

The Spanish Presidency and its Environmental Priorities

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ANALYSIS

The Spanish Presidency

As of 1 July 2023, Spain has taken over the rotating presidency of the European Union (EU). Spain has been given the opportunity to hold the "golden" presidency of the Council of the European Union - this is the last full six-month presidency before the EU elections in June 2024, and it is a crucial time for the bloc to close major legislative files. As the first presidency of a new trio (composed of Belgium and Hungary), Spain will be monitored closely for its capacity to deliver on the set priorities. The Belgian presidency that follows will be marked by European election campaigns, so it is unlikely that much will be achieved during that time.

At the end of June 2023, Spain published the <u>programme</u> of its Presidency, highlighting that the core priorities for the following six months revolve around four pillars:

- 1. Reindustrialise the EU and ensure its open strategic autonomy;
- 2. Advance in green transition and environmental adaptation;
- 3. Promote greater social and economic justice;
- 4. Strengthen European unity.

It is clear that a major focus of the Spanish Presidency is the advancement of the green transition and the environmental adaptation, in particular through the **European Green Deal**, and the **Fit for 55** - a package of policy initiatives intended to set the EU on a path toward a green transition by 2050.

Green Transition and Environmental Adaptation

Within the sustainability objectives identified so far by the Spanish Presidency, the defined programme points out the following key priorities:

- Complete a **socially just green transition**, promoting the mitigation of the effects of climate change and taking into account **social exclusion** and **energy poverty**;
- Combat the effects of climate change at the global and European levels;
- Conclude an **electricity market reform** that guarantees affordable prices for our citizens;
- Boost the **decarbonization of the EU's economy**, completing the adoption of the **Fit for 55** package;



• Foster a green economy, one which ensures quality jobs and the competitiveness of European companies.

Spain is expected to advance on a series of ongoing and upcoming files in the environmental field. Many of the Green Deal's proposals have yet to be finalised and, in some cases, published.

One of the Spanish Presidency's top priorities is the energy transition, and in particular the conclusion of the **reform of the European electricity market** proposed last March by the European Commission as part of its green industry package to boost renewables, phasing out gas and making consumers less dependent on fossil fuel prices. This legislative proposal is expected to be <u>discussed</u> within the Energy Council meetings of 17 October and 19 December 2023.

Regarding the **Fit for 55 Package**, other important energy issues include the negotiations, which the Spanish Presidency intends to conclude, with the European Parliament on the revision of the regulation on the **gas and hydrogen package**, also going to be discussed during the abovementioned Energy Council meetings.

Another fundamental issue is the **regulation on <u>critical raw materials</u>**, - expected to be discussed on 25 September 2023 by the Internal Market and Industry Council and included in the Green Deal Industrial Plan - part of Europe's reply to the U.S. Inflation Reduction Act, and intended to enhance the competitiveness of Europe's industry on the path to net-zero greenhouse gas emissions.

The Spanish Presidency will be challenged also by the **nature restoration law**, which was narrowly adopted by the European Parliament on 11 July 2023 and that is in the process of being negotiated between the European Parliament and the Council, with the objective of finding a common balance of interest between the involved parties.

In addition, we expect the Spanish Presidency to guide the progresses on the revision of regulation setting CO2 emission standards for heavy-duty vehicles, increasing the effort towards a zero emissions economy. This topic will be discussed during the 16 October 2023 Environment Council meeting.

During the Environment Council meeting, we will also see discussion on measures related to the 'Zero Pollution' objective – which include initiatives that improve air quality and transition towards a circular economy model, such as the new Packaging and Packaging Waste Directive in the attempt of controlling and restricting the use of hazardous chemical substances, reducing pollutants and industrial emissions.

The Spanish Presidency is facing a number of challenges in its efforts to advance its environmental priorities. One challenge is the **war in Ukraine**, which has led to an increase in energy prices. This has made it more difficult for the EU to reduce its reliance on fossil fuels. Another challenge is the **opposition of some member states** to the Green Deal and the Fit for 55 provisions. These countries are concerned about the economic impact of the Green Deal, and they are reluctant to make the necessary changes.



Despite these challenges, the Spanish Presidency appears to be committed to achieving its environmental and energy objectives, <u>not only across the EU bloc</u> but also <u>internationally</u> and at the national level.

On 11 July 2023, the Spanish Minister for Ecological Transition and Demographic Challenge, Teresa Ribera, has chaired an informal meeting between the EU Energy ministers and the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) (COP28) presidency, chaired by the Sultan of the Emirates, Ahmed Al Jaber. The meeting discussed the expectations for COP28, which will take place between 30 November and 12 December 2023 in Dubai (UAE), relating to the goal of preventing a 1.5°C increase in global temperature on pre-industrial levels, the role the energy sector should play in achieving this goal and the importance of promoting a just transition. The Spanish Presidency expectations for the COP28 gatherings will be validated in an Environment Council meeting on 16 October 2023.

At the national level, Spain is optimistic in its capacity to achieve climate target. The <u>revised National</u> <u>Integrated Energy and Climate Plan (PNIEC)</u> raised expectations on the reduction in greenhouse gas emissions that is achievable by 2030 **from 23% to 32%**, as the level of emissions can be cut from the 1990 baseline through the rollout of **renewables** and with the integration of **green hydrogen**.

Next Steps

The ongoing presidency of the Council is a major opportunity for Spain to strengthen unity among member states and address the climate crisis. The presidency coincides with a time of **great uncertainty** in the global energy market, and Spain is well-positioned to **lead the way in the transition to a green economy**.

However, Spain must keep into account the **impact the 23 July General elections** had on the presidency, as both the preparation leading to them and their final results – leading to a political deadlock - affected the approach of the country to the preparation and implementation of the presidency programme. The last few months of the presidency will be key to determine the results that Spain will achieve and the **progresses** that will be made on environmental files in light of the **European Green Deal** and the **Fit for 55 Package**.

Contact us

As a public affairs firm based in Paris and Brussels, Lighthouse Europe supports its clients in the analysis of European mechanisms as well as French and European political priorities, particularly in the environmental and digital sectors. If you would like to learn more about the impact of the environmental priorities of the Spanish Presidency on your activity, please do not hesitate to contact us.

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