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> 11311/24 PV CONS 33 ENV 671 CLIMA 251

> > 1 **EN**

DRAFT MINUTES

COUNCIL OF THE EUROPEAN UNION (Environment) 17 June 2024

1. Adoption of the agenda

The Council adopted the agenda set out in document 10804/24 + COR 1.

2. Approval of 'A' items

Non-legislative list

10903/24

The Council adopted all "A" items listed in the document above, including all linguistic COR and REV documents presented for adoption.

Statements to these items are set out in the addendum.

Legislative deliberations

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

3. Regulation on nature restoration

OC 11236/24

(Legal basis proposed by the Commission: Article 192(1) TFEU)

Adoption of the legislative act

(*) PE-CONS 74/23

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, with Italy, Hungary, the Netherlands, Poland, Finland and Sweden voting against and Belgium abstaining (legal basis: Article 192(1) TFEU).

Austria, Germany, Estonia, Latvia, Lithuania, the Netherlands, Poland, the Slovak Republic and the Commission presented statements, as set out in the Annex.

4. Directive amending Directive 2008/98/EC on waste General approach

O C 10820/24

The Council reached a general approach on the Directive amending Directive 2008/98/EC on waste as reflected in the outcome of proceedings (11300/24).

Germany presented a statement, as set out in the Annex.

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5. Directive on substantiation and communication of explicit environmental claims (Green Claims Directive)

OC 10940/24 + ADD 1

General approach

The Council reached a general approach on the Directive on substantiation and communication of explicit environmental claims (Green Claims Directive) as reflected in the outcome of proceedings (11312/24).

Latvia and Sweden presented statements, as set out in the Annex.

6. Soil Monitoring Law

OC 10910/24 + ADD 1

General approach

The Council reached a general approach on the Soil Monitoring Law as reflected in the outcome of proceedings (11299/24).

<u>Sweden</u> presented a statement, as set out in the Annex.

Non-legislative activities

7. **Conclusions on the 8th Environment Action Plan**

11003/24

Approval

The Council approved the conclusions as reflected in the outcome of proceedings (11326/24 + COR 1).

8. Communication on the European Union's 2040 climate target



10402/24

Policy debate

The Council held a policy debate based on questions prepared by the Presidency, as set out in the document above.

9. **Communication on climate risk management**

10404/24

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Exchange of views

The Council held an exchange of views based on questions prepared by the Presidency, as set out in the document above.

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Any other business

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

(i) Regulation on preventing plastic pellet losses to reduce microplastic pollution

10941/24

(ii) Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles 11019/24

Information from the Presidency

The Council took note of the information provided by the Presidency.

(b) Report on a recent international meeting

Fourth session of the Intergovernmental Negotiating Committee to develop an international legally binding instrument on plastic pollution, including in the marine environment (INC-4) 10991/24

(Ottawa, Canada, 23-29 April 2024)

Information from the Presidency and the Commission

The Council took note of the information provided by the Presidency and the Commission.

(c) Terms and conditions (T&C) of the 2024 Innovation Fund Auction for RFNBO hydrogen production (second round of auction H2) Information from the Polish, Czech and Hungarian delegations 11103/24

(d) Work programme of the incoming Presidency *Information from Hungary*

• First reading

Item based on a Commission proposal

Public debate proposed by the Presidency (Article 8(2) of the Council's Rules of Procedure)

(*) Item on which a vote may be requested

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Statements to the legislative "B" items set out in doc. 10804/24 + COR 1

Regulation on nature restoration (Legal basis proposed by the

Ad "B" item 3: Commission: Article 192(1) TFEU)

Adoption of the legislative act

STATEMENT BY AUSTRIA

"The nature restoration regulation is one of the most important and fundamental laws of the European Green Deal and a necessary lifeline in view of the continuing global biodiversity loss. As part of the negotiation process, we succeeded in overcoming numerous concerns from Austria. The aim was to set a regulation that is ambitious and effective, but still retains flexibility in its implementation. This has largely been achieved.

In any case, it is important for Austria that the funding for the implementation of the regulation is secured. We therefore welcome assurances that not only the Member States, but also EU funds will be made available for implementation in the form of subsidies, projects and effective incentives to restore nature. Under no circumstances should the member states and, in Austria, the Länder be left alone with this.

It must also be ensured that the regulation is treated and interpreted consistently and without contradiction with the existing nature conservation directives in order to avoid any legal uncertainties. In this context, the large number of delegated acts is also viewed critically and Austria calls for the timely and comprehensive involvement of the Member States by the Commission.

Austria intends to combine the recovery plans of the nine federal states into one national recovery plan and thus comply with its legal obligation under the regulation.

Austria assumes that national competences and circumstances will be taken into account when preparing the national restoration plans. The Member States and the Länder must be involved in the preparation of the format templates.

The Member States' existing conservation measures must be taken into account. Austria welcomes that measures such as forest conversion or the diverse measures of the Austrian agri-environmental programme are recognised as restoration or renaturation measures."

STATEMENT BY GERMANY

"The Nature Restoration Regulation is being adopted at a time when the agricultural sector is facing fundamental challenges. The Federal Republic of Germany emphasises the vital importance of an agricultural sector fit for the future. Functioning ecosystems are an indispensable basis in this respect. The Federal Republic of Germany considers it crucial for the implementation of the Nature Restoration Regulation that no additional burdens on agricultural holdings ensue."

STATEMENT BY ESTONIA

"Estonia strongly supports the Nature Restoration Law. We consider the Nature Restoration Law to be one of the most important tools to halt and reverse dangerous biodiversity loss in Europe and secure healthy, resilient and safe environment for us and for our children. Biodiverse nature is our strongest ally in fighting climate change and adapting to its impacts. Sustainability of food production, forestry, provision of vital ecosystem services – they all depend on nature and on biodiversity. Moreover, we have responsibilities not only to our own citizens and future generations but also to the global community. The regulation serves a fine balance between necessary measures that address the urgent and real needs of the natural environment, and at the same time takes into account the efforts and different circumstances in Member States and provides the necessary flexibilities to address those."

STATEMENT BY LATVIA

"Latvia still shares serious concerns regarding the proportionality of restoration provisions of agriculture ecosystems in relation to measures which aim to restore organic soils in agricultural use constituting drained peatlands.

Nevertheless, Latvia supports the adoption of the Proposal for a Regulation on nature restoration, as well as the main aim of this proposal - to bring nature back across the continent for the benefit of biodiversity, climate and people.

In our opinion, effort-based provisions with quantitative targets for restoring and rewetting organic soils still constitute a risk to disproportionally affect certain Member States with specific climate conditions.

Latvia is a Member State with one of the lowest shares of agricultural land (30% from total land area) in the EU. At the same time Latvia is one of the few Member States with the highest share of organic soils located on agricultural lands.

Due to given specificities and circumstances, rewetting restoration measures should not negatively affect agricultural production, which is one of the priority economic sectors in Latvia. Furthermore, rewetting also increases methane emissions, which is the second most contributing greenhouse gas. In some cases, rewetting may go against the achievement of Latvia's LULUCF climate goals, especially in the short term.

Availability of additional funding is an essential prerequisite for achieving targets set by this regulation.

When setting environmental and climate targets - all sustainability aspects of land management, agriculture and forestry have to be taken into account in a balanced way."

STATEMENT BY LITHUANIA

"Lithuania shares concerns regarding implementation of the requirements of the Nature Restoration Regulation. Especially in the field of agriculture due to restoration provisions of agricultural ecosystems.

However, Lithuania supports the overarching goal and specific targets of the Nature Restoration Regulation greatly contributing to the continuous and long-term restoration of ecosystems in all terrestrial and marine areas of the European Union.

We believe that the Regulation could strike the right balance between necessary measures to halt biodiversity loss while considering the different circumstances of Member States and providing the necessary flexibility to address them.

However, implementation of the Regulation will increase administrative and financial burden, especially in the agriculture and forestry sectors in Lithuania. Therefore, a stable, clear, solid and targeted financing, particularly through EU financial instruments, is one of the preconditions for the effective implementation of restoration measures and for compensation for varying degrees of economic activity restrictions.

Furthermore, the new requirements must not negatively affect agricultural production, as well as food supply chains. The national specificities should be taken into account during the implementation period, maintaining them in national implementation plans and allocating sufficient funding from European financial instruments."

STATEMENT BY THE NETHERLANDS

"The Government of the Netherlands would like to reiterate that it underscores the importance of the Nature Restoration Regulation and supports its overarching ambition. We would like to thank the French, Swedish, Spanish and Belgian Presidencies as well as the Commission and the European Parliament for their constructive approach in concluding the Regulation. We would like to express our appreciation to all EU-partners who have taken the concerns of the Netherlands seriously and have tried to find solutions to accommodate these challenges during the negotiations.

However, the Dutch Parliament has adopted by a vast majority a motion requesting the Government to vote against the Nature Restoration Regulation, considering the substantial challenge to achieve current and future objectives to restore nature within the context of high population density and high pressure on land use caused by competing economic, social and environmental claims, and the related risks of legal and policy consequences. The binding goals for 2040 an 2050 set by the Regulation intensify the challenges for implementation. Consequently, the Government of the Netherlands will vote against the Regulation.

When the Regulation is officially adopted and has entered into force, the Netherlands is committed to implementing the Regulation in a successful manner. We will aim to implement the Regulation in such a way that the administrative burden and legal requirements for societally relevant projects are as limited as possible and will look for multifunctional utilisation of land and resources within the framework of the Regulation. The Netherlands looks forward to maintaining a continuous dialogue with the Commission and Member States to ensure the Regulation will contribute to restoring ecosystems for people, the climate and the planet."

STATEMENT BY POLAND

"Poland appreciates the efforts made by the European Commission and the European Parliament in preparing the proposed Regulation, which is a response to one of the most significant challenges in the modern world. The Polish Government thanks the French, Swedish, Spanish and Belgian Presidencies for their efforts to reach a compromise during the negotiations on this Regulation.

The Polish Government fully understands the need for effective measures to protect and restore natural resources, such as are included in the EU Nature Restoration Law, and the support for this act expressed by numerous non-governmental organisations, scientific communities and other Member States. Poland has repeatedly emphasised the role and importance of biodiversity and its impact on the proper functioning of all ecosystems and the security of current and future European societies in the context of achieving sustainable development goals. The Regulation fails to recognise the possible discrepancies between the objectives of protecting and restoring ecosystems and the methods of implementing these objectives. For this reason, Poland cannot support the Regulation.

Issues relating to agriculture – not just in Poland but in the European Union as a whole – raise legitimate doubts about the full adoption of the principles of the draft Regulation. These issues often relate to the fundamentals of the functioning of the EU agricultural market in terms of the systemic changes introduced under the principles of the European Green Deal strategy which are currently being renegotiated.

Poland considers the objectives of the Regulation to be ambitious; however, there are concerns around the ability to effectively carry out these activities, particularly as regards the financial aspect. Since work began on the Nature Restoration Law, Poland has consistently raised the issue of the failure to guarantee adequate financial resources for nature restoration (to comply with the obligations under the Regulation). Moving to the implementation phase of the stated objectives would require an increase in the level of financial allocations for nature restoration activities.

Furthermore, in Poland's view the time frame set out in the document is not fit for purpose, due to the complexity and time-consuming nature of planning and the processes of rebuilding and restoring ecosystems."

STATEMENT BY THE SLOVAK REPUBLIC

"The Slovak Republic has always been committed to the goals of the proposal, namely to contribute to a long-term and permanent restoration of a biologically diverse and resilient ecosystems across the European Union.

The Slovak Republic has already fulfilled its major goal of protecting more than 20% of the surface of our country and, therefore, adopting the proposal is not going to have a negative impact on the Slovak Republic.

At the same time, the proposal has understandably raised various concerns among the Member States, including the Slovak Republic, most notably related to financial and administrative burden. However, in the course of the negotiations within the Council and with the European Parliament balancing elements of flexibility were introduced, also at the request of the Slovak Republic, which aligned the proposal with the principles of proportionality and subsidiarity – principles, which are enshrined in the Treaties to safeguard the sovereignty of the Member States.

Financing of the nature restoration efforts from EU sources, which will be reinforced by the adoption of the proposal, represents an opportunity for the Slovak Republic given the efforts needed to neutralize the environmental burdens and ensure just transition in localities with legacy of heavy industrial activities, especially in the Eastern Slovakia. The Slovak Republic reiterates that the adoption of this proposal makes evident the need for financing of biodiversity measures to be addressed during the negotiations on the next Multiannual Financial Framework. The Slovak Republic sees it as an opportunity to attract significant financial sources to restore biodiversity in the large areas of our country harmed by the impacts of industrialization during the communist era.

Safeguarding food security in Europe needs to stay at the heart of the European policy making when delivering the green transition. Flexibilities for agricultural ecosystems included in the proposal are of paramount importance in this regard. Reducing burden on the European farmers and creating favorable conditions in this vital economic sector are guiding principles for the Slovak Republic – not only in the current crisis situation.

Healthy balance between biodiversity protection efforts and undisturbed conduct of human activities, especially those related to the traditional rural way of living, is needed to ensure public support for the European policies. The need to adopt realistic legislation, which is flexible enough to reflect changes on the ground and dynamic socio-economic developments, has become evident on the issue of large carnivores and the tedious process to reflect the growth in their populations and the socio-economic impacts thereof in the revisions of the Bern Convention and the Habitats Directive.

The Slovak Republic belongs to those Member States that fulfill most of the criteria set out in the proposal already today. There are still ecosystems that show a high degree of naturalness and preservation of biodiversity, which is also evidenced by the national value of the EPI biodiversity index of 82.7 in 2022. Therefore, in the interest of restoring nature there, where it has been most disturbed, and in the light of the progress in the negotiations described above, the Slovak Republic votes in favor of the proposal."

STATEMENT BY THE COMMISSION

"The EU and its Member States are parties to the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus Convention').

Member States should ensure that members of the public concerned, who have a sufficient interest or that maintain the impairment of a right in accordance with national law, have access to a review procedure before a court of law, or an independent and impartial body established by law, to challenge the substantive or procedural legality of the national restoration plans and any failures to act of the competent authorities, regardless of the role members of the public concerned have played during the process for preparing and establishing such national restoration plans. This shall be in line with the relevant case law of the Court of Justice of the European Union related to access to justice in environmental matters and in full respect of the obligations Member States have undertaken as parties to the Aarhus Convention¹."

Ad "B" item 4: Directive amending Directive 2008/98/EC on waste General approach

STATEMENT BY GERMANY

"DE can agree to the General Approach by way of compromise, but would like to draw attention to the following aspects: DE would have supported a more ambitious position of the Council with regard to the reduction targets for food waste ("at least 35 %").

Member States have already committed to reducing food waste under the Sustainable Development Goal 12.3. In our opinion, the reduction targets proposed by COM for the period from 2020 to 2030 are not in line with SDG 12.3 and do not take sufficient account of the existing reduction potential to significantly reduce food waste by 2030. DE is of the opinion that the proposed reduction targets should be derived proportionally from SDG 12.3 and should therefore amount to at least 35% for all sectors, with the exception of primary production, in relation to the reference year 2020. The existing reduction potential in all sectors can only be leveraged with correspondingly ambitious minimum reduction targets and measures. This means that the Member States can set more ambitious targets for reducing food waste in each sector at national level.

In DE, the retail and out-of-home catering sectors have already committed themselves to these reduction targets of 30% by 2025 and 50% by 2030 in target agreements. This needs to be recognized politically. Accordingly, the retail, out-of-home catering and private household sectors should not be addressed together, but rather on a sector-specific basis."

See also Communication on 'Improving access to justice in environmental matters in the EU and its Member States' (doc. 11854/20 - COM(2020)0643).

Directive on substantiation and communication of explicit

Ad "B" item 5: environmental claims (Green Claims Directive)

General approach

STATEMENT BY LATVIA

"Latvia supports the main objectives of the Directive to increase the level of environmental protection and contribute to accelerating the green transition towards a circular, clean and climate neutral economy in the EU.

At the same time, we believe that the measures adopted to achieve these objectives should offer sufficient added value and be practical and effective. Articles 11, 12, 15 and 17 still raise concerns because they impose unnecessary additional administrative and financial burden on the market surveillance authorities as well as the traders, while applying overly detailed conditions for monitoring, handling complaints and imposing penalties.

Latvia is particularly concerned about the administrative burden and costs that the Directive creates for entrepreneurs, especially small and medium-sized enterprises (hereinafter - SMEs) and microenterprises, as well as the proposed strict rules regarding penalties. We believe that separate settings for one niche creates uncertainty and is unnecessary.

Firstly, the proposed new conditions and requirements will increase the burden on traders during the implementation process as there are so many new requirements with the certification and verification processes that will take a lot of time, therefore delaying the transfer of information to consumers. Latvia believes that proportionality must be achieved to prevent market overregulation. We believe that the detailed presentation and list of duties, climate-related claims and schemes in the proposal will not add value but will create a significant administrative burden for competent authorities. While everyone agrees that reduction of administrative burdens is crucial for maintaining the competitiveness of European business, this proposal unfortunately goes in opposite direction of the European Commission's target to reduce reporting by 25%.

Secondly, in Latvia's view, Commission's role should be strengthened in providing support measures set out in the Directive to SMEs and micro-enterprises. Many new obligations are already imposed on Member States by this Directive (additional administrative burden on the market surveillance authorities determining detailed conditions for supervision, handling of complaints and application of penalties, ensuring that traders are fulfilling all requirements, assessments needed to prove their climate-claims, etc.)

In addition, we maintain our reservations about the penalty system set out in Article 17. We do not believe such measures are necessary, as similar rules are already established in the Unfair Commercial Practices Directive (hereinafter - UCPD) and are sufficient in this context. The proposed penalties in this Directive could negatively impact the application of the UCPD as a horizontal consumer protection tool.

In light of the above Latvia abstains from the vote."

STATEMENT BY SWEDEN

"Sweden believes that the compromise text in most parts achieves a good balance between strong consumer protection, effective protection of the environment and the interest of traders.

Sweden reiterates its concerns regarding the inclusion of micro enterprises within the scope of the directive. Sweden believes that microenterprises, and especially those in the food chain, lack sufficient administrative capacity, why further requirements would imply an unproportionate burden on this group.

In this context, Sweden also notes the adopted position of the European Parliament of 12 March 2024 in support of the Commissions' proposal to exempt microenterprises. Sweden will continue to argue for an exemption during the trilogues and trust that the incoming Presidency will work for an acceptable solution between the institutions."

Ad "B" item 6: Soil Monitoring Law General approach

STATEMENT BY SWEDEN

"In the negotiations, the proposal for a Soil Monitoring Law has moved in the right direction in most parts, substantially increasing the flexibility for the Member States.

Sweden reiterates its concerns regarding the inclusion of common sustainable management principles in the Directive. Although the General Approach clarifies that the Management principles in Annex III are guiding principles, Sweden regrets to see that Article 10 remains too far-reaching and strongly favour a deletion of the first paragraph of the Article and corresponding Annexes. Further, it should be made clear that sustainable soil management should only be applied to soils with poor health.

In this context, Sweden also notes the adopted position of the European Parliament of 10 April 2024, and trust that the incoming Presidency will work for an acceptable solution between the institutions during the trilogues."