

THE EEB'S MEMORANDUM TO THE **SLOVENIAN PRESIDENCY** OF THE EU



Including the Ten Green Tests

JULY - DECEMBER 2021



We are Europe's largest network of environmental citizens' organisations. We bring together over 170 civil society organisations from more than 35 European countries. Together, we work for a better future where people and nature thrive together.

The EEB is an International non-profit association / Association internationale sans but lucratif (AISBL). EC register for interest representatives: Identification number 06798511314-27 BCE identification number: 0415.814.848 RPM Tribunal de l'entreprise francophone de Bruxelles

Published June 2021 Responsible editor: Jeremy Wates European Environmental Bureau (EEB)

Rue des Deux Eglises 14-16 1000 Brussels, Belgium +32 (0)2 289 1090 eeb@eeb.org

<u>eeb.org</u> <u>meta.eeb.org</u> With thanks for input from Seas At Risk and Umanotera





Federal Ministry for the Environment, Nature Conservation and Nuclear Safety



With the support of the LIFE Programme of the European Union and the German Ministry for Environment, Nature Conservation and Nuclear Safety

This communication reflects the authors' views and does not commit the donors.

Contents

Introduction1
Ten Green Tests for the Slovenian Presidency2
1 Drive a just transition to a sustainable and resilient Europe with the European Green Deal at its core
2 Catalyse the green transition through tax reform and use of the MFF and Recovery Package9
3 Address the climate emergency and promote sustainable mobility11
4 Reverse the dramatic loss of biodiversity and invest in the resilience of our ecosystems14
5 Initiate a rapid transition towards sustainable food and agriculture17
6 Promote a zero pollution ambition – clean water and clean air for all
7 Drive a Circular Economy and prevent waste21
8 Shift towards a zero-pollution industry
9 Support a toxic-free environment and the ambitious implementation of the Chemicals Strategy for Sustainability
10 Promote solidarity, wellbeing, social and environmental justice, and accountability

Introduction

The Slovenian Presidency of the Council of the EU will hopefully see Europe fully emerge from the Corona crisis with a strong sense of solidarity and building back better. Slovenia will inherit very significant legislative and policy responsibilities for its leadership, building on the current and earlier Portuguese and German Presidencies in the DE-PT-SI Trio from July 2020 to December 2021.

Particularly high-profile climate and environmental dossiers include the Fit for 55 Package which reforms a dozen policy files and the Zero Pollution Action Plan, that has water, air and soil at its heart, but is also part of a wider integrated approach and hence also a rich portfolio to manage under the Presidency. It will also have important responsibility in the area of circular economy where the Batteries Law revision and Waste Shipment Regulation will feature, in biodiversity-related policies given the Forest Strategy, the review of the EU's Pollinator Initiative, the Mobility Package, TEN-E Regulation, and the greening of the European Semester as well as the file on Sustainable Corporate Governance.

The Slovenian Council Presidency will also lead the EU in a range of critically important international environmental and climate fora – the start of the international biodiversity meetings are currently planned in Kunming, China on 11-24 October focusing on the CBD COP 15, Cartagena Protocol COP-MOP 10, as well as the Nagoya Protocol COP-MOP 4; the Climate COP: UNFCCC COP 26 in Glasgow on 9-20 November that will welcome back the USA;; MOP-7 of the Aarhus Convention on 18-21 October in Geneva; and the Triple COP BRS: COP 15 Basel, COP 10 Rotterdam and COP 10 Stockholm, over the period 26-30 July in Geneva, Switzerland.

The Covid-19 crisis is a defining context for this Presidency Trio and while Covid-19 has slowed progress, it has not undermined the European Green Deal (EGD). The agreements reached during the Slovenian Council Presidency will help to ensure the legacy of the whole Presidency Trio. Each Presidency country has specific responsibilities and priorities in getting agreements across Member States. Each Presidency also has a strong role in leading by example to set the tone, pace and ambition of other countries.

The EEB, building on consultation with its more than 170 members, with its wider civil society partnerships and stakeholder discussions, has developed a series of specific 'asks' across environmental areas – our <u>Dozen Demands for the</u> <u>Presidency Trio</u>. From these we have extracted and further developed Ten Green Tests for the Slovenian Presidency, where the engagement, commitment and solidarity of this Presidency can make a lasting and fundamental difference. These were approved by the EEB Board which has representatives from more than 30 countries and several European networks.

The Ten Green Tests include both the policy dossiers coming from the EGD, wider EU policy and legal frameworks, the international dimension, and examples of where Slovenia leading by example could be inspirational to other countries. The Ten Green Tests present civil society's vision as to what would constitute a needed success by the Slovenian Presidency of the EU in the context of the challenges the planet and society face.

We therefore propose the following Ten Green Tests and look forward to working with the Slovenian Presidency directly and via our members to support a successful Presidency that can take the EU several steps forward in the transition to living within the limits of our one planet. We recognise that the Council Presidency relies upon the cooperation of the entire Council and therefore also call upon all Member States to take the Ten Tests as benchmarks for their Council engagement to make the most of the upcoming six months.

L (1

Jeremy Wates Secretary General

Ten Green Tests for the Slovenian Presidency

Drive a just transition to a sustainable and resilient Europe with the European Green Deal at its core

- **1.1** Embrace the European Green Deal (EGD) as a core Slovenian Presidency priority;
- **1.2** Promote an 8th Environment Action Programme that monitors the EGD, SDGs and wider sustainability progress with a commitment for high-level debate and response by all EU institutions;
- **1.3** Promote the Greening of the European Semester to fully integrate the EGD, SDGs, and fiscal reform with a view to strengthening resilience;
- **1.4** Push forward the reform of the EU's international trade policy to be fully aligned with the EGD's objectives, notably by withdrawing from the Energy Charter Treaty and not ratifying the current Mercosur agreement;
- **1.5** Ensure transparency and public participation in the roll out of the Green Agenda for the Balkans and the Economic Investment Plan;
- **1.6** Ensure that the 'Better Regulation' process and Fit-for-Future Platform is compatible with the EGD and Green Oath.

2 Catalyse the green transition through tax reform and use of the MFF and Recovery Package

- **2.1** Lead the Council in negotiations on the fiscal reform initiatives (Energy Taxation Directive, Emission Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM);
- **2.2** Promote compliance with the 'do no significant harm' principle in the use of EU Funds and engage in the ongoing development and application of the Sustainable Finance Taxonomy, ensuring that the principle is fully embedded in all Taxonomy Delegated Acts;
- **2.3** Lead by example in implementing the EGD in the EU Budget (MFF) Partnership Agreements (PAs)and in National Recovery and Resilience Plans (NRRPs) through targeted investments and transformative policy reform.

Address the climate emergency and promote sustainable mobility

- **3.1** Lead Council negotiations on the Fit for 55 package, ensuring high ambition across the dozen initiatives with Energy Efficiency First as the guiding principle to enable a transition to a fully renewable energy future;
- **3.2** Demonstrate EU ambition and leadership at COP26, backed-up by demonstrable progress within the EU;
- **3.3** Promote sustainable mobility for climate, clean air and citizens through a progressive Council position on the revision of the Trans-European Transport Network (TEN-T) Regulation, the Rail Corridor Initiative, intelligent transport systems, and post-Euro 6/VI emission standards;
- **3.4** Lead by example in the implementation of the Climate Adaptation Strategy and on the use of carbon taxation.







Z





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

- **4.1** Continue to demonstrate EU leadership for an ambitious post 2020 Global Biodiversity Framework, backed up by progress at home;
- 4.2 Ensure the Council insists on a biodiversity-focused EU Forest Strategy;
- 4.3 Step up EU action to tackle the drivers of decline in pollinators;
- **4.4** Prepare the Council for the timely adoption of an ambitious nature restoration law in 2022;
- 4.5 Safeguard freshwater ecosystems and clean water for all;
- **4.6** Promote thriving marine and coastal ecosystems.

Initiate a rapid transition towards sustainable food and agriculture

- **5.1** Promote a sustainable food system that is aligned with the Farm to Fork and Biodiversity Strategies;
- **5.2** Insist on a robust framework for climate action in the agriculture sector in the Council negotiations on the revision of the Effort Sharing Regulation (ESR) and Land Use, Land Use Change and Forestry (LULUCF) Regulation;
- **5.3** Lead by example through a climate- and nature-friendly CAP strategic plan.

Promote the zero-pollution ambition - clean water and clean air for all

- **6.1** Adopt Council Conclusions on the Zero Pollution Action Plan for Water, Air and Soil (ZPAP) that, *inter alia*, highlight the need to tackle pollution at source, implement the polluter pays principle, establish financial instruments to promote clean production and demand measures to address noise and light pollution;
- **6.2** Guide Member States to the ambitious revision of the Ambient Air Quality Directives;
- **6.3** Work with the European Commission to revise the lists of pollutants affecting surface and groundwater;
- **6.4** Reduce air pollution at source, including from agriculture and domestic heating, and promote bold action against air pollution at the international level through the revision of the Gothenburg Protocol.

Drive a circular economy and prevent waste

- **7.1** Finalise an ambitious Council position on the Batteries Law revision, promoting, *inter alia*, the use of digital product passports for all batteries by default; targets for minimum recycled content and performance requirements on durability, disassembly, reusability and carbon footprint of batteries; secure increased collection and recycling targets and phase out of disposable batteries; and explicit due diligence requirements for companies placing batteries on the EU market;
- **7.2** Initiate an ambitious Council position for the revision of the Waste Shipment Regulation to restrict waste exports, reflect the waste hierarchy and respect Basel Convention amendments on plastic waste shipment.

3



Shift towards a zero pollution industry

- **8.1** Lead discussions in the Council towards an ambitious reform of the Industrial Emissions Directive that fully reflects the zero pollution, climate and circular economy ambitions;
- **8.2** Improve access and useability of environmental information for the purpose of compliance promotion and benchmarking;
- **8.3** Protect water through stronger policy coherence to address pollution at the source;
- **8.4** Drive the industrial transformation through the internalisation of damage costs, by holding polluters accountable and by redirecting public support schemes.

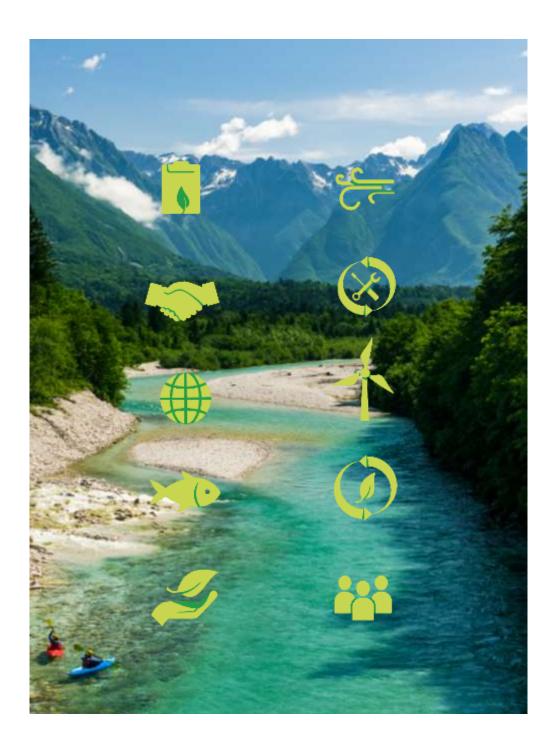
Support a toxic-free environment and the ambitious implementation of the Chemicals Strategy for Sustainability

- **9.1** Ensure a high level of ambition during the implementation of the Chemicals Strategy for Sustainability;
- **9.2** Call for ambitious REACH and Classification, Labelling and Packaging (CLP) Regulation revision processes, particularly when it comes to accelerating the risk assessment and management of chemicals; securing a high level of protection of populations and the environment; maintaining the burden of proof on the industry to demonstrate that their chemicals are safe; allocating the necessary resources to compliance, including by making use of the polluter-pays principle and non-financial incentives such as transparency and accountability;
- **9.3** Promote EU leadership in strengthening the Minamata Convention on Mercury and advance and strengthen the EU Mercury Regulation and its implementation.

Promote solidarity, wellbeing, social and environmental justice, and accountability

- **10.1** Ensure that the EU fully complies with the Aarhus Convention by the 7th Meeting of the Parties (MoP-7, October) and demonstrate the Council's commitment to wide access to justice at EU level;
- **10.2** Lead the Council in the first discussions towards an ambitious revised Environmental Crimes Directive;
- **10.3** Promote wellbeing and social justice across the EU by integrating social concerns in the 8EAP, in the Reform of the European Semester, and in EGD policies;
- **10.4** Promote effective and enforceable rules on corporate accountability so that those entities contributing to human rights abuses and environmental harm are held liable;
- **10.5** Promote civil society space and meaningful participation, including of youth.

The above 10 Green Tests for Slovenia, with their range of specific asks as noted in more detail below, take into account our understanding that politics is the art of the possible. However, if and where the possible does too little to avoid dramatic climate change, biodiversity loss and major negative impacts, then the future challenges will be impossible for society to deal with. Appreciating the potential impossibility of truly being able to deal with climate change and other existential crisis in the future and the resulting necessity to address these crises before it comes to that should make us reflect again on what we perceive as possible today and make us reconsider the level of courage and ambition for the decisions in our remit. It is in this context that we have designed the Ten Green Tests. They may seem ambitious, but they are necessary.





The multiple environmental crises facing the EU in a highly interconnected world need to be addressed both by specific thematic policies and through horizontal policies – e.g. the European Green Deal (EGD), the Sustainable Development Goals (SDGs), the 8th Environment Action Programme (8EAP), the European Semester process – which also need to be integrated into trade policies.

1.1 Embrace the European Green Deal as a core Slovenian Presidency priority

The European Green Deal (EGD) remains a major opportunity and priority to respond to the existential threats of climate breakdown, biodiversity loss and pollution, including risks from chemicals, and the current and future pandemics.

We therefore call upon the Slovenian Presidency to:

- Embrace a transformative European Green Deal (EGD) as a core and stated priority of its Presidency, and commit to achieving substantial progress across presidency files (see Tests below for details);
- Ensure that the EGD's objectives are at the heart of all Covid-19 crisis response measures and avoid any policy incoherencies or legislative regressions that undermine these objectives;
- Encourage a Council debate on a mechanism for the deeper integration of ethical considerations, social cohesion, equality, solidarity and commitments to a fully just transition, and ensure this is reflected in all EGD policies.

1.2 Promote an 8th Environment Action Programme that monitors the EGD, SDGs and wider sustainability progress with a commitment for high-level debate and response by all EU institutions

The trilogues on the 8th Environment Action Programme (8EAP) will take place during the Slovenian Council Presidency, building on the Council negotiating mandate (which includes several improvements to the Commission's 8EAP text), and the Parliament's position being finalised in the plenary vote in July, following the 14 June ENVI Committee vote that strengthened the 8EAP text.

We therefore call upon the Slovenian Presidency to:

- Ensure that the final 8EAP text has the **long**term priority objective that, as soon as possible and by 2050 at the latest, people live well within the planetary boundaries in a sustainable wellbeing economy where nothing is wasted, growth is regenerative, climate neutrality has been achieved and inequalities have been abolished;
- Commit to compile annual information on the existence of **subsidies** at national level and to phase out all direct and indirect fossil fuel subsidies at Union, national, regional and local level by 2025 at the latest and all other direct and indirect environmentally harmful subsidies by 2027 at the latest;
- Ensure that the final 8EAP text includes a commitment by the European Parliament, the Council and the Commission to annually exchange views on the assessment of progress and identify additional legislative and non-legislative measures and actions when progress towards the achievement of the priority objectives is considered to be insufficient.

For more details, see the EEB's Feedback to the 8EAP.

1.3 Promote the Greening of the European Semester to fully integrate the EGD, SDGs and fiscal reform with a view to strengthening resilience

The European Semester is the key vehicle for EU recommendations on economic reform at Member State level and has integrated macroeconomic concerns linked to climate change, circular economy, the SDGs and now also the National Recovery and Resilience Plans. For 2021, there will be no formal country specific recommendations (CSRs) given the focus on NRRP implementation. The NRRPs, in principle, should have included economic reforms to help with building back better and implementing a green transition.

We therefore call upon the Slovenian Presidency to:

 Promote discussions on the need for green tax reform, harmful subsidy reform and greater use of green public procurement as well as fines and fees for non-compliance to improve economic signals and respect the polluter pays principle;

- Further integrate the **Sustainable Development Goals** (SDGs) to make them a core part of the Semester;
- Demand that the costs of inaction on the climate crisis, biodiversity loss, ecosystem degradation and pollution impacts on health are assessed and integrated into economic policy considerations;
- Bring the wellbeing economy into the Semester and explore policies for living within planetary boundaries and where economic activities put more into creating a healthier planet than they take away;
- Monitor progress with the implementation of the NRRPs – both investments and reforms – and ensure sustainability promises are kept and zero tolerance for practices that break the Green Oath of Do no significant harm (see Test #3).

1.4 Push forward the reform of the EU's international trade policy to be fully aligned with the EGD's objectives, notably by withdrawing from the Energy Charter Treaty and by not ratifying the current Mercosur agreement

In February 2021, the Commission published its Communication on the EU's Renewed Trade Policy. How the EU will reconcile its commitments under the EGD with its trade policy is still unknown, especially regarding several highly controversial agreements. For instance, the Energy Charter **Treaty** (ECT), an international investment agreement governing cross-border cooperation in the energy sector, is outdated and in stark contradiction with the climate ambitions of today and the EGD. Negotiations to modernise the ECT are underway, but these will not address the fundamental problems with the Treaty. The only viable long-term position that the EU can take, that is coherent with its other policies, is to withdraw entirely from the ECT.

Moreover, the **Mercosur agreement** is highly problematic with little guarantees provided for the environment, in contrast to what the new trade policy allegedly seeks to provide. Lastly, the 12th Ministerial Conference of the World Trade Organisation (WTO) in December will be a key political opportunity for the EU to openly commit to a change in its approach to international trade that is coherent with tackling the climate crisis, achieving the SDGs and environmental protection.

- Lead the Council to take a long-term progressive approach to the ECT by **demanding the EU's withdrawal from the ECT**, so that the EU and the Member States have the freedom to regulate the energy sector in line with climate commitments and the EGD without the threat of retaliation from the industry;
- Resist any attempt to split **the Mercosur agreement** to facilitate its ratification, and take strong and binding measures to ensure that the negative environmental, social and socio-economic effects of the trade agreement - such as alarming deforestation of the Amazon, resource depletion and human rights abuses - are halted;
- Take a progressive stance at the WTO 12th Ministerial Conference to lead an effective reform of the global trading rules towards environmental protection, fulfilment of the SDGs and tackling the climate crisis.

1.5 Ensure transparency and public participation in the roll out of the Green Agenda for the Western Balkans and the Economic Investment Plan

The Green Agenda for the Western Balkans has the potential to drive the transition towards a sustainable, carbon-neutral economy oriented at planetary health and peoples' wellbeing. The aim of the Agenda, which comes as part of a \notin 9 billion Economic and Investment Plan for the Western Balkans, is to stimulate the economies in the Western Balkans while bringing the region up to standard with the EU's environmental standards

and climate objectives, reducing corruption and strengthening democracy.

We therefore call upon the Slovenian Presidency to:

• Ensure meaningful and structured participation of European and local civil society in the implementation of the Green Agenda for the Western Balkans and the Economic Investment Plan.

1.6 Ensure that the 'Better Regulation' process contributes to the EGD

The Better Regulation Communication launched by the European Commission during the Portuguese Presidency explicitly developed the One-in-One-out principle, raising concerns that the 'better regulation' agenda that focuses on burden reduction and simplification will undermine the objectives of the European Green Deal, including potentially the Green Oath to *do no harm*. The highlevel Fit-for-Future programme is assessing a set of environmental and other legislative files from the perspective of simplification and burden reduction. While the European Commission has underlined that the EGD and Green Oath will be respected, there are clear risks in the process.

We therefore call upon the Slovenian Presidency to:

• Ensure that the **EGD** and the Green Oath are respected in the Fit-for-Future work (via the Fit for Future Platform) and that there is no legislative regression, oversimplification or business and administrative burden reduction to the detriment of health and the environment.



2 Catalyse the green transition through tax reform and use of the MFF and Recovery Package

2.1 Lead the Council in negotiations on the fiscal reform initiatives (Energy Taxation Directive, EU Emissions Trading Scheme, and Carbon Border Adjustment Mechanism)

In the upcoming Fit for 55 Package, the European Commission aims to extend carbon pricing to other economic sectors besides those covered by the Emissions Trading Scheme (ETS). With that aim, the Commission is, *inter alia*, looking into the extension of the ETS, a Carbon Border Adjustment Mechanism (CBAM) to address imports in certain traded products and the revision of the Energy Taxation Directive, after a previous attempt failed due to lack of Council unanimity in 2014. Currently, energy taxation leaves room to fossil fuels subsidies in the form of tax exemptions or reduced rates and Member State carbon pricing remains suboptimal due to divergences in rates and scope.

It is therefore crucial that the Fit for 55 Package fills the current gap in the climate and energy policy and regulatory framework by fully internalising the cost of carbon and environmental externalities in all energy-related uses.

The Slovenian Presidency has a key responsibility to push the green taxation agenda forward and to make the most of the opportunities provided by the Fit for 55 Package.

We therefore call upon the Slovenian Presidency to:

- Build an alliance of like-minded Member States willing to drive fiscal reforms forward to fully internalise carbon and environmental costs in economic activities;
- Lead and facilitate an **agreement on the** revision of the Energy Taxation Directive to make it a key element of the EU's

increased climate ambition by introducing a carbon content for fuel taxation in the EU and by removing the possibility for Member States to allow exemptions and reduced rates for certain fuels and uses;

- Advocate for the elimination of all forms of subsidies to fossil fuels by the end of 2025 at the latest, including subsidies related to promoting grey hydrogen (produced from natural gas) or low-carbon fuels (including 'blue' hydrogen – based on natural gas coupled with carbon capture and storage (CCS) technologies (see also <u>EEB Hydrogen</u> <u>position paper</u>);
- Ensure that the revision of the Emissions Trading Scheme Directive will effectively increase emission cuts by industry, set a Paris-compatible CO₂ price of 100 €/ton CO₂, remove free allowances to industry and ensure a combined and coherent approach with the Industrial Emissions Directive (IED);
- Push for allocating 100% of ETS revenues to climate-related purposes and phase out free allowances to industry;
- Ensure that the **Carbon Border Adjustment Mechanism** (CBAM) addresses the emissions embodied in major bilateral trade flows, including CO₂ emissions embodied in goods and services imported for intermediate and final use, regardless of their origin;
- Drive the **reinvestment of CBAM revenues** to mitigate social impacts.

2.2 Promote compliance with the 'do no significant harm' principle in the use of EU Funds and ensure it is fully embedded in all Taxonomy Delegated Acts

The 'do no significant harm' (DNSH) principle is at the core of the EU Taxonomy Regulation, seeking to ensure that progress towards one objective is not made at the expense of another. The application of this principle to EU Funds and the Recovery and Resilience Facility is crucial to ensure that investments carried out are not detrimental to environmental objectives.

During the Slovenian Presidency, the European Commission will assess the National Recovery and Resilience Plans (NRRPs). It must ensure that the DNSH principle is fully respected. It will then be up to the Council to give its final approval on the individual national plans for all Member States.

In the meantime, work will also continue on the 'second round' of Delegated Acts of the EU

Taxonomy Regulation. The work of the sector teams will continue with the aim of establishing the environmental sustainability criteria for each sector.

We therefore call upon the Slovenian Presidency to:

- Ensure that the European Commission and the European Council guarantee that the DNSH principle is followed in the NRRPs of all Member States;
- Lead the Council in its decision to approve the individual Member States' plans based on the **full respect of the DNSH principle**;
- Make sure that the work carried out by the sector teams of the EU **Taxonomy Delegated Acts** intrinsically embeds the DNSH principle and yields a truly robust Taxonomy.

2.3 Lead by example in implementing the EGD in the EU Budget (MFF) Partnership Agreements (PAs) and in National Recovery and Resilience Plans (NRRPs) through targeted investments and transformative policy reform

The unprecedented amount of money available in the **Next Generation EU Recovery Plan (NGEU)** is a unique opportunity to put Europe on the right path for a resilient economic and social recovery which ensures environmental sustainability across the board. The funds will have to be used to enable governments to put in place measures and fiscal reforms to achieve the European Green Deal objectives of a climate-neutral, zero pollution and circular economy.

During its Presidency, Slovenia will have to lead by example by submitting and implementing a highquality, strong, and ambitious National Recovery and Resilience Plan (NRRP) and developing a Partnership Agreement that can inspire other Member States and be considered as a best practice.

We therefore call upon the Slovenian Presidency to:

• Ensure that the European Commission and the European Council apply the highest

standard when assessing the NRRPs and that the 37% climate and biodiversity spending target as well as the do no significant harm principle are fully respected, as well as the 'non-regression' principle;

- Lead a debate in the Council on the need for ambitious Partnership Agreements that will make the most of EU funds in the next seven years to accelerate the green transition in those economies that are still lagging behind in the achievement of the EU's environmental and climate goals;
- Demand stronger provisions to ensure regular, structured and fair civil society participation in all decision-making processes on how public money is spent, including the implementation of NRRPs and Partnership Agreements.
- Lead by example in its own NRRP and Partnership Agreement.



3 Address the climate emergency and promote sustainable mobility

3.1 Lead Council negotiations on the Fit for 55 package, ensuring high ambition across the dozen initiatives with Energy Efficiency First as the guiding principle to enable a transition to a fully renewable energy future

The Fit for 55 Package that the European Commission is due to adopt on 14 July is a key policy milestone to implement the European Green Deal commitment to make Europe the first climateneutral continent by 2050, while also ensuring the achievement of a zero pollution, toxic-free and circular economy. The comprehensive policy and regulatory review will have to allow Europe to step up its effort to contribute to increase our chances to keep the global average temperature rise below 1.5°C as set by the Paris Agreement. Regrettably, a 55% net greenhouse gas emissions reduction target for 2030 remains insufficient to do that as it falls short of the at least 65% required by science.

The speed and size of climate and environmental challenges we are facing is such that we cannot afford to waste time and the next decade will be critical to put us on the right path. The Climate Law now needs to be complemented with policy and regulatory tools to increase ambition across all economic sectors. The Slovenian Presidency will have to lead the negotiations on the Fit for 55 Package and must aim to increase climate and environmental ambition across all twelve legislative initiatives.

- Set the tone of the negotiations in the Council by reminding that scientific evidence underlines the need for at least 65% of emissions reductions and that the Fit for 55 policy measures must factor in this need and give meaning to the 'at least' prefix of the 55% target;
- Lead discussions on the need for a deep revision of the EU's Energy Efficiency Directive by pointing to the urgency of making the energy efficiency improvement target binding at both EU and national level and by setting an ambition to reach at least a 45% target by 2030. Further integrate and systematically promote the mainstreaming of the Energy Efficiency First principle;

- Ensure that the EU's strategy to further strengthen **renewable energy** will aim to reach a target of at least 50% of renewable energy share by 2030 and will only promote environmentally sustainable renewable energy, by strengthening the sustainability criteria, and energy that is not blended with fossil fuels in any form (i.e. blue hydrogen derived from natural gas or synthetic fuels);
- Maintain the Effort Sharing Regulation framework to address emissions in non-ETS sectors and increase the national binding targets to align with the climate ambition required by science;
- Ensure that the revision of the Emissions Trading Scheme Directive delivers an EUwide coal phase-out by 2030 at the latest and effectively increases emission cuts by industry, sets a Paris-compatible CO₂ price of 100 €/ton CO₂, removes free allowances to industry which have caused a high amount of windfall profits and have delayed industry decarbonisation in the past decade, and ensures a combined and coherent approach with the Industrial Emissions Directive;
- As noted under Test #2, ensure that the Carbon Border Adjustment Mechanism (CBAM) addresses the footprint and emissions embodied in major bilateral trade flows, including CO₂ emissions embodied in goods and services imported for intermediate and final use, regardless of their origin, and that the CBAM is strictly combined with the removal of free CO₂ allowances to EU industrial sectors concerned;
- Have the revision of the Energy Taxation Directive play an important role in the Fit for 55 framework as an instrument to fully internalise EU-wide carbon and environmental externalities in energy use and invest revenues to mitigate the social and social justice impacts;

- Promote tougher CO₂ regulation on cars and vans and encourage commitments to stop fossil-fuelled transport. Strengthen new EU fleet-wide CO₂ emission performance standards for new registered cars under Regulation 2019/631, - increasing the 2025 reduction target to -25% (from 15%), setting a -40% reduction target for 2027, and strengthening the 2030 target to at least -65% (up from the current target of 37.5%);
- Set an EU-wide phase-out date for the sale of new internal combustion engine (ICE) cars, no later than 2035;
- Ensure that the Regulation on **Trans-European Networks for Energy Infrastructure** (TEN-E) only supports Paris Agreement-compatible infrastructure. Only renewable hydrogen is aligned with the Paris Agreement, while the definition of low carbon gases is misleading and the blending of renewable gases with fossil gas must be excluded;
- Promote binding climate-neutrality roadmaps for all economic sectors to avoid trade-offs between sectors.

3.2 Demonstrate EU ambition and leadership at COP26, backed-up by demonstrable progress within the EU

The COP26, planned to take place in Glasgow on 1-12 November 2021, will mark an important step in the international negotiations on the climate crisis and is the first stocktake after the Paris Agreement (originally due in 2020 but postponed because of Covid-19) as State Parties are expected to put forward enhanced or updated Nationally Determined Contributions (NDCs). NDCs set out each Party's efforts to reduce national emissions and adapt to the impacts of climate change.

Countries' current climate targets (NDCs) are inadequate and lead to dangerous warming of more than 3°C. The EU has committed to lead the global fight against climate change, yet its own contribution of a 'net 55%' greenhouse gas emissions reduction by 2030 is still not consistent with the Paris Agreement which would require a 2030 target of 65% of emissions reduction. Moreover, the EU's strategy does not address emissions embedded in imported goods, materials and services, thus leaving a loophole in its domestic climate policy and failing to address imbalances and carbon and environmental dumping at global level.

The Slovenian Presidency will have a key role in making sure that the EU and its Member States

'walk the talk' and truly demonstrate ambition in the global efforts to fight climate change.

We therefore call upon the Slovenian Presidency to:

- Ensure that science-based policy making, historical responsibility, equity and environmental justice are at the core of the EU's leadership ahead and during the negotiations of the COP26;
- Push for the stepping up of global climate action as part of recovery plans across the different countries to align NDCs with the size and pace of emission cuts needed to keep global temperature rise below 1.5°C;
- Promote a debate to address embedded emissions in the global trade of raw materials, resources and goods within the context of the COP26 negotiations;
- Lead a discussion to drive a radical shift in global trade policies of the World Trade Organisation to factor in climate and environmental objectives;
- Encourage a strengthened **EU climate diplomacy** in all relevant international fora.

3.3 Promote sustainable mobility for climate, clean air and citizens through a progressive Council position on the revision of the TEN-T Regulation, the Rail Corridor Initiative, intelligent transport systems and post-Euro 6/VI emission standards

Transport emissions are one of the major challenges to the EU's decarbonisation commitment and wider ambitions for a clean and healthy environment The Sustainable Mobility Package now provides a major opportunity for progress.

- Drive a radical change in the EU's strategy to promote **sustainable mobility** by considering impacts on raw materials and resources, both in the EU and globally, further electrifying all forms of transport, massively promoting cycling, walking and public transport in cities and ultimately reducing the number of vehicles on the street;
- Ensure Council debate and ambition on the revision of the Regulation on the Trans-European Transport Network (TEN-T) to accelerate public transport links to facilitate alternatives to aviation and road transport, and support policies and investments in the expansion of cycling networks across Europe;
- Support the EU 2021 Rail Corridor Initiative, including the revision of the Rail

Freight Corridor Regulation and actions to boost passenger rail;

• Develop Euro 7/VII emission standards for cars, vans, trucks and buses that prioritise improved air quality. Define a clear pathway to zero: Euro 7/VII must map out a clear pathway in 5-year intervals to ensure all new cars and vans emit zero pollution by 2035 at the latest and all new heavy-duty vehicles by 2040. Tackle all harmful emissions, including ultrafine particles, and ensure real-world compliance over the whole vehicle lifetime. Scale up the EU's ambitions on clean decarbonised **shipping**, in particular via both EU and International Maritime Organisation measures aimed at achieving deep cuts in emissions of ship-source black carbon, CO₂ and other climate pollutants in the next 5 vears.

3.4 Lead by example in the implementation of the Climate Adaptation Strategy and on the use of carbon taxation

The EU's Climate Adaptation Strategy aims to enhance the EU's and the world's capacity to adapt to and minimise the already inevitable impacts of climate change. Key elements of the strategy are the development of nature-based solutions, climate resilient water management, actions to close knowledge gaps and the financing of climate adaptation.

- Lead by example in implementing ecosystem-based adaptation in line with the priorities of the EU Adaptation Strategy;
- Lead by example by **increasing the national carbon tax** so that it has a more significant incentive impacts and make use of revenues for decarbonisation and progressive social measures to avoid fuel poverty and inequalities.



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

We depend upon healthy and resilient ecosystems for food security, to tackle the climate crisis, for our wellbeing and to protect ourselves from future pandemics. Turning the tide against biodiversity loss is not a nice-to-have but is essential for our own survival. During the six months at the helm of the Council the Slovenian Presidency is expected to lead the EU in the negotiations of the post-2020 Global Biodiversity Framework as well as to provide political orientation from the Council to the European Commission on forthcoming biodiversity initiatives such as the new EU Forest Strategy, the revision of the EU Pollinators Initiative and a proposal for a new Nature Restoration Law setting legally binding targets to restore ecosystems important for biodiversity and climate.

4.1 Continue to demonstrate EU leadership for an ambitious post 2020 Global Biodiversity Framework, backed up by progress at home

We urge the Slovenian Presidency to ensure that the EU continues its leadership role ahead of and at the COP15 of the Convention for Biological Diversity (CBD) by pushing for an ambitious post-2020 Global Biodiversity Framework. However, for this to be credible, the EU's global leadership role must be backed up by ambitious action and demonstrable progress to protect and restore nature at home, address key drivers of biodiversity loss and include the drastic reduction of the EU's global ecological footprint.

We therefore call upon the Slovenian Presidency to:

 Adopt ambitious Council Conclusions to best prepare the EU to take a leadership role at the CBD COP 15, aiming to establish a global network of effectively managed protected marine, freshwater and terrestrial areas, covering 30% of the planet in full respect of human rights;

- Lead by example in the implementation of the Biodiversity and Farm to Fork Strategies, taking action to restore and protect nature and addressing the drivers of biodiversity loss;
- Call upon Member States and lead by example in the full implementation of the nature, water and marine legislation – significant further efforts are needed to step up the implementation and enforcement of long-standing obligations, also to enhance the credibility of agreeing to new ones.

4.2 Ensure that the Council insists on a biodiversity-focused EU Forest Strategy

Forests play a key role for biodiversity, they contribute to climate mitigation, adaptation, and to the wellbeing and health of people all across the EU. However, forests are under multiple and growing pressures, including from the climate crisis and logging. The upcoming EU Forest Strategy provides a key opportunity to depart from business as usual towards healthier and more resilient forests, for our own health and resilience against the current interconnected crises.

- Ensure that both environment and agriculture ministers are fully engaged in the adoption of the Council Conclusions on the **EU Forest Strategy** that must put the protection and restoration of forests at the core of the Strategy and must be fully aligned with the ambitions of the European Green Deal, the Biodiversity Strategy and the Climate Law;
- Ensure the integration of strict protection of all remaining old-growth and primary forests in the Strategy and lead in the implementation thereof;

- Demand that the **planting of 3 billion trees** focuses on urban, peri-urban and agricultural land while the focus in biodiverse forests should be on **'proforestation' and restoration**;
- Lead by example and promote **closer-tonature forest management** focused on the protection and restoration of biodiversity in Slovenia.

4.3 Step up EU action to tackle the drivers of pollinators decline

European wild-insect pollinators have dramatically declined in occurrence and diversity across the EU with many species on the verge of extinction. The loss of wild pollinators is a serious cause for concern as around 80% of crop and wild-flowering plant species in the EU depend, at least in part, on animal pollination. Without pollinators, many plant species would decline and eventually disappear. Around €3.7 billion of the EU's annual agricultural output is directly dependent on insect pollinators. The European Commission has committed to enhance the EU Pollinators Initiative.

We therefore call upon the Slovenian Presidency to:

• Use the deliberations in the Agriculture Council on **pollinators** to strengthen the policy responses to better tackle the drivers of pollinator decline such as pesticide use or light pollution and ensure that pollinators are a priority in the CAP Strategic Plans across the EU.

4.4 Prepare the Council for the timely adoption of an ambitious nature restoration law in 2022

By the end of the year, the European Commission is expected to propose a new Nature Restoration Law, setting legally binding restoration targets for ecosystems important for biodiversity and climate. This new law can be a real game-changer if the targets are set at the scientifically required level, the new obligations are additional to existing legislation, and the law contains clear milestones and deadlines and provides for appropriate means of implementation.

We therefore call upon the Slovenian Presidency to:

• Prepare the Council for the timely adoption of a strong, adequate and ambitious Nature Restoration Law in 2022 through exchanges of views, debates and by getting Member States on the same page regarding what is needed to restore nature in the EU and to create synergies between climate mitigation, adaptation and biodiversity objectives;

- Demand for 15% of the EU's land and sea to be restored to high quality nature as well as for 15% of EU rivers to be restored into freeflowing state by 2030;
- Call for the **clear additionality** of the new law to existing obligations under e.g. the Nature Directives or the Water Framework Directive.

4.5 Safeguard freshwater ecosystems and clean water for all

2021 is an important year for our rivers, lakes and groundwater as governments across the EU are consulting and finalising the 3rd River Basin Management Plans to finally meet the objectives of the Water Framework Directive (WFD) by 2027. However, according to an NGO assessment, only two out of the 13 river basins – both in Finland – might see rivers and lakes brought back to good health by 2027 based on the analysed draft plans. Most of the plans suffer from a lack of national budget allocated to sustainable water

management, insufficient integration of water protection into other policies - in particular, energy, agriculture and infrastructure - and the misuse of exemptions from the WFD objectives. Slovenia is yet to publish its draft plans for consultation and indicated a shorter timespan for consultation than the legally required 6 months. We therefore call upon the Slovenian Presidency to:

- Use the Presidency term to move from being a laggard to a champion and adopt ambitious River Basin Management Plans that will bring all rivers, lakes and groundwater aquifers back to ecological health by 2027;
- Improve transboundary cooperation and integration of the objectives to protect and enhance the health of freshwater ecosystems into other sectoral policies, notably on agriculture, energy, industry, chemicals and transport policies, to reduce pressures from those sectors;
- Ensure a **joined-up restoration and protection agenda** in the implementation of the EU Biodiversity Strategy and the Water Framework and Floods Directives, integrating nature-based solutions and barrier removal to restore free-flowing rivers;
- Discourage the construction of new hydropower dams given their negative biodiversity impacts, including in the six EU Eastern Partnership countries.

4.6 Promote thriving marine and coastal ecosystems

Our oceans are crucial to support life on Earth. We need marine and coastal ecosystems to be rich in fauna, flora and genetic biodiversity so that they can perform their natural functions and support life by, *inter alia*, acting as vital carbon sinks, regulating weather patterns and providing oxygen. Major longstanding commitments to safeguard the oceans have not been implemented.

- Ensure the full integration of marine ecosystems in the follow-up to and implementation of the Biodiversity Strategy, especially on protected areas and on banning destructive human activities, in all Marine Protected Areas (MPAs);
- Lead the negotiations of a **Council reaction to the Commission's action plan to conserve fisheries** resources and protect marine ecosystems that calls for systematic ecosystem impact assessments of all fishing activities, the elimination of bycatch of sensitive species, a reduction and ultimately ban of the most destructive fishing gear, in particular bottom-trawling, in MPAs, and the establishment of no-take zones in areas where vulnerable marine ecosystems are known or likely to occur.

- Ensure that all Total Allowable Catches (TACs) set for 2022 follow scientific advice, meet the objectives of the Common Fisheries Policy and the ambition of the European Green Deal;
- Drastically improve the control of fishing activities by securing a strong revised EU Fisheries Control Regulation in trilogue negotiations through, *inter alia*, mandatory remote electronic monitoring for all fleets and enhanced transparency of our seafood supply chains;
- Push for the adoption of an ambitious Global Ocean Treaty to protect marine biodiversity in areas beyond national jurisdiction worldwide at the 4th session of the Intergovernmental Conference on Biodiversity Beyond National Jurisdiction;
- Establish a moratorium on deep seabed mining in EU territorial waters, stop financial support to deep seabed mining technology research and agree an EU position on stopping deep seabed mining for the negotiations at the International Seabed Authority.



5 Initiate a rapid transition towards sustainable food and agriculture

5.1 Promote a sustainable food system that is aligned with the Farm to Fork and Biodiversity Strategies

The Covid-19 crisis has made the vital and strategic importance of food and food autonomy clearer than ever before. While supply chains mostly held up and people in Europe barely noticed any disruptions to food supplies, we cannot assume this will always be the case in the face of increasing climate shocks and future crises. The EU must urgently prioritise and improve the resilience of its food system by strategically seeking sustainable and resilient domestic food production while setting high sustainability standards for food imports and exports. The 'Long-term vision for rural areas' that will soon be published by the European Commission and the EU (agri-food) trade policy must pursue new sustainability objectives, in line with the EU Green Deal and the Farm to Fork Strategy. A paradigm shift is needed, away from a blind focus on production indicators and towards 'sustainable food sovereignty' to put sustainability,

local food supply and resilience (at home and abroad) at the heart of the EU food policy.

We therefore call upon the Slovenian Presidency to:

- Commit to a **re-localisation and diversification of our food systems** in rural areas and lead by example by initiating a transition to an agroecological farming sector where diversified and resilient farming communities are the backbone of vibrant rural areas;
- Work with the European Commission and defend a repurposing of the WTO's role for fair and sustainable trade rules aligned with the EU Green Deal commitments in view of the 12th WTO Ministerial Conference in the field of agriculture and fisheries.

5.2 Insist on a robust framework for climate action in the agriculture sector in the Council negotiations on the revision of the Effort Sharing Regulation (ESR) and Land Use and Land Use Change and Forestry (LULUCF) Regulation

Cutting direct carbon emissions from transport and industry will not be enough on its own to meet the EU's commitments under the Paris Agreement. The EU must also manage its land and natural resources more sustainably, move from an intensive farm production model to agroecological practices and tackle food waste. The European Commission is due to publish its proposal for a revision of the Effort Sharing Regulation (ESR) and Land Use, Land Use Change and Forestry Regulation (LULUCF) mid-July. Additionally, the European Commission is due to publish its Carbon Farming Initiative by the end of the year.

We therefore call upon the Slovenian Presidency to:

 Ensure that the new governance of agricultural non-CO₂ emissions and agricultural land management is reconnected and ensures synergies between our climate goal and biodiversity restoration ambitions;

- Promote a binding EU-level target specific to agriculture under the ESR to reduce CO₂ and non-CO₂ emissions to 350 Mt CO₂eq by 2030 for agricultural activities with a view to reach 150 Mt CO₂eq by 2050;
- Promote a binding EU-level target to reach neutrality by 2030 for agricultural land use emissions under the LULUCF regulation with the view to reach a sink of -150 Mt CO₂ by 2050;
- Promote the Carbon Farming Initiative as a nature-based solution which simultaneously tackles the climate and biodiversity crises, with additional co-benefits for other environmental and socio-economic dimensions.

5.3 Lead by example through a climate- and nature-friendly CAP strategic plan

While the reform of the Common Agricultural Policy (CAP) that was initiated in June 2018 has been concluded under the Portuguese Presidency, the Slovenian Presidency will play a key role in the implementing procedure to adopt delegated and implementing acts. Civil society and scientific experts have strongly criticised the outcome of this reform which largely maintains the status quo on how EU farm subsidies will be spent and resits the EU Green Deal. The ball is now in the court of Member States as they prepare their respective national CAP Strategic Plans.

- Work closely with the European Commission and environment and climate ministers, also in consultation with civil society, to ambitiously implement the Farm to Fork Strategy in national CAP Strategic Plans;
- Ensure a race to the top between Member States on environmental and climate ambitions of national CAP Strategic Plans rather than a race to the bottom;
- **Commit to high transparency** by publishing meeting calendars and agendas before meetings, as well as conclusions of meetings, including in the implementing procedure to adopt delegated and implementing acts;
- Lead by example by proposing an ambitious Slovenian CAP Strategic Plan aligned with the Farm to Fork Strategy and engage in constructive dialogue with environmental stakeholders in the preparatory process.



6 Promote a zero pollution ambition – clean water and clean air for all

6.1 Adopt Council Conclusions on the Zero Pollution Action Plan for Water, Air and Soil

The European Commission published the longawaited 'EU Action Plan: Towards Zero Pollution for Air, Water and Soil' (the so called Zero Pollution Action Plan, ZPAP), a key deliverable of the European Green Deal, on 12 May 2021. The Action Plan aims to strengthen the EU green, digital and economic leadership in fighting pollution, whilst creating a healthier, socially fairer Europe. It promotes a platform to mainstream pollution prevention in all relevant EU policies, to step up the implementation of the relevant EU legislation tackling pollution of air, water and soil and to update existing legislation to, for example, better tackle pollutants of emerging concern. Several Ministers called on the Slovenian Presidency to lead the adoption of Council Conclusions on the Zero Pollution Action Plan during the policy debate on ZPAP on 10 June.

We therefore call upon the Slovenian Presidency to:

 Seek additional capacity and adopt Council Conclusions on the Zero Pollution Action Plan that reflect the need to act swiftly to reduce pollution at source and the public health, environmental, moral and socioeconomic case for the EU to lead the global fight against the pollution of air, water and soil;

- Call on the European Commission to revise the Environmental Noise Directive;
- Insist that the European Commission proposes a legal framework on soil protection as called for by the European Parliament;
- Demand a Soil Strategy that establishes mandatory objectives for the conservation of intact soils and improvements of the ecological status of cultivated soils based on common definitions and monitored by a soil data platform implemented in cooperation between European and national agencies and research centres;
- Insist that the European Commission proposes an **ambitious revision of the Sustainable Use of Pesticides Directive** in line with the 50% pesticide reduction target of the Farm to Fork Strategy and lead by example by fully implementing integrated pest management in the Slovenian CAP Strategic Plans.

6.2 Guide Member States to the ambitious revision of the Ambient Air Quality Directives

The revision of the Ambient Air Quality Directives is ongoing. During the Slovenian Presidency, several important meetings and processes will take place: the European Commission will organise public consultations, stakeholder meetings and targeted expert consultations. In addition, the World Health Organisation is expected to publish its revised Air Quality Guidelines by September 2021. These will likely suggest even stricter recommendations compared to those included in its guidelines from 2005 (which are already by far more ambitious than the EU air quality standards for some pollutants). The Slovenian Presidency will have the important role of guiding the Member States' positioning in the upcoming participatory phase, while publicly supporting an ambitious revision of the Ambient Air Quality Directives. We therefore call upon the Slovenian Presidency to:

- Lead the positioning of Member States on the revision of the Ambient Air Quality Directives which must be ambitious, fully reflect the science and free of loopholes or flexibility mechanisms;
- Publicly support and call on the European Commission to fully align EU air quality standards with the upcoming WHO Air Quality Guidelines.

6.3 Work with the European Commission to revise the lists of pollutants affecting surface and groundwater

The fitness check evaluation of the EU water policy highlighted that the Water Framework Directive and its daughter Directives on priority substances and groundwater as well as Urban Wastewater Treatment Directive are not sufficiently addressing a number of pollutants of emerging concern, such as pharmaceuticals, (micro)plastics and PFAS. As part of the Zero Pollution Action Plan, the European Commission is currently undertaking an impact assessment of revising the Urban Wastewater Treatment Directive, the Environmental Quality Standards Directive and the Groundwater Directive. We therefore call upon the Slovenian Presidency to:

• Work with the European Commission and prepare the Council for the **upcoming revisions of the legislation to better tackle water pollution** including by substances of emerging concern such as pharmaceuticals, (micro)plastics and PFAS to ensure the adequate protection of freshwater ecosystems.

6.4 Reduce air pollution at source, including from agriculture and domestic heating, and promote bold action against air pollution at the international level through the revision of the Gothenburg Protocol

Agriculture and domestic heating remain two very relevant sources of air pollution needing attention and strong action. The role of source policies is key to determine a swift reduction in air pollution. The European Commission has recently launched two initiatives (Clean Air Tech Hub and an expert group for Member State representatives focusing on methane emissions from agriculture) which should contribute to increasing ambition towards reducing pollution from domestic heating and agriculture.

In parallel, action is also needed to promote the definition of international instruments which will help Member States in their fight against air pollution which is transboundary by nature.

We therefore call on the Slovenian Presidency to:

• Demand that the revised Renewable Energy Directive establishes additional **sustainability criteria** which also take the contribution of biomass burning to air pollution into account;

- Promote meaningful initiatives to reduce methane and ammonia emissions from agriculture and air pollution from domestic heating, including through European Commission meetings on these subjects and in related expert groups;
- Guide Member States in their work for the ongoing review of the Gothenburg Protocol to the UNECE Long-Range Transboundary Air Pollution Convention, ensuring that the need for a revised Protocol that includes reduction targets for methane, black carbon and mercury emissions, in addition to stricter reduction targets for pollutants that are already covered, is recognised as a priority.



7 Drive a Circular Economy and prevent waste

The implementation of circular production and consumption patterns is a clear asset for the EU economy and a unique leverage point for several of the EU Green Deal priorities, particularly our decarbonisation objectives. The EU is today less than 12% circular, according to the <u>latest report by Eurostat</u>. There is a need to drastically reduce waste generation and our resource consumption to change this figure. This goes hand in hand with a decarbonisation of our economy, especially when adequately accounting for the embodied emissions we consume through our material imports. Requiring materials and products to reveal their carbon footprint would be a way to create real market drivers for a decarbonised industry and circular industrial systems. The Slovenian Presidency will have the opportunity to progress some iconic files that can accelerate the transformation of the EU to a circular and decarbonised society and drive demand towards more sustainable products and services.

7.1 Finalise an ambitious Council position on the Batteries Law revision

The Slovenian Presidency should be in a position to finalise a Council position on the revised Batteries Law, integrating proposals from the EU Parliament and additional material released by the Commission services. The batteries file is strategic as it orients the future of a growing sector that is essential for the EU's decarbonisation, but also has broad impacts on raw materials sourcing and resource efficiency.

We therefore call upon the Slovenian Presidency to:

• Support the ambitious implementation and swift entry into force of key provisions of the Batteries Law, notably on durability, replaceability, reusability, carbon footprinting, labelling and recycled contents of batteries;

- Defend the idea of mandatory due diligence criteria for companies placing batteries on the EU market to ensure this growing sector will not neglect the social and environmental impacts of its supply chain;
- Support an ambitious collection target and recycling efficiency, building on extended producers' responsibility schemes but without escaping the Member States' responsibility and required enforcement duty that only national authorities can perform;
- Address specifically the light means of transport batteries (batteries for bicycles and e-scooters) and support the phase out of disposable batteries when rechargeable alternatives exist.

7.2 Initiate an ambitious Council position for the revision of the Waste Shipment Regulation

The Slovenian Presidency should start the elaboration of a Council opinion on the Waste Shipment Regulation as the Commission's proposal is currently expected in the third quarter of 2021. The guiding principles to revise this file should be a clear EU responsibility for the waste it generates, a sound alignment with waste prevention and recycling priorities and an exemplary implementation of our international commitments.

- Ensure a default ban on waste exports from the EU for hazardous and non-hazardous waste to guarantee that we do not delegate our waste management duties to other countries and that we make the best use of the wasted materials we cannot prevent;
- Subordinate any intra-EU shipment for energy recovery or other disposal options to clear evidence that no better sorting and recycling solutions are feasible, including evidence of transparent information and consultation in the exporting and importing countries;

- Implement the Basel amendments on plastic waste export also within the EU and address the legal loophole linked to the export for dismantling of vessels containing hazardous substances;
- Ensure that the **digitalization of the waste shipment system** at EU and national level also contributes to increased transparency, publicity and enforcement of the transboundary movement of waste.

8 Shift towards a zero-pollution industry

8.1 Lead discussions in the Council towards an ambitious reform of the Industrial Emissions Directive that fully reflects the zero pollution, climate and circular economy ambitions

The Industrial Emissions Directive (IED), the flagship piece of legislation directing pollution prevention and control, is currently under review. It needs updating to drive and support the changes in industrial policy needed in the next decade. The improved industrial framework should also drive coherent and ambitious policy in closely related and complementary legislation on air, water and soil quality, emissions, chemicals and liability.

We therefore call upon the Slovenian Presidency to:

- Make the IED fit for the future by including greenhouse gases (GHGs), driving the substitution of chemicals, prioritising prevention over reduction and remediation, improving reporting and transparency, and strengthening the polluter-pays-principle;
- Redesign the Best Available Techniques (BAT) concept to provide the best ratio of overall environmental impact of an industrial

activity and the provision of a given product or service, based on technically feasible performance;

- Set directional BATs for certain industrial activities that need deep transformation for the delivery of the zero pollution and decarbonisation ambition. This requires a combined approach of market-based and command and control approaches, such as a GHG performance standard set to 100gCO₂eq/kWh, binding energy efficiency levels, carbon intensity standards, process switch standards and a redesign of the EU safety net provisions in line with the zero pollution hierarchy of actions;
- Lead by example in enforcing the strict range of EU BAT standards, e.g., for its lignite units (Sostanj 5 and 6), and by setting a 2030 coal phase out.

8.2 Improve access and usability of environmental information for the purpose of compliance promotion and benchmarking

The EU's Pollutant Release and Transfer Register (E-PRTR) provides data on releases of pollutants from industrial installations across the EU and is currently under review. The revision is likely to be streamlined with improvements made through the EU Industrial Emissions Portal (IED review) and the revision of the UNECE PRTR Protocol and it should deliver improved environmental performance benchmarking and compliance promotion.

We therefore call upon the Slovenian Presidency to support moves to:

• Establish an EU centralised, user-friendly accessible database on environmental performance based on harmonised digital reporting obligations to enable transparency on compliance, industry benchmarking and environmental impacts while also enabling data integration and comparability at international level;

- Modernise the E-PRTR/Industrial Pollution Portal by including information on resource use, an updated list of pollutants (including WFD watchlist substances and substances on the REACH Candidate List of substances of very high concern (SVHCs)), information on permit conditions and real-time reporting for pollutants monitored continuously;
- Highlight operators and authorities who misreport emissions or cut legal corners. More information on the EEB's position on the <u>PRTR</u> review and <u>IED reporting</u>.

8.3 Protect water through stronger policy coherence to address pollution at source

The EU's water bodies are in bad shape and the good chemical and ecological status seems out of reach. Under the Slovenian Presidency, we expect the Environmental Quality Standards (EQS) Directive, Groundwater Directive and Urban Waste Water Treatment Directive (UWWTD) to be under review and Member States will have to detail actions within the 3rd phase of their River Basin Management Plans. These environmental issues need a coherent EU response.

We therefore call upon the Slovenian Presidency to:

• Reinforce the link with water quality work through the upcoming review, the setting of water toxicity standards and upstream pollution prevention standards via Best Available Technique Reference Documents (BREFs);

- Systematically address the water-energymines nexus as a transboundary issue and stop abusive derogations (e.g. mining activities);
- Update the list of relevant pollutants;
- Ensure that the IED supports the implementation of the Water Framework
 Directive by eliminating emissions of priority hazardous substances, ending dilution of waste streams and avoiding loopholes through indirect discharge;
- **Demand mandatory reporting** on effluent characterisation and BAT on water use intensities.

8.4 Drive the industrial transformation through the internalisation of damage costs, by holding polluters accountable and by redirecting public support schemes

Europe needs to phase-out coal by 2030, move away from gas by 2035 at the latest (see <u>European</u> <u>Civil Society Gas Manifesto</u>) and achieve a deeper decarbonisation of energy intensive industries. One of the reasons for why this is not happening at the desired pace is the failure to provide for proper external cost internalisation. Air pollution is currently for free, the carbon debt is not fully recovered through current EU ETS pricing and other environmental impacts such as water and resource use are not accounted for.

We therefore call upon the Slovenian Presidency to:

 Ensure cost recovery via the Water Framework Directive (water abstraction), carbon pricing reflecting real damage (e.g. central estimate of €283/tCO2eq), and cost calculations for premature deaths due to air pollution;

- Initiate a review of the Environmental Liability Directive to remediate shortcomings on the definition of environmental damage and to extend liability to all effects of activities causing harm, irrespective of a permit defence;
- Ensure that EU state aid rules (e.g. the Climate, Energy and Environmental Aid Guidelines) and the use of EU funds are conditional upon the delivery of the EGD objectives and promote deep industrial transformation in accordance with the Union's Treaty obligation to integrate environmental protection requirements into all its policies.



9 Support a toxic-free environment and the ambitious implementation of the Chemicals Strategy for Sustainability

9.1 Ensure a high level of ambition during the implementation of the Chemicals Strategy for Sustainability

After the Commission's adoption of the Chemicals Strategy for Sustainability in October 2020, the Council Conclusions 'Sustainable Chemicals Strategy of the Union: Time to Deliver' clearly expressed the Member States' support for an ambitious implementation of the Strategy.

We therefore call upon the Slovenian Presidency to:

 Take an active role in the ambitious implementation of the Chemicals Strategy for Sustainability through contributions to the high-level roundtable, particularly to ensure that the 'zero tolerance to noncompliance pledge' is strictly implemented with the support of the Council and Member States.

9.2 Promote strengthened and more protective chemicals regulation in the EU

The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Classification Labelling and Packaging (CLP) Regulations are essential tools for the control of chemicals in Europe. However, both need to be adapted and improved to reflect the level of ambition of the Chemicals Strategy for Sustainability (CSS). The upcoming six months will be crucial to set the scene for these ambitious reforms.

We therefore call upon the Slovenian Presidency to:

• Adopt Council Conclusions to support ambitious REACH and CLP revision processes that, in particular, accelerate the risk assessment and management of chemicals; secure a high level of protection of populations and the environment; maintain the burden of proof to demonstrate that chemicals are safe on the industry and allocate the necessary resources to compliance, including by making use of the polluter-pays principle, or non-financial incentives such as transparency and accountability;

- Ensure Member States' support for an **ambitious REACH Restrictions Roadmap**, as proposed under the Chemicals Strategy for Sustainability;
- Promote protective and strict restrictions under the REACH Regulation, avoiding loopholes and derogations when they are not justified, such as the restriction on intentionally added microplastics.

9.3 Promote EU leadership in strengthening the Minamata Convention on Mercury and advance and strengthen the EU Mercury Regulation and its implementation

Mercury and its compounds are highly toxic, can damage the nervous system and are particularly harmful to foetal development. Mercury 'travels' globally, bioaccumulates up through the food chain, especially in certain predatory fish, and presents a human exposure risk. The Minamata Convention entered into force on 16 August 2017, and 131 countries have now ratified, including the EU and 24 of its Member States. The Convention's 4th Conference of the Parties (COP4) will start on 1-5 November 2021 in virtual form, followed by a face-to-face meeting in early 2022 in Indonesia. A key priority is to ensure that countries ratify and implement the Convention as quickly as possible. At the same time, activities to enable mercury reduction as well as capacity building to assist enforcement are needed, including targeting mercury trade and supply, phasing out mercury from products and processes, emissions reduction and the development and implementation of Artisanal and Small Scale Gold-Mining (ASGM) National Action Plans.

At EU level, the process towards reviewing the EU Mercury Regulation has started, and revised legislation is expected by the end of 2022. Furthermore, developments are expected towards the long-awaited phase out of mercury-added lamps under the Restriction on Hazardous Substances (RoHS) Directive.

We therefore call upon the Slovenian Presidency to:

• Ensure that a decision to phase out mercury in **fluorescent lamps** is adopted under the

RoHS Directive as soon as possible and with a minimum transition period; to avoid double standards, such banned lamps should no longer be exported;

- Ensure that preparations for the EU Mercury Regulation review are wide enough to address and eventually drastically reduce remaining mercury uses, emissions and exposure in the EU;
- Ensure **EU leadership in the Minamata Convention** process to allow for meaningful effectiveness evaluation, reporting and continuation of the work towards strengthening the Convention. Additionally, the EU should further drive and prepare the process by supporting amendments to phase out more mercury-added products and processes, including fluorescent lamps, button cells, dental amalgam for vulnerable population, polyurethanes and others.



10 Promote solidarity, wellbeing, social and environmental justice, and accountability

It is essential for the Slovenian Presidency to reflect on the **lessons learnt from the Covid-19 pandemic** in all relevant areas of EU policy and ensure that it is prepared to deal with different challenges. The links between the pandemic, systemic errors in our global economy and environmental protection are many and we encourage the Presidency to have this debate at the level of causes, not just symptoms. Scientists from all over the world have united behind a cure, but also broadly agree on the causes of this pandemic: destruction of the natural world and over-globalisation, pushed by a neoliberal ideology that actively undermines wellbeing and justice as well as the resilience of both ecosystems and humans to deal with stresses. The Covid-19 pandemic also brought about challenges and new opportunities for how people and NGOs are able to exercise their participation and access rights in environmental decision-making. The Slovenian Presidency should take stock of the various positive and negative trends and democratic deficiencies across the EU and guide the EU to strengthening environmental democracy as we recover and build back better.

10.1 Ensure that the EU fully complies with the Aarhus Convention by the 7th Meeting of the Parties (MoP-7, October 2021) and demonstrate the Council's commitment to wide access to justice at EU level

At the Aarhus Convention 7th Meeting of the Parties (Aarhus MoP-7) in October 2021, the EU will need to show that it has done everything necessary to comply with the access to justice provisions of the Aarhus Convention. The EU was found in noncompliance by the Aarhus Convention Compliance Committee in 2017 because the EU's Aarhus Regulation did not provide adequate access to justice to members of the public to challenge decisions affecting the environment. This triggered the still ongoing process of revising the Aarhus Regulation, on which the trilogues may run over from the Portuguese to the Slovenian Presidency in July. How the Slovenian Presidency leads the Council on the Aarhus Regulation file will also determine the EU's stance and preparation for the MoP-7 in October.

We therefore call upon the Slovenian Presidency to:

- Ensure that there is continued effort on the part of the Council to have an **ambitious** result of the trilogue outcomes for the revision of the Aarhus Regulation;
- Commit to endorsing the Aarhus Convention Compliance Committee findings on all cases, including the cases that relate to the EU's non-compliance of the Convention, as the EU would otherwise undermine the entire mechanism and the Convention.

10.2 Lead the Council in the first discussions towards an ambitious revised Environmental Crime Directive

Compliance promotion, inspections and enforcement are frequently mentioned in the Commission's European Green Deal as necessary to realise its commitments, with inspections and coherent enforcement measures being particularly important. The Environmental Crime Directive (ECD) is from 2009, and yet there is no indication that the ECD has led to fewer environmental crimes being committed. In fact, it can still, in some situations, pay to commit an environmental crime rather than comply with the law and avoid environmental damages.

The Commission's DG Justice is expected to make a legislative proposal to amend the ECD before the end of 2021. The currently varying levels and applications of sanctions, different interpretations of definitions in the ECD and the lack of proper investigative measures and enforcement actions

between the authorities in the Member States, make it crucial that the Council takes a strong stance for clearer, more robust and deeper harmonisation of EU rules to combat environmental crime.

We therefore call upon the Slovenian Presidency to:

- Push for a forward-looking stance on the amendment of the ECD, so that it is truly strengthened, can be clearly applied, and rendered more efficient at combating environmental crimes in the EU. This should be done by changing how the current annexes are applied and by expanding the scope of what constitutes an environmental crime;
- Include clearer definitions in the ECD, so that the Directive can be applied in a uniform way in all Member States and clearly sets out

what is meant by the terms used, e.g. what 'substantial damage' is in the context of a crime and how sanctions should be awarded so that they are effective, proportionate and dissuasive;

Support and promote measures that render the Environmental Crime Directive more effective at determining and enforcing environmental crimes, as well as any accompanying initiative that will help harmonise environmental criminal rules so as to eliminate loopholes, including by, *inter alia*, increasing the exchange of information, adding investigation tools, and developing guidelines. Guidelines should not be proposed instead of legal requirements and definitions, but should only facilitate the uniform and harmonised implementation of the Directive.

10.3 Promote wellbeing and social justice across the EU – by integrating social concerns in the 8EAP, in the Reform of the European Semester, and in EGD policies

The policy agenda set in the emergency and recovery phase this year will have profound socioeconomic effects, determining the shape of our economy long after the pandemic is over. Policies, therefore, need to be consistent with the Green Deal and a socially just transition, and build up a wellbeing economy that works for people and planet. Large-scale, well-designed investments are needed over the long run. However, a broader understanding of the green transition is urgently needed. It is not only about investing in energy and transport infrastructure, sectors that are historically male-dominated and that can have impacts on those living in the vicinity of these projects. Just as much attention and treatment should be given to low-carbon care and service jobs. This Presidency has the opportunity to advance the creation of an economy that is green, gender and socially just, one that contributes to the wellbeing of all and leaves no one behind.

We therefore call upon the Slovenian Presidency to:

• Engage in discussions involving the rights of local communities, paying particular attention to Sami and rural communities, who are at risk of facing the biggest brunt of the energy transition in terms of mining primary sources of materials and increased renewable energy projects;

- Advance the EU Governance Review, which will review the EU's main fiscal framework, the Stability and Growth Pact and subsequent fiscal legislation, that has been delayed due to the pandemic, fundamentally reforming the fiscal framework in such a way that it puts environmental and social goals, including gender justice, at the heart of the EU's economic governance;
- Advance the EU Semester reform and integrate the SDGs at the core of the European Semester with headline indicators based on the Goals (see Test #2);
- Initiate and advance discussions on the importance of acknowledging the interlinkages of environmental policies and gender and social justice by creating awareness and facilitating debates;
- Promote and ensure better coherence and synergies of the National Roma
 Strategic Frameworks with the National Recovery and Resilience Plans and the Multiannual Financial Framework (MFF) Programmes;
- Increase awareness on mitigating the social and economic impact of the Covid-19 pandemic on Roma and Traveller communities through tackling their unequal

access to environmental services, (digital) education, residential, spatial and environmental segregation, unemployment, poverty and social exclusion in line with the aims of the Recovery and Resilience Facility and the European Pillar of Social Rights.

10.4 Promote effective and enforceable rules on corporate accountability so that those entities contributing to human rights abuses and environmental harm are held liable

The United Nations Guiding Principles on Business and Human Rights, adopted in 2011, state that companies have a responsibility to respect human rights, including through 'Human Rights Due Diligence'. A proliferation of voluntary measures by businesses now exists but, as these are not mandatory and enforceable, the vast majority of companies still do not undergo any environmental and human rights due diligence. In recent years, a number of EU Member States have developed national rules regarding due diligence that companies must take, the most recent example being Germany with the passing of the Supply Chain Act in June 2021. However, in the context of the single market, EU-wide legislation that covers all sectors is crucial to ensure a level playing field for businesses.

The Commission will propose a new law on Sustainable Corporate Governance (SCG). Strong corporate and supply chain rules are a clear necessity for achieving the goals in the EGD and it will be an opportunity for the EU to show leadership in demanding that companies act responsibly to protect people and planet as part of their business model.

We therefore call upon the Slovenian Presidency to:

• Ensure that the proposed legislation on Sustainable Corporate Governance contains both obligations to carry out environmental and human rights due diligence for companies operating in the EU as well as corporate governance rules for inclusive long-term decision-making;

- Support and promote the inclusion of provisions that will hold companies liable for not carrying out environmental and human rights due diligence, making sure that this requirement is mandatory and enforceable. This is crucial for full accountability so that victims and affected communities can access justice and seek remedies. The law should also envisage how to bind companies in the supply chain so that harm and abuse are not embedded in the business model;
- Demand and work towards coherence and stronger ambition with the Corporate Sustainability Reporting Directive (currently known as the Non-Financial Reporting Directive) and other initiatives led by the Commission that are related to the SCG and ongoing, as for example, the Textiles Strategy;
- Adopt a strong and ambitious negotiating position for the UN Legally Binding Instrument (LBI) on business and human rights, ensuring that victims and affected communities have access to redress and that companies are held accountable for their violations in international law, which will reinforce the EU's leadership role internationally on corporate accountability.

10.5 Promote civil society space and meaningful participation, including of youth

Engagement of civil society in environmental decision-making is crucial to ensure democratic legitimacy, accountability, social acceptability and effectiveness. The Slovenian Presidency has a key opportunity to engage with civil society and should also take steps to improve civil society space more broadly.

- Support the introduction of new EU anti-SLAPP (Strategic Litigation against Public Participation) legislation on which a Commission proposal is expected before the end of 2021 and take on board the calls from the European Parliament in their 2021/2036(INI) report on the subject;
- Urgently increase the consultation with and participation of all segments of society, in particular youth, women and those groups that have shown to be particularly vulnerable during the pandemic so as to identify and implement solutions to improve social and intergenerational justice;
- Make use of the window of opportunity around the Conference on the Future of European to support civil society engagement;
- Engage in a youth dialogue and take active steps to protect the (future) fundamental freedoms of younger generations.





European Environmental Bureau

Rue des deux Eglises 14-16 1000 Brussels, Belgium

Tel +32 2 289 1090

eeb@eeb.org

eeb.org

The EEB and its members welcome continued engagement and cooperation with the Slovenian Presidency.

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.

For more information, please contact: Patrick ten Brink Deputy Secretary General and Director of EU Policy Patrick.tenBrink@eeb.org



Keep up to date with the latest