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Spanish Presidency of the EU: driving forward the Green Deal in a period of electoral uncertainty

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With less than a year to go before the end of the current term of office of the European institutions, Spain took over the Presidency of the Council of the European Union on July 1 with four priorities:[1](#)

"Reindustrialize the European Union and guarantee its open strategic autonomy; make progress in the green transition and in environmental adaptation; promote greater social and economic justice; strengthen European unity". This Presidency comes at a time when many of the Green Deal's proposals have yet to be finalised and, in some cases, published, and when the national elections in Spain scheduled for July 23 could have an impact on these priorities and the course of this Presidency. Against this uncertain backdrop, this blog post takes a look at four key issues for Europe's ecological transition in the coming months.

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. This objective seems achievable, given the progress made in record time during the final months of the Swedish Presidency. There are still a number of issues on which agreement needs to be reached, notably the possibility of using long-term contracts for existing production sites undergoing reinvestment, which is of particular interest to France. Nevertheless, the condition for [making rapid progress](#) on this reform, which is to focus on adopting measures to manage the price variations revealed by the energy crisis, notably by extending long-term contracts, and to deal with structural market issues at a later stage, seems for the time being to remain the compass of the players involved. Other important energy issues include the negotiations, which the Spanish Presidency intends to conclude, with the European Parliament on the directive on the energy performance of buildings and the gas package, on which the EU's objective is to reduce its energy consumption. Finally, even if the EU's gas and electricity supply situation is better today than it was a year ago, and the Union has equipped itself with instruments to manage the crisis, including targets for reducing natural gas consumption that have been extended, the Presidency could be driven to rediscuss the issue of energy security depending on the winter conditions.

A second important issue is the [Green Deal industrial plan](#), which has the dual objective of developing a green industry and reducing external dependency in order to increase the EU's strategic autonomy. The Spanish Presidency will be responsible for leading discussions in the Council on the [regulation on critical raw materials](#) in order to integrate this key issue for the energy transition and the decarbonisation of industries into European policy. These two texts (critical raw materials and [net-zero industry](#)) should find their way into a favourable political context. At the same time, however, the challenge will be to deal with the disappointment at the lack of progress made on financing these industrial transitions, which in fact means that Member States are now competing head-on for investment in key industries for the energy transition. Should these discussions fail, the Presidency could play a key role in identifying the need to strengthen governance and cooperation between Europeans to make this industrial transition a success and make the link with financing issues. Spain's active role in the debate on European economic governance, which must also be a priority for its Presidency, could help to link the two issues, in a political decision-making context that is nonetheless complicated by the rise in interest rates on sovereign debt.

A third key issue is the nature restoration law, which was narrowly adopted by the European Parliament at the cost of a reduction in the ambition of the proposed measures. This is a welcome outcome given the unusually intense political battle. In addition, restoration represents an [important element](#) in the response to environmental crises, and is necessary for the balance of the Green Deal as a whole, which, if we look at the legislation adopted today, is seriously tilted towards climate change mitigation. With the Parliament's position now known, the Spanish Presidency has announced its intention to conclude the negotiations between the Council and the Parliament, but the level of priority given to this issue could be lower in the event of a political changeover at national level.

Finally, on the international level, Spain hopes to use its Presidency to bring the European Union closer to its South American partners. While negotiations on the free trade agreement with Mercosur are likely to be complicated, the creation of [just energy transition partnerships](#) could also be a subject to explore with new countries, beyond the examples of South Africa, Vietnam, Indonesia and now Senegal. And, in the wake of the [Paris Summit for a new global financial pact](#), progress is expected from the EU in terms of financing and solidarity with the most vulnerable countries.

In a tense political context marked by major electoral contests, where the dividing lines now run through the Green Deal's texts, the Spanish Presidency is faced with the challenge of moving forward on a number of European texts as the debate on the future and the follow-up to the Green Deal has already begun. The challenge is first and foremost to bring what has been initiated to a successful conclusion. Then we need to take stock of the Green Deal, which has enabled essential progress to be made, but whose shortcomings also need to be identified so that we can

supplement it with other approaches and tools to deepen the transition, while combining it with the European Union's other objectives during the next mandate.

¹ <https://spanish-presidency.consilium.europa.eu/media/e4ujaagg/the-spanish-presidency-programme.pdf>

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