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Greens/EFA call on Croatia and Germany to keep EU Council ambition high in 2020

Closing of the Finnish Presidency

On 31 December 2019, Finland's EU Council presidency draws to a close. Just before the beginning of Finland's presidency term, the country elected a new five-party centre left coalition government, which immediately adopted well regarded climate goals. Showing leadership on ambitious climate action at the national level set high expectations for Finland to demand ambitious climate decisions also at the EU level.

2020: time to walk the climate talk

The Finnish presidency's overarching climate goal was for EU countries to reach an agreement on 2050 climate neutrality, at the latest during the December Council summit, making Europe the first climate-neutral continent by 2050. After negotiations on 13 December, member states landed on an agreement to set a 2050 target to become climate neutral, in line with the Paris Agreement. Disappointingly however, the conclusions include a statement that <u>Poland is not yet ready to commit</u> to achieving this target internally.

While the agreement is welcomed as a progressive step for the EU to claim climate leadership, what counts going forward is how the EU and member states will work to achieve the targets. The Finnish presidency's proposal for the next long-term budget of the EU, <u>Multiannual Financial Framework (MFF)</u>, did not quite match the ambition level showed when pushing to seal the 2050 climate target. For change to happen, it is vital that Poland revises its decision and all EU countries adjust their long-term energy and climate plans according to the target, and align their position on the negotiations of the MFF.

The message from the scientists and citizens is loud and clear: we need urgent climate action, now. Finland's presidency is to thank for pushing agreement on the common climate neutrality target, but in order to align the concrete mitigation measures accordingly, the **next presidencies of Croatia and Germany need to continue pushing ambitiously for urgent climate action next year. The Greens/EFA want to see an increase of the EU's 2030 climate target to a reduction of at least -65% greenhouse gas emissions compared to 1990 levels.**

Our group is clear: the urgency of the climate crisis demands more ambitious targets and real action. We need to push even further and agree on EU climate neutrality by 2040. The Greens/EFA group will keep

up the pressure for this, and are calling for the establishment and rapid implementation of an ambitious European climate law.

Hungary remains in the spotlight

Apart from taking initiative on climate action, Finland's presidency programme put priority on strengthening the rule of law and increasing transparency within the EU. One of the biggest achievements during its presidency term was the push for conditionality of EU funding on EU values. During the past six months, the Finnish presidency has been following the situation in Hungary and Poland, countries against which Article 7 proceedings have been triggered.

In September and December 2019, initiated by the Finnish presidency, the EU Council proceeded with the hearings on Article 7 against Hungary. Finland signalled that it was willing to live up to its presidency commitments and attempt to push for the promotion of the rule of law in member countries that have shown worrying progress with regard to democracy.

The European Parliament expressed concerns over democracy in Hungary more than a year ago – despite this, the Parliament has not yet been given a formal role in the hearings against Hungary. The Greens/EFA group has been urging the Council to include Parliament in the process. We appreciate that despite the reluctancy of some other member states on this issue, the Finnish presidency has actively tried to do so. We urge the Croatian presidency to continue this cooperation, regardless of objections from a few member states.

During previous presidencies, there has been a tendency towards general commitments regarding the rule of law, yet there have been no specific commitments to have regular and structured hearings in the case of Hungary. We appreciate that Finland's presidency has pushed for more structured hearings, and tried to address specific issues on the rule of law in Hungary. We call for Croatia to continue regular and thematically focused hearings in the pursuit of Article 7 proceedings against Hungary.

Tax transparency – almost but not quite

After many years of campaigning, the Greens/EFA group was pleased to see tax justice and corporate transparency finally on the agenda of the EU Council presidency. Finland took leadership, especially on pushing forward the so-called public country-by-country reporting (CBCR) file, to increase corporate transparency. The European Commission put forward the CBCR proposal back in April 2016 and the Parliament agreed on its position two years ago, yet only under the Finnish presidency has the file reached the ministerial level in the Council.

However, it is unfortunate that the Finnish presidency didn't manage to get a majority of member states to agree on a common position on the file during the ministerial meeting on 28 November, 2019. A number of member states are still blocking corporate transparency and tax justice in the EU. Worryingly, Croatia and Germany, the 2020 presidencies are both amongst these countries.

During its upcoming presidency, we call on Croatia to continue the progressive work initiated by the Finnish presidency on pushing for tax justice, so the EU Council can finally reach an agreement on the CBCR file. This is even more important as the Austrian parliament voted in December 2019 for the country's government to support public CBCR. A majority in Council for the file should theoretically now be in place. Also taking on the presidency, in the second-half of 2020, we call on Germany to stop blocking the file by abstaining from the vote. EU citizens have the right to know where companies pay their taxes. Due to tax avoidance, the EU loses money that should be directed into the wellbeing of citizens and fighting the climate crisis.

Overall, Finland managed to push forward many remarkable initiatives. We were happy to see climate at the top of their agenda for the Presidency, as well as concrete measures to act against the concerns regarding rule of law in Hungary and tax injustices in the EU. Despite the ambition of the Finnish presidency, there were no significant breakthroughs. The Greens/EFA group continues to demand faster and more concrete climate action, compliance with the rule of law principles, and tax justice reforms from the European Parliament and the member states. We call on the 2020 presidencies of Croatia and Germany to keep these ambitions high in the EU Council and not to backtrack on progress.

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