



Council of the
European Union

158236/EU XXVII. GP
Eingelangt am 19/10/23

Brussels, 19 October 2023
(OR. en)

13976/23
PV CONS 45
SOC 669
EMPL 476
SAN 574
CONSOM 351

DRAFT MINUTES

COUNCIL OF THE EUROPEAN UNION
(Employment, Social Policy, Health and Consumer Affairs)

9 October 2023

1. Adoption of the agenda

The Council adopted the agenda set out in document 13354/23.

2. Approval of "A" items

a) Non-legislative list

13759/23

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.

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

13760/23

Agriculture

1. Regulation on the labelling of organic pet food



Adoption of the legislative act
approved by SCA, on 02.10.2023

13224/23
PE-CONS 33/23
AGRI

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 Poland abstaining (legal basis: Article 43(2) TFEU).

Energy

2. Revision of the Renewable Energy Directive




Adoption of the legislative act
approved by Coreper, Part 1, on 27.09.2023

13188/1/23 REV 1
+ ADD 1 REV 3
PE-CONS 36/23
+ **REV 1 (sv)**
ENER


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 Hungary and Poland voting against and Bulgaria and Czechia abstaining (legal basis: Articles 114 and 194(2) TFEU). Statements to this item are set out in the Annex.

Transport

3. **Regulation on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation initiative)**  13189/23 + ADD 1
Adoption of the legislative act PE-CONS 29/23
approved by Coreper, Part 1, on 27.09.2023 TRANS

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 Poland voting against (legal basis: Article 100(2) TFEU). A statement to this item is set out in the Annex.

Internal Market and Industry

4. **Directive on consumer credits**  13039/23 + ADD 1
Adoption of the legislative act PE-CONS 22/23
approved by Coreper, Part 1, on 27.09.2023 + **COR 1 REV 1**
(It)
+ **COR 2 (it)**
CONSOM

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 (legal basis: Article 114 TFEU). A statement to this item is set out in the Annex.

5. **Regulation on geographical indication protection for craft and industrial products**  13094/23
Adoption of the legislative act PE-CONS 31/23
approved by Coreper, Part 1, on 27.09.2023 PI

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 (legal basis: Articles 118(1) and 207(2) TFEU).

Foreign Affairs



6. **European defence industry reinforcement through common procurement act (EDIRPA) Regulation**  13108/23
Adoption of the legislative act PE-CONS 40/23
approved by Coreper, Part 2, on 27.09.2023 INDEF

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 (legal basis: Article 173(3) TFEU).

Non-legislative activities

3. **European Semester 2023: Impact of new technologies on labour: Towards a just digital transition**  13168/23
Policy debate

The Council held a policy debate on the European Semester, guided by the Presidency note set out in the document above.

- a) **Key employment challenges: Key Messages from the EMCO based on the Annual Employment Performance Report and the Employment Performance Monitor**  13307/23
Endorsement + ADD 1
+ ADD 1 COR 1
+ ADD 2
- b) **Key social challenges: Key messages from the SPC based on the Annual Review of the Social Protection Performance Monitor**  13306/23
Endorsement + ADD 1-4

The Council endorsed the key messages of the Employment Committee and of the Social Protection Committee, as set out in the documents above.

c) **Council Decision on guidelines for the employment policies of the Member States**

(Legal basis proposed by the Commission: Art. 148(2) TFEU)

Adoption



13169/1/23 REV 1
12998/23

The Council adopted the Council Decision on guidelines for the employment policies of the Member States, set out in document 12998/23.

4. **Council Recommendation on developing social economy framework conditions**

(Legal basis proposed by the Commission: Art. 292 TFEU, in conjunction with Art. 149 TFEU and Art. 153 TFEU points (h) and (j))

Political agreement



13287/23 + ADD 1

The Council reached a political agreement on the Recommendation on developing social economy framework conditions as set out in the Annex to document 13287/23.

A statement by Hungary is set out in the Annex to these minutes.

5. **Conclusions on mental health and precarious work**

Approval



13171/23 + ADD 1

The Council approved the Council Conclusions on mental health and precarious work, as set out in document 13171/23.

Statements by Hungary and Poland are set out in the Annex to these minutes.

6. **Conclusions on measures to ensure equal access for Roma to adequate and desegregated housing**

Approval



13167/23 + ADD 1

The Council approved the Council Conclusions on Measures to ensure equal access for Roma to adequate and non-segregated housing, and to address segregated settlements, as set out in document 13167/23.

Statements by Hungary and Poland are set out in the Annex to these minutes.

7. **Consolidation and strengthening of the European social protection systems** [2] 13202/23
Policy debate

The Council held a policy debate on the consolidation and strengthening of the European social protection systems, guided by the Presidency steering note set out in the document above.

8. **Conclusions on social protection for the self-employed** [2] 13175/23
Approval

The Council approved the Council Conclusions on the social protection for the self-employed as set out in the document above.

Any other business

9. a) **Evaluation of Upskilling Pathways** [2] 11957/23
Information from the Commission

The Council took note of the information from the Commission on the Evaluation of the Council Recommendation on Upskilling Pathways.

- b) **Presidency events** [2] 13446/1/23 REV 1
- i) **Informal Meeting of Ministers for Employment and Social Policy (Madrid, 13 and 14 July 2023)**
 - ii) **Informal Meeting of Equality Ministers on Violence against Women (Pamplona, 24 November 2023)**
 - iii) **High-level conferences**
 - iv) **Tripartite Barcelona Declaration**
- Information from the Presidency*

The Council took note of the information provided by the Presidency on the presidency events.

- c) **Tripartite social summit** [2] 13518/23
Information from the Presidency and the Commission

The Council took note of the information provided by the Presidency and the Commission on the Tripartite Social Summit of 25 October 2023.

d) **Current legislative proposals** (Public deliberation in accordance with Article 16(8) of the Treaty on European Union)



i) **Directive on combating violence against women and domestic violence**

9305/23

Information from the Presidency and the Commission

The Council was informed about the state of play of the ongoing negotiations on the proposed Directive on combating violence against women and domestic violence.

ii) **Directive on European Disability Card and European Parking Card for persons with disabilities**

12755/23 + ADD 1

Information from the Commission

The Council took note of the information provided by the Commission on the proposal for a Directive establishing the European Disability Card and the European Parking Card for persons with disabilities as set out in the documents above.

e) **European Child Guarantee implementation: National Action Plans**



9106/21

Information from the Commission

The Council was informed by the Commission about the implementation of the European Child Guarantee and the National Action Plans.

f) **Activities related to legal migration**



13516/23

Information from the Presidency and the Commission

The Council took note of the information provided by the Presidency and the Commission as regards activities related to legal migration.



First reading



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



Item based on a Commission proposal

Statements to the legislative "B" item set out in doc. 13354/23**Council Recommendation on developing social economy framework conditions****Ad "B" item 4:**

(Legal basis proposed by the Commission: Art. 292 TFEU, in conjunction with Art. 149 TFEU and Art. 153 TFEU points (h) and (j))

Political agreement

STATEMENT BY HUNGARY

“Hungary is committed to quality job creation and lends its full support to organic, bottom-up social innovation and particularly, measures for reducing poverty, supporting labour market integration and social inclusion of disadvantaged groups as well as for increasing social solidarity. The Hungarian legal framework provides, inter alia, considerable tax incentives for young persons, large families and employers of persons with disabilities.

Nevertheless, Hungary considers that the draft Council Recommendation on Developing Social Economy Framework Conditions provides for restrictive, one-size-fits-all solutions and envisages a considerable reduction of the Member States’ room for manoeuvre to define their social, labour market, employment, fiscal and economic policies and risks interfering with the structure of the national legal systems and public administrations. Hungary is particularly concerned that the Recommendation, despite its legal basis on employment, seeks to adopt recommendations on the restructuring of Member State’s tax system. Furthermore, Hungary deems that the section on implementation, monitoring and evaluation is not in line with the legal nature of a recommendation, especially due to their excessively detailed and restrictive character. We believe that imposing a uniform approach in this regard creates a risk to disregard the widely different societal structures of Member States. Consequently, the implementation of the Recommendation would potentially create a net burden not only on the national public administrations and the European Union, but even on the societies and persons that it purports to assist.

Consequently, Hungary votes abstention regarding the Council Recommendation on Developing Social Economy Framework Conditions.”

Ad "B" item 5:

Conclusions on mental health and precarious work

Approval

STATEMENT BY HUNGARY

“Hungary recognises and promotes equality between men and women in accordance with the Fundamental Law of Hungary and the primary law, principles and values of the European Union, as well as commitments and principles stemming from international law. Furthermore, equality between women and men is enshrined in the Treaties of the European Union as a fundamental value. In line with these and its national legislation, Hungary interprets the term ‘gender’ as reference to ‘sex’ in the Council Conclusions on Mental Health and Precarious Work.”

STATEMENT BY POLAND

“Equality between women and men is enshrined in the Treaties of the European Union as a fundamental right. Poland ensures equality between women and men within the framework of the Polish national legal system in accordance with international human rights treaties and within the framework of the fundamental values and principles of the European Union. In view of the above, Poland will interpret the expression ‘discrimination based on gender’ as ‘discrimination based on sex’, and the expression ‘the gender perspective’ as ‘a perspective taking account of sex’, in accordance with Article 10, Article 19 and Article 157(2) of the Treaty on the Functioning of the European Union.”

Ad "B" item 6:

Conclusions on measures to ensure equal access for Roma to adequate and desegregated housing

Approval

STATEMENT BY HUNGARY

“Hungary recognises and promotes equality between men and women in accordance with the Fundamental Law of Hungary and the primary law, principles and values of the European Union, as well as commitments and principles stemming from international law. Furthermore, equality between women and men is enshrined in the Treaties of the European Union as a fundamental value. In line with these and its national legislation, Hungary interprets the term ‘gender’ as reference to ‘sex’ in the *Council Conclusions on Measures to ensure equal access for Roma to adequate and desegregated housing, and to address segregated settlements*.

Furthermore, Hungary declares that the Commission’s Communication on ‘A Union of Equality: Gender Equality Strategy 2020-2025’ referred to in the *Council Conclusions on Measures to ensure equal access for Roma to adequate and desegregated housing, and to address segregated settlements* should be interpreted with due regard to the national competences and the specific circumstances in each Member State.”

STATEMENT BY POLAND

“Equality between women and men is enshrined in the Treaties of the European Union as a fundamental right. Poland ensures equality between women and men within the framework of the Polish national legal system in accordance with international human rights treaties and within the framework of the fundamental values and principles of the European Union. In view of the above, Poland will interpret the expression ‘gender equality’ as ‘equality between women and men’, in accordance with Article 2 and Article 3(3) of the Treaty on European Union and Article 8, Article 153(1), point (i) and Article 157(4) of the Treaty on the Functioning of the European Union.”

Statements to the legislative "A" items set out in doc. 13760/23

Ad "A" item 2: **Revision of the Renewable Energy Directive** *Adoption of the legislative act*

STATEMENT BY BELGIUM

“Belgium recognizes the need to accelerate the energy transition and phase out fossil fuels in our efforts to achieve the objectives of the Paris Agreement. Belgium will support the adoption but would like to express its concerns regarding the challenges that come with the increased renewable energy targets contained in this 3rd Renewable Energy Directive. Serious demographical and geographical limitations, combined with the presence of large clusters of energy intensive industries, imply that the expected national contributions according to the formula referred to in Annex II to Regulation (EU) 2018/1999 are extremely difficult to achieve and seem unachievable, in particular in a time frame of just 7 years. The same goes for the binding sectoral subtargets (regarding RFNBO’s in industry, transport and heating and cooling), which do not seem to be coherent with a cost-effective achievement of our climate targets. Notwithstanding these challenges, Belgium will continue to deliver constructive contributions to the European goal.”

STATEMENT BY IRELAND

“Ireland welcomes agreement on the update to the text of the Renewable Energy Directive and acknowledges the need to be ambitious in the renewable energy targets for 2030. The achievement of ambitious targets in a relatively short time frame will require an unprecedented effort from all in society, and it is crucial that we bring everyone with us on that journey.

It is Ireland’s view that failure to consider all the implications of the significant increases to the renewable energy targets – such as the current operation of the interim targets under Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action - will be counterproductive.

The failure to consider the implications carries with it the risk of undermining the support required to promote renewable energy, when public funds are diverted away from the necessary investment in the energy systems of Member States, despite significant progress and investment having already been made and with much more committed.

The 2030 renewable energy target in the final text goes beyond what was originally proposed as part of the Fit for 55 Package. The impact of the increased renewable energy target, and any unintended consequences, may not become fully apparent until Member States have completed updates to their draft National Energy and Climate Plans.

The Governance Regulation provides for a review in response to a global stocktake of the 2015 Paris Agreement. Ireland believes that such a review of the Governance Regulation would be an opportune time to also review the operation of the interim targets and the compliance mechanisms available to Member States. Such a review may be informed by the analysis' contained in the updated draft National Energy and Climate Plans submitted by Member States."

STATEMENT BY LATVIA

"The Republic of Latvia emphasises the importance of developing renewable energy sources in order to strengthen energy security and independence, ensure price stability, reduce greenhouse gas emissions and achieve the European Union's climate objectives.

Latvia supports the proposal for a Directive as regards the promotion of energy from renewable sources and in particular the agreement reached on key elements of the proposal, such as sectoral targets, the heating sector and bioenergy.

Latvia will do its utmost to implement all necessary measures to increase the use of renewable energy in the transport sector, and it will work to increase the production of renewable electricity, in order to create the capacities required to produce renewable hydrogen in Latvia. However, Latvia considers that the agreement on the objectives and obligations set out in Article 25 regarding renewable energy, and in particular the use of hydrogen in transport, is beyond Latvia's capacity to implement and achieve, taking into account Latvia's national situation.

Latvia considers it important to take into account a country's economic and social conditions, national energy balances and starting points when setting requirements for renewable energy promotion measures."

STATEMENT BY POLAND

“Poland is one of the fastest-growing renewable energy markets in Europe.

In recent years, our renewable energy capacity has grown exponentially, especially in the solar sector, thanks to government support and public involvement. In order to scale up the development of clean energy, we have created a stable legal framework and set up appropriate support schemes. Simplifying and speeding up permitting procedures are elements of the proposal which are to be welcomed, but they are not enough to ensure that its objectives are met. The rapid introduction of renewable energy sources on the scale proposed in the amended Renewable Energy Directive (RED), and the growth in the share of weather-dependent energy sources in energy production jeopardise both the stability of the grid and overall energy security. Poland has constantly stressed the need to carry out the energy transition at a pace that is achievable for the energy system, accessible to society and favourable to European industry. The targets must be realistic and allow Member States flexibility in choosing the appropriate tools for implementing them.

Furthermore, given the impact of the draft Regulation on the energy mix of the Member States and the resulting negative social consequences, in Poland's view, the legal basis for the proposed act should be Article 192(2), point (c) TFEU.

Poland cannot, therefore, support the proposed revised Directive on energy from renewable sources.

Poland also maintains its negative position on the entire Fit for 55 package, which sets unrealistic targets and ambitions and significantly impacts Member States' energy mixes. Poland is of the opinion that most of the package is being realised on an incorrect legal basis, creating a dangerous precedent.”

STATEMENT BY ROMANIA

“Romania is firmly engaged on a decarbonization path and is committed to reaching EU net zero objectives.

RED III is a significant milestone in the Fit for 55 package and was intended to allow the unlocking of investments necessary to achieve significant GHG emissions reductions across all sectors thus streamlining the efforts of Member States to reach climate targets.

However, as Romania has indicated during negotiations, the EU global targets for renewable sources as well as the sectorial ones for RES and hydrogen production should be based on national specificities and potential in order to make them effective. The level of ambition in the final text is high and difficult to achieve taking into account Romania's realistic projections, going beyond the implementable targets that Romania supported during the negotiations on this file. Romania is concerned that a higher level of ambition might have a discouraging effect and lead to increased costs for certain sectors which do not have the option to implement a sustainable energy transition in the 2030 timeframe, risking to become un-competitive.

Romania is also of the opinion that the formula stipulated in Annex II, although it is non-binding, is not sufficiently designed to take into account national specificities and different energy mixes. We would like to reiterate the right of each Member State to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply, in line with art. 194 of TFUE.

Romania is a firm supporter of the principle of technology neutrality and the complementarity between renewable and low-carbon technologies. Although the final text reflects the possibility to use other types of renewable hydrogen in order to avoid a competition between technologies, we believe that conditions in art. 22b do not completely solve our concerns during negotiations: ensuring a level playing field and equal incentive for all low-carbon energy sources able to contribute to decarbonization.”

STATEMENT BY SLOVAKIA

“Slovakia considers the overall EU RES target for 2030 to be very ambitious and very difficult to achieve. With regard to the national energy mix and its development, the Slovak Republic does not see a real possibility for any significant increase in its ambition in this area and stresses that any additional contribution to the RES targets calculated on the basis of the non-binding formula set out in Annex II to Regulation (EU) 2018/1999 may not take into consideration all the relevant factors at national level and may therefore not reflect the real potential for the development of renewables in the country.

Although we consider the ambitious transport and heating targets to be difficult to achieve and there is a risk that they will not be met, the Slovak Republic will strive to achieve them by setting targets and measures in its NECP.

We also have a reservation with regard to support for the production of hydrogen from low-carbon sources, which is a key issue for Slovakia and which has not been satisfactorily addressed in the Directive.”

STATEMENT BY THE COMMISSION on article 22a and article 22b

“Article 22a of the Renewable Energy Directive, in combination with Article 22b, will drive the necessary replacement of fossil fuels used as feedstock in industry and the reduction of greenhouse gas emissions in industrial processes difficult to electrify.

Given the novelty of the target and the early stage of the hydrogen market transition, the Commission recognises that the achievement of the target, at least until 2030, will require important efforts from Member States and significant investments by public and private stakeholders.

The Commission acknowledges that meeting the target provided in Article 22a, paragraph 1, fifth subparagraph, also in combination with Article 22b, will, in certain cases, entail high adaptation costs of plants which require retrofitting their processes. This is the case of certain ammonia production plants which require significant investment in the production process to replace use of hydrogen produced from the steam methane reforming. Therefore, in its assessment under Article 22a, paragraph 1, fifth subparagraph, and Article 22b, first paragraph point b, the Commission, on a case by case basis and when duly justified, will not take into account these existing plants while considering whether they have been fully amortised and when the final investment decision for retrofitting has been taken.

More generally, the Commission recognises that the achievement of the objectives set out in the Directive, in particular the overall renewable energy target, the targets for the transport and industry sectors will require important efforts from the Member States and significant investments by public and private stakeholders and potentially from national budgets. The Commission acknowledges that there is a need to assist Member States in the implementation of these objectives.

The Commission acknowledges that other sources of fossil-free energy than renewable energy contribute to reaching climate neutrality by 2050 for Member States who decide to rely on such sources of energy.

The Commission also acknowledges that the renewable energy targets should go hand in hand with the complementary decarbonisation efforts based on other non-fossil energy sources towards reaching climate neutrality by 2050, taking into account their specific national circumstances and the structure of their energy supply. In order to achieve that objective, the Commission considers that the deployment of renewable energy in the framework of the increased binding overall Union target should be integrated into complementary decarbonisation efforts involving the development of other non-fossil energy sources that Member States decide to pursue.”

Ad "A" item 3: **Regulation on ensuring a level playing field for sustainable air transport
(ReFuelEU Aviation initiative)**
Adoption of the legislative act

JOINT STATEMENT BY AUSTRIA, BELGIUM AND LUXEMBURG

“Sustainable Aviation Fuels will play a key role in the decarbonisation of the aviation sector and in reaching the set emission reduction goals. We have therefore always advocated for ambitious targets and a swift finalization of this important dossier throughout the legislative process. In this context, we have always been very outspoken against the inclusion of low carbon synthetic fuels and low carbon hydrogen, as these fuels stand in a stark contrast with reaching the emission reduction goals, while also not being aligned with the Renewable Energy Directive definitions.

Austria, Belgium and Luxemburg expressly regret the inclusion of "synthetic low-carbon fuels" and "low-carbon hydrogen". In the spirit of compromise, however, we can agree to the compromise text.”

Ad "A" item 4:

Directive on consumer credits

Adoption of the legislative act

STATEMENT BY ITALY

“Italy supports the agreement on the Directive on consumer credits.

While we are not entirely satisfied with the rules on **forbearance measures**, we consider that the Directive as a whole strikes a good balance between the need to protect consumers from the risks involved in borrowing on an evolving digital market and the need to boost the competitiveness of the internal market.

We expect the Commission and the Member States to keep a close eye on new business models that are currently on the rise, such as ‘**buy now, pay later**’, in order to safeguard the stability of the consumer credit market and to allow for any adjustments needed to ensure the effectiveness of the legislation over time.”
