croatia did not prevent the re-introduction of harmful subsidies in the EMFF during their Presidency. The file is still not concluded, but Croatia did not play a particularly positive role in the process.

The negotiations on the revision of the Control Regulation are still ongoing and the Council has not yet agreed on their General Approach. To date, the position of the Council is not ambitious enough to ensure full compliance of the fishing sector with fisheries and nature laws, and the Croatian Presidency has not played a leadership role to increase the level of ambition of the revision.

The Council reached the General Approach on the Eastern Baltic Cod under the Finnish Presidency in December 2019 and the European Parliament only approved the start of trilogues in May, therefore no substantial progress has been made on this file under the Croatian Presidency.

Finally, the Croatian Presidency did not take any specific action to promote the adoption by Member States of Joint Recommendations under Article 11 of the Common Fisheries Policy to manage fishing activities in marine Natura 2000 sites or of Joint Recommendations under the new Technical Measures Regulation to limit the impacts of fishing on the marine environment, in particular with regard to bycatch, nor did they start these processes in their own waters.



4 Initiate a transition towards sustainable food and agriculture

THE TEST

- Ensure that there is a **comprehensive discussion of the CAP in both the Environment and Agriculture Council** formations, with involvement of environmental stakeholders;
- Mobilise **political support for a bold reform of the CAP** which ends subsidies harmful to the environment and climate, enables a transition to sustainable agriculture, and strengthens Member States' accountability in the new CAP;
- Work closely with the European Commission to develop a **transformative Farm to Fork Strategy that drives a transition to sustainable food systems** (that also considers fisheries) and to engage civil society across the EU in a public debate about the future of the EU's food system.

THE VERDICT

- Mixed on effort
- Poor on outcome

4.1 Ensure a comprehensive discussion of the CAP in the Environment and Agriculture Council

Unfortunately, the Environment Council did not have the opportunity to exchange views on the CAP nor on the Farm to Fork Strategy. Instead, the conversation remained in the close circle of Agricultural Ministers. Although the newly published Farm to Fork and Biodiversity Strategies were discussed, no environmental stakeholders were invited. Additionally, several meetings were not livestreamed which has rendered the process very intransparent.

4.2 Mobilise political support for a bold reform of the CAP

Given the COVID-19 crisis and the need for a transitional Regulation on the CAP, the Presidency achieved little progress on the CAP Strategic Plans Regulation. Most of the discussions have focused on the New Delivery Model (NDM) proposed by the European Commission and the proposal for a single ringfenced budget for the environment across both pillars put forward by the Finnish Presidency at the end of their term. Unfortunately, the Croatian Presidency did not try to obtain a better alignment of the future CAP with the Farm to Fork and Biodiversity Strategies, by integrating the new targets from the strategies in the future CAP.

On the contrary, the Presidency has proposed to weaken the already poor accountability mechanism proposed by the European Commission by reducing and simplifying the number of performance indicators.

4.3 Ensure that no farming subsidies are harmful to environment and climate

In these exceptional circumstances, the Croatian Presidency held two special videoconferences on the EU's response to the impacts of COVID-19 on agriculture. None of the proposed measures by the Commission or by the Presidency, such as a lumpsum payment under the European Agricultural Fund for Rural Development (EAFRD) or the higher state aid ceiling, have been attached to any environmental safeguards, nor do they ensure that the farms most severely affected by the crisis improve their resilience. On the contrary, on-the-spot checks for compliance with existing laws have been relaxed.

4.4 CAP and the MFF

The Croatian Presidency held a brief exchange of views about the 'Next Generation' Recovery Plan and the revised MFF proposal during an Agriculture Council videoconference. Once again, no effort has been made to ensure the Recovery Package will lead to a green recovery to improve overall resilience of the farming sector. On the contrary, the additional €15bn for Pillar 2 are not linked to environmental ringfencing.



5 Safeguard freshwater ecosystems and clean water for all

THE TEST

- Lead the preparation of an **ambitious response to the fitness check evaluation of the Water Framework Directive** (WFD) and related legislation, recognising that the WFD is fit-for-purpose and ensuring that the evaluation results in the improved implementation and enforcement of the WFD so that its objectives can be fully met by 2027;
- **Improve policy coherence and integration of the objectives to protect and enhance the health of freshwater ecosystems into other sectoral policies** notably in relation to agriculture, energy, industry, chemicals, and transport policies, to reduce pressures from those sectors (e.g. pesticides, nitrates, thermal pollution, hydromorphological alterations, over-abstraction);
- **Work with the European Commission to develop a joined-up restoration agenda** as part of the EU Biodiversity Strategy to 2030 to protect and restore free-flowing rivers and supporting nature-based solutions in the implementation of the Water Framework and Floods Directives to specifically address collapse in freshwater biodiversity;
- **Recognize the negative impacts of hydropower on biodiversity and actively discourage the construction of new dams using diplomacy, policies and funding**, and protect and **restore free flowing rivers** – with a particular focus on the EU six Eastern partnership countries where the risks are particularly significant;
- Work with the European Commission to **develop an ambitious Water Action Plan proposed in the European Green Deal** that inter alia advances action to tackle pollution from substances of emerging concern (e.g. pharmaceuticals, microplastics) and ensures access to water via the implementation of the revised Drinking Water Directive and supported by MFF expenditure to improve public water supply and wastewater treatment.

THE VERDICT



Good on effort



Mixed on outcome

5.1 The Water Framework Directive fitness check

Shortly before the start of the Croatian Presidency, the European Commission concluded that the Water Framework Directive (WFD) is broadly fit for purpose and that the delay in reaching the WFD's objectives is "largely due to insufficient funding, slow implementation and insufficient integration of environmental objectives in sectoral policies, and not due to a deficiency in the legislation". The Croatian Presidency initially planned to lead the adoption of the Council Conclusions on the evaluation of the WFD and its daughter and related legislation, however, the plans were modified and the Presidency limited the follow-up on the future of the EU water legislation to organising an exchange of views during the Environment Council meeting on 5 March. We would like to thank the Croatian Presidency for agreeing to make this important debate public which allowed us to understand that there was an overwhelming support from the Ministers on the conclusions of the fitness check evaluation of the

WFD with six Member States strongly highlighting that now was not the time to amend the WFD and that the focus should instead be on the delivery of the WFD's ambitious objectives by 2027.

5.2 Improving policy coherence and reducing pressures on freshwater ecosystems

Unfortunately, the Croatian Presidency failed to improve policy coherence and integration of the objectives to protect and enhance the health of freshwater ecosystems into other sectoral policies, notably in relation to agriculture or energy, in order to reduce pressures from those sectors. The boom of hydropower construction in the Eastern Partnership countries continues to unabatedly pose significant threats to unique freshwater biodiversity in the region. The debate on the CAP reform led by the Croatian Presidency also failed to properly address pressures posed by intensive agriculture on water bodies.

6 Recognise the health impacts of air pollution and the need for a progressive clean industrial policy

THE TEST

- Ensure an **ambitious response** to the outcome of the **Ambient Air Quality Directives fitness check** – work to align EU air quality standards to latest WHO guidelines (expected soon), while Member States achieve full implementation of existing legislation (e.g. Ambient Air Quality Directives and National Emission Ceilings Directive);
- **Ensure that the Commission undertakes a comprehensive review of the Industrial Emissions Directive**, delivering improved pollution prevention at source and a re-defined scope to promote the ecological transition of industrial activities (which incorporates [the suggestions of the EEB](#) provided to the IED Roadmap evaluation); integrate CO₂ and extend scope e.g. cattle and intensive aquaculture; redesign the EU BAT concept to provide the best ratio of environmental impact of an industrial activity for the provision of a given product or service. Priority areas: energy production, water quality and supply, protein production, resource management;
- Ensure a comprehensive review and support the revision of the **Gothenburg Protocol** that leads to it also covering **methane, black carbon and mercury emissions**;
- Adopt an ambitious Council position on agricultural air pollutants during the CAP negotiations, so as to reduce air pollution at the source;
- **Overhaul of reporting requirements to strengthen enforcement and performance benchmarking of economic actors (e.g. IED Registry / PRTR)**: establishment of EU wide centralized and powerful database allowing better benchmarking of real-time environmental performance of economic actors and better use of information for other purposes such as identification of pollution prevention methods, enabling progress tracking towards SDG achievement, diffuse emissions from products, with proper consultation of end-users.

THE VERDICT



Good on effort



Good on outcome

6.1 Ambient Air Quality Directives Fitness Check follow-up and reduction of pollution at the source

The Croatian Presidency showed its commitment to deliver ambitious Council Conclusions on the 'Improvement of Air Quality', which were adopted during the Environment Council meeting on 5 March. Member States acknowledged that 'action taken at local, national and EU level has not always been sufficient to meet air quality standards', and that 'there is scope for improvements to the existing framework to ensure that good air quality is achieved across the EU'. In addition, Ministers considered it 'essential to keep using limit values in order to protect the health of

citizens' and agreed on 'a possible closer alignment of the EU air quality standards with the WHO air quality guidelines'. The Conclusions also highlight the need to intensify efforts to reduce air pollution from laggard sources (including domestic heating and agriculture).

6.2 Fitness check of the Industrial Emissions Directive

The fitness check of the Industrial Emissions Directive (IED) is ongoing, so there was no real window of opportunity for the Croatian Presidency's influence and it is unclear on whether any efforts were done on this count.

The EU Green Deal provides strong wording on the need to improve the EU framework on industrial production, namely that the Commission will review EU measures

to address pollution from large scale industrial installations (the IED). It explicitly requests to look at the scope, how to make it fully consistent with climate, energy and economy policies and how to focus more on the prevention of accidents. The EEB particularly welcomes that this commitment is worded within the Zero Pollution Ambition section. The European Commission has progressed with its Inception Impact Assessment, highlighting those areas, but no formal proposal has been presented so far. For that reason, no assessment can be made on efforts or outcome.

6.3 Improved the PRTR and IED Registry

The EU system for access to information on industrial activities needs a fundamental overhaul so as to allow benchmarking and compliance promotion. The position of the EU (coordinated by the EU Presidency with the European Commission) was obstructive in relation to possible improvements of the UNECE PRTR global protocol that would also mean EU level improvements. The obstructive position of resisting a formal review has also been maintained at the last [7th Meeting of the Parties to the Protocol on PRTRs](#) (28-29 November 2019), held under the Austrian Presidency. The EEB managed to secure that the EU proposal was improved, based on [alternative wording suggestions](#) made.

However, no improvements were made on the IED registry / PRTR reporting. Work is currently underway to define the production inputs and outputs metrics for PRTR reporting. The engagement of Croatia to improve transparency and improved benchmarking on industrial activities is not visible at EU level. Nonetheless, Croatia has a good system on providing access to continuous emissions monitoring data for recent air pollution. There are however issues in relation to access to key documents. As a recent example, the EEB was refused access to environmental inspection reports, which are required to be made publicly available, despite a formal complaint. Only because Croatia made some good efforts at national level on certain environmental information (e.g. CEM data is online) the rating is judged as 'neutral' as a recognition thereof. In relation to outcomes the verdict is still negative.

6.4 Gothenburg Protocol review and revision

The relevant meeting under the Long-Range Transboundary Air Pollution UNECE Convention was postponed to December 2020 due to the COVID-19 crisis. It is therefore not possible to assess the Croatian Presidency's performance on this point.

6.5 Agricultural air pollutants in the CAP

The current text of the CAP does not include any binding requirements on the reduction of agricultural air pollutant emissions. In the EU, agriculture is responsible for 92% of ammonia emissions, which result in secondary PM 2.5, and for 54% of methane emissions, which is both a greenhouse gas and a precursor of ground-level ozone.

Despite the Council Conclusions adopted on 5 March 'stress[ing] that air quality objectives should be fully reflected in EU emission source', including agriculture, the current text of the post-2020 CAP does not reflect the urgent need to reduce air pollution from agriculture. The Croatian Presidency did not act to make the CAP coherent with existing air quality objectives (under the Ambient Air Quality Directives and the National Emission Ceilings Directive). Agriculture emissions cannot be left to the 'good will' of Member States through their CAP Strategic Plans.



7 Promote safe chemicals and a toxic-free environment

THE TEST

- Ensure that under the European Green Deal, the **Sustainable Chemicals strategy planned for release in 2020 is ambitious and leads to a toxic-free environment as soon as possible**. Therefore deliver Council Conclusions that press the Commission to present an overarching and long term strategy based on more and urgent actions to **prevent pollution across sectors including circular economy and farm to fork**. Deliver **consistency across legislation** based on high level of protection. **Close regulatory gaps for chemical uses**, like in food contact materials, **strengthen legislation to prevent exposure**, in particular protecting **vulnerable groups and addressing endocrine disruptors**. **Speed up the phase out and substitution of chemicals of concern** by safe and sustainable alternatives while avoiding regrettable substitution by e.g. promoting restrictions of families of chemicals such as PFAS, phthalates, bisphenols;
- Call on the Commission to set concrete measures to **clean the circular economy** and avoid toxic recycling as well as develop a **public information system** to ensure full transparency on substances present in materials, articles, products and waste;
- Ensure that **democratic and environmental principles are fully applied and enforced in EU chemicals policy** (e.g. transparency in decision making, 'no data, no market', precautionary principle, polluter-pays principle and substitution principle) and is aligned with the **hierarchy of actions in risk management that prioritises exposure prevention, elimination and substitution over control measures**;
- **Support ratification by more countries of the Minamata Convention on Mercury** and ensure its full implementation in the EU.

THE VERDICT

- **Poor on effort**
- **Poor on outcome**

7.1 Press the Commission to present an overarching and long-term Sustainable Chemicals Strategy that leads to a toxic-free environment and fully apply democratic and environmental principles

Unfortunately, the Croatian Presidency has not included the promotion of safe chemicals and a toxic-free environment among the priorities of its Presidency.

During this Presidency, the Commission has begun to develop the Chemicals Strategy for Sustainability with

the aim of achieving a toxic-free environment. It has also developed the Circular Economy Action Plan, the Farm to Fork Strategy and the Biodiversity Strategy.

The Croatian Presidency did not take advantage of the opportunity to call on the Commission to include urgent actions to prevent chemical risks across all sectors, to detoxify the planet and reduce the exposure of people and the environment to toxic chemicals, to ensure coherence and synergies between the different EU legislation on chemicals, and to boost substitution and responsible innovation.

Consequently, the Croatian Presidency did not ensure the application of democratic and environmental principles under the chemicals regulations in the EU.



7.2 Call on the Commission to set concrete measures to clean the circular economy and develop a public information system

Although the Croatian presidency did not enhance Council Conclusions on the need to detoxify the Circular Economy, they chaired a video conference of environment ministers on 23 June 2020 and invited Ministers to discuss how the measures from recently presented initiatives of the European Green Deal, such as the Circular Economy Action Plan and the Biodiversity Strategy, most effectively contribute to the recovery from the COVID-19 crisis and help to build resilience and create a more sustainable and future-proof Europe. Environment Ministers highlighted the need for a sustainable product policy and more action on plastics as well as links with the upcoming strategy for chemicals. The importance of creating a well-functioning market for secondary raw materials was also mentioned. This was not sufficient to propose concrete measures to detoxify the circular economy and support the development of a public information system.

7.3 Minamata Convention on Mercury and EU Mercury legislation

On mercury, the revised EU Regulation on Mercury entered into force in January 2018 and the partial ban on dental amalgam in July 2018. In 2020, two additional Member States ratified the Minamata Convention, bringing the total to 24. On dental amalgam 13 Member States in 2019, and six in 2020, submitted their national action plan towards phasing out dental amalgam. These were initially due by July 2019. Croatia has not yet submitted one. Discussions are still ongoing with respect to phasing out mercury from lamps under the Restrictions of Hazardous Substances Directive. Intersessional work is ongoing in preparation for the fourth Conference of the Parties of the Minamata Convention, but no specific Presidency initiatives have taken place to our knowledge.



8 Realise the circular economy promise for the environment, jobs and the economy

THE TEST

- Support the setting of an ambitious **CE 2.0 action plan**, in line with Council conclusions of October 2019, including a **resource use reduction headline target** and **waste prevention binding objectives** for municipal and commercial waste generation, addressing notably food waste, as well as plastic and microplastics waste;
- Push for the development of a comprehensive and extensive **product policy**, including ecodesign type requirements, **extended producer responsibility**, sustainable public & private procurement and the setting of reliable sustainable information schemes, to be immediately deployed on priority sectors: textiles, construction, furniture and batteries;
- Bridge further the circular economy with climate and low carbon policy by requiring the implementation of **systematic carbon footprinting for products and materials** placed on the EU market, starting with batteries and materials out of energy intensive industry, and promote a consumption-based approach for carbon emissions accounting that also covers products imported into the EU;
- Push for swift development and implementation of an **EU product information system** – potentially as a database of digital product factsheets- to track substances of concern and material contents of products, durability, reparability and circular performances, as well as the environmental profile of goods placed on the EU market;
- Push the EU to set **GPP** as the default approach for public authorities and corporate social responsibility with an associated monitoring system and ensure a more effective roll-out of Ecolabel across products and services, with an effective communication plan.

THE VERDICT

- **Neutral on effort**
- **Neutral on outcome**

During the Croatian Presidency, the EU Commission released an ambitious Circular Economy Action Plan (CEAP), but Circular Economy (CE) was not as such a priority topic for the Croatian Presidency. The COVID-19 crisis has certainly hampered discussions and further ownership of the CEAP by the Presidency and no further progress or additional ambition was achieved under the Croatian Presidency. However, the Presidency clearly highlighted the potential of CE to contribute to a green recovery in a paper released ahead of the Council meeting of 23 June 2020.

8.1 Resources use target and waste prevention

We regret no positions were taken or even discussed by the Presidency to set more binding targets on resources use reduction and waste prevention. Yet, the sustainable product policy and waste prevention were clearly mentioned as part of the practices to create jobs and reduce EU dependency on imports in the background paper preceding the Council meeting.



8.2 Product policy

The Croatian Presidency did not investigate the proposal to make sustainable products the norm and ways to best reform ecodesign in that perspective. Croatia is also unfortunately not particularly active in ecodesign implementation discussions. Nevertheless, strengthened ecodesign and safe by design approaches are referred to in the Presidency paper.

8.3 Circular Economy and climate

We regret that the Presidency did not emphasise enough the potentials for carbon savings of the CE. They did not push for considering embodied emissions in materials and did not promote a carbon footprinting of products and materials, including in the context of the EU industrial strategy towards carbon neutrality or the initial stages of the Climate Law.

8.4 Product passports and transparent information

There were no discussions or progress on the information system and digital product passports even though citizens protection, which certainly implies transparency, was part of the Presidency priorities.

8.5 Green Public Procurement and sustainable procurement

The Presidency did not especially highlight the role of public and sustainable procurement for CE and may have missed the opportunity to explore the role of GPP and sustainable procurement to contribute to a green post COVID-19 recovery.



9 Make EU laws and regulations protect citizens' health, rights and the planet

THE TEST

- Ensure that the incoming Commission's proposal to amend the **Aarhus Regulation** is produced as soon as possible and fully addresses the **EU's non-compliance with the Aarhus Convention**;
- Engage with the Commission and the European Parliament on the reflection process for **strengthening the Rule of Law in the European Union**;
- Ensure that all discussions on innovation do not undermine one of the cornerstones of EU law which is the **precautionary principle**;
- **Corporate accountability and due diligence**: promote work on new legislation which would put in place due diligence requirements on EU businesses in a way that would oblige them to address and mitigate any potential human rights violations and environmental harm in their value chains;
- **Implementation and enforcement**: Support a revamp of the Environmental Implementation Review (EIR) that will prompt Member States to take urgent action on the priority areas identified through the EIR process.

THE VERDICT

- Poor on effort
- Mixed on outcome

9.1 Legislative proposal to amend the Aarhus Regulation

The Commission published a roadmap on access to justice in February on the basis of which it should present its proposal to the Council on how it intends to address the EU's non-compliance with the Aarhus Convention by September 2020. Therefore, there has not been a lot of opportunity for the Croatian Presidency to influence or react to the Commission's plan, as this should fall under the Germany Presidency's term.

9.2 Better implementation and the Rule of Law

The need to improve implementation of EU laws in the Member States is the reason behind the creation of the Environmental Implementation Review (EIR). While the EIR is largely in the hands of the European Commission and the Member States themselves, and less for the Council Presidency, the European Green Deal has outlined the necessity to focus on implementation and enforcement to reach the objectives that it sets out. A fundamental precondition of any effort to improve

implementation is the existence of a sound governance framework within the Member States. For this reason, respecting the independence of the judiciary, the need to tackle corruption and the importance of upholding general principles of the Rule of Law and democratic values, are basic attributes that need to exist for any ambition to work on implementation. The Croatian Presidency did not prioritise the Article 7 TEU processes against Poland and Hungary. This may in part be due to the COVID-19 pandemic, although the Presidency had already previously expressed that it preferred a soft approach to breaches of the Rule of Law through negotiations and mutual understanding rather than imposing sanctions on those Member States in breach.

9.3 Promote Corporate Accountability

During the Croatian Presidency, the Commission announced its eagerness to move forward with new EU legislation on human rights and environmental due diligence. A proposal should be tabled in the beginning of 2021; therefore it will be for the next Presidencies to discuss with the Commission on the next steps.



10 Put wellbeing and social and environmental justice at the heart of EU policy

THE TEST

- Encourage policy and governance reform so that **wellbeing and sustainability take a central role in all policymaking**, e.g. in 'better regulation' processes and tools and in integrating wellbeing and SDGs into the European Semester;
- **Reform the European Semester to help it drive the social, environmental and economic transformation** in the long-term – and **integrate 2030 Agenda** and the **European Green Deal** at all levels (from indicators to priorities). It should also evolve to take on board the [Council Conclusions on the "Economy of Wellbeing"](#) - to include an economy of wellbeing perspective horizontally in Union policies and to put people and their wellbeing at the centre of policy design. This will support the Treaties and the Charter of Fundamental Rights of the European Union;
- Increase the **consultation of participation of the European youth network** fighting for better and quicker climate and environmental actions so as to ensure better representation of the next generation's concerns and identify solutions to avoid inter-generational injustice.

THE VERDICT

- **Mixed on effort**
- **Mixed on outcome**

10.1 Policy and governance reform so that wellbeing and sustainability take a more prominent role relative to GDP growth

The Croatian Presidency's programme and actions have been highly impacted by the COVID-19 crisis that required immediate actions from Member States, limiting their room for manoeuvre and therefore their efforts and impacts. Unfortunately, the Croatian Presidency has failed to sufficiently advance the dialogue and work towards a transition towards a well-being economy. There have been close to no initiatives or events that highlight the importance of wellbeing, with the exception of the Council Conclusions on the more limited area of Enhancing Well-Being at work. This is still far removed from using wellbeing as an indicator for prosperity as alternative to GDP growth (which the Croatian Presidency still advocated for in the first of its four priorities). Actions required to reduce the impacts of COVID-19 might have been one reason for this outcome. However, the current crisis has once again illustrated the fragility of our current system and

the urgent need for our economies and societies to become more resilient. It has also become clear that we are far away from being prepared for the climate crisis. It is therefore crucial to increase efforts to transition towards an economy that puts wellbeing at the heart and recognises the evidence on market failures and evidence on the limits of what green growth alone can achieve.

10.2 Reform of the EU Semester

We welcome the promise of progress in the process of the implementation of changes in the EU Semester. For example, the replacement of the Annual Growth Survey by the Annual Sustainable Growth Strategy (ASGS) can be seen as an important step towards shifting the narrative but has to be matched with concrete actions. Moreover, we see a concrete change in the Communication for the country-specific recommendations (CSR) and the addition of an annex setting out Member States' performance on SDGs, reiterating the need to keep the Agenda 2030 at the centre of EU policy making and also introducing clear references to combatting inequalities. However,



there is still progress needed to fully integrate and mainstream the Agenda 2030 strategy for Europe into the semester's future cycle. There is further currently no clarity on how to integrate the SDG indicators as headline indicators.

We regret that there has been no progress on the transformation of the Stability and Growth Pact (SGP) into a Sustainability and Wellbeing Pact – that said, there has been an increase in public recognition of the importance of wellbeing in response to the Corona crisis and of the need for commitments to the SDGs to be integrated, which improves the social dimension. The SGP has failed on its own terms as it has not reduced public debt in the EU nor contributed to economic (GDP) growth. Several studies confirm that EU-wide inequality has risen in the past years. From 1980 to 2017, the top 1% alone captured 17% of European-wide growth, compared to 15% for the bottom 50%. With a Sustainability and Wellbeing Pact we could support the rebuilding of those sectors of the economy that are essential for our wellbeing (schools, supermarkets, hospitals, renewable energy systems, etc.) and phase out the ones that harm us and our planet (oil, gas, mining, advertising, etc.). This therefore remains for future Presidencies to champion.

10.3 Consultation of participation of the European youth network

The Croatian Minister of the Environment made an important symbolic gesture towards youth – he invited Greta Thunberg to speak to the 27 Environment Ministers at the [5 March Environment Council meeting](#). He stated that he was listening to youth voice and encouraged engagement if progress was not fast enough. While this is a welcome gesture, this has not been reflected in national practice. During Croatia's Presidency, representatives of youth organisations or young people were not given a direct opportunity to influence or even comment on national priorities in the field of youth. At the national level, the Ministry for Demography, Family, Youth and Social Policy failed to adopt the National Youth Program, the guiding document for youth policy in Croatia. The most important European event regarding young people was the EU Youth Conference, held in Zagreb in early March, however young people and youth representatives were not given sufficient opportunity for participation or ability to influence the agenda of the Conference.



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The EEB and its members welcome continued engagement and cooperation with the Presidencies of the Council of the European Union.

We also develop a paper before each Trio Presidency. The 2020-2021 paper, addressed to the German, Portuguese and Slovenian Presidencies, can be read [here](#) and a more detailed memorandum to the German Presidency can be read [here](#).

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META

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