



Council of the
European Union

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9188/24
PV CONS 18
ECOFIN 495

DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION
(Economic and Financial Affairs)
12 April 2024

1. Adoption of the agenda

The Council adopted the agenda set out in document 8415/24.

2. Approval of 'A' items

a) Non-legislative list

8422/24

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)

8423/24

Economic and Financial Affairs

1. Increase in the capital of the European Bank for Reconstruction and Development



7539/24 + COR 1
PE-CONS 50/24
+ COR 1
ECOFIN

Adoption of the legislative act

approved by Coreper, Part 2, on 10 April 2024

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 212 TFEU).

Justice and Home Affairs

2. Directive on the definition of criminal offences and penalties for the violation of Union restrictive measures



8473/24
PE-CONS 95/23
+ COR 1
JAI

Adoption of the legislative act

approved by Coreper, Part 2, on 10 April 2024

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 83(1) and Article 1 TFEU). In accordance with the relevant Protocols annexed to the Treaties, Denmark did not participate in the vote.

3. Directive on asset recovery and confiscation

Adoption of the legislative act

approved by Coreper, Part 2, on 10 April 2024



8464/24

PE-CONS 3/24

JAI

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 82(2), Article 83(1) and (2) and Article 87(2) TFEU). In accordance with the relevant Protocols annexed to the Treaties, Denmark and Ireland did not participate in the vote.

4. Revision of the Single Permit Directive

Adoption of the legislative act

approved by Coreper, Part 2, on 10 April 2024



8450/2/24 REV 2

+ ADD 1

PE-CONS 93/23

JAI

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 Finland voting against and the Czech Republic, Estonia and Croatia abstaining (legal basis: Article 79(2), points (a) and (b) TFEU). In accordance with the relevant Protocols annexed to the Treaties, Denmark and Ireland did not participate in the vote. A statement to this item is set out in the Annex.

Environment

5. Directive amending Directive 2010/75/EU on industrial emissions and the Council Directive on the landfill of waste

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024



8200/2/24 REV 2

+ REV 2 ADD 1

PE-CONS 87/23

+ COR 1 (sl)

ENVI

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 Italy voting against and Bulgaria, Austria and Romania abstaining (legal basis: Article 192(1) TFEU). Statements to this item are set out in the Annex.

6. Regulation on reporting of environmental data from industrial installations and establishing an Industrial Emissions Portal



8202/24
PE-CONS 101/23
ENVI

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 192(1) TFEU).

Energy

7. Revision of the Directive on the energy performance of buildings (recast)



8083/2/24 REV 2
+ ADD 1 REV 2
PE-CONS 102/23
ENER

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 Italy and Hungary voting against and Czechia, Croatia, Poland, Slovakia and Sweden abstaining (legal basis: Article 194(2) TFEU). Statements to this item are set out in the Annex.

Transport

8. Regulation amending Regulation (EC) No 561/2006 as regards breaks and rest periods in the occasional passenger transport sector



8204/1/24 REV 1
PE-CONS 30/24
TRANS

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 Austria abstaining (legal basis: Article 91(1) TFEU).

9. Decision as regards certain reporting requirements in the fields of road transport and aviation



8209/24
PE-CONS 27/24
TRANS

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 91, Article 100(2) and Article 192(1) TFEU).

10. Regulation as regards certain reporting requirements in the fields of road transport and aviation



8207/24
PE-CONS 26/24
TRANS

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 91 and Article 100(2) TFEU).

Internal Market and Industry

11. Regulation on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7)



7568/24 + ADD 1
PE-CONS 109/23
+ REV 1 (hu)
MI

Adoption of the legislative act

approved by Coreper, Part 1, on 10 April 2024

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 Denmark voting against and Austria and Ireland abstaining (legal basis: Article 114 TFEU). A statement to this item is set out in the Annex.

Non-legislative activities

3. Implementation of the Recovery and Resilience Facility
 - a) Mid-term evaluation
Exchange of views
 - b) Conclusions
Approval
4. Economic and financial impact of Russia's aggression against Ukraine
Exchange of views
5. Preparation of the G20 Finance Ministers and Central Bank Governors meeting on 17 and 18 April 2024 and the IMF annual meetings:
 - a) EU Terms of Reference
 - b) Statement to the International Monetary and Financial Committee (IMFC)*Approval*
6. Any other business
Activities of the European Public Prosecutor's Office (with regard in particular to VAT fraud)
Presentation by the European Public Prosecutor's Office

8294/24

8534/24

8535/24

8800/24



First reading



Item based on a Commission proposal

Statements to the legislative "A" items set out in doc. 8423/24

Ad "A" item 4: **Revision of the Single Permit Directive**
Adoption of the legislative act

STATEMENT BY HUNGARY

“Hungary would like to emphasize its appreciation for the efforts of the Presidencies to find an appropriate political compromise on the recast.

Nevertheless, we believe it is essential that Member States should be able to decide freely who can enter their territory to work, under what conditions and with what admission procedures, taking into account different economic, geographical, cultural and social realities.

Unfortunately, on some key elements we are too far away from the Council's mandate and the compromise text does not give enough room for manoeuvre to Member States, which in some situations even jeopardises the practical enforceability. National competences should be maintained to ensure that decisions can respond flexibly to labour market needs, but this spirit has been sacrificed in favour of a quick compromise.

A reasonable agreement has been reached between the Member States on the compulsory period of first employer and the permitted period of unemployment, which protects national employers and reduces internal security risks. We consider that the amendments proposed by the Parliament on Article 11 undermine these achievements.

While acknowledging the efforts of the Presidencies, for the reasons mentioned above Hungary cannot support the adoption.”

Ad "A" item 5: **Directive amending Directive 2010/75/EU on industrial emissions and the Council Directive on the landfill of waste**
Adoption of the legislative act

STATEMENT BY AUSTRIA

“Austria would like to thank the Presidency for the work on the Industrial Emissions Directive (IED).

With regard to the revision of the IED, Austria is fundamentally of the opinion that there must be no deterioration in environmental protection standards.

Austria abstains, as the current text appears to be not ambitious enough from an environmental perspective and at the same time contradicts the administrative relief currently demanded in agriculture, particularly in the area of pig rearing.

Austria expresses its hope that the assessment report of the revised IED by the European Commission will also lead to the further development of environmental protection with regard to the avoidance of emissions, while considering the reduction of administrative burdens.”

STATEMENT BY DENMARK, ESTONIA, FINLAND, THE NETHERLANDS AND GERMANY REGARDING CATTLE REARING WITHIN THE SCOPE OF THE IED

“The Industrial Emissions Directive 2010/75/EU (IED) is an extremely important instrument to prevent and control pollution from large industrial and livestock installations, and so its effective revision is crucial for achieving the goals of the European Green Deal and its zero pollution ambition as well as the overall reduction requirements on ammonia and greenhouse gases.

With this in mind, we regret that in the final compromise text cattle rearing is not included in the scope of the Directive, as it is the main source of ammonia and methane emissions from the agricultural sector. Even if only 1 % of the biggest industrial cattle farms were included, it would still contribute to a significant reduction in ammonia and methane emissions. We therefore welcome that the Commission will assess by 2026 how to best address the emissions generated from cattle rearing, taking into account the range of instruments available and the specificities of the sector. We express our great hope that this report will pave the way to an inclusion of cattle rearing in the scope of the Directive and hence ensure a level playing field in the EU.

<u>Ad "A" item 7:</u>	<p>Revision of the Directive on the energy performance of buildings (recast)</p> <p><i>Adoption of the legislative act</i></p>
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STATEMENT BY CROATIA

“The Republic of Croatia remains committed to meeting the climate neutrality objectives without prejudice to the ambitions set out in the legislative proposal. We welcome the inclusion of provisions relating to the renovation of buildings damaged by natural disasters, which are of particular importance for the Republic of Croatia owing to the reconstruction following the 2020 earthquakes.

However, we still have strong reservations about the final text of the proposal and are not convinced that the proposal for a recast of the Energy Performance of Buildings Directive (EPBD) will ensure that the ambitious targets set out are adequately met and we therefore abstain from adopting the act.

The Republic of Croatia considers that the EPBD recast should clearly state that the objective of the EPBD is to achieve a decarbonised national building stock with a view to achieving a zero-emission building (ZEB) stock by 2050, as it will not be possible to renovate all buildings to zero-emission building standards; for some buildings, achieving the ZEB standard is not technically possible or economically viable. Achieving the ZEB standard should be an indicative objective.

We would stress that we do not question the ambitions set out for the minimum energy performance standards for non-residential buildings. The EPBD recast contains provisions on the renovation of buildings damaged by natural disasters, which will make fulfilling its obligations under Article 9(1) more tolerable for the Republic of Croatia than it would be under a general approach. These provisions will also provide flexibility in the approach for MS affected by natural disasters in the future. Nevertheless, the Republic of Croatia still does not consider the overall system for promoting the energy renovation of non-residential buildings in Article 9(1) through MEPS to be adequately established and some elements of the final proposal are not workable or pragmatic.

The Republic of Croatia has systematically pushed for the introduction of an alternative approach to minimum energy performance standards for non-residential buildings (following the principles of the trajectory approach for residential buildings) which would allow for the renovation priorities to be adapted to national circumstances to a significant degree without reducing the ambition.

We would also point out that the definition of deep renovation in Article 2 is not clearly based on saving energy and that it enables favourable financing conditions for renovations that are not actually deep renovations.

The Republic of Croatia can support the provisions of Article 14 on sustainable mobility for new buildings, but considers that the provisions for existing buildings are too demanding and difficult to implement.

STATEMENT BY HUNGARY

“Hungary supports the transition to climate neutrality and is committed to taking effective measures to that end that take into account economic and social feasibility, and ensure security of energy supply and the affordability of energy prices.

At the same time, we are concerned about the obligation to install solar energy in buildings, the ban on subsidies for natural gas boilers with a short deadline, and the targets for reducing energy consumption in residential buildings with short deadlines. We believe the provisions of the Directive will impose a disproportionate economic and social burden on Hungary, the objectives cannot be implemented cost-effectively, and that the deadlines set out cannot be met.

We would point out that the accelerated decarbonisation of the building stock by 2040 will require taking into due account the specificities and different starting positions of the Member States.

Due to the abovementioned concerns, Hungary cannot support the final compromise text.”

STATEMENT BY MALTA

“Malta remains fully committed towards attaining the climate and energy ambitions of the Union. Malta believes that the best possible compromise has been reached between the co-legislators in the recast of the EPBD and to this end, Malta supports its adoption.

Nevertheless, Malta notes that the implementation of the Directive will present several challenges, not least of a technical and economic nature in order to reach the agreed goals. It will be very difficult for all buildings to be renovated to meet the standards of the zero-emission buildings. Moreover, the technical feasibility and economic viability for certain types of buildings including hotels, homes for the elderly and medium to high rise buildings, to mention some examples, is very low even with maximum cost optimal investment in energy efficiency measures.

The implementation of the mandatory installation of solar renewables on all existing non-dwellings will also impinge on legal and planning requirements, which may result in limits to where they may be installed due to ownership issues, the use of airspace, as well as the density of development, which is a particular issue in Urban Conservation Areas.”

STATEMENT BY POLAND

“The Republic of Poland agrees that energy efficiency, including improving the energy efficiency of buildings, is of crucial importance as a tool for achieving emission reduction targets, improving security of energy supply, reducing the European Union’s dependence on fuel imports and protecting final customers.

Poland appreciates the constructive attitude of those involved in negotiating the Directive with a view to finding more realistic solutions. These proceedings, especially as regards the provisions on district heating, the definitions used and the planned requirements for buildings, have moved away from the initial, most restrictive solutions, which were not accepted by Poland. Poland appreciates the compromises that have been reached, taking into account both the technical feasibility and economic viability.

At the same time, Poland identifies a high risk associated with meeting the targets set out in the new Energy Performance of Buildings Directive, in particular as regards building modernisation in the broad sense. It should be stressed that, in Poland’s opinion, the overall levels of ambition proposed do not fully take account of their feasibility and the current economic crisis, during which energy efficiency should primarily be implemented using the most cost-effective measures. In its positions, the Republic of Poland has repeatedly emphasised that excessively high targets which do not take account of the individual characteristics of the Member States’ economies may ultimately have negative economic effects.

Poland therefore considers that the agreed targets and the measures to be taken to achieve them exceed what is feasible and are almost impossible to achieve, given Poland’s national circumstances, the structure of its economy, its energy balance and the possibilities available to its communities. We firmly believe that it is impossible to meet the new savings targets in a cost-effective manner (there is no doubt that financial support from European funds will be a great help in achieving the objectives, but huge risks will remain as regards the availability of building materials, manual workers and price increases as a result of forced modernisation programmes).

Nevertheless, Poland will make every effort to achieve the energy savings targets, while strictly maintaining the position that the measures taken must not jeopardise the livelihood and well-being of households and businesses.”

STATEMENT BY SLOVAKIA

“The Slovak Republic by this statement declares its abstention from voting on the recast of the Energy Performance of Buildings Directive.

The Slovak Republic acknowledges the importance of the Energy Performance of Buildings Directive in the decarbonisation process of the building stock towards 2050 and the need to speed up the socially fair, cost-efficient renovations safeguarding the standard of living of the citizens.

However, the Slovak Republic considers the ambition of the trajectory setup in Article 9 of the Energy Performance of Buildings Directive (recast) to be too high in terms of its pace and time, especially for the residential building stock, considering the dominant owner-occupied residential building stock. This ambition might have serious social consequences. Slovakia opposes unreasonable demands on the renovation coupled with the penalty scheme for the home-owners.

The Slovak Republic has serious concerns about a planned phase-out of fossil fuel boilers by 2040 in households, in a view of the need to safeguard the energy supply in heating for households.

The Slovak Republic strongly supports an equal approach to the deployment of all available renewable energy technologies in buildings.

Nevertheless, the Slovak Republic will make further strengthened efforts to mobilize the home-owner’s financial sources and their incentive to conduct energy renovation, while respecting the fundamental rights.”

STATEMENT BY SWEDEN

“Buildings play an important role in energy systems and thereby the energy transition. Sweden welcomes the ambition to improve energy performance of buildings in the EU for the sector to contribute to the long-term target of climate neutrality by 2050.

In the negotiation, Sweden has argued against overly detailed requirements without sufficient consideration of different national conditions. Such approach would not only be cost-inefficient but could lead to far-reaching and uncalled for economic consequences for individual households and businesses.

Sweden appreciates the improvements made in the final text, including the possibility for Member States to take into account early efforts and an already low share of fossil energy use in the residential building sector according to Article 9(2).

Sweden regrets that the solar energy provisions are still unclear and too detailed. Sweden has low solar irradiation during the winter months, when the highest energy demand occurs.

Sweden is fully committed to achieving a green transition both nationally and in the EU.”

STATEMENT BY IRELAND

“Euro 7 is a significant and complex file with direct and immediate impacts to our environment, our air quality and public health within the Union. We recognise the diligent work of the Swedish and Spanish Presidencies, and the work of our colleagues in the European Parliament, to come to a balanced and fair agreement which takes into account the varying concerns of Member States.

As for many of our colleagues, it was a priority for Ireland that we see the introduction of updated standards as soon as possible. We are pleased that the Council and the Parliament have both swiftly voted to adopt the compromise agreed at trilogue, providing some certainty to industry and ensuring that more stringent requirements for new road vehicles will come into effect sooner rather than later. This will contribute, albeit in a limited fashion, to protecting our air quality and by extension the health and wellbeing of all the citizens of the Union.

This notwithstanding, the compromise reached at trilogue neither meets the reasonable and achievable ambitions set out in the Commission’s original proposal, nor takes account of the concerns Ireland and other Member States raised throughout negotiations. Ultimately, Euro 7 will not oblige manufacturers to meaningfully limit non-CO2 emissions from road vehicles. While we do not oppose its final adoption, our overall position has not changed and we will abstain from voting accordingly.

Ireland will continue to work proactively with the Commission and with colleagues from our fellow Member States in the comitology process to ensure that the secondary legislation keeps pace with technological developments and remains competitive and resilient. We will continue to call on the automotive industry to retain our position as a market leader for clean and green vehicles.”