

**EEB'S ASSESSMENT OF THE ENVIRONMENTAL RESULTS OF
THE SWEDISH PRESIDENCY OF THE EU, July to December 2009**

Based on EEB's Ten Green Tests for the Swedish Presidency released in June 2009

23 december 2009

Good Ambitions, Disappointing Outcome

SUMMARY OF EEB'S VERDICT ON THE TEN GREEN TESTS

ISSUE:	VERDICT:
1. SUPPORTING SPRING ALLIANCE	☺
2. STRONG CLIMATE AGREEMENT IN COPENHAGEN	☹
3. ECO-EFFICIENT ECONOMY	☹
4. MEANINGFUL SUSTAINABLE DEVELOPMENT EVALUATION	☹
5. ENERGY EFFICIENCY BUILDINGS	☺
6. BALTIC SEA STRATEGY	☺
7. WASTE POLICIES	☺
8. BIODIVERSITY LEADERSHIP	☺☺
9. GLOBAL MERCURY REDUCTION	☺
10. STRONG INDUSTRIAL EMISSIONS DIRECTIVE	☹

SUMMARY

The Swedish Presidency came with high ambitions with regards to environment and sustainable development. It was determined to work towards a successful outcome from the Copenhagen climate meeting, but on top of that it triggered a debate about an eco-efficient economy, and invested some efforts in a critical assessment of progress made with the EU Sustainable Development Strategy.

EEB put bold challenges before the Presidency, the most bold one being to start the debate about a 40% reduction target for EU domestic greenhouse gas emissions by 2020. In fact, the Swedish government had itself drawn the conclusion that such an ambition was needed for its own country to keep climate change within limits, although it heavily counts on the use of the Clean Development Mechanism for this, rather than achieving that reduction domestically.

However, in reality we have not seen or heard discussions about a more appropriate target for the EU. The Presidency did not even push for moving to an unconditional 30% target, even though much speaks for that being fully achievable with more or less present technologies, much by help of investments with short pay-off terms. On the

contrary, during the Swedish Presidency, a deplorably long list of sectors for free allocations of emission rights was agreed, together representing 77% of the manufacturing industry that falls under the Emission Trading Scheme.

The “Copenhagen Accord” was in the end imposed upon the EU and the rest of the world by a group of five (important) players. The way it went showed that the EU lost completely its perceived leadership in the process, partly due to the Swedish desire to challenge even the poorest among developing countries, thereby contributing to eroded trust for the EU. It is important though, to analyse in depth how this happened, as it is important that the EU regains a lead role, based on a convincing domestic programme, a strong willingness to contribute financially and strong alliances with developing countries.

With regards to eco-efficiency and sustainable development, the efforts of the Swedish government were good, but it missed the necessary political weight to overcome the resistance of a number of other countries in producing conclusions that would really put the Commission (and individual Member States) at work.

The EEB recognizes the efforts of the Minister for the Environment of Sweden and his staff, before and during the Presidency, to make progress on sustainable development in the EU in the different areas we evaluated. However, in several cases (climate, eco-efficiency, sustainable development strategy, Baltic sea) the outcome was disappointing due to lack of determined support from his colleagues and resistance from other Member States.

INTRODUCTION:

This is an assessment of the Swedish Presidency by the European Environmental Bureau (EEB), the largest federation of environmental citizens' organisations in Europe. EEB has a mandate from its members to work on 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.

EEB views the six-month Presidency as a convenient period over which progress on the EU's environment-related policy and legislation can be measured. We appreciate that a Presidency cannot make decisions on its own. It needs the cooperation of the Commission, European Parliament and other Member States. But the Presidency still has a special impact, including how it chairs discussions and how it prioritises practical work and the profile it gives specific issues.

EEB's Assessment is not an overall political assessment of the Swedish Presidency's performance. We are not assessing its role on foreign affairs issues, internal security matters, migration policies, etc. Our assessment is based on the Ten Green Tests we presented to the Swedish government at the start of its Presidency at the end of June 2009. On the Swedish Presidency's performance against the Ten Green Tests, item-by-item, EEB reached the following conclusions:

1. PROMOTE AND START IMPLEMENTING THE SPRING ALLIANCE MANIFESTO

- Promote debate on the Manifesto in all Council formations and the European Council;
- Involve Spring Alliance representatives in debates related to the formulation of a new Lisbon Strategy and conclusions on the implementation of the Sustainable Development Strategy.
- Initiate expert working groups to elaborate/discuss specific issues of the manifesto in more detail.

Verdict: on balance positive

The EEB put high expectations on this issue indeed, and the Spring Alliance Manifesto represents a coherent vision for the required EU policies in the next decade. The Manifesto was backed by a large part of the European environmental, social, trade-unions and development movements and should therefore be considered as a key contribution from civil society at a moment when the EU – with the new Parliament and Commission - is formulating its direction for the next decade.

The Environmental Minister took the challenge seriously by inviting EEB's Secretary General for a key-note speech at the Informal Council of Environment Ministers in July, connecting the theme of the meeting, eco-efficient economy, to the Spring Alliance Manifesto. The debate that followed showed broad support for the main issues proposed: market instruments for sustainable development (see also test 3). The Swedish Presidency also participated in the Spring Alliance Conference on the 28 September with a positive contribution at State Secretary (for Enterprise) level (before

that, the Swedish Environment Minister participated in the launching conference for the Spring Alliance in January 2009), promoting the work. The participation made clear that the Presidency was clearly interested in the environmental dimension of the Manifesto.

Besides this, there is no evidence of the Manifesto being discussed and used beyond the work of the Environmental Council.

2. A STRONG AND FAIR INTERNATIONAL CLIMATE AGREEMENT IN COPENHAGEN

- Challenge EU Member States and other industrialised countries to agree, as a group, to a 40% greenhouse gas reduction target from 1990 to 2020, with domestically made reductions.
- Identify and mobilize financial mechanisms and technological support to developing countries to assist them in taking appropriate mitigation measures according to their national and economic circumstances.
- Agree on an EU contribution of at least 35 billion Euro/year that is predictable and additional to existing ODA commitments to co-fund mitigation and adaptation activities in developing countries and encourage other rich nations to do the same.

Verdict: Negative

Considering the huge expectations and high stakes to bring a strong result in Copenhagen, based on a fair, ambitious and legally binding agreement, the EU could not afford to return empty handed. Their claims of leadership on climate change, meant that they had to play a clear, decisive role in the talks – fully engaging in the negotiations and offering constructive ways forward to achieve a strong agreement.

The EEB believes the EU's contribution in the talks was utterly inadequate, it seemed paralysed in its own position, unable to move off their starting block of the 20% target. Not only was there no commitment to go to 30% but no figures were presented on the EU contribution to the long term financing. This would have sent a strong signal and certainty to developing countries, which would have counteracted the possibilities for China to hide behind a very upset G77. Furthermore, there was no clarity or efforts to close the enormous loopholes that entirely undermines the EU target, such as reliance on surplus emission allowances from the existing commitment period (so-called 'hot air'), overlooking forestry emissions and carbon offsets. By moving to 30%, not only would this steer Europe on the correct path towards a more secure, more prosperous and better way of life for its citizens, including decreasing the impact on the climate, but it would have set the right tone to the negotiations, that the EU is ready to do a larger part of its fair share. The 20% reduction target will do nothing to help keep global temperature rise below 2 degrees. Recent reports demonstrated that a 30% domestic target is entirely achievable, and at a lower cost than was previously calculated.

Divisions within the EU seemed to distract and disable their ability to seize opportunities, particularly at crucial moments, to reach out in a constructive and meaningful manner that would have united these talks. The Presidency at times took the wrong approach towards African countries and India (which has considerable greenhouse gas emissions, but very low per capita compared with the EU). Leaving others to fill the gap meant for an unpredictable and less than satisfactory outcome.

The EEB believes the Copenhagen Accord to be very disappointing in many respects. Despite a reference to the two degree limit it offers no measures on how this will be kept. It refers to the 100 billion dollar climate fund for developing countries but does not offer any detail such as, where the money will come from nor how it will be managed. It does not pin industrialised countries to targets and does not specify what the majority of developing countries should do. Finally it offers no commitments to a legal treaty, with no target year for peaking emissions and no mid term reduction levels.

3. TOWARDS AN ECO-EFFICIENT ECONOMY

- Promote concrete policy conclusions of the Eco-Efficient Economy initiative for the EU, in particular on making the market work for the environment: environmental tax reform, dynamic standard setting, phasing out environmentally harmful subsidies, targeted support to new technologies. Ensure that the initiative is not narrowed down to energy efficiency only.
- Make the European Council decide to start work on an EU Strategy for environmental fiscal reform: shifting 10% of tax-income for governments away from labour to energy and resource use.
- Ensure that the mandatory EU energy label remains an effective instrument to drive the EU market towards more energy efficient appliances.
- Reject any pressure from business organisations, Member States or from within the Commission to delay environmental policy and lawmaking with the economic crisis as argument.

Verdict: positive on efforts, disappointing on results

The EEB appreciated the effort of the Presidency to move the debate from promoting eco-innovation (Dutch and German Presidencies) to an eco-efficient economy. EEB could take part in the informal discussions of the Energy and Environment Councils on this theme, but not of the ECFIN and Competitiveness Councils, even though EEB considers it very positive that Sweden raised the issue in so many different informal council constellations. The Energy Council interpreted the issue as related to nearly only climate change and energy security, whereas the environment council understood better that an eco-efficient economy is about sustainable management of scarce resources and about not overburdening nature in general.

Throughout the preparations for the conclusions of the (lead) Environmental Council, EEB had opportunities to give inputs, and the final conclusions of that council were on balance positive. However, the result is not as concrete as we would have liked, with the biggest disappointment about the failure of the Presidency to achieve consensus about the need for a Commission initiative by 2010 for a coordinated EU-wide environmental fiscal reform. But the persistent opposition of the UK to accept any EU-coordination in this field prevented this.

In the end, the conclusions on this debate and the lack of reflection of it in the conclusions of the European Council of December (the word eco-efficiency does not even appear!) raises the concern that very little lasting influence and follow-up can be expected. It also raises the question whether the Environment Minister of Sweden was really supported by his Prime-Minister on this initiative at all.

4. A MEANINGFUL SUSTAINABLE DEVELOPMENT STRATEGY EVALUATION

- Reconfirm the “Objectives and Principles” of the SDS
- Insist the Commission develop, as was asked in 2006, a long term vision for the EU, steering considerable absolute reductions of energy and resource use, leading to reduction of the EU’s ecological footprint by 50% in 20 years or sooner.
- Decide on a roadmap that ensures a reinforced SDS serves as the lead motive for the Financial Perspectives 2014-2020, initiates the policies needed to implement the vision and amends the Lisbon Strategy and external policies further.
- Set up institutional infrastructure to boost the implementation of the Strategy, including a high level Council working group, a Task Force of Commissioners and an independent High Level Group to monitor and advise on the implementation and review of the Strategy.
- Insist the Commission finally publishes its roadmap for the elimination of environmentally hazardous subsidies, which was foreseen for 2008.

Verdict: a disappointing result

Sweden’s Prime-Minister had set up a special team to lead the preparations for conclusions on the progress report on the EU Sustainable Development Strategy that the Commission produced in July. The discussions took place in a special Friends of the Presidency Group. The Swedish officials took part in the Spring Alliance conference and provided the EEB with enough information to be able to give targeted input in that work. However, the final conclusions of the European Council are a real disappointment. The Council concludes that “a number of unsustainable trends require urgent action”. It points at four major, relevant, areas of concern: climate change, high energy consumption in the transport sector, current loss of biodiversity and natural resources, and at the need for a “safe and sustainable low-carbon and low-input economy”. But it then leaves it for future SDS reviews to discuss which such priority actions should be, while also stating, in general terms, that “governance, including implementation, monitoring and follow-up mechanisms should be reinforced for example through clearer links to the future EU 2020 strategy and other cross-cutting strategies”. We do not think such a message will have any concrete impact at all on the performance of the EU in the coming years.

5. INCREASE ENERGY EFFICIENCY OF BUILDINGS

- Adoption of a revised Energy Performance of Buildings Directive that improves energy efficiency in buildings and reduces emissions from this sector. Increasing in its ambitions by requiring that, at the latest by 2015, all new buildings are zero- or positive energy and for existing buildings all renovations will trigger energy efficiency requirements.
- Ensure that enough public funding is committed to making investing in energy efficiency more affordable particularly for low-income-groups. Mobilise a large share of EU Structural Funds, EIB and other funds and fiscal incentives for energy efficiency improvements in buildings, including social housing.

Verdict: Neutral

The Swedish Presidency quite rightly prioritised this issue since the building sector which accounts for 40% of EU final energy use and 36% of greenhouse gas emissions has a huge contribution to make to reach the EU's climate targets. EEB welcomed the goal that was set to reach final adoption by the Energy Council in December: under Swedish expectations that this would send a timely signal to negotiators at the start of talks in Copenhagen of the level of the EU's ambition (however this failed to surface in the climate talks themselves). Given the technical, complex and politically sensitive nature to this Directive, this deadline was by no means certain to be met. The Presidency invested significant time and efforts into this process to achieve it for which it deserves a positive mark.

Regarding the Directive itself, the final agreement is an improvement on the Commission proposal. However, it is much weaker than the Parliament's first reading and is not as ambitious as the EEB had called for – in terms of scope, urgency and the range of measures required. All buildings built from the end of 2020 onwards must have high energy-saving standards and be powered to a large extent by renewable energy. Public authorities' building projects are to lead the way two years earlier, after 2018. While the standards are strong, these deadlines are too late to helping meet the EU's emission reduction targets for 2020. But the main opportunity for improvements lie in existing buildings for which no specific targets have been set but new requirements for increased efficiency on all major renovations which are likely to be insufficient. Much is left open to Member States to decide which measures to take to transform the existing building stock. We welcome the inclusion of all components of a building, such as windows, roofs, fittings etc which can have a significant impact to the energy performance.

Finally, despite calls from the EEB and the Parliament, no new funds, or options of innovative fiscal incentives such as reduced VAT for energy saving services and products were introduced. Rather than addressing it in the Directive itself, further assessment of financial resources is expected by the Commission and Member States in 2011 and therefore delaying the urgently required decisions in this area.

6. IMPROVE THE BALTIC SEA REGIONAL STRATEGY

- Put a healthy marine environment a prerequisite for a prosperous and sustainable development in the Baltic Sea Region.
- Include strong, concrete and well-timed measures in the agriculture and fisheries policies in the strategy,
- Mobilise additional financial resources for activities within the strategy
- Make the strategy a responsibility for Heads of Governments/States,, necessary for enabling a full and rapid implementation.

Verdict: neutral

During its presidency, Sweden has been a driving force for the adoption of the EU strategy for the Baltic Sea Region and has also proposed that the Baltic Sea Region should be a pilot project for the Marine Strategy Framework Directive. Sweden has also urged for the environment to be an important part of the Strategy. This work was partly successful since the Strategy was adopted by the European Council 29-30 October when the Council also called upon all relevant sectors to act speedily and ensure full implementation of the Strategy. The other proposal, to make the Baltic Sea Region a pilot project, has not yet been achieved since a few member states have expressed

concern. The Strategy is also silent on the changes needed in agriculture and fisheries policies, and does not mobilize additional financial resources.

The December Environment Council, in its conclusions, however, corrected some of the weaknesses of the European Council by calling upon "Member States in the Baltic Sea Region on and the Commission to implement without delay the action plan linked to the EU strategy for the Baltic sea region" and to stress "the importance of integrating the environmental concerns in implementing the four pillars and priority areas."

It also "acknowledges that the environmental situation of the Baltic sea is so critical as to necessitate urgent action" and it calls for an expedient establishment of the Baltic sea region as a pilot project under the Marine Strategy Framework Directive"

7. STRENGTHEN PREVENTION AND REUSE IN WASTE POLICIES

Improve the Commission's proposal for the revision of the Waste Electrical and Electronic Equipment (WEEE) Directive and in particular:

- Ensure that the principle of Individual Producer Responsibility is maintained and refuse extension of use of visible fees;
- Improve collection targets by adding specific targets for problematic product categories such as lamps and small appliances
- Improve transparency in the management of WEEE and prevent leakage of WEEE from official collection routes by clarifying the roles and obligations (reporting, treatment) of all actors (brokers, municipalities) in the waste chain.
- Promote reuse through a dedicated reuse target.

Verdict: Too early to come to a real verdict

The verdict is based on the two last reports released by the Swedish presidency, following the WEEE Council working groups in October and December 2009.

With regards to scope and definitions it seems the Council is trying to address the most important points of the WEEE recast, as stressed by the EEB position. Unfortunately, no compromise or ambitious amendments were agreed yet on most of these key aspects raised by EEB. On the other hand there seems to be agreement that the two main challenges of the WEEE recast are considered to be the prevention of hazardous substances spreading, and the opportunity for maximizing resources efficiency through improved collection and recycling, with specific attention to WEEE coming from households.

On the negative side, no compromise has been reached on the level of ambition of the collection rate, and the Swedish Presidency, despite its efforts, has not succeeded in securing ambitious collection targets. The mention of items deserving more attention such as mercury containing lamps has not been transformed into quantified specific collection targets.

No enforcement of the principle of individual producer responsibility has been integrated yet, necessary to prevent the producers from diluting their responsibility regarding their own products through collective schemes.

Finally if some good conditions enabling reuse and preparation for reuse are suggested, there are no dedicated reuse targets, clearly distinguished from recycling targets.

8. SHOW LEADERSHIP ON THE BIODIVERSITY AGENDA

- Start preparing a post-2010 Ecosystems Rescue Plan, and urge the implementation of the ecosystem approach and proofing in all use of natural resources, in sectoral policies and spatial planning
- Push for new concrete and measurable biodiversity targets, within EU and on the global level, for the coming ten-year period,
- Strongly support the establishment of an international platform for biodiversity and ecosystem services,[Push for necessary budgetary increases to implement measures to halt the loss of biodiversity
- Stress the importance of much stronger protection for marine ecosystems, at the global level
- Establish new legislation on soils and Invasive Alien Species

Verdict: On balance positive on policy, but weak on leadership and undermining its credibility with domestic measures

The Swedish Presidency identified biodiversity as one of its environmental priorities and agreed with the Spanish Presidency on a division of tasks: the Swedes would focus on the new global biodiversity target, and the Spanish on the new EU biodiversity target. Although this meant that the Swedish Presidency regrettably did not take action on all of the tests' elements, it was successful in getting Council support for positive and ambitious conclusions which gave the European Commission a strong mandate to propose new biodiversity targets for 2020 early in 2010 and to start developing concrete policy measures later in 2010.

The high level biodiversity conference in Stromstad at the beginning of the Presidency in September, with its very good conclusions, certainly played an important role in securing this outcome.

One negative aspect was the fact that the Swedish did not make any effort to continue negotiations on the once more stalled Soil Framework Directive.

In these same months, EEB's Swedish Members were confronted with a stark contrast between its governments' ambitions at the EU level and global levels and its action at home. It has for the first time ever decreased its budget for biodiversity protection. It decided to allow intensified forestry and mining and has eroded a number of laws aimed to protect biodiversity, including protection of valuable water-land zones nationwide in spite of high pressure of exploitation in many places. Furthermore, Sweden recently decided to start a large-scale hunting of its critically endangered (CR) wolf population (more than 10 percent will be killed), violating the Habitat Directive.

9. REDUCE MERCURY USE GLOBALLY

At the opening of the negotiations on a UNEP treaty on Mercury:

- Secure appropriate priorities to be discussed at the first Intergovernmental Negotiating Committee (INC) such as supply and trade.

- Ensure that NGOs can effectively participate at the INC deliberations towards a robust treaty on mercury.

Verdict: Positive

World governments took the first significant steps towards a Legally Binding Treaty to control mercury pollution, after this objective was launched at the UNEP Governing Body meeting in February this year. Their recommendations now provide countries with a basis to head into the International Negotiating Committee (INC) meetings starting in Stockholm, June 2010.

The Presidency was well-prepared and had a positive impact during the Open Ended Working Group in preparation for the INC deliberations in Bangkok. The Presidency is especially commented on their openness, seeking and acknowledging the opinion of the NGOs and namely the Zero Mercury Working Group (which is coordinated by the EEB), as the NGO representative on the issue at global level.

The EU led by the presidency contributed in ensuring that the agreed rules of procedures would allow NGO participation. The Presidency gave appropriate and timely input during the information sessions on supply and trade, products and artisanal scale gold mining in relation to EU activities. The advanced work of the EU on actions related to these issues could also show the way forward for future agreements.

Most importantly the Presidency supported and promoted that during the INC deliberations, governments should rather be engaging in focused discussions in areas such as supply, trade and storage of surplus mercury where substantial progress can be made. They further agreed that discussion on arrangements for technical and financial assistance, and mechanisms addressing compliance should also be addressed early on. Other countries suggested that discussion on all issues should take place from the very start.

The Presidency and EU worked with other regions, its input was well considered, and EU views were reflected in the meeting's report.

Considering that the NGO views were also aligned with the EU ones, we are very positive that this line of action will be followed as we go towards the INC deliberations.

10. A COHERENT FRAMEWORK FOR INDUSTRIAL POLLUTION PREVENTION AND CONTROL

Provide space in the negotiations with the European Parliament about the Industrial Emissions Directive for improvements in the first position of the Council, in particular to:

With regards to Large Combustion Plants:

- Remove or dramatically reduce derogation from compliance with Emission Limit Values or delays to comply with Emission Limit Values based on BAT (BATAEL);
- Tighten compliance assessment requirements for Emission Limit Values;
- Include smaller installations from 20 MW and reject exemption for particular industries;

And in general:

- Agree on clear and strict criteria for permitting authorities when industrial installations may derogate from BATAEL (e.g. derogation only to existing installations, time limited and based on clear technical assessment).

Verdict: Neutral

The Environment Council had adopted its Common Position under the Czech Presidency on 25th June 2009. Due to the formation of a new European Parliament, its Environment Committee did not officially start the process of responding to this position yet. The Swedish Presidency tried to engage in negotiations with the European Parliament through various channels, but for reasons external to their control could not engage on content related discussions. Therefore we think it is appropriate to give a neutral verdict to the Swedish Presidency.