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COUNCIL OF THE EUROPEAN UNION
(Environment)
28 June 2022

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1. Adoption of the agenda

The Council adopted the agenda set out in 10493/22.

2. Approval of 'A' items

(a) Non-legislative list

10494/22

The Council adopted the "A" items listed in 10494/22, including COR and REV documents presented for adoption.

(b) Legislative list (public deliberation in accordance with Article 16(8) of the Treaty on European Union)

10495/22

Agriculture

1. Amending Regulation regarding exceptional EAFRD support 10535/22 + ADD 1 in response to Russia's invasion of Ukraine PE-CONS 25/22

Adoption of the legislative act

AGRI

Decision to derogate from the eight-week period provided for in Article 4 of Protocol 1 on the role of national parliaments in the EU


approved by Coreper, Part 1, on 22 June 2022

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (Legal basis: Articles 42 and 43(2) TFEU).


The Council agreed to derogate from the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments.

A statement to this item is set out in the Annex.

General Affairs

2. **Regulation on the alignment of the RPS in the area of justice**  10274/22
Adoption of the Council's position at first reading and of the statement of the Council's reasons
approved by Coreper, Part 2, on 20 June 2022
9279/22 + ADD 1
INST
JUR

The Council approved its position at first reading, in accordance with Article 294(5) of the Treaty on the Functioning of the European Union, and the statement of the Council's reasons (Legal basis: Article 81(2)).

3. **Regulation amending Regulation (EU) 2021/953 on the EU Digital COVID Certificate**  10503/22 + ADD 1
Adoption of the legislative act
approved by Coreper, Part 2, on 20 June 2022
PE-CONS 27/22
COVID-19

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (Legal basis: Article 21(2) TFEU).

A statement to this item is set out in the Annex.

4. **Regulation amending Regulation (EU) 2021/954 on the EU Digital COVID Certificate for third-country nationals**  10502/22
Adoption of the legislative act
approved by Coreper, Part 2, on 20 June 2022
PE-CONS 26/22
COVID-19

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union. In accordance with the relevant Protocols annexed to the Treaties, the DK and IE delegations did not participate in the vote (Legal basis: Article 77(2)(c) TFEU).

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

3. Fit for 55 package



(a) ETS revision

10509/22

- (i) **Revision of Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading (ETS)**

10509/22 ADD 1
+ **ADD 1 COR 1**
+ **ADD 1 COR 1**
REV 1 (it, sl)
10875/21 + ADD 1

- (ii) **Revision of Directive 2003/87/EC as regards aviation's contribution (ETS Aviation)**

10509/22 ADD 2
+ **ADD 2 COR 1 (sl)**
10917/21

- (iii) **Revision of Decision (EU) 2015/1814 (market stability reserve)**

10509/22 ADD 3
10902/21

General approach

The Council reached general approaches on the three abovementioned proposals as set out in 10796/22, 10798/22 and 10800/22. LV, LT and PL stated that they were not in a position to support the general approaches. BE stated its voting intention to abstain. FI, EE and LV circulated a joint statement to the minutes of the Council. HR, MT and PL also circulated statements to the minutes.

(b) **Regulation establishing a Social Climate Fund**

General approach

10685/22
10920/21 + COR 1
+ ADD 1
+ ADD 1 COR 1

The Council agreed on a general approach on the Regulation establishing a Social Climate Fund, as set out in 10775/22. LV, LT, PL and FI stated that they were not in a position to support the general approach. BE stated its voting intention to abstain. DK, FI and SE circulated a joint statement to the minutes of the Council. HR, MT and PL also circulated statements to the minutes.

- (c) **Revision of Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 (ESR)** 10283/22
10867/21 + ADD 1
General approach


The Council agreed on a general approach on the proposal for revision of Regulation (EU) 2018/842, as set out in 10790/22. PL stated that it was not in a position to support the general approach. BE indicated its voting intention to abstain.

- (d) **Revision of Regulation (EU) 2018/841 on greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF)** 10677/22
10857/21 + ADD 1
General approach

The Council agreed on a general approach on the proposal for revision of Regulation (EU) 2018/841, as set out in 10774/22. PL stated that it was not in a position to support the general approach. SK submitted a statement to the minutes of the Council.

- (e) **Revision of Regulation (EU) 2019/631 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles** 10686/22
10906/21 + ADD 1
General approach

The Council reached a general approach on the abovementioned proposal as set out in 10777/22. PL stated that it was not in a position to support the general approach and circulated a statement to the minutes of the Council. The Commission also circulated a statement to the minutes.

4. **Regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation**  10284/22
14151/21 + ADD 1
General approach

The Council agreed on a general approach on the Deforestation Regulation, as set out in the Annex of 10783/22. SK submitted a statement to the minutes of the Council.

5. Regulation on shipments of waste
Progress report



9895/22

14135/21 + ADD 1

The Council took note of the progress report on the Shipments of waste Regulation.

Any other business

6. (a) Current legislative proposals
(Public deliberation in accordance with Article 16(8) of
the Treaty on European Union)



(i) Regulation on fluorinated greenhouse gases

8042/22 + ADD 1

**(ii) Regulation on substances that deplete the ozone
layer**

8048/22 + ADD 1

(iii) Revision of the Industrial Emissions Directive

8064/22

+ **REV 1 (en)**

+ ADD 1

+ **ADD 1 REV 1 (en)**

(iv) Regulation on the ecodesign of products

7854/22 + ADD 1

(v) Regulation on nature restoration targets

10607/22 + ADD 1

Information from the Commission

The Council took note of the information provided by the Commission, as well as the
interventions from other delegations.

**(b) Stockholm+50: a healthy planet for the prosperity of
all – our responsibility, our opportunity**
(Stockholm, Sweden, 2-3 June 2022)
Information from the Swedish delegation



10268/22

The Council took note of the information provided by the SE delegation.

(c) Ninth Environment for Europe Ministerial Conference
(Nicosia, Cyprus, 5-7 October 2022)
Information from the Cyprus delegation



10522/22

The Council took note of the information provided by the CY delegation.

- (d) Reports on main recent international meetings
- (i) Fourth Meeting of the Conference of the Parties to the Minamata Convention on Mercury (COP-4) – second segment (Bali, Indonesia, 21-25 March 2022)
 - (ii) Triple Conference of the Parties to the Basel (COP 15), Rotterdam (COP 10) and Stockholm (COP 10) Conventions – second segment (Geneva, 6-17 June 2022)
 - (iii) Twenty-sixth meeting of the Working Group of the Parties and third extraordinary session of the Meeting of the Parties to the Aarhus Convention (Geneva, 22-24 June 2022)
 - (iv) 15th session of the Conference of the Parties (COP 15) to the United Nations Convention to Combat Desertification (UNCCD) (Abidjan, Côte d'Ivoire, 9-20 May 2022)
Information from the Presidency and the Commission
- (e) Work programme of the incoming Presidency
Information from the Czech delegation

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- 1** First reading
- C** Item based on a Commission proposal
- 2** Public debate proposed by the Presidency (Article 8(2) of the Council's Rules of Procedure)
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Statements to the legislative or public "B" items set out in doc. 10493/22

Ad "B" item 3: **Fit for 55 package**
 General approach

STATEMENT BY POLAND

"The EU Emission Trading Scheme must be suspended until it is reformed. There are positive steps such as the solution for district heating and partial reintroduction of gas in the Modernization Fund. However, strong concerns arise with respect to Art. 29 of the EU ETS Directive that should be our safety net and prevent another destructive rollercoaster price ride for our businesses and citizens. We need a solution that is predictable and, above all, works. In our view the current parameters of art.29a should be changed so that it will be activated if for three consecutive months the allowance price is more than 1.5 the average price of allowances, triggering 100 mln of allowances from the MSR. We do not support the increase of the MSR intake rate to 24% as it just worsens the problem we are trying to overcome with price stabilization.

The allowances from BRT and CBAM should be directed to the Modernization Fund or their allocation key in the Innovation Fund should be changed to take into account the auction share of MS. Otherwise we will just be widening the gap in the EU. We should also bring in a geographic allocation key for projects into the Innovation Fund. We do not support the complete deletion of free allowances for sectors covered by CBAM.

The new system for transport and buildings, BRT, causes serious concern for us. We cannot build a trading system on the shoulders of the poorest populations.

This is also related to the ESR and the reality that we are experiencing in these sectors. In PL we host refugees from Ukraine. Our emissions will rise and it is not due to our neglect. We should therefore be exempted from the 1,08 factor, as any other Member State with a sudden population influx of over 3%.

While considering the Social Climate Fund, we must remember that the 'fit for 55' package itself brings a significant strain on society. The crisis caused by the war in Ukraine has compounded the negative situation for EU citizens due to soaring energy prices. At the same time the proposed size of the fund has been reduced. We find this both unreasonable and unacceptable. In order to achieve the objectives of the Social Climate Fund, firstly we need the proper duration of the Fund and the EC proposal of an eight-year period is the right direction. Secondly, the possibility of greater direct income support for the most vulnerable groups is of utmost importance. Thirdly, the possibility of a larger transfer of funds to programmes under proven shared management. Currently the proposed system has not yet been fully proven and creates a disproportional burden on MS. The fund must be dynamic, agile. That is why we cannot support the German proposal to reduce the volume.

In the context of the LULUCF and our national target, which in our view is unfair and overburdens Poland too much and it is impossible to achieve even in conditions without natural disturbances, Poland cannot support the general approach as it stands now. Although the flexibilities in the compromise proposal are a step in the right direction, they do not solve our problem of a too high target set for Poland.

Regarding the proposal for a Regulation on strengthening the CO2 emission performance standards for new passenger cars Poland would like to support the extension of the ZLEV incentive mechanism until the end of the year preceding the ban of combustion engine cars.

Poland supports the voices of Member States refusing 2035 as the deadline for registration of a new cars with combustion engines. We should respect their social and economic specificities.

Poland cannot support the proposal today as there are too many unresolved issues."

<u>Ad "B" item 3</u> <u>(a)(i):</u>	Fit for 55 package ETS revision Revision of Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading (ETS) <i>General approach</i>
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STATEMENT BY CROATIA

"Republic of Croatia reiterates its position that the Social Climate Fund as a mechanism of social compensation and solidarity should provide more resources in order to help partially alleviate the social impact of the ETS BRT on the most vulnerable groups, steer the investments in decarbonisation of these sectors and decrease the dependence on fossil fuels. This is especially relevant for Croatia given the recent and devastating earthquakes due to which, together with the decarbonisation efforts, additional resources for reconstruction are and will be required.

Moreover, the Republic of Croatia considers it necessary to adapt Article 29a of the ETS Directive in order for Member States to be able to react in situations of high prices in the future, and that includes properly designed protective measures that should be flexible enough to handle surges in prices that result in instability and unpredictability of the system, thus placing an additional burden on the economy, but also on citizens, who will in the end be most affected by the increase in prices."

STATEMENT BY FINLAND, ESTONIA AND LATVIA on winter navigation in ETS

"Finland, Estonia and Latvia endorse the extension of emissions trading to maritime transport. Finland, Estonia and Latvia emphasize that the Directive must ensure a level playing field in maritime transport and not discriminate Member States based on geographical location. In this regard, a key issue throughout the negotiations has been to ensure that the additional burden caused by ice conditions is duly taken into account in emissions trading. This should mean adjusting the obligation to surrender ETS allowances both on the basis of ice-classed ships' structure and navigation in ice conditions.

Especially in those regions where ice conditions prevail for longest periods of time annually and during harsh winters a major share of the burden caused by winter navigation is caused by navigation in ice conditions.

Ice conditions in the Northern parts of the Union and the need to accommodate them fairly will persist also in the coming years and decades. Therefore, we maintain that it is not sufficient to enact on the matter in EU legislation in a temporary manner. Ice-classed ships will continue to be necessary to avoid accidents causing oil and chemical spills that would be especially devastating to the marine environment of the Baltic Sea, which has been defined as a Special Area under various MARPOL Annexes and designated as a Particularly Sensitive Sea Area.

Therefore, Finland, Estonia and Latvia strongly emphasize the need to take both navigation in ice conditions and special characteristics of ice-classed ships into account fairly in the Directive. Furthermore, Finland, Estonia and Latvia emphasize the need to take these into account in the Directive even after 2030."

STATEMENT BY MALTA on the extension of the ETS to the Buildings and Road Transport (BRT) Sector

"Malta acknowledges that, in the framework of the EU's collective transition towards climate neutrality and meeting the 2030 climate objectives enshrined in EU law, the ETS-BRT is designed to direct EU citizens towards making greener choices.

However, Malta maintains that the impact of the ETS-BRT, and more specifically, the road transport element is negative on the population of Malta as it does not account for its realities; namely its level of urbanisation, that it has no viable mass transport alternatives and the highest population density across the EU. It will therefore not lead to significant emission reductions, which is ultimately the objective of the ETS-BRT.

It is evident that the particular situation Malta faces in terms of infiltration of electric vehicles onto its highly particular market will require further support in the coming weeks and months if it is to actually have a timely effect in terms of emission reductions from the road transport sector by 2030.

In this context, Malta looks forward to the upcoming trilogue negotiations on this file, and trusts that the final result of this negotiation will ensure that the realities on the ground for all the different Member States, including Malta, are taken into account."

STATEMENT BY DENMARK, FINLAND AND SWEDEN

"We fully support the ambitious Fit for 55 package and welcome the general approaches agreed today that will serve as the Council's negotiating mandate for trilogues with the European Parliament. The package includes important proposals to reduce our collective carbon emissions that will ensure EU-wide achievement of at least 55 % emission reductions by 2030. We share the view that the green transition should rely on the principles of fairness and solidarity. While we recognize the need to address the adverse effects of the ETS BRT to the most vulnerable, we remain very critical towards the size of the SCF and the inclusion of direct income support. We stress that income support and social policy remain the responsibility of Member States.

The delegations above consider the deliberation on new EU budgetary instruments in the Environment Council configuration to be highly unconventional, particularly given the proposed size of the Fund. Expenditure proposals should, as a rule, be negotiated under the regular budgetary framework."

STATEMENT BY CROATIA

"Republic of Croatia reiterates its position that the Social Climate Fund as a mechanism of social compensation and solidarity should provide more resources in order to help partially alleviate the social impact of the ETS BRT on the most vulnerable groups, steer the investments in decarbonisation of these sectors and decrease the dependence on fossil fuels. This is especially relevant for Croatia given the recent and devastating earthquakes due to which, together with the decarbonisation efforts, additional resources for reconstruction are and will be required.

Moreover, the Republic of Croatia considers it necessary to adapt Article 29a of the ETS Directive in order for Member States to be able to react in situations of high prices in the future, and that includes properly designed protective measures that should be flexible enough to handle surges in prices that result in instability and unpredictability of the system, thus placing an additional burden on the economy, but also on citizens, who will in the end be most affected by the increase in prices."

STATEMENT BY MALTA

"The allocation to Malta in the Council position on the Social Climate Fund of merely €4.18 million over the entire six-year period would barely be sufficient to cover the national administrative costs for the implementation of the fund, let alone to alleviate the impact of ETS-Buildings and Road Transport (BRT) on Maltese citizens in any meaningful way.

The anomalies in the statistical indicators used in the allocation formula would lead to a very small allocation per capita for Malta, that would be by far less than the EU average. This would aggravate the impact of the ETS BRT on Maltese citizens, particularly when taking also into account Malta's contribution to the fund."

STATEMENT BY SLOVAKIA

"Forests represent an important part of the land use, land use change and forestry (LULUCF) sector. As highlighted in the Bratislava Ministerial Declaration "The Future We Want: The Forests We Need"¹, signed by European ministers responsible for forests at the Eighth FOREST EUROPE Ministerial Conference, forests play a vital role in providing multiple benefits for the environment, economic and social development, and livelihoods in Europe.

Slovakia is convinced that, in order to ensure those multiple benefits of forests, we need to promote and apply a holistic and long-term vision on our forests in line with the relevant international commitments that promote sustainable forest management, including those taken within the framework of the FOREST EUROPE process. Only such an approach will ensure the fulfilment of all forest functions demanded by European citizens, including carbon sequestration, in a balanced and integrated way and in a long run.

Carbon emissions and removals in forests may be and often are a subject to significant short-term (inter-annual) as well as long-term fluctuations. Similarly, removals in forests achieved in the past may be released back to the atmosphere in case of natural disasters or during longer natural cycles. Therefore, long-term stability and adaptive capacity of forests and thus long-term stability of carbon stored in forests is a matter of a priority that goes beyond of any specific LULUCF target set for any particular year. This is also what the above mentioned internationally agreed principles for sustainable forest management say, among many other things.

In addition, Slovakia is convinced that long-term fluctuations of carbon emissions and removals in forests influenced by changes in the forest age structure may also have significant effects on the capacities and the ability of the LULUCF sector in some Member States to meet their nationally determined targets already in the period before 2030. Therefore, we are of the view that those effects should be adequately and specifically taken into account in the period from 2026 to 2030.

Slovakia is of the view that only by respecting the above mentioned principles we will ensure that our forests and the forest sector can adequately contribute to the overall Union's objective of climate neutrality."

¹ Eighth FOREST EUROPE Ministerial Conference; 14-15 April 2021; the Bratislava Ministerial declaration "The Future We Want: The Forests We Need":
<https://foresteurope.org/wp-content/uploads/2017/08/Bratislava-Ministerial-Declaration.pdf>

Fit for 55 package

Ad "B" item 3 (e):

Revision of Regulation (EU) 2019/631 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles
General approach

STATEMENT BY THE COMMISSION

"The Commission recalls the Council that it reserves its position on the overall proposed changes to its proposals pending the start of the trilogues between the co-legislators.

On the new recital 9a regarding the presentation of a Commission proposal for registering after 2035 vehicles running exclusively on CO₂ neutral fuels in conformity with EU law, outside the scope of the fleet standards, and in conformity with the Union's climate neutrality objective, the Commission reserves its right of initiative pursuant to its institutional prerogatives under the Treaty."

Ad "B" item 4:

Regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation
General approach

STATEMENT BY SLOVAKIA

"Slovakia regards the fight against global deforestation and forest degradation as a matter of priority and urgency. The Proposal for the Regulation can significantly contribute to this effort as it addresses the consumption in the EU and export from the EU of those commodities and products that mostly drive global deforestation.

Nevertheless, based on the experiences from the EU Timber Regulation implementation, Slovakia is of the view that the complex issue of global deforestation and forest degradation cannot be effectively solved only by addressing the issue of legality. We believe that, in principle, the effort should be aimed at obtaining the evidence whether a commodity or product comes from deforested area or not.

Slovakia expresses its concerns that the requirement of checking whether the relevant commodities have been produced in accordance with the relevant legislation of the country of production, as defined in the Article 2(28), may impose inadequate administrative burden on operators and competent authorities and thus negatively impact the practical feasibility of that obligation."

Statements to the legislative "A" items set out in doc. 10495/22

Amending Regulation regarding exceptional EAFRD support in response to Russia's invasion of Ukraine

Ad "A" item 1:

Adoption of the legislative act

Decision to derogate from the eight-week period provided for in Article 4 of Protocol 1 on the role of national parliaments in the EU

STATEMENT BY SLOVAKIA

"We thank the EC for presenting an amending regulation regarding exceptional EAFRD support in response to Russia's invasion of Ukraine and as well thank the Presidency for ensuring this legislative process. To achieve the effect of such assistance, it is necessary to set up automatic verification of conditions. We acknowledge that aforementioned is left up to the Member States."

Regulation amending Regulation (EU) 2021/953 on the EU Digital COVID Certificate

Ad "A" item 3:

Adoption of the legislative act

STATEMENT BY HUNGARY

"Hungary expresses its deep regret that throughout the legislative process the legitimate interest of many Hungarian citizens was not duly considered, and the regulation still does not guarantee the recognition of vaccines granted emergency authorisation by the Member States even if they are followed by the administration of vaccines authorized by the European Commission.

On the other hand, before the autumn-winter season when new waves may arise, Hungary recognizes the importance of extending the EU digital COVID certification scheme.

Therefore, Hungary acknowledges the adoption of the regulation while calling on the Member States that they equally recognize vaccination certificates issued upon all vaccines used in accordance with the EU legislation, including vaccines administered under emergency use authorisations."
