

## Council Presidency Report



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# Sweden's 2023 Presidency:

A low-key presidency that underpromised and overdelivered

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In January 2023 the College of Commissioners landed in Kiruna, some 200 kilometers north of the arctic circle. The Swedish government had President Ursula von der Leyen inaugurate Europe's first spaceport for satellite launches, showcased projects for the green industrial transition as well as new findings of critical raw materials. Apart from this initial extravagance, which included staying at an ice hotel in the middle of Lapland, what would follow was a presidency focused on the core, 'Brussels-based' tasks of furthering the EU's common agenda and brokering agreements.

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## Setting the scene and overall impressions

Sweden took on the Council presidency from 1 January to 30 June 2023, during a time of continued war and economic turmoil in Europe. The timing towards the end of the EU's legislative cycle also meant a packed schedule of legislative files that were expected to be wrapped up.

Domestically, a new government composed of the (liberal conservative) Moderate Party, Liberals, and Christian Democrats had been formed only about two and a half months before. The government's reliance on the support of the Eurosceptic Sweden Democrats (SD) caused controversy across the continent, vocalised during hearings in the European Parliament (EP) and in the subsequent debate surrounding the presidency itself.

Sweden's four priorities were broadly anchored in the Swedish parliament at an early stage. These were, respectively, security and unity due to the ongoing war in Ukraine, pushing the green and energy transition forward, getting the single market's long-term competitiveness back on the agenda, and bolstering democratic values and the rule of law.

Keeping a rather low profile and staying focused on delivering as an effective chair in Brussels, not least by maintaining unity in support for Ukraine, seemed to be the Swedish presidency's preferred strategy. In the final assessment, this approach seems to have paid off, especially given the surprise effect following the Council's agreement on the new migration policy, but also in negotiations such as the 11th sanctions package against Russia and delivering the remaining parts of the Fit for 55 climate package.

#### Ukraine - the overarching priority

Operating under the banner 'greener, safer and freer', Swedish government representatives highlight the Council's unity vis-à-vis Russia's war in Ukraine as the presidency's main achievement. According to <u>its own assessment</u>, the Swedish presidency made efforts to secure unity in all areas – political, economic, humanitarian and military. Among its concrete achievements, a 10th and an 11th sanctions package were agreed. Member States also reached landmark agreements on ammunition, including joint procurement to supply Ukraine with artillery shells as well the use of EU budgetary support to beef up European production.

Moreover, the Swedish presidency appointed a task force to examine how frozen Russian assets could be used to rebuild Ukraine. This discussion, however, turned out to be less straightforward than expected due to legal concerns, which were also raised by a range of other Member States. The Swedish presidency also prioritised discussions on how Russia could be held accountable for war crimes committed in Ukraine.

Overall, Sweden consistently made sure to include Ukrainian representatives or



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<u>perspectives</u> in several other policy areas – from health to education. Whether this has been at the expense of policy discussions or global engagement in other areas and regions of the world remains to be assessed.

#### Bringing long-term competitiveness back onto the EU agenda

In terms of agenda setting, the Swedish presidency focused on furthering 'competitiveness', a longstanding Swedish position in EU affairs. As of late, the EU has turned much of its attention to measures responding to geo-economic and security-driven concerns – notably from the US with its Inflation Reduction Act as well as China's industrial policy. A series of crises have also further contributed to relaxed policies on state aid. Against this background, a major agenda-setting aim of the Swedish presidency was to counterbalance these dynamics by reorientating towards free trade and a functioning internal market.

Here, the Swedish presidency succeeded in having the Commission propose a <u>Communication</u> on long-term growth and productivity, highlighting that the average productivity growth in the EU has been weaker than in other major economies. The document was addressed in the <u>conclusions</u> of the March European Council, underlining in particular the need to reduce the administrative burden on businesses, enforce single market rules, and remove barriers for investment, as well as the need for a renewed focus on research and development, skills for the future, and digitalisation. The Swedish presidency's hope was that this agenda-setting exercise would result in long-term results, through the Commission's development of joint indicators and subsequent monitoring.

#### What about the green files?

On another priority – the green and energy transition – the Swedish presidency delivered on a range of difficult files. Progress on the Fit for 55 climate package is considered a key achievement, even though much of the groundwork was done by the previous French and Czech presidencies. For instance, Sweden brokered agreements between the Council and EP on energy efficiency, measures to reduce emissions in shipping, and rules to promote the electrification of the transport sector. The Council also agreed on a general approach on industrial emissions, the proposal concerning deployment of alternative fuels infrastructure and the gas market package. Not delivering on these files, however, was not an option, given the strong pressure to wrap them up ahead of the upcoming EP elections in 2024.

However, Sweden also faced some domestic difficulties and criticism from other Member States related to its bias on files affecting Swedish forestry.



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Ultimately, Sweden voted against or abstained on three forestry-related files during its own presidency – the regulation on land, land use change and forestry (LULUCF), the regulation on commodities and products associated with deforestation and forest degradation, and the so-called nature restoration law.

On a related note, experts have also raised concerns that the deregulatory language of the competitiveness agenda, pushed by Sweden, may affect the private sector's willingness to accept ambitious regulation to further the green transition.

### Delivering towards the end, in Brussels

The Swedes did, eventually, deliver in many areas where critics feared it would not, especially during their presidency's final spurt. In <u>total</u>, the Council reached agreement on 44 files, and a final agreement was reached with the EP on 64 legislative acts. Above all, the presidency managed to secure agreement in the Council on a new migration policy, which was not without its difficulties due to the influence of the Sweden Democrats back home. Given the longstanding deadlock on this file and its importance for Europe, this is a major achievement despite the fact that Poland and Hungary still oppose the agreement.

During its presidency, Sweden also laid aside its frugal approach and pushed for agreements on joint procurement and financing from the EU budget to boost European ammunition production. Additionally, the presidency also held <u>two Article 7 hearings</u> – with Poland concerning the rule of law and with Hungary concerning its (lack of) respect for EU values. This was the sixth hearing for both countries.

The perhaps most surprising aspect, however, given that most presidencies have to deal with unexpected events and are thus forced to reshuffle their agenda, is that Sweden did not have to face any significant unforeseen crises apart from ongoing concerns related to the war. A possible exception was perhaps its role in convening, together with the Commission, a donor conference following the tragic earthquake in Syria and Turkey.

What was missing in the end was, perhaps, a proactive effort to bring a bit more of the EU to Sweden and perhaps some of Sweden to the EU.

With the informal Council meetings taking place in a venue next to Arlanda Airport and very limited space for public engagement, the opportunity to highlight current policy debates and the future of the EU was rather limited<sup>1</sup>. As an illustrative example, the <u>total number of events</u> in Brussels and at home

<sup>&</sup>lt;sup>1</sup> The Swedish government <u>reports</u> that 144 informal meetings at different levels were held in Sweden, including 42 meetings in 16 different locations outside the Stockholm area.



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during the Czech presidency was – according to its presidency calendar – 501, while the Swedish calendar <u>totaled</u> 308. Cultural events were actually not included at all in the Swedish presidency's calendar.

This low-key approach may be in line with the Swedish understanding so far of what the EU should be – efficient, policy-oriented and cost-effective, rather than visionary, visible and engaging. In other words, this is we saw in the Swedish 2023 presidency – a rather successful presidency but one that was happy to operate under the radar to just simply get things done.