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With thanks to Seas at Risk and the EEB Board for input.





Introduction

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

The Hungarian Council Presidency came at a transition point – at the end of the first term of the Ursula von der Leyen Presidency of the European Commission and the end of Roberta Metsola's Parliament Presidency, and the start of their new presidencies, with a new College and Parliament, with new political majorities. This constrained what was possible by the Hungarian Presidency team.

During the Hungarian Presidency, evidence has continued of the dramatic damage from climate change – notably flooding, storms, heatwaves, droughts and fires, as well as evidence of health and pollution impacts and biodiversity loss. The reality of impacts doesn't wait for political progress and clearly calls for more ambition.

A Council Presidency is clearly not responsible for all developments and furthermore, even its sphere of responsibility, cannot make decisions on its own. It needs the cooperation of the European Commission, European Parliament, and other Member States on files under Presidency responsibility. Nonetheless, the Presidency can still have considerable impact and influence, for example, through the priority and profile it gives to specific issues and through the way in which it chairs discussions, prioritises practical work and engages with other Member States to enable progress.

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

On the other hand, the assessment is not limited to the activities and outcomes of the Environment Council. It covers all Council configurations to the extent that they deal with topics that affect the environment, as well as the European Council, which is not formally under the Hungarian Presidency responsibility. Our assessment is based on the Ten Green Tests we presented to the

Hungarian Government just before the start of its Presidency on 1 July 2024.

We recognise the challenges faced by the Hungarian Presidency, with the lack of an EP and Commission in place to advance on trilogues. Despite welcome efforts on biodiversity, chemicals and air pollution, overall, there was insufficient effort to progress the EGD, and we were disappointed with the lack of progress made on so many files at a time where the evidence of the costs of inaction is so starkly clear.

We, however, wish to thank the experts in the Permanent Representation and the ministries for cooperation and advancing on the international negotiations and on a range of policy files – much of the hard work done can be eclipsed by outcomes and political context. On a positive note, we were pleased to see the Council under the Hungarian Presidency reject the EP weakening of the Regulation on deforestation-free products (EUDR).

We are grateful for the collaboration of the Hungarian Presidency team on the G10-Ministers reception but naturally feel disappointed that Hungary did not uphold the tradition of civil society engagement at the informal meeting of environmental ministers – a useful moment in time to share facts and perspectives that support mutual understanding. There is extensive evidence that an open collaboration with civil society leads to better policies, more buy-in to these policies, and better implementation, as well as a more resilient democracy. It was, therefore, a shame that the Presidency didn't work openly together with civil society on that occasion to help future-proof policy.

As regards the assessment, building on the evidence of Presidency engagement and on the results achieved, the conclusions are, unfortunately, overall, negative, particularly on impacts. After the Belgian Presidency and before that, the Spanish Presidency that led the Trio, Hungary, failed to ensure an overall positive legacy of the Trio. Despite a difficult context, more could and should have been done.

We hope that in the future, the clear evidence of the costs of inaction (at a human, societal and economic level), as well as the benefits of action (for people, communities, industry, and nature), inspire bolder policy action by the Council.

Patrick ten Brink Secretary General

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Ten Green Tests for the Hungarian Presidency: Assessment

The Hungarian Presidency made positive efforts on biodiversity and on harmful chemicals, made welcome efforts to resist the roll-back of legislation instigated within the EP, but the overall outcomes on advancing the European Green Deal and international agreements were mostly poor and can only be seen as a missed opportunity for progress.

The Hungarian Presidency of the Council of the European Union took over from the Belgian Council Presidency on the 1 July 2024, and was the second time Hungary has the responsibility of holding the Council Presidency, the first being in 2011. Hungary joined the EU in 2004 following the 12 April 2003 referendum where 84% of the valid votes supported EU membership.

Politics is the art of the possible. However, if and where the possible does too little to avoid climate breakdown, halt catastrophic biodiversity loss and ecological tipping points,

reduce pollution exposure, or improve governance systems in a way that gives confidence in our governments, institutions and future, then we cannot assess progress to be good, despite efforts.

It is against needs for climate justice, health, biodiversity and resilient ecosystems, and for today and tomorrow's young who will inherit the earth, not short-term political "realism", that both effort and impact are assessed to determine the Presidency performance against the <u>Ten Green Tests.</u> We reached the following conclusions:

			Effort	Outcome
	1	Advancing the European Green Deal as a Just Transition agenda for an EU committed to enlargement		
+	2	Ensure energy security while addressing the climate emergency		
×	3	Reverse the dramatic loss of biodiversity on land, in freshwater and in oceans	•	
	4	Drive a transition towards sustainable food and agriculture		
	5	Tackle pressure on surface and groundwater and ensure clean water for all		
<u> </u>	6	Ensure clean air towards zero environmental and health impacts		
Ā	7	Call for a toxic-free environment and the ambitious implementation of the Chemicals Strategy for Sustainability	•	
1	8	Shift towards a zero-pollution industry		
	9	Grasp the full potential of the circular economy		
<u>*</u>	10	Strengthen accountability and the rule of law and promote environmental justice		



1 Advancing the European Green Deal as a Just Transition agenda for an EU committed to enlargement

The verdict



on effort



The <u>first Green Test</u> called upon the Hungarian Presidency to: **finalise the EGD** to leave a transformative legacy of the Spanish, Belgian, Hungarian Council Presidency Trio; debate and embrace an agenda **on competitive sustainability**; advance policies supporting a **Just Transition**; support **public investments** for a stronger, more resilient and sustainable economy; advance discussions on the importance of acknowledging the **interlinkages of environmental policies**, gender, economic and social justice; ensure that the partnership between the **EU and Ukraine** based on the Ukraine Facility; advance the institutionalisation of the successful **Beyond Growth** processes; and to ensure a strong follow up in the Council regarding the **implementation of the SDGs**.

Key developments

- The Green10-Ministers Reception took place on 16
 December, in advance of the Environment Council meeting, focusing on climate change, the clean industry deal and chemicals policy.
- The Hungarian Presidency focused their informal meeting of environmental ministers on 11-12 July, discussing the preparation for UNFCCC COP 29 in Baku, Circular economy, competitiveness, resilient water management and transboundary water and air pollution and EIB green financing.
- The new European Parliament started its 10th term on 16 July 2024.
- The new **Political Guidelines for the European Commission 2024-2029** were presented in
 Strasbourg at the election of President Ursula Von
 Der Leyen in July.
- The New Commission was voted in on 27 November and took office on 1 December 2024.
- In September, Mario Draghi presented his report on the **future of European competitiveness**.
- Presidency conclusions on the future of competitiveness in the EU were adopted at the Competitiveness Council on the 28 November.

Good

 The Council avoided a dangerous weakening of the Regulation on Deforestation-free products (EUDR) by opposing the European Parliament's new amendments in trilogues (3 December), therefore preventing a harmful step back on the Green Deal implementation. This was also a useful signal of Council's role in resisting efforts by certain forces in the EP to roll back of the EGD.

Poor

- The Hungarian Presidency broke with the tradition of inviting representatives of the environmental citizens organisations to the informal meeting of ministers.
- The Hungarian Presidency failed to show any leadership in advancing neither the institutionalisation of outcomes of the Beyond Growth Conference and Beyond GDP framework, nor discussions highlighting the importance of increased quality public investments (financed
- through either borrowing and/or progressive taxation) for a resilient and sustainable economy.
- The Hungarian Presidency failed to engage with priorities related to the just transition agenda, including on advancing an **EU Just Transition Directive**, supporting policy coherence between the **European Pillar of Social Rights**, Just Transition and Industrial policy and promoting Just Transition policies via the **European Semester**.

Overall, the Presidency failed to substantially advance the EGD agenda and live up to commitments it signed up to under the 8EAP. Deregulation was unfortunately a core element of the discussions on sustainable competitiveness. The verdict is therefore poor on effort and poor on outcome.



2 Ensure energy security while addressing the climate emergency

The verdict





The <u>second Test</u> called on the Presidency to: support an ambitious **EU Commission work plan** for the next mandate; propose a voluntary commitment to allocate all of the **ETS2 fund to heating and cooling sectors**; advance on the **decarbonisation of the buildings** sector; stimulate the European Commission to bring the ambition of the **EU F-gas regulation** to the global level; and engage convincingly at **UNFCCC COP29**.

Key developments

- The Presidency advanced towards Agreement on Electricity Grid Development with discussions on modernizing and integrating EU electricity grids to handle increasing renewable energy and electrification needs.
- In a Debate on Energy Security vs. Climate Goals
 Hungary emphasized the role of nuclear energy
 and natural gas as transitional solutions, sparking
- debate on their alignment with EU decarbonization targets.
- The Presidency supported a Long-Term Financing Mechanism to ensure investments for energy transition projects, including cross-border grid interconnections and digitalisation of energy infrastructure.

Good

- The Presidency hosted a high-profile conference focused on the development of electricity grids, emphasizing their critical role in the EU's energy transition. This was part of a welcome effort to facilitate **Cross-Border Grid Projects**, with advanced funding and support for grid interconnection projects, especially in Central and Eastern Europe, to improve regional energy security and trade.
- The Hungarian Presidency revived the Energy Taxation Directive (ETD) negotiations. However, it proposed a compromise, including exempting aviation and maritime fuels from taxation for 20 years, with a review after 15 years – a date beyond

- the time at which climate neutrality should be reached.
- The Hungarian Presidency promoted an event on **geothermal energy** to stress its potential, particularly for district heating, and produced Council Conclusions that call for the EC to propose a **European Geothermal Action Plan**.
- The Hungarian Presidency consulted environmental and development NGOs on UNFCCC COP29 negotiations and presented voice of the youth in the EU pavilion in Baku. The Presidency's role in Baku was also appreciated by the European Commission.

Poor

- Hungary played a critical role in shaping the EU's stance on sanctions against Russia. Prime Minister Viktor Orbán has been a vocal critic of EU sanctions, particularly highlighting their supposed impact on energy prices, while minimizing the disadvantage of strategic dependency on Russia.
- Hungary advocated for Nuclear's Role in EU Climate Goals, pushing for the inclusion of nuclear energy as a key element in the EU's energy mix, using the false argument that nuclear is necessary to meet EU climate targets and ensure energy security. Hungary also supported the
- exploration of small modular reactors (SMRs) as part of the EU's long-term energy strategy, although these would arrive too late to help us confront the immediate urgent decarbonization challenge we face.
- The Council did not push the Commission to put forward the EU heat pump action plan, nor advocated for a prompt adoption of Ecodesign and Energy Labelling on heating technologies.
- The Hungarian government has continued using gas from Russia and consistently criticised the EU's attempts to reduce fossil fuel imports from Russia.

Overall, despite good engagement in Baku, the verdict is, therefore, poor on effort and poor on outcome.



3 Reverse the dramatic loss of biodiversity on land, in freshwater and in oceans

The verdict



on effort



on outcome

The <u>third Test</u> called on the Presidency to reject the European Commission proposal to lower the **protection status of the wolf** under the Bern Convention; represent the Council in negotiations towards agreeing the first EU **Soil Monitoring Law**; prioritise Council negotiations on the **Forest Monitoring Law**; support implementation of the **EU Biodiversity Strategy**; drive ambition for biodiversity action globally, especially at the **CBD COP 16 in Cali**, Colombia; support EU action to **reverse the increasing degradation of marine and coastal ecosystems** and scale up ambition to achieve a healthy ocean; lead by example in the implementation of the **EU Biodiversity Strategy for 2030**.

Key developments

- The Presidency organised the Council's work towards the last-minute adoption of the Council Decision to lower the protection status of the wolf under the Bern Convention, paving the way for its subsequent adoption at the Bern Convention Standing Committee meeting on 3 December.
- The Presidency secured the adoption of the EU's negotiating mandate for the CBD COP16 and successfully represented the EU at the meeting of the parties in Cali, securing important decisions on the expanded role of Indigenous Peoples and Local Communities in saving biodiversity, as well as on sharing benefits from digital genetic information.
- The Presidency organised the interinstitutional negotiations on the Soil Monitoring Law (SML) the moment the European Parliament adopted its position, making agreement under the Polish Presidency a real possibility.
- The Presidency continued Council's deliberations on the Forest Monitoring Law (FML), however, there has been no improvement in the

- engagement of the environmental authorities in the Council's work.
- The Presidency secured the Council's decision to agree the 12-month delay in the roll out of the **Regulation on Deforestation-free products** (**EUDR**), which has been one of the key deliverables of the European Green Deal to-date.
- The Presidency organised a successful meeting of the EU Nature Directors in September focusing on implementation of the recently adopted Nature Restoration Regulation (NRR). The meetings allowed full participation of stakeholders and NGOs.
- Recognising the shrinking space for civil society in Hungary, a coalition of Hungarian NGOs carried out an EU Civil Society Presidency initiative, including organising a conference on EU's Forest Strategy in October that put forward several policy recommendations for Hungarian Presidency to implement while at the helm of the EU Council.
- The Presidency concluded the annual negotiations on fishing opportunities in every sea basin, which led to a promising compromise for the Western Mediterranean.

Good

- The Presidency made significant efforts to conclude the trialogue negotiations on the Soil Monitoring Law without delay, however, the Council's General Approach on the SML remains insufficient to bring our soils to health by 2030.
- The Presidency succeeded in securing the EU's negotiating mandate for the CBD COP16, reaffirming EU's global pledge to protect and restore nature by 2030 and secured the adoption

of two breakthrough decisions at the conference in Cali: one on sharing the benefits arising from the use digital sequence information and one on establishing a Subsidiary Body on Traditional Knowledge, Innovations and Practices. The Presidency also regularly organised consultations for CSOs so they could provide input to the negotiators.

- The Presidency continued Council's deliberations
 on the Forest Monitoring Law and secured the
 rejection of the shameful attempts by the
 conservative and far right fractions of the
 European Parliament to weaken the EUDR.
- The Presidency secured the adoption of three progressive resolutions at the 69th meeting of the **International Whaling Commission (IWC)**, maintaining its long-term commitment for the ban on whaling.

Poor

- The Presidency succumbed to the political pressure and pushed for the last-minute adoption of the Council's Decision to downgrade the protection status of the wolves under the Bern Convention and consequently defended the unscientific and politically motivated decision at the meeting of the Standing Committee under the Bern Convention in December.
- The Presidency organised an important discussion on the EU forest policies among the EU Forest Directors, however, it failed to ensure balanced
- representation of the stakeholder interests at the meeting only representatives of the forestry sector were invited, with no NGOs participating, contrary to meetings organised by previous Presidencies.
- EU Fisheries Ministers once again failed to end overfishing during the Hungarian Presidency, disregarding both scientific advice and legal obligations in the face of escalating climate and biodiversity crises when setting fishing opportunities for 2025.

Overall, the Hungarian Presidency made real efforts to advance inter-institutional negotiations on the biodiversity-related files where the European Parliament was willing to collaborate (e.g. Soil Monitoring Law and the Deforestation Regulation). In addition, the Hungarian Presidency successfully represented the EU at several high-profile multilateral biodiversity events: CBD COP16 (October, Colombia), IWC69 (September, Peru), IPBES (December, Namibia), however, the EU institutions undermined the credibility of the EU as the global champion for biodiversity after the Council supported the unscientific and politically motivated decision to downgrade the protection status of the wolf under the Bern Convention. The verdict is therefore arguably overall good on effort but poor on outcome.



4 Drive a transition towards sustainable food and agriculture

The verdict



on effort



on outcome

This Test called on the Hungarian Presidency to: request a scientific review and updated impact assessment of the Common Agricultural Policy (CAP); uphold the ambition and commitments of the Farm to Fork Strategy; create the space for ambition on the climate goals in agriculture; increase the dialogue between the Agriculture Council and Environment Ministers and stakeholders; support a transformative Sustainable Food Systems (SFS) Law; urge the new Commission to progress work on the long-awaited proposal for a revision of the EU's agricultural and food promotion policy and animal welfare legislation and support adequate implementation of the Sustainable Use of Pesticides directive (SUD).

Key developments

- In July, Commission President Ursula von der Leyen presented her political guidelines for the new mandate, in which she committed to listen to the outcomes of the Strategic Dialogue on the Future of EU Agriculture, as well as confirming her commitment to stay the course on the European Green Deal. However, the Farm to Fork Strategy has been pushed off the agenda.
- The Strategic Dialogue on the future of EU agriculture, bringing 29 key stakeholders together to overcome the polarisation of the political debate on agriculture and food, came to a close, with a historic consensus report setting out a vision and set of recommendations shared by all participants.
- During his Hearing in the European Parliament, Commissioner-designate for Agriculture Christophe Hansen repeated the Commission's commitment to the Strategic Dialogue, namely with regards to improving farmers' incomes and reforming the Common Agricultural Policy (CAP) to make it more targeted, however, he rejected calls to come forward with new framework legislation on Sustainable Food Systems.
- Commissioner-designate for Health and Animal Welfare, Oliver Várhelyi committed to bring forward legislation to ban the use of cages in farming but remained vague as to the wider revision of animal welfare legislation promised in the Farm to Fork Strategy.

Good

- The Hungarian Presidency provided real space and opportunity for Member States to raise and discuss critical questions regarding the deregulation of "New Genomic Techniques" (NGTs) proposed by the European Commission. This has at least allowed for critical questions to be raised and discussed and is a
- positive development in comparison with the strong push and little space for critical debate by the previous Spanish and Belgian Presidencies.
- No further evidence of good effort or impact could be found.

Poor

- The Hungarian Presidency did not engage with environmental stakeholders, while continuing to give privileged access to intensive agricultural lobbyists; despite a clear opportunity to build on the successful depolarisation and improved collaboration stemming from the Strategic Dialogue.
- The Council Conclusions on a farmer-focused post 2027 Common Agricultural Policy negotiated and

agreed under the Hungarian Presidency largely defended 'business as usual' for the post-2027 CAP, despite strong recommendations coming out of the Strategic Dialogue for better targeting of CAP support and a move to a more outcome-based policy.

Overall, the Hungarian Presidency showed little interest in promoting a just transition to more sustainable and resilient food and farming systems, despite yet more extreme weather events causing devastation in many parts of Europe in the second half of 2024, which is yet another warning of the urgent need to change. The verdict is therefore poor on effort and poor on outcome.



5 Tackle pressures on surface and groundwater and ensure clean water for all

The verdict



on effort



on outcome

<u>This Test</u> called upon the Presidency to: represent the Council in the trilogue negotiations on the Commission's proposal to update the **list of water pollutants of surface and groundwater**; support the European Commission in bringing forward the delayed **Initiative for Water Resilience** and ensure it is based on nature-based solutions; lead Council's opposition to the proposed weakening of the **Nitrates Directive** standards and insist the EC publishes the delayed **Integrated Nutrient Management Action Plan (INMAP)**; organise Council's support to the **Water Framework Directive (WFD)** implementation including in the context of the Common Implementation Strategy and Lead by example in stepping up the **implementation and funding of the WFD in Hungary**.

Key developments

- The Presidency organised several meetings of the Council's Working Party on Environment in autumn 2024 in order to prepare the Council for the trilogue negotiations on the updated lists of priority water pollutants. Unfortunately, unwillingness from the European Parliament to engage with the Hungarian Presidency on this file meant that no trilogue meetings could be scheduled, causing further delays to the adoption of this much needed regulatory update.
- The Council gave the final green light for a revised EU **Directive on Urban Wastewater Treatment** (UWWTD) on 5 November. The revised Directive, even though less ambitious than the original EC proposal, extends the scope to smaller agglomerations, covers more pollutants, including micropollutants, and contributes to energy neutrality.
- The Presidency raised the need for the EU to become more water resilient at several highlevel events it organised, such as at the informal

- meeting of the Environment Ministers in July and the Water Directors meeting in November. The Presidency succeeded in adopting **Council Conclusions on EU's resilience against floods** in December.
- The Presidency secured the adoption of the EU mandate and represented the EU at the at the COP 16 of the UN Convention to Combat Desertification (UNCCD) addressing the urgent challenges posed by desertification, land degradation, and drought.
- Recognising the shrinking space for civil society in Hungary, a coalition of Hungarian NGOs carried out an EU Civil Society Presidency initiative, including **organising a conference on Water Resilience** in Budapest that put forward several policy recommendations for Hungarian Presidency to implement while at the helm of EU Council.

Good

- The Presidency seemed keen to advance negotiations on the updated lists of water pollutants. Unfortunately, it was the unwillingness of the European Parliament to engage with the Hungarian Presidency that has resulted in even more delays in the adoption of the file. It has now been more than 2 years since the EC proposed its zero-pollution package, with the ordinary legislative procedure completed for the other proposals on air quality and urban wastewater.
- The Presidency organised the necessary formal steps needed for the final adoption of the **revised UWWTD**, paving the way for the Directive to enter into force by the end of 2024.
- The need for EU to become more water resilient
 as urgent priority has been recognised in both
 Council's Strategic Agenda, Council's Conclusions
 on the EU's resilience against droughts and floods
 adopted under the Hungarian Presidency, as well
 as political guidelines of the second von der Leyen
 Commission.

Poor

- The revised UWWTD is less ambitious compared to the EC proposal including regulatory standards for pollutants as well as extended deadlines to comply.
- The Council's position on the update of priority water pollutants fails to tackle the urgent and serious water pollution challenges. Moreover, the Council overstepped the limited character of the revision and proposed to weaken key principles of the Water Framework Directive (WFD). This falls outside of the scope of the ongoing update, that should be limited to adapting environmental
- quality standards following scientific advances and also goes against the conclusions of the WFD fitness check evaluation, which deemed the WFD to be fit for purpose and that only chemical standards in the Directive required updating.
- The Presidency made no effort to push the Commission to deliver on the promised zero pollution commitments such as publishing Integrated Nutrient Management Action Plan (INMAP) nor intervened to stop the dismantling of the environmental safeguards, such as proposed additional exemptions under the WFD.

Overall, the Hungarian Presidency failed to advance a progressive water agenda during the six months at the helm of the EU Council. Acknowledging the Presidency's willingness to advance the interinstitutional negotiations on the update of priority water pollutants and pushing for the EU to become more water resilient as urgent priority, the verdict is therefore mixed on effort and poor on outcome.



6 Ensure clean air towards zero environmental and health impacts

The verdict



on effort



on outcome

<u>The sixth Test</u> called on the Presidency to: promote Member States engagement towards the swift adoption and transposition of the new **Ambient Air Quality Directive**; lead on the review of the **National Emission Ceilings Directive** (National Emission reduction Commitments Directive); guide EU Member States in the process of revision of the **Gothenburg Protocol** to the **UNECE Long Range Transboundary Air Pollution Convention**; promoting actions to cut pollution at the source; lead by example by swiftly revising **Hungary's National Air Pollution Control Programme** and foresee a Council debate on the need for revising the **Environmental Noise Directive**.

Key developments

- The Presidency has secured, within its mandate,
 the final steps of the updated Ambient Air
 Quality Directive (AAQD).
- A public consultation stage of The National Emission Ceilings Directive revision has begun.
- The process of revision of the UNECE Gothenburg Protocol, to the Long-Range Transboundary Air Pollution Convention held its 44th meeting of the Executive Body from 9-12 December 2024. During this session, they will review progress and make decisions on the next phases of the revision process.

Good

- The final agreement for a new Ambient Air Quality Directive was formally adopted by the Council without further dilution of the proposed changes. While the Presidency's role at this point was procedural, this adoption marked an important score for the EU.
- The Presidency also acknowledged, in its programme the importance of a pollutant free

environment and noted intention to take further steps towards the vision of zero pollution by 2050 through promoting ongoing negotiations on legislative proposals submitted during the current mandate of the Commission in order to minimize pollution.

Poor

- The Programme of The Hungarian Presidency of The Council of The European Union does not mention the NECD or Gothenburg Protocol.
- No open debate has been held regarding the positioning of the European Union and its Member States within the process of revision of the Gothenburg Protocol to the UNECE Long-Range Transboundary Air Pollution Convention.
- Hungary's National Air Pollution Control Programme has not been updated, setting a negative example with regards to the NECD.
- The Presidency has not taken any action to foresee a Council debate on the need for revising the **Environmental Noise Directive**.

Overall, the Hungarian Presidency had some positive messaging about the need to protect the health of citizens and the environment and allowed for the final agreement on the AAQD to be adopted without dilution or delay. However, in terms of tangible actions, they have only done what was procedurally required of them with regards to air quality. The verdict is therefore poor on effort and mixed on outcome.



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

The verdict



on effort



<u>The seventh Test</u> urged the Presidency to develop a general approach on the 'One Substance, One Assessment' package; conclude inter institutional negotiations on the Toys Safety Regulation; adopt a general approach to the potentially upcoming legal proposal to ensure that hazardous chemicals banned in the European Union are not produced for export; promote EU leadership in strengthening the Minamata Convention on Mercury; ensure that the revised EU Mercury Regulation is properly implemented; and promote a strong Product Liability Directive and a Cosmetics Regulation holding e-platforms selling dangerous chemicals to account.

Key developments

- In December 2023, the Commission introduced three legislative proposals under the OSOA framework. The Council agreed on its negotiation mandate in June 2024.
 In Parliament, the ENVI committee is expected to consider its rapporteur's draft report on Q4 2024.
- The revision process of the Packaging and Packaging Waste Regulation (PPWR) has faced multiple delays. Although initially scheduled for adoption in late 2022, and a provisional agreement by the European Parliament and Council was reached In March 2024, it has now been postponed, with substantial work expected to begin in earnest in 2025.
- The revision of the **Toys Directive** was launched in July 2023 by the Commission. In March 2024, the European Parliament supported this proposal and introduced group restrictions on PFAS and bisphenols. On 15 May,

- the Council adopted its position (negotiating mandate). Trilogues did not start, although they remain expected to begin in autumn 2024.
- The revised **EU Mercury regulation** entered into force on 30 July 2024. The revision included provisions relevant to decisions taken at the fifth Conference of the Parties (COP5) of the Minamata Convention (November 2023), but also went beyond those in some aspects.
- While the revised Product Liability directive was published on 18 November (Directive (EU) 2024/2853), the EU was not able to advance on the revision of the Cosmetic Products legislation due to the delayed proposal by the Commission, still unpublished at this stage and originally planned for Q4 of 2022.

Good

- On 23 September, the Hungarian Secretary of State for Environmental Affairs and Circular Economy said the Presidency "would push for a more competitive Europe while addressing the triple challenge of reducing pollution, mitigating climate change, and preserving biodiversity".
- On 14 October, Hungary held a debate on the implementation of the EU Chemicals Strategy for Sustainability (CSS). Ministers highlighted the prominence of the CSS for the next political cycle to protect human health and the environment. The discussion featured topics such as prioritising actions that have not yet been implemented, including the revision of the REACH regulation, addressing the
- challenges from 'forever chemicals' (PFAS), improving governance and financing of the European Chemicals Agency (ECHA) and identifying ways to speed up the implementation of the Chemicals Strategy. Several ministers also referred to the need to ban the export of hazardous chemicals. The Presidency published a synthesis report on the state of play of the implementation of the CSS and way forward.
- On 17 December, the Hungarian Presidency hosted an Any Other Business discussion on 'Key issues in the targeted revision of the REACH Regulation'.
- The Presidency processed and enabled the adoption of Product Liability Directive.

Poor

 The Hungarian Presidency could not advance interinstitutional negotiations on the OSOA, Toys or PPWR files. The European Parliament has yet to vote on its report, leaving the Council in a waiting position. Also, the Presidency tried to do their utmost to start negotiations on the Toys and PPWR files, but the European Parliament preferred not to negotiate with the Hungarian Presidency for political reasons.

Overall, the Hungarian Presidency acknowledged the importance to tackle pollution as part of the triple planetary crises and held an important debate on the future of the chemicals policy and the revision of REACH. However, it could not advance on long awaited chemical related files such as Packaging and Packaging Waste Regulation (PPWR). The verdict is therefore good on effort but mixed on outcome.



8 Shift towards a zero-pollution industry

The verdict on effort on outcome

This Test called upon the Hungarian Presidency to ensure that an **ambitious vision for a sustainable, zero-pollution industry** is reflected in the context of EU industrial policy initiatives, and the work plan by the new Commission, aligned with the joint industry-NGO Vision for a prosperous and sustainable industry: a positive blueprint for the future. Moreover, following the adoption of updated rules on industrial emissions, and the adoption of the **Net-Zero Industry Act (NZIA)**, we called for robust secondary acts, for progress on digital tools, and for improved expert group rules or Council work practices to foster inclusive governance, transparency and public accountability in decision-making. We further asked for accelerating the transformation of energy-intensive industries (EEIs) through an integrated push and pull policy mix, and internalising environmental and human health costs through the review of the **Environmental Liability Directive (ELD)** and **IED 2.0** secondary legislation.

Key developments

- The updated EU rules on industrial emissions were adopted: the revised Industrial Emissions Directive (IED 2.0) the successor of the Directive on Integrated Pollution Prevention and Control was <u>published</u> in the Official Journal of the EU (OJEU) in July 2024, and the Regulation establishing the Industrial Emissions Portal (IEP-R) was <u>published</u> in the OJEU in May 2024. For more information, please see our <u>dedicated</u> briefing on the outcome.
- The related work on secondary acts has started, with the update of the rules for the review of the EU Best Available Techniques reference documents (BREFs), the adoption of the BREFs work programme, and the launch of the new BREF for the mining sector, being the first focus items.
- The Environmental Liability Directive (ELD) evaluation was done in 2022, and the fitness check of the polluter pays principle was completed in 2023.

- The Commission, however, has not tabled any proposal on the ELD and has so far delayed any recommendation following the fitness check of the polluter pays principle.
- Regarding the **Proposal on prevention on Plastic Pellet Losses and Microplastics (Micro-Plastics Proposal)** there were high hopes to see the proposal progress swiftly at the technical level in Council, mainly due to rather supportive stance by the European Parliament (ENVI on 19 March, plenary on 23 April). Five meetings took place in the Council working group, with Coreper on 7th November and 11th December. The Council approved its position (general approach) on 17 December, providing to the Polish Presidency the mandate for negotiations with European Parliament.

Good

 On the Micro-Plastics Proposal, a number of Member States including Denmark, France, Lithuania, Luxembourg, the Netherlands, Slovakia, Slovenia, Spain and Sweden expressed clear support for scope extension to maritime transport and ambition on the proposed measures. This outcome was confirmed by the Ministers in the Council Position adopted on 17 December, with a 3-year transition period for maritime sectors, whilst other sectors would have 2 years. The Council also added in its scope the cleaning of plastic pellet containers and tanks, whilst generally upholding the level of ambition.

Poor

- The Presidency did not exert any significant efforts to steer the EU strategy on industrial policy to deliver transformative change towards a circular, decarbonised and zero-pollution industry. Inaction is however due to lack of policy initiatives by the European Commission, expected to be published following the "Clean Industrial Deal".
- Regarding the reviews of the IED 2.0 and the IEP-R, the work was carried out by the previous Presidencies. However, when it comes to the much-
- needed secondary acts stemming from these two key instruments, the Presidency did not take any initiative to advance the work towards e.g. a reformed **EU BREF Process**, or regarding rules about transformation plans for the EEIs, however this responsibility mainly rests with the European Commission.
- At the 11th Working Group on the **UNECE Kyiv Protocol** (on Pollutant Release and Transfer Register), the EU tabled in relation to a non-binding proposal on the modernisation of PRTRs a hugely disappointing

position. The Hungarian Presidency did not sufficiently push back an obstructive Member State position that was undermining key provisions of the IEP-R, such as reporting on consumption and diffuse emissions. While NGOs requested a withdrawal of this text, the EU and its member states only offered a further reflection period.

 On the Micro-Plastics Proposal, a number of Member States did use the ongoing discussions at IMO level for (voluntary) measures as an excuse for inaction at EU level. The common position lacks the necessary ambition to fully address plastic pellet loss with uniform and binding prevention, containment and clean-up measures all along the plastic value chain. The Hungarian Presidency gave in to requests of delegations to withhold information from the public based on an extensive interpretation of "confidential business information", including "safety of the installations" claims. The level of penalties was also lowered to a minimal 3% whilst it would apply to the whole annual Union turnover. Compensation provisions favouring collective actions and reversal of the burden of proof were weakened.

Overall, the Hungarian Presidency did not sufficiently promote progress on the shift towards zero-pollution industry. It missed the opportunity to push back against a Member State's initiative to weaken the modernisation of the PRTRs and the 2003 Kiev Protocol. While the Council adopted a position on the Micro-Plastics General Agreement, it lacked the necessary ambition to fully address plastic pellet loss. The verdict is therefore mixed on effort and mixed on outcome.



9 Grasp the full potential of the circular economy

The verdict



on effort



on outcome

In this Test we called upon the Hungarian Presidency to ensure that circularity and reduction in resource use are placed at the heart of the next EU Strategic agenda and are reflected in upcoming CE policy initiatives at EU level (including a resource use/material footprint target); We also urged the Presidency to complete several key circular economy policy files that remain under the legislative process without delay ensuring the necessary level of ambition and prioritising waste prevention, reuse, refurbishment and supporting citizens in making truly sustainable choices. Specifically, we called the Hungarian Presidency to take an ambitious stance on the targeted revision of the Waste Framework Directive and initiate trilogues, adopt an ambitious approach to the proposal for a Regulation on Circularity Requirements for Vehicle Design and on Management of End-of-Life Vehicles, conclude the last formal step for the adoption of the Packaging and Packaging Waste Regulation, start trilogues and finalise the Green Claims Directive, adopt an ambitious approach to the proposal for a Regulation on Circularity Requirements for Vehicle Design and on Management of End-of-Life Vehicles; and catalyse the discussions around a reduced use of critical raw materials to moderate supply and price risks.

Key developments

- On the targeted revision of the Waste Framework
 Directive, the Hungarian Presidency initiated trilogues
 and made efforts to advance negotiations. However, the
 file will be handed over to the Polish Presidency given the
 Parliament's lack of availability for technical trilogues.
- On the Green Claims Directive, trilogues have not yet started.
- The Council formally adopted the Packaging and Packaging Waste Regulation on 16 December after the

completion of the corrigendum procedure. On the Regulation on Circularity Requirements for Vehicle Design and on Management of End-of-Life Vehicles (VDEoL) the Presidency advanced technical negotiations, particularly regarding the legal basis, circularity requirements, and the scope of vehicles to be covered. However, significant work and reaching a general approach remains for the Polish Presidency.

Good

- The Presidency has made efforts to advance trilogue negotiations on the targeted revision of the Waste Framework Directive.
- Hungary made efforts to advance technical work regarding the Regulation on Circularity Requirements for Vehicle Design and on Management of End-of-Life Vehicles towards a general approach of the Council. It is

positive to see that there is broad support for extending the scope of the Regulation to other vehicle types and for extending the legal basis to include the environmental article.

It is understood that the Presidency made constructive efforts on advancing negotiations on the **Global Plastics Treaty** at **INC-5**. No agreement has yet been reached.

Poor

- The Hungarian Presidency failed to show any leadership
 in advancing the work of the Council on sustainable
 resource management and on the introduction of
 resource use reduction targets.
- While the Presidency has made efforts to advance trilogues on the targeted revision of the Waste Framework Directive, the state of negotiations suggests that the Presidency did not reach more ambitious agreements on food waste prevention targets.
- The Presidency did put a lot of effort into reaching a general approach on the Green Claims Directive.
 Unfortunately, the position opens the door to a shorttrack verification procedure without independent oversight for certain claims, allows climate related claims based on offsetting, and softens the list of penalties in case of non-compliance.
- While we appreciate the efforts made by the Presidency to advance negotiations on the **Regulation on Circularity Requirements for Vehicle Design and on Management of End-of-Life Vehicles**, questioning the target level for plastic recycled content targets proposed by the Commission and considering pre-consumer scrap and other means of watering down the targets is worrying, and puts at risk the effectiveness of the proposed Regulation to improve the functioning of secondary materials markets and the end-of-life management of vehicles.
- On Critical Raw Materials the Hungarian Presidency has failed to engage in any action or dialogue, unlike the preceding Belgian Presidency. No further dialogue, multilateral support or action was taken. The Hungarian Presidency has failed to reach out or respond to civil society on this topic.

Overall, the Hungarian Presidency failed to meaningfully engage to ensure that genuine circularity and reduction in resource use are placed at the heart of the EU priorities for the new mandate and are reflected in upcoming CE policy initiatives at EU level. The Presidency also failed to complete several key circular economy policy files that remain under the legislative process. The verdict is therefore mixed on effort but poor on outcome.



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

The verdict



on effort



on outcome

Our <u>final Test</u> called upon the Presidency to promote civil society space and meaningful participation in decision-making for democratic legitimacy; champion the EU and its Members States commitment to recognising and implementing the right of current and future generations to a clean and healthy environment; champion the implementation and enforcement of EU environmental law; promote and financially support the mandate of the **Aarhus Convention Compliance Mechanism**; lead the Council in preparation for the **Aarhus Convention Meeting of the Parties**; Support the Commission in monitoring corporate accountability for adverse negative environmental, climate and human rights impacts across companies' value chains and support the Commission in any efforts towards the harmonised implementation of the polluter pays principle in a potential revision of the **Environmental Liability Directive**.

Key developments

- The Ambient Air Quality Directive was finally approved by the Council on 15 October including a provision on access to justice.
- The Urban Waste Water Treatment Directive was approved by the Council on 5 November including a provision on access to justice.
- The European Commission submitted its progress reports to the **Aarhus Convention Compliance Committee** on two outstanding issues of noncompliance with the convention (decision VII/8f; request ACCC/M/2021/4).

Good

- The Presidency approved the final version of the
 Ambient Air Quality Directive which includes a provision on access to justice of the air quality roadmaps amongst other obligations.
- The Presidency also approved the final version of the **Urban Waste Water Treatment Directive** which grants access to justice over all three water treatment obligations.

Poor

- The Presidency repeatedly ignored environmental democracy, rights and accountability of Member States towards EU and international law in its programme, priorities, and actions.
- The Hungarian Presidency was unable to progress to trilogues on the update of the **Priority** Substances Directive and the Green Claims Directive, both of which include environmental rights provisions on access to justice.
- Under the Hungarian Presidency's leadership, the Council did not place environmental liability,

- and the **polluter pays principle** on the political agenda.
- As evidenced by the progress reports, the Presidency did not push the Commission towards compliance of its two ongoing non-compliance issues (MOP decision VII/8f, and MOP request ACCC/M/2021/4) under the **Aarhus Convention**, which will make compliance in time for the 8th Meeting of the Parties of the Aarhus Convention in 2025 impossible.

Overall, the Hungarian Presidency neglected civil society and ignored the accountability of the Member States and the EU to international commitments. It disregarded traditional avenues of exchange between civil society and ministers at EU level and supported the silencing of NGOs throughout Europe. While the EU did finalise two files with access to justice provisions under the Hungarian Presidency, the Presidency's own efforts mostly either actively undermined or failed to deliver on environmental rights in environmental legislative files. The verdict is, therefore, poor on effort and mixed on outcome.

Abbreviations

8EAP 8th Environmental Action Programme

AAQD Ambient Air Quality Directives
CAP Common Agricultural Policy

CSS Chemicals Strategy for Sustainability
EAP Environmental Action Programme

EC European Commission

EEB European Environmental Bureau

EESC European Economic and Social Committee

EGD European Green Deal
EMD Electricity Market Design
ETD Energy Taxation Directive

EUDR Regulation on Deforestation-free Products

FML Forest Monitoring Law

IED Industrial Emissions Directive
IEP-R Industrial Emissions Portal

INMAP Integrated Nutrient Management Action Plan

NGOs Non-Governmental Organisations

NGTs New Genomic Techniques

OSOA One Substance, One Assessment
PFAS Per- and polyfluoroalkyl substances

PPWR Packaging and Packaging Waste Regulation

REACH Registration, Evaluation, Authorisation and Restriction of Chemicals

SML Soil Monitoring Law

VDEoL Regulation on Circularity Requirements for Vehicle Design and on

Management of End-of-Life Vehicles

UNECE United Nations Economic Commission for Europe

UWWTD Urban Waste Water Treatment Directive

WFD Water Framework Directive
WFD Waste Framework Directive

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

We develop a paper before each Presidency. The Memorandum addressed to the Polish Presidency can be read here.

We also develop a paper before each Presidency Trio. The 2025-2026 paper, addressed to the Polish, Danish and Cypriot Presidencies, can be read here.

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