

KEY SUSTAINABILITY POLICY ACTIONS FOR THE SPANISH PRESIDENCY

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Contact:

Irene Chiocchetti ichiocchetti@ieep.eu



Authors: Mattia Bonfanti (IEEP), Irene Chiocchetti (IEEP), Mikel González-Eguino (BC3), Xaquín García-Muros (BC3)

ABOUT:

By holding the rotating Presidency of the Council of the EU until December 2023, Spain has the critical role of setting the agenda and leading negotiations on a number of key files in relation to the EU achieving its climate neutrality ambitions, in a decade which has been [defined as being crucial](#) by the international scientific community. With national elections within twenty days of taking office, there have been widespread concerns about the new Spanish Government's commitment to the Green Deal policies. These concerns were also raised by sustainability experts in the 2023 edition of the [European Green Deal Barometer](#), with just one in six Spain experts (15%) expecting the impact of the following national elections to be positive. However, the outcome of the elections has not and is not envisaged to disrupt the Presidency's priorities, as the time for parties to negotiate and form a new government would not allow for substantial changes to the Council's agenda. Nevertheless, both [Spanish politicians and diplomats](#) have ensured that Spain will maintain its neutrality and its role as an honest broker during negotiations with EU ministers and the other EU institutions, regardless of internal political developments.

This will mark the last Council's Presidency with a full legislative mandate prior to the European elections (6-9 June 2024). The [Spanish Presidency's programme](#), as presented at the beginning of July, reverts around 4 main priorities:

- Reindustrialising the EU and ensuring its open strategic autonomy;
- Advance the green transition and environmental adaptation;
- Promoting greater social and economic justice;
- Strengthening European unity.

Concretely, for Spain officials this means having to manage approximately 14 files related to environmental/climate policies coupled with additional new 10 proposals from the Commission before the end of December. In particular, Spain is trying to push to finalise Trilogues' negotiations on some of the following European Green Deal (EGD) files: Nature Restoration Law; F-gases (Fluorinated gases); Regulation on Ozone-depleting substances; Waste Shipments Regulation; Sustainable Use of Pesticides; Industrial Emission Directive; Waste of Electrical and Electronic Equipment; Regulation to improve the design of the Union's electricity market design. The Belgian Presidency, which will follow soon afterwards, will have a limited timeframe for negotiations. Interinstitutional talks will come to a halt weeks earlier,

with candidates for the European Parliament engaging in electoral campaigns. Therefore, the Spanish Presidency comes at a particularly relevant time to finalise some key dossiers under the EGD, which might face uncertain times after the EU elections and the appointment of a new Commission.

IEEP and BC3 have identified four key areas with regards to environmental policies which the Spain Presidency should focus on prior the end of its mandate:

1. Strengthening nature restoration and adaptation to reach climate objectives
2. Protecting EU's soils for a sustainable land use management in the long-term
3. Fostering the social aspects of energy transition package and advance on decarbonisation
4. Finalising the Mercosur trade negotiations while tackling deforestation

1. STRENGTHENING NATURE RESTORATION AND ADAPTATION TO REACH CLIMATE OBJECTIVES

Delivering the targets of the [Biodiversity package](#), seen as being one of the most challenging since the launch of the Green Deal, should be a key and symbolic pillar of the Spanish Presidency. Due to the Russian invasion of Ukraine and the following crises, the energy transition files were prioritised at the expense of other policy areas. The Biodiversity strategy has been highly politicised, in particular with regards to the [Nature Restoration Law](#), which was fiercely debated due to certain implications for the agricultural sector. Conversely, with national frameworks and plans, it provides opportunities to [farmers and other land managers](#), and long-term benefits for the whole of society. In addition, if [properly funded in the next MFF](#), nature and ecosystems restoration would contribute to climate mitigation and adaptation. Spain's role is, therefore, extremely important in the upcoming trilogues, to ensure that the final text is not watered down any further, but on the contrary, compromises should be worked out on the basis of the Commission's provisions or those which are even more ambitious (e.g., by introducing a number of flexibilities that allow Member States to focus nature restoration efforts on non-farmed areas). Today's inaction would only lead to [higher expected costs in the future](#).

2. PROTECTING EU'S SOILS FOR A SUSTAINABLE LAND USE MANAGEMENT IN THE LONG-TERM

While the debate on a game-changer legislative piece like the Sustainable Food Systems Framework is not yet ready to be brought forward, two other policy proposals are still to be officially adopted: the [Sustainable use of plant protection products regulation](#) (SUP), aimed at reducing the use of chemical pesticides by 2030, and the [Soil Monitoring Law](#), which strives to establish a sustainable soil management and remediation of contaminated sites. The two laws would not only lay the foundations for an effective implementation of the EGD on nature and climate but would also greatly contribute to the agroecology transition and food security, as envisaged by the Farm-to-Fork strategy. Regarding the SUP, the binding-target foresees an overall 50% cut of pesticides; however, to reach this threshold, some EU countries would have to reduce more than half of their use, which is the most contentious part of the law. Since its publication in June 2022, neither the Czech nor the Swedish Presidencies managed to deliver substantial progress. Therefore, it is hoped that Spain will be able to find common ground among Member States, and that this file will finally be adopted as a fundamental course of action to halt the decline of biodiversity, which in turn will bring benefits to ecosystems, pollinators, as well as to public health. As to the recently published Soil monitoring law, the Commission's proposal falls short the expectations for many reasons: it is a directive and not a regulation, it does not contain binding targets, and it is overall limited to the monitoring part, instead of fostering the restoration of soils in poor conditions. However, it can be seen as a starting point from which Spain should lead the negotiations and transform it into a more comprehensive and binding law.

3. FOSTERING THE SOCIAL ASPECTS OF ENERGY TRANSITION PACKAGE AND ADVANCE ON DECARBONISATION

Even though some progress has been achieved, there remain an array of crucial dossiers which need to be finalised in order to phase out fossil fuels and boost the energy transition. The war in Ukraine has triggered a severe and unexpected energy crisis, with energy prices in Europe soaring in 2021-2022. High inflation rates have had lasting distributional impacts, which have disproportionately affected the most [vulnerable households](#). This highlights, more than ever, the necessity to introduce measures which can advance projected decarbonisation pathways, while also ensuring a just transition. Therefore, reforming the electricity market, currently underway in interinstitutional negotiations (trilogues), is key to ensuring a speedy uptake of renewables and to reduce the EU's dependency on natural gas and the

role that it plays on the electricity prices. Both Spain and Portugal have been labelled as being an 'Iberian exception' when compared to other Member States as they have managed to [reduce both electricity prices and inflation](#). Such undertakings prove that the electricity market in the EU should change in order to adapt to these new circumstances. The [Electricity market reform](#) is also essential to ensure the planned introduction of renewables, following the revision of the [Renewable Energy Directive](#) (RED), which establishes that at least 32% of the EU's energy consumption must originate from renewable energy sources (RES) by 2030. These policies are complemented by other measures under discussion over the course of the Spanish Presidency and will have a key role to play in promoting a just transition: the [Energy Performance of Buildings Directive](#) (EPBD), which aims to increase the pace and depth of building renovations, or the recently approved [Social Climate Fund](#) (SCF), which somewhat remains under a cloud in terms of how it will be implemented in the different Member States.

4. FINALISING THE MERCOSUR TRADE NEGOTIATIONS WHILE TACKLING DEFORESTATION

When presenting the Spanish agenda, Prime Minister Sánchez declared that [concluding trade agreements with Mexico, Chile and Mercosur](#), would be an absolute priority. Given the cultural and linguistic ties, Spain is expected to achieve significant progress in the negotiations compared to past Council Presidencies. While with Mexico and Chile there is a deal in place currently under revision, with the four [Mercosur](#) countries (Brazil, Argentina, Uruguay and Paraguay) negotiations have proved more complex, particularly for the green clauses and for deforestation, as well as due to political fortunes of local leaders. After the re-election of Luiz Inácio Lula da Silva as President of Brazil in 2022, talks were revamped. However, President Lula along with other Mercosur leaders consider the environmental requirements stipulated by the EU in the [Joint Instrument on sustainability](#), an annex specifically designed for this purpose, to be excessive, and this, in turn, has further [delayed the process](#). Moreover, environmental stakeholders' concerns regarding Amazonian deforestation remain high as the Mercosur governments failed to reach an agreement to end deforestation by 2030 at the Latin America Summit held on 9 August 2023 in Belém.

Nevertheless, thanks to its privileged position, Spain should be able to foster negotiations, whilst maintaining the EU's high level of environmental and health standards. In this regard, one of the outstanding debates that environmentalists could add to the table to tackle deforestation of the Amazon is on the recently adopted [EU Deforestation Regulation](#) (EUDR), which aims to minimise the placement

of goods that have contributed to deforestation and forest degradation on the EU market, with additional checks for high-risk deforestation countries. When it officially enters into force (from 30 December 2024), it will contribute substantially to halting biodiversity loss and agricultural expansion at global level. As it kicks off its Presidency of the EU, Spain should seek to intensify cooperation with Mercosur to comply with the new EUDR, as the Regulation will apply to all goods sold in the EU. Moreover, it is important that the final version of the EU-Mercosur Joint Instrument at the very least maintains the proposed deforestation reduction target, namely to halve the current levels by 2025. These commitments on the part of the Mercosur countries would help to comply with the Paris Agreement and could help find additional support from other EU countries which have been more sceptical, such as France, with a view to achieving this trade deal.

CONCLUSIONS

It is our view that by focusing on the finalisation of these key priorities, the Spanish Presidency of the Council should be able to set some forth a series of essential steps for the design of EGD policies. This would pave the way to shift the focus of the debate on its successful implementation at country level, aligning with the rollout of the EU elections and the appointment of the next European Commission which will take place during the course of 2024. In addition, strengthening and institutionalising relations with Central and South America presents a plethora of opportunities for both sides and beyond: from nature protection and joint efforts to combat climate change, to economic opportunities for Latin American and a diversified supply of raw materials for Europe. The reshaping of alliances would also restore the [EU international leadership in the geopolitical scenario](#), currently dominated by rising powers, such as China and Russia.



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