

POLICY BRIEF

Sweden takes over the rotatory presidency of the council of the EU

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CONTEXT

Introduction

The Covid-19 pandemic and its economic consequences, the Russian invasion of Ukraine, the current energy crisis, and the drift towards populism are some of the key geopolitical and geoeconomic challenges that the European Union is facing today.

These events will shape the future policy direction of the European Union, particularly with the European Parliament's elections, coming up around May of 2024.

Within this context, Sweden is taking over the **Presidency of the Council of the European Union** on January 1st for a period of six months. It will be the last country taking office within the current Trio of Presidencies¹ of the Council, which initiated with France and the Czech Republic.

Sweden takes over the Presidency near the end of the

current legislative cycle, which means that most of the initiatives are under discussion in Parliament and in the Council. However, due to the crises of recent months, such as the pandemic and the invasion of Ukraine, some of those planned have not yet been dealt with.

In these circumstances, Sweden has an **important role and challenge ahead**, that Spain and Belgium will have to pick up and follow through within their own presidencies.

Brief explanation of the meaning of the Presidency of the Council of the EU

The Council of the European Union is a key actor in the EU decision making process. Indeed, it negotiates and adopts new EU legislation, in most cases, together with the European Parliament (EP). In addition, it has



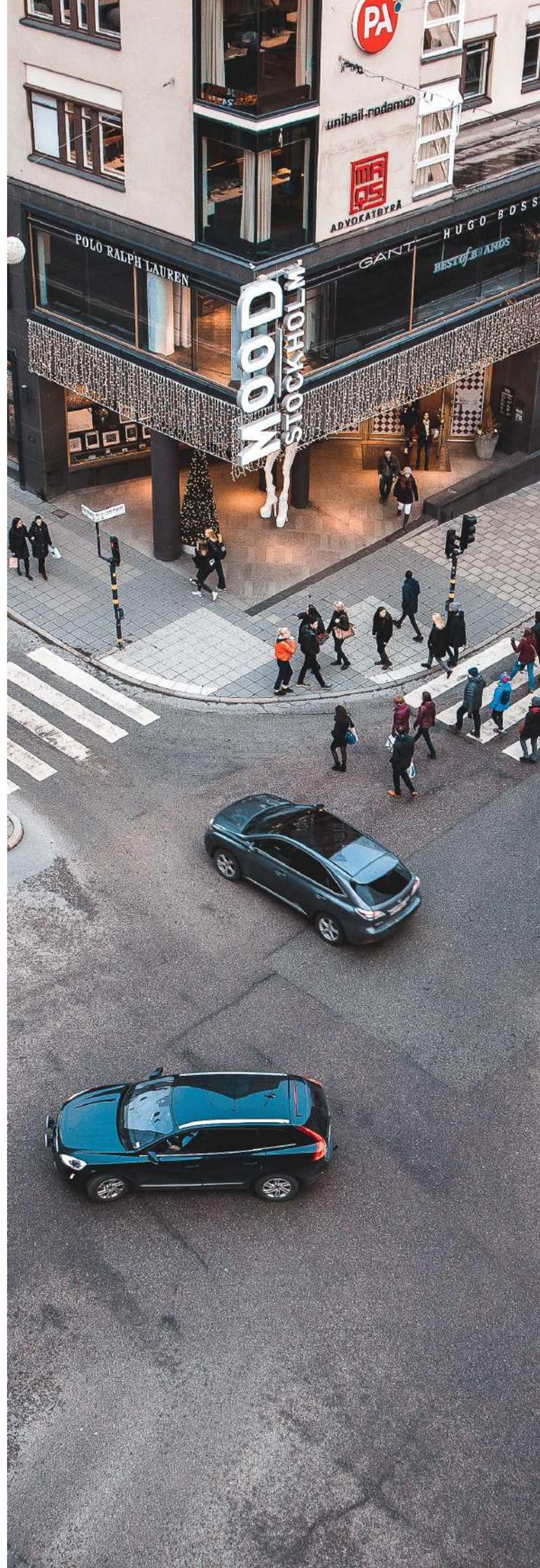
¹ MS holding the Presidency work closely together in groups of three, known as "trios".

the task of coordinating MS's action in specific areas, promotes the EU's common foreign and security policy, concludes international agreements and adopts the budget of the EU.

The Presidency of the Council is held by **individual Member States of the European Union** for six months at a time. For a six-month period, the Member State holding the Presidency chairs meetings at all levels of the Council, except for the Foreign Affairs Council.

The Member States holding the Presidency work closely together in groups of three, known as "trios". The Trio sets long-term objectives² and draws up a common agenda with the themes to be addressed over an eighteen-month period. On the basis of this programme, each of the three countries draws up its six-monthly programme in greater detail.

² Based on the Commission's programme for its legislative period and the priorities highlighted by the President of the Commission in the Annual Debate on the State of the Union.



NATIONAL AND INTERNATIONAL POLITICS

Change of government, change of priorities

Following the September 2022 elections, the new Swedish Prime Minister, Ulf Kristersson, leader of the Moderate Party, presented the Government Policy Statement and the ministers forming the new government in the Riksdag (Sweden's national Parliament) on 18 October 2022.

The new government is made up of three parties: the moderates (12 ministers), the Christian-Democrats (6 ministers) and the Liberals (5 ministers) and cooperates with the Sweden Democrats (SD), a far-right and eurosceptic party. The Social Democratic Party (SAP), the party of the former president Magdalena Andersson, was the most voted (30.33%), but it were these three (19.10%, 5.34% and 4,61% respectively) that managed to converge into a government agreement to lead the country.

The priorities for collaborative projects defined by the governing parties in cooperation with the Sweden Democrats include: growth and household economy (including combating unemployment and alleviating economic pressure on households), migration and integration, climate and energy, health and education and cooperation with the EU.

The political shift has led to a change in the government's approach and policies. The main highlight is immigration, as the new government will move from a generous asylum policy to meeting the "minimum requirements" of EU law. In addition, it will reduce its spending on development while increasing defense spending, an important change of policy direction for Sweden.

At the EU level, the new government has highlighted the relevance of the Union as the most important foreign policy body. In this sense, it has defined three main areas of focus for their foreign policy: (1) complete Sweden's accession to NATO, (2) prioritize the upcoming presidency of the EU and (3) strengthen support for Ukraine.

The cooperation with the eurosceptic Social Democrats has EU diplomats worried. Indeed, experts warn that the far-right Sweden Democrats party's domestic political sway may influence the next EU Presidency's work on a broad range of topics.

Sweden in the process of joining NATO

Sweden's interest in joining NATO stems from Russia's invasion of Ukraine in early 2022. After deliberation by the Swedish government on what security policies to implement in the face of the conflict, Sweden finally submitted a formal application for NATO membership in May 2022.

However, Sweden's relationship with NATO goes back to 1994, when it established trust with the organization through various actions such as joining the Peace Treaty, a NATO instrument to establish good relations with non-member countries. Indeed, the relationship between both actors has been continuous and produced favorable results, but without ever becoming an official member of NATO. Until now.

Once Sweden signed the letter of intent confirming its acceptance of accession obligations and commitments, NATO countries had to approve and ratify the accession protocols in their national parliaments. Turkey's veto slowed down the process. However, Turkey, Finland and Sweden ended up signing an agreement in Madrid which allowed starting with ratification in national parliaments. While this process could take several months, a number of countries have already given their approval, such as Canada, and very recently Spain.

Taking into account Sweden and Finland, 23 of the 30 countries that compose NATO belong to the European Union. Indeed, the only Member States that have not joined the Organization are Austria, Cyprus, Ireland and Malta.

Sweden's accession to the Atlantic Alliance highlights the challenge of clarifying the European Union's room for growth as an independent but complementary entity to NATO in the military sphere, especially in a context in which **strategic autonomy is being promoted by EU decision-makers.**

PRIORITIES OF THE SWEDISH PRESIDENCY

Priorities of the Trio Programme

The current Trio Presidency formed by France, the Czech Republic and Sweden, presented its programme in December 2021. It highlighted, as its core objective, overcoming the economic and social impact generated by the Covid-19 pandemic.

In addition, the priority issued covered the programme are:

- 1. Protecting European citizens and freedoms by focusing on respecting and protecting rule of law, democracy and gender equality.**
- 2. Strengthening both the Schengen area and the common asylum and migration policy.**
- 3. Promoting a new growth and investment model for Europe, based on:**
 - a) Developing its autonomous strategy.
 - b) Sustainable green growth.
 - c) Strengthening the EU's industrial and digital sovereignty.
- 4. Building a greener and more socially equitable Europe that better protects the health of Europeans.**

5. A global Europe that promotes multilateralism and renewed international partnerships, while adopting a shared vision among the 27 Member States on strategic threats.

It is important to bear in mind that the programme was drafted and presented before the Russian invasion of Ukraine, and consequently, before the start of the energy crisis, meaning that **priorities have changed significantly** since the adoption of the trio programme. In this sense, Sweden has had to adapt its priorities for its upcoming Presidency.

Priorities under the Swedish presidency

On December 14, Sweden presented the agenda for its Presidency. Sweden's priorities take not only into account the continuance of the Trio objectives and fields of play, but also the current situation due to Ukraine's war. Therefore, the four key priorities on which to focus during the following six months will be:

Security and unity

The Presidency will prioritize **continued economic and military support for Ukraine**, as well as support for the country's path towards the EU. However, on this second aspect, Sweden highlights that further steps are needed for "reconstruction and reform towards EU integration".



In addition, the upcoming Presidency considers that Member States must build consensus towards a **robust European security and defense policy**, among other to build on the Union's action to counter Russia's aggression towards Ukraine.

Competitiveness

While the most urgent attention must be devoted to the war in Ukraine and its short term consequences, efforts to drive economic growth in the medium and long term remain necessary to meet challenges. In this sense, at the top of the political agenda is anchoring a **concerted approach to European competitiveness**.

Green and energy transition

The Presidency will continue efforts to tackle high and volatile energy prices while addressing long-term energy market reform. In this context, it will put the **'Fit for 55' package into action and speed up the energy transition**.

Democratic values and rules of law

Upholding the principle of the Rule of Law and fundamental rights will be an essential element of Sweden's Presidency.

PROGRAMME AND AGENDA

Work programme of the Swedish Presidency

Sweden will seek to push forward around **250 of the bloc's proposals** during the next six months. Some of them are outlined below.

The programme setting out the political and legislative priorities, generally aligned with those presented in the trio programme, had to be **re-established to deal with circumstances that could not be foreseen**: the invasion of Ukraine and its consequences.

First of all, the country will be tasked with forging agreements on any **future sanction packages**

against Russia. Indeed, the European Commission stated that preparations on a ninth sanctions package are underway. Any further moves on energy measures, such as price controls or common energy procurement, will also be led by Sweden. Discussions on enlargement, and Ukraine's accession ambitions, will also take place under the Swedish Presidency during the second meeting of the European Political Community in April.

Migration is also set to be a high priority during the Swedish presidency. The country received amongst the highest rates per capita of asylum seekers during the 2015 migration crisis, giving the country outside know-how on the matter. In this sense, the EU Migration and Asylum Pact, presented in September 2020, is currently under discussion. The new center-right government is committed to restructuring migration and **experts fear the influence of anti-immigration SG party, on which the government depends**.

Regarding **energy**, Sweden will continue to take forward the dialogues with the European Parliament on the proposals for the revision of the Renewable Energy Directive and the Energy Efficiency Directive as well as on the proposal for the revision of the Energy Performance of Buildings Directive. It will advance work on the proposals in the hydrogen and decarbonized gas market package and continue working on the proposal for a regulation on the reduction of methane emissions in the energy sector.

Sweden has a lot of **transport** files to handle, which include last year's climate proposals already in motion as well as new files the Commission plans to propose on top of the planned Alternative Fuels Infrastructure Regulation, ReFuelEU Aviation and FuelEU Maritime, which are still under negotiation. The country could be handling most of these files **at the end of the six-month term**.

On **digital**, Sweden aims at adopting a general position in the Council on the Data Act and hopes to start negotiations with the EP on that specific piece of legislation. On **Artificial Intelligence**, the Digital Identity Framework and Political Advertising, the Council is awaiting the European Parliament's position, in order to start inter-institutional negotiations as soon as possible. In addition, It is ready to continue negotiations with the EP on the e-privacy regulation, the trilogues of which could begin in January.

Sweden will give priority to **advancing negotiations on the 'Fit for 55' package**. It will also be important to make progress on the outcomes of the United Nations Climate Change Conference (COP27), including the future Loss & Damage Fund.

In addition, it intends to clarify negotiations on the ecodesign and construction products regulations and to advance work on the packaging regulation and the revision of the directive on industrial emissions.

Focusing on **biodiversity**, the Swedish Presidency will advance negotiations on pesticides and launch discussions on forest monitoring legislation. The revision of the air quality directive is another important proposal according to the Member State.

Finally, on **agriculture**, the Presidency will push forward negotiations in the Council on the proposal for a data network on farm sustainability, prioritize the revision of the Regulation on food information to consumers and its provisions on food labeling. It also intends to make progress on negotiations on the Regulation on the sustainable use of plant protection products.



CONCLUSIONS

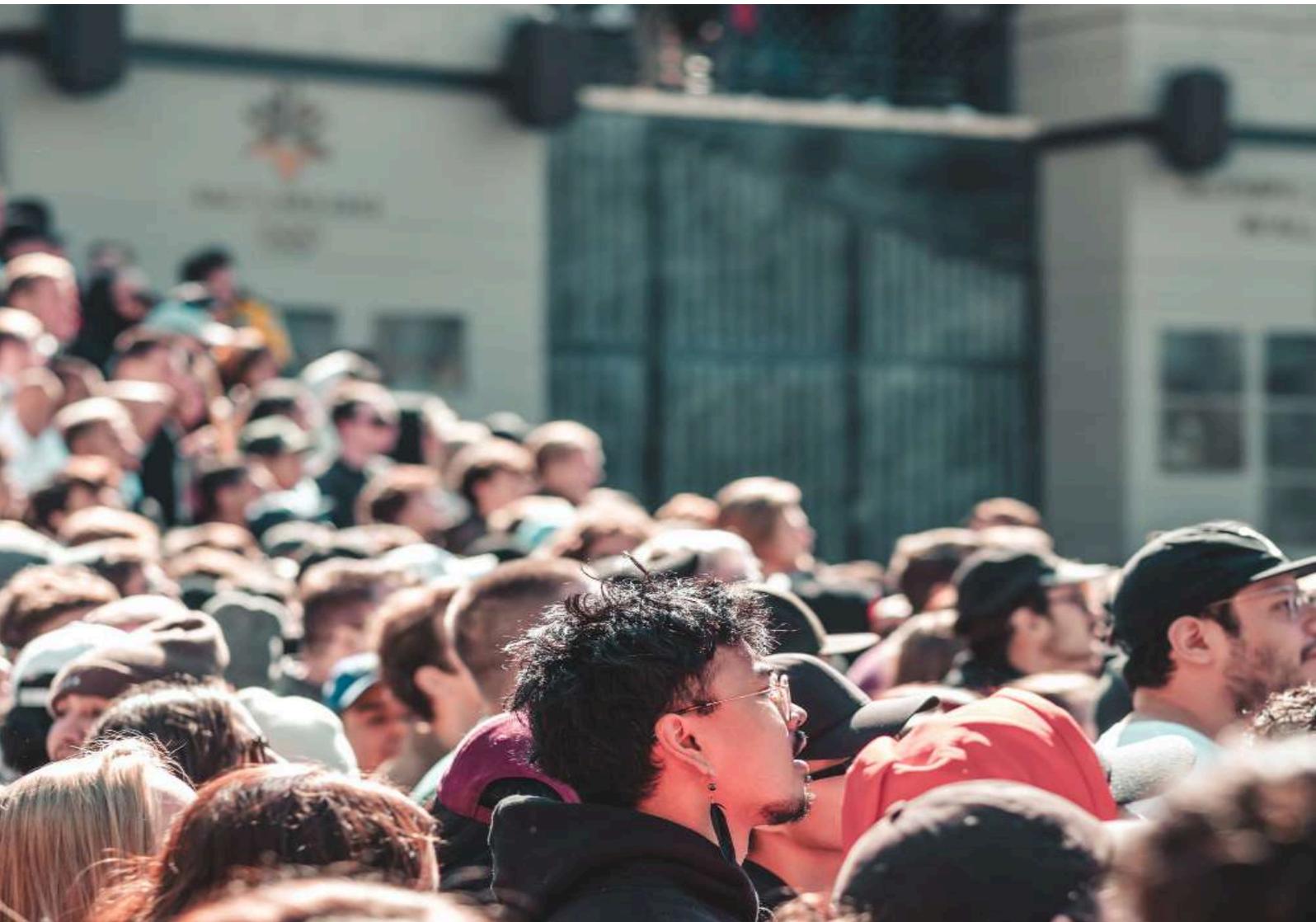
Sweden is about to start its 3rd presidency of the Council during one of the Union's most challenging times, not only in terms of security but also, and directly linked, strategic autonomy of the European Union as a whole in key aspects such as energy or agriculture.

In this sense, building security of EU citizens, strengthening support to Ukraine, continuing advancing the policy agenda on climate transition, as well as continuing pushing a clear agenda to boost competitiveness, will be prioritized by the Swedish government during its Presidency.

National politics will also have spillover effects on the Swedish presidency. Indeed, attention will have to be given on how the cooperation between the new center-right government and the far-right and eurosceptic Social Democrat Party will shape European politics under the Swedish presidency, notably regarding migration.

As part of its agenda, Sweden will chair around 2000 formal meetings in Brussels and Luxembourg, Swedish ministers will chair some 35 formal Council meetings, and more than 200 Swedish officials will lead various working groups in which proposals are negotiated. Furthermore, about 150 informal meetings will be held in different locations in Sweden, most of them in Arlandastad, outside Stockholm. These meetings will be a great opportunity for Sweden to boost the priorities of its Presidency regarding security, competitiveness, energy transition and rule of law as well as the Trio objectives of protecting the health of the Europeans and promoting multilateralism and renewed international partnerships.

In conclusion, Sweden's Presidency will be challenging in many aspects: not only will it have to adapt and take into account the evolution of the invasion of Ukraine, the energy crisis and other events, but will have to manage to push forward ambitious pieces legislation related to strategic autonomy and the dual digital and environmental transitions. The next Trio of Presidencies, formed by Spain, Belgium and Hungary, will have to pick up on the work advanced by Sweden.



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