

Brussels, 18 November 2024
(OR. en)

15338/24
PV CONS 55
ECOFIN 1262

DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION
(Economic and Financial Affairs)
5 November 2024

1. Adoption of the agenda

The Council adopted the agenda set out in document 14792/24.

2. Approval of "A" items

a) Non-legislative list

14794/24

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)

14793/24

Economic and Financial Affairs

1. Regulation on European statistics

Adoption of the legislative act



14180/24 + ADD 1
PE-CONS 65/24
STATIS

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 338(1) TFEU). A statement to this item is set out in the Annex.

2. Directive on the recovery and resolution of insurance and reinsurance undertakings

Adoption of the legislative act



14179/24
PE-CONS 6/24
EF

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).

3. Directive amending the Solvency II directive

Adoption of the legislative act



14177/24
PE-CONS 5/24
EF

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 53(1), Article 62 and Article 114 TFEU).

4. **Council position on DAB No 5/2024: adjustments in payment appropriations, update of revenues and other technical updates** **SC** 14475/24 + ADD 1
14476/24
14348/24
FIN
Adoption
Approval of a letter

The Council adopted its position on draft amending budget No 5/2024 (legal basis: Article 314 TFEU and Article 106a of the Treaty establishing the European Atomic Energy Community).

Justice and Home Affairs

5. **Regulation on the transfer of proceedings in criminal matters** **IC** 14482/24 + ADD 1
PE-CONS 72/24
COPEN
Adoption of the legislative act


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 Czechia and Slovakia abstaining (legal basis: Article Article 82(1), second subparagraph, points (b) and (d) TFEU). In accordance with the relevant Protocols annexed to the Treaties, Denmark did not participate in the vote. A statement to this item is set out in the Annex.

Environment

6. **Regulation introducing new environmental economic accounts modules** **IC** 14486/2/24 REV 2
PE-CONS 31/24
ENV
Adoption of the legislative act

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 Czechia, Germany and Portugal abstaining (legal basis: Article 338(1) TFEU).


7. Urban wastewater treatment Directive (recast)
Adoption of the legislative act

 14488/1/24 REV 1
+ ADD 1 REV 4
PE-CONS 85/24
ENV

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 Estonia abstaining (legal basis: Article 192(1) TFEU). Statements to this item are set out in the Annex.

Internal Market and Industry

8. Regulation on construction products
Adoption of the legislative act

 14247/1/24 REV 1
+ ADD 1 REV 1
PE-CONS 12/24
MI

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 Bulgaria abstaining (legal basis: Article 114 TFEU). Statements to this item are set out in the Annex.

Legislative deliberations

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

3. Any other business
Current financial services legislative proposals
Information from the Presidency

14590/24

The Council took note of the information provided by the Presidency about the ongoing work on financial services legislative proposals.

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| 4. | VAT in the Digital Age’ package | <div style="border: 1px solid black; padding: 2px; display: inline-block;">S</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">C</div> 14964/24 + ADD 1
14961/24
14962/24 |
| a) | Directive as regards VAT rules for the digital age
<i>General approach</i> | |
| b) | Regulation as regards the VAT administrative cooperation arrangements needed for the digital age
(Legal basis: Article 113 TEU)
<i>Political agreement</i> | |

The Council reached a general approach on the Directive as regards VAT rules for the digital age, and a political agreement on the Regulation as regards the VAT administrative cooperation arrangements needed for the digital age 4.

Non-legislative activities

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| 5. | ‘VAT in the Digital Age’ package: Implementing Regulation as regards information requirements for certain VAT schemes
(Legal basis: Directive 2006/112/EC)
<i>Political agreement</i> | <div style="border: 1px solid black; padding: 2px; display: inline-block;">P</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">C</div> 14963/24 |
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The Council reached a political agreement on the Implementing Regulation as regards information requirements for certain VAT schemes.

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| 6. | Economic recovery in Europe | |
| a) | Implementation of the Recovery and Resilience Facility
<i>State of play</i> | |
| b) | Council Implementing Decisions under the Recovery and Resilience Facility
(Legal basis: Article 20 Regulation (EU) 2021/241)
<i>Adoption</i> | <div style="border: 1px solid black; padding: 2px; display: inline-block;">C</div> 13789/24
+ ADD 1 REV 1
14663/24
+ ADD 1 REV 2 |
| 7. | Economic and financial impact of Russia’s aggression against Ukraine
<i>Exchange of views</i> | |
| 8. | Annual report of the European Fiscal Board
<i>Exchange of views</i> | 14130/24 |
| 9. | Conclusions on EU statistics
<i>Approval</i> | 13790/1/24 REV 1
14716/24 |
| 10. | Follow-up to the G20 Finance Ministers and Central Bank Governors meeting of 23-24 October 2024
<i>Information from the Presidency and the Commission</i>
<i>Exchange of views</i> | |

11. Any other business

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- ☐ First reading
 - ☐ Public deliberation
 - ☐ Special legislative procedure
 - ☐ Item based on a Commission proposal
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Statements to the legislative "A" items set out in doc. 14793/24

Ad "A" item 1: **Regulation on European statistics**
Adoption of the legislative act

STATEMENT BY LITHUANIA

"Following our previously conveyed position, we wish to bring forward a single comment concerning the deletion of Article 17b, subsection 5. Lithuania maintains the perspective that this particular segment should be expunged, as has been previously conveyed through formal consultations. With the full backing of the National Parliament of the Republic of Lithuania (Seimas), we hold that data of a privately held nature, as well as data derived from diverse sources, acquired explicitly for the purpose of official statistics, should ideally be made accessible to the National Statistical Institute (NSI) without the imposition of unwarranted conditions or the request for compensation for expenses incurred by the proprietors of such private data."

Ad "A" item 4: **Council position on DAB No 5/2024: adjustments in payment appropriations, update of revenues and other technical updates**
Adoption
Approval of a letter

JOINT STATEMENT BY AUSTRIA, CZECHIA, GERMANY, DENMARK, ESTONIA, FINLAND, FRANCE, IRELAND, THE NETHERLANDS, POLAND AND SWEDEN

"Austria, Czechia, Germany, Denmark, Estonia, Finland, France, Ireland, the Netherlands, Poland and Sweden note that administrative expenditure should be financed within the regular expenditure under heading 7 without the recourse to special instruments. We are pleased to see that nine institutions were able to cover the additional needs for salary expenditure by redeployments in DAB 5/2024. At the same time, we regret to see that the Committee of the Regions, as the only institution, did not provide financing of the additional needs by redeployments."

Ad "A" item 5: **Regulation on the transfer of proceedings in criminal matters**
Adoption of the legislative act

STATEMENT BY CZECHIA

"The Czech Republic considered the proposal for a Regulation on the transfer of criminal proceedings as an opportunity to simplify, improve and harmonize the procedure for transferring criminal proceedings between Member States. That is why they took a very active part in its negotiation from the very beginning.

The Czech Republic appreciates very much that the Presidencies have taken into account many of their comments and has also taken into account many of their proposals made during the negotiation process.

The Czech Republic considers it particularly positive that the Regulation:

- creates a uniform framework for the transfer of criminal proceedings,
- allows for the transfer of criminal proceedings even against an unknown offender,
- maintains the system of requests,
- provides for the possibility to refuse the transfer of criminal proceedings in certain cases,
- is limited exclusively to the transfer of criminal proceedings.
- establishes a uniform form for the request for transfer of criminal proceedings and sets time limits for the individual acts of the transfer procedure.

From the beginning of the negotiations on the draft of the Regulation has opposed the introduction of a legal remedy for suspects/accused/victims against the decision to transfer of criminal proceeding. Unfortunately, the arguments we have continuously put forward were not considered during the negotiations and this obligation in the Regulation therefore remains. We perceive this as fundamentally negative.

- If the rights and freedoms of suspected/accused persons guaranteed by EU law are to be infringed by the transfer of criminal proceedings, those rights of the suspected/accused persons that could be affected by the transfer of proceedings must be clearly identified. There is, however, no right to be prosecuted or not prosecuted in a particular EU Member State. A key element of transfer of proceedings and its main concern is the principle of the proper administration of justice and its effective enforcement. The suspected/accused persons can hardly be expected to share this principle; their interests will often be quite different.
- Similarly, there is no violation of victims' rights by transferring criminal proceedings. In EU Member States bound by the Victims' Rights Directive, standards of protection of victims' rights in criminal proceedings are respected. In some Member States, the exercise of the victim's right may be "less comfortable", but this should not be a reason to hinder or obstruct the transfer of criminal proceedings.
- The right of legal remedy (*the same applies to the obligation to consult in advance and obtain an opinion on the transfer of criminal proceedings, albeit partially limited in the current wording*) is not provided for in any of the normative provisions of Regulation (EU) 2017/1939 implementing enhanced cooperation for the establishment of the European Public Prosecutor's Office.

While this Regulation does not regulate the transfer of criminal proceedings, given that the EPPO does not exercise its own jurisdiction, but the criminal jurisdiction of the EU Member States bound by Regulation (EU) 2017/1939, this Regulation provides rules for the transfer of a criminal case from the jurisdiction of one Member State to another. We are thus creating an environment in which suspects/accused in certain types of criminal proceedings will be favored over others.

- It is rather paradoxical that, although the Regulation newly grants a right of a legal remedy, it also effectively restricts it for those persons who will not, under certain conditions, be served with decisions to take over criminal proceedings; the assessment of these conditions is completely unreviewable and dependent on the discretion of the judicial authority of the requested State. We do not see this de facto restriction on access to a remedy, which may be potentially problematic from a constitutional point of view, as a pragmatic solution.

The transfer of criminal proceedings between Member States is the last area of international judicial cooperation in criminal matters that is not uniformly regulated between EU Member States. In order to fulfil the original intention, so to create a modern, effective, simple, clear and easy to apply Regulation for practitioners, it would be appropriate to devote even more time to its discussion in the COPEN working group format.

In spite of the above, the Czech Republic perceives and appreciates the efforts made by the Presidencies in the course of the negotiations of the draft Regulation, in an endeavor to achieve the compromise wording of the currently presented text.”

Ad “A” item 7: Urban wastewater treatment Directive (recast)
Adoption of the legislative act

STATEMENT BY BULGARIA

“The Republic of Bulgaria is concerned about the significant challenges in the implementation of the recast Urban Waste Water Treatment Directive resulting from stricter requirements regarding the quality of treated water and the extended monitoring obligations. We consider it necessary to ensure that Member States have flexibility in the implementation of the Directive, while providing sufficient support mechanisms to facilitate its implementation, reduce the financial burden on Member States and protect the population from the rising prices for services.

While the agreed text largely takes into account preliminary assessments of the country’s ability to meet the new ambitious requirements, we underline that implementation continues to require huge investments and capacity for the development of the sewage network, the modernisation of waste water treatment plants, the control of individual and other appropriate systems and proper management. Despite the extended deadlines and some other changes, we remain concerned about the financial resources and time needed to implement the respective projects in Bulgaria, given the increase in prices in all areas, requiring an update of the estimated costs and deadlines.

Nevertheless, Bulgaria sees the need to protect the environment and recognises the contribution of the act in this respect. At the same time, Bulgaria stresses that there is a need for a fair balance between ensuring a clean environment and the right to equal access to healthcare, related to the patient’s expectations of safe, quality and effective medicinal products at affordable prices in the EU. We count on the European Commission to work to ensure the necessary support to Member States, underlining the need to provide significant EU funds to meet the new high requirements.

The Extended Producer Responsibility (EPR) provisions have a potential negative impact on the EU's global competitiveness and attractiveness as an enabling environment for production. Other potential negative impacts are limiting the availability of medicinal products and a substantial increase in their cost and prices, which is a particularly serious problem for small and medium-sized countries such as Bulgaria. In this context, we confirm the concerns expressed in the negotiation process that these provisions have the potential to affect the availability and prices of medicinal products for patients in Bulgaria. As a producer of generic products, Bulgaria is also concerned about the potential adverse effects on the competitiveness of the Bulgarian industry.

The adoption of the act and the conclusion of the negotiations on the file do not alleviate these concerns for Bulgaria. As repeatedly expressed during the negotiations, we remain seriously concerned about the EPR provisions. There is a causal link between the regulatory requirements introduced by the Directive and the foreseeable negative consequences for the industry, consumers and patients. The potential indexation of the prices of finished products, in line with the additional financial burdens introduced, will inevitably be incorporated into the price of products for the final consumer, which in turn will negatively affect the affordability of treatment and patient satisfaction. We believe that mechanisms must be sought to tackle antimicrobial resistance, but this should not be done by withdrawing manufacturers and medicines or by raising prices.

Bulgaria insists on taking into account the economic feasibility and additional administrative burden for the producers of medicinal products. Given the new data about the real value of necessary investments and the expected effect, we call for an objective assessment by the European Commission of the implementation of the act, including of the real additional financial burden on producers and Member States. If some stakeholders' concerns about estimates in the impact assessment being significantly underestimated are confirmed, Bulgaria urges the European Commission to take corrective measures in due time, including by significantly extending the transitional periods for implementation. This is particularly necessary as regards the production of antibiotics and other generic medicinal products, which may be withdrawn from the market or become significantly more expensive. The expected damage to European industry, consumers and patients calls for the timely revision and update of the Directive.

Bulgaria calls for monitoring of the effects of implementation on access to medicinal products and for taking timely measures in the event of negative consequences, even if these occur in only one Member State.

In addition, we are concerned that the obligations introduced by the EPR provision are not proportionate to the share of the cosmetics sector in emissions of micropollutants. Restrictions on the use of synthetic polymer microparticles in cosmetic products were already introduced in 2023 with the secondary legislation under the REACH Regulation. The industry is working to replace them with degradable alternatives, which will reduce pollution.

Many of the cosmetic products concerned are produced by SMEs, for which EPR will represent a significant financial and administrative burden, including in terms of demonstrating compliance with the exoneration requirements.

Bearing this in mind, we believe that there are contradictions with the EU principles of simplification and reducing unnecessary burdens.”

STATEMENT BY CZECHIA

“Czechia supports the revised Urban Wastewater Treatment Directive (UWWTD). We consider the proposal to be an ambitious text which will make it possible to strengthen the protection of human health and the environment, particularly against emerging sources of contamination.

In general Czechia supports the application of the polluter pays principle and the extended producer responsibility (EPR) mechanism to finance the quaternary treatment systems to reduce the presence and discharge of micropollutants into aquatic environments.

Czechia, however, shares concerns of other Member States regarding the application of the EPR systems to medicinal products for human use and its impact on prices and accessibility of these products. We are concerned these effects have not been fully assessed during the Impact assessment, especially in view of the current shortages of medicinal products affecting majority of Member States. We are also concerned about negative impact it may have on the availability of the medicinal products on the EC Critical Medicines list.

Czechia therefore calls for a careful and ongoing evaluation of the impacts of the EPR on the following aspects:

- Financial burden on healthcare systems budgets and patients;
- Availability and choice of treatment;
- Side-effects on the EU's strategic autonomy and global competitiveness;
- Side-effects on the pharmaceutical industry, including on relocation of manufacturing;
- Creation of additional barriers to market entry;
- Unequal conditions of the EPR between Member States.

Should it be apparent that one of the above mentioned areas is disproportionately negatively affected by the introduction of the EPR system, we urge the Commission to seek measures to mitigate these effects, including a possible review of the relevant provisions of the UWWTD. We also call on the Commission to take these aspects into account during the preparations of relevant implementing and delegated acts.”

STATEMENT BY GERMANY

“Germany supports the revised Urban Waste Water Treatment Directive (UWWTD) as an important measure to improve the protection of waters and as a contribution both to the reduction of harmful chemicals in the environment and to climate change mitigation. Germany is therefore voting in favour of the adoption of the UWWTD.

At the same time, it is important to create incentives for polluters to invest in the development of greener products, in line with sector-specific extended producer responsibility (EPR). It is not yet clear to what extent these incentives will prove effective, in particular for generic medicinal products. Special attention should be paid to the impact of the increased costs entailed by the EPR, in particular for generic medicinal products, which play a dominant role in Germany, accounting for more than 80% of prescriptions, and in view of the possible resultant additional burden on health insurance funds. Patient care and access to high-quality and yet affordable medicines are essential.

Moreover, irrespective of the UWWTD, supply shortages and dependencies on production in third countries are increasing. Against this background, the Federal Government expects the European Commission to take timely measures to safeguard patient care if any negative effects start to emerge, in particular if the supply of critical medicines is affected by supply shortages or market exits, and also if health insurance funds are significantly burdened with extra expenditure as a result of the Directive. This requires close coordination between the Member States, which should be supported and coordinated by the European Commission.

As a major centre for the pharmaceutical industry, Germany also advocates an early evaluation of the EPR, not least in order to keep important investments, innovations and production in the EU. In this context, it would also be desirable to conduct an early review of the inclusion of other sectors in the EPR. We also maintain that the EPR needs to be implemented uniformly across Europe, to guarantee the proper functioning of the internal market. This includes, in Germany's view, having a harmonised list of substances and their harmfulness, and giving consideration to harmonising the setting of contributions to avoid market distortions."

STATEMENT BY ESTONIA

"We express serious concerns in relation to the Article 9 on applying the extended producer responsibility (EPR) to pharmaceuticals. While the EPR can be a useful source of funding to cover the costs of wastewater treatment from micropollutants (quaternary treatment), it should not be an obligatory or only solution for the Member States. When applying the EPR, Member States should be able to consider their specific national context regarding technical feasibility and economic viability of setting up the EPR, as well as wider socio-economic implications, in particular the availability and affordability of essential and critical medicinal products. Considering these aspects Member States should be able to decide to a greater extent on the use of alternative or additional funding sources to cover the costs of quaternary treatment and in justified cases be able to exempt certain product categories from the EPR.

Although we agree that the "polluter pays" principle is a necessary underlying concept of environmental protection, we are not convinced it is suitable for pharmaceutical sector in this Directive for the following reasons.

Firstly, **the clear added value of EPR in case of pharmaceuticals has not been confirmed by the feasibility study** (carried out as part of the Commission's impact assessment), as the effect of EPR on behavioural change would be very limited. On one hand, EPR is unlikely to significantly incentivise the substitution of pharmaceutical active ingredients in short- to medium-term, considering their specific innovation cycles. On the other hand, patients do not have the option to decrease their consumption of a medically indicated medicinal product or switch to another product.

In this respect, **ethical aspects are not sufficiently considered**, as additional costs will be borne by patients, putting a disproportionate and unfair burden on population groups in a vulnerable situation due to their health condition.

Secondly, we note with concern that the chosen approach of the EPR system will cause **unequal treatment between Member States**. Additional barriers to market entry and price increase of certain pharmaceuticals could significantly worsen the availability and choice of treatment, especially in the context of small markets, which are already faced with frequent market withdrawals due to economic reasons. Furthermore, in Member States without a substantial local pharmaceutical production, the costs will rather be transferred from the manufacturer to other downstream actors.

This will not serve the initial aim of producer responsibility, as in these circumstances the costs of EPR will very likely be transferred to the health care budget and increase patients' co-payments. Introducing mandatory EPR will thus have **negative socio-economic implications but also will intrude the Member States' competence** in financing healthcare. Additionally, **economic feasibility and administrative burden** is not sufficiently considered, especially if the number of "producers" is relatively small. In smaller Member States with a lower consumption of pharmaceuticals, introducing EPR will lead to an unreasonable financial burden on a few actors on the market. Allowing to cover up to 20% of the quaternary treatment costs through national financing may not be sufficient to prevent negative impact on the availability and affordability of critical medicines.

Thirdly, we note that it remains unclear **who is the subject of the extended producer responsibility** in the case of pharmaceutical supply chain, which involves many actors who make the product available on the market. Consequently, due to parallel trade this may lead to **double taxation**.

Because of these reasons Estonia is not able to support the Directive of the European Parliament and of the Council concerning urban wastewater treatment and abstains from the vote."

STATEMENT BY GREECE

"The Hellenic Republic welcomes the European Commission's initiative to revise Urban Wastewater Treatment Directive (UWWTD) and supports its recast aiming towards integrated and sustainable water management, reduction of pollution and increased protection of human health and the environment, in alignment with the EU goals and policies.

While Greece shares the environmental objectives of the compromise text of the proposal, we express our concern as regards the new, ambitious requirements. The expansion of the scope in combination with the new obligations are challenging as they will create significant investments demands, increased operational costs, complexity and administrative burden within a strict timeframe. The extension of the population threshold is expected to lead to a very large number of agglomerations in Greece obligated to apply the Directive, mainly due to high fluctuations of their population due to their touristic character. We are concerned about the affordability and sustainability of many future cases where the permanent residents will be very few compared to the equivalent population.

We are particularly thoughtful as regards the application of new requirements such as energy neutrality and extended producer responsibility. As regards EPR, our concerns mainly focus on the complexity and differentiations of its application which may occur in different MS as well as potential impacts in the availability and affordability of medicines.

To fully implement the new Directive, in the required time framework, considerable financial resources will be required. Substantial support will be needed, both as regards EU funding as well as regarding technical support and assistance in organizational, scientific and administrative issues.

We are confident that these concerns will be given due consideration when the new Directive enters into force, enabling Member States to fully and effectively apply its provisions. Despite the aforementioned application concerns, related to the ambitious requirements and goals of the revised Directive, we see the wider vision towards enhanced protection of human health, water resources and the environment in general.”

STATEMENT BY SPAIN

“Spain shares and supports the European Union’s environmental ambition and will therefore vote in favour of revising the Urban Waste Water Treatment Directive, considering it a key regulation for improving the state of the environment and health.

The transposition and implementation of the text will be a huge challenge for all Member States, not only because of the new objectives proposed in the Directive, but also because of the tight deadlines for meeting them. For this reason, the support of the European institutions will be necessary throughout the whole process.

The introduction of the new quaternary treatment to tackle pollution generated by micro-pollutants, and its financing through the extended producer responsibility scheme, should be done by ensuring that the ‘polluter pays’ principle is applied in a fair and proportionate manner. This treatment should be implemented in such a way as to strengthen the primary objective of eliminating pollution at source, ensuring that access to and the affordability of the products listed in Annex III to the Directive are not affected by its application.

Spain therefore calls on the Commission to draw up guidelines as soon as possible to ensure harmonised implementation between the various Member States, but also to allow them a certain degree of freedom to bring these requirements into line with national regulatory frameworks.

The delegated acts to be prepared for this purpose should be accompanied by a complementary impact study to assess the effects of the EPR scheme and its effectiveness in reducing pollution at source.”

STATEMENT BY FRANCE

“France supports the revised Urban Waste Water Treatment Directive (UWWTD) and considers it to be an ambitious text that takes into account the effects of climate change and which will help strengthen protection of human health and the environment, particularly from emerging sources of contamination. France supports the application of the ‘polluter pays’ principle and the extended producer responsibility scheme to finance the establishment of quaternary treatment systems to reduce the presence and release of micro-pollutants in aquatic environments. On this basis, France confirms its commitment to achieving the objectives of the revised Directive.

Nevertheless, while the revised Directive will help create incentives for our industry leaders to invest in developing more environmentally-friendly products, in particular with regard to micro-pollutants, France will closely monitor the importance given in its implementation to avoiding detrimental side effects for the pharmaceutical and cosmetic industries, to ensure we do not lose sight of the overarching aim of strengthening the EU's strategic autonomy and global competitiveness. Our industries must be able to preserve their investments and innovations (especially in the production of more responsible products) in our territories. As regards medicinal products, implementation of the Directive must not create the risk of increasing shortages by encouraging relocation, in a context of regulated prices.

Lastly, France calls on the Commission to finely calibrate its preparation of the future delegated act, when it comes to setting out the list of substances that will determine the scope of contributors to the EPR, and therefore calls on the Commission not to place an excessive burden on certain undertakings. France also recommends ensuring that implementation is harmonised among the various Member States in order to maintain the smooth operation of the internal market.

For these reasons, France will ensure that all necessary information is made available to the Commission and recommends that a targeted complementary impact assessment be carried out to aid preparation of the delegated act.”

STATEMENT BY ITALY

“Italy supports the adoption of the revised Urban Waste Water Treatment Directive, in particular its innovative components, which will promote measures to counter the effects of climate change, such as nutrient and material recovery, efficient energy use, reuse of treated water and sludge and improved urban runoff management.

Italy considers that implementation of the new Directive will be very challenging and will require significant investment. This is why it considers it essential and calls on the Commission to ensure that adequate EU funds are available to support the Directive's implementation, in particular the energy conversion of the wastewater sector.

Italy also calls for the work on updating the Commission's impact assessment to be started as soon as possible in order to facilitate a timely review of the Directive's extended producer responsibility (EPR) provisions and to subsequently extend the EPR scheme to sectors other than pharmaceuticals and cosmetics, thus ensuring that the ‘polluter pays’ principle is fully applied.”

STATEMENT BY CYPRUS

“The Republic of Cyprus shares the overall environmental objectives of the Urban Wastewater Treatment Directive, and thus supports the adoption of the Urban wastewater treatment Directive (recast).

However, the current Directive has been proven very difficult in its implementation, and therefore, Cyprus maintains legitimate concerns associated with the increased administrative burden, the significant financial costs, and the rather limited timeframe for Cyprus' compliance with the more ambitious requirements of the new Directive. It is pertinent to recall that Cyprus has the following unique characteristics: the absence of rivers or lakes, the great depth of groundwater (in many cases more than 100 meters deep) and the fact that most of the treated wastewater is already used for agricultural irrigation. In fact, River Basin Management Plans of Cyprus confirm that in most cases no water bodies are negatively affected from wastewater discharges.

The challenges we are confronted with the implementation of the current Directive, despite our best efforts and genuine political commitment, are telling of how difficult it will be to implement the new Directive that significantly raised the ambition. In particular, thus far we were not able to comply with the requirements of the current Directive for 28 agglomerations out of a total of 57 agglomerations. The delays encountered are linked to the enormous economic costs, the heavy administrative burden, the discovery of archaeological findings during the works and the need for extensive government coordination and consultations with local authorities. Our revised National Implementation Programme (NIP-2020) submitted to the European Commission on 30 June 2022 and the latest revised National Implementation Programme (NIP-2022) submitted to the European Commission on 30 June 2024, set 2030 as the end date for full compliance with Directive 91/271/EEC.

The new threshold of agglomerations of 1 000 p.e., will render it very difficult for Cyprus to find the necessary resources to construct collecting systems and secondary treatment in 26 additional agglomerations. It should be noted that due to the size of our country, we have a very limited number of contractors that can execute the required systems.

Despite the serious implementation difficulties, Cyprus supports the adoption of the Urban wastewater treatment Directive (recast) because we understand its importance for protecting the environment and human health.

Cyprus is confident that these concerns will be given due consideration when the new Directive enters into force, including through safeguarding sufficient EU funding that will enable Member States in meeting the Directive's significant financial requirements.”

STATEMENT BY LATVIA

“Latvia supports the Directive concerning urban wastewater treatment, which aims to better protect the environment and human health. During the negotiations, Latvia has repeatedly expressed support for updating of the requirements on wastewater collection and treatment, as well as on the increasing sustainability and efficiency of the wastewater management sector.

However, it should be noted that the implementation of the Directive is associated with significant challenges.

In general, Latvia believes that the extended producer responsibility (EPR) system is an effective tool for implementing the polluter-pays principle. However, neither Latvia, nor other countries have previously established the EPR system in the field of wastewater management and have not applied the EPR system to pharmaceuticals.

We share the concerns of other Member States regarding the application of the EPR systems to medicinal products for human use and possible impact on prices and accessibility of these products for the most vulnerable population. We are also concerned that these impacts have not been fully assessed during the Impact assessment, nor were the current shortages of medicinal products affecting many Member States properly considered. Therefore, we invite the Commission to continue evaluating these impacts also after the adoption, and act accordingly, if necessary.

We still believe that achieving energy neutrality will be very challenging, particularly for smaller urban wastewater treatment plants, for which not all renewable energy sources are technically and economically feasible.

Finally, we must keep in mind the enormous future costs required to ensure that wastewater management infrastructure meets the requirements of this directive. The implementation will demand substantial investments over the next 15-20 years, amounting to at least several billion euros in Latvia.

These costs cannot be fully borne by the users of wastewater management services alone. We will continue to emphasize the need to ensure appropriate financial resources, including from the next Multiannual Financial Framework.”

STATEMENT BY LITHUANIA

“Lithuania supports the recast of the Directive on Urban Wastewater Treatment, which aligns with the EU’s goals for environmental protection and water quality. Lithuania supports the Directive’s focus on improving wastewater treatment infrastructure and reducing pollution, both of which are critical for safeguarding our water resources.

However, Lithuania finds that the current level of ambition, particularly regarding the implementation timelines and resource allocation, is excessively high. This poses significant challenges, especially for Member States with diverse infrastructures and varying economic capacities. Lithuania must acknowledge that even the current Directive (91/271/EEC) has been challenging to fully implement, and many Member States, including Lithuania, are still working towards compliance. This makes the heightened ambition of the revised Directive even more difficult to achieve.

The extension of the scope, particularly the obligation to connect all agglomerations from 1 000 p.e., places a significant financial burden on Lithuania. Given its geographical and demographic situation, especially in smaller settlements where population decline due to migration is a reality, the installation of wastewater collection systems may have a negligible impact in reducing and preventing pollution. In these cases, the investment is not justified from an economic standpoint.

Lithuania also accepts the common goal to implement the principle of Extended Producer Responsibility (EPR) more effectively. However, Lithuania questions the rationale for applying the EPR principle exclusively to the pharmaceutical and cosmetics industries. Lithuania notes that the Directive’s impact assessment on pharmaceutical industry, including the accessibility and pricing of medicinal products, has not been fully assessed, particularly in the context of current shortages of medicinal products and ongoing efforts to ensure autonomy of the EU’s pharmaceutical industry. Lithuania strongly believes that the Directive should cover all sectors emitting micropollutants to ensure a comprehensive and fair application of the “polluter pays” principle. Lithuania is concerned about the feasibility and enforceability of these provisions and how they will affect not only its manufacturers in these sectors but also supplies of the important products from other member states. Concerning EPR, Lithuania would have preferred that the costs of quaternary treatment be shared more equitably through a stronger application of the “polluter pays” principle.

Finally, it is important to emphasise that the implementation of the new Directive will require considerable financial resources. Like many other Member States, Lithuania faces challenges with funding the necessary infrastructure upgrades and operational costs. The ambition of the Directive cannot be met without substantial financial support, and Lithuania stresses the need for dedicated EU funding to assist Member States in meeting the requirements of the Directive. Without this financial backing, the feasibility of implementing the Directive, especially in smaller Member States, is questionable.”

STATEMENT BY MALTA

“Malta has always acknowledged and supported the Commission’s ambition to address the source of pollution in our waters and ultimately, achieve zero pollution in the European Union.

While, from an implementation perspective, Malta understands the rationale behind Extended Producer Responsibility (EPR) schemes and whilst acknowledging the benefits that such schemes bring, Malta remains of the opinion that having patients bear the ultimate financial burden is not acceptable. In this regard, Malta positively acknowledges the amendments introduced to the Directive to enable the necessary flexibilities to address the potential impacts of EPR schemes on the accessibility, availability and affordability of medicines at the national level, by enabling Member States to finance part of the costs of the quaternary treatment in case such impacts occur.

Having said this, Malta believes that ambition must not come at a disproportionate social cost. In line with the position adopted from the beginning of the negotiations in Council, Malta still has a major political concern on the application of the proposed extension of the EPR to cover all medicines in Annex III. Patients undergoing treatment have little to no control over the manner in which they receive such treatment, much less choice over the type of medication prescribed. The current text, whilst significantly increasing the flexibility through which EPR schemes can be developed in the respective Member States, still does not provide enough safeguards to ensure that the financial impact (even if marginal) on the pharmaceutical industry will not trickle down to patients.

Malta believes that price increase of certain pharmaceuticals would significantly worsen the availability and choice of treatment, particularly for a small market like Malta’s market. This would ultimately make it even worse for patients, who are the most vulnerable.

It is in this spirit that whilst continuing to believe that in the European Union’s pursuit of a better-quality water, Malta affirms that this Directive should not jeopardise the accessibility, availability and affordability of vital products such as medicines which are a necessity and not a luxury.”

STATEMENT BY AUSTRIA

“Austria supports the approach taken in the revised Urban Waste Water Treatment Directive (UWWTD) and sees it as an important measure for the long-term and sustainable protection of water quality. Austria is therefore voting in favour of the adoption of the UWWTD. At the same time, it is important to create incentives for polluters to invest in the development of greener products, in line with sector-specific extended producer responsibility (EPR). Against this background, Austria would like to draw attention to the concerns of the pharmaceutical and cosmetic industries and would advocate for an early evaluation with regard to extended producer responsibility.

This would also contribute to the overarching objective of strengthening the EU's strategic autonomy and global competitiveness in sensitive sectors and would keep important investments, innovations and production – for example in the pharmaceutical sector – in the EU.”

STATEMENT BY POLAND

“Poland recognises the need to amend the current Urban Waste Water Treatment Directive.

Poland supports the European Commission's broader vision for new regulations. The ambitions of the European Green Deal and other European policies should be taken into account in the new legislation on waste water treatment. The Polish water and waste water sector is involved in a number of activities relating to: climate action, energy efficiency, the circular economy and 'zero pollution' ambitions. Despite new ongoing activities, one of the greatest challenges remains ensuring full compliance with the existing Urban Waste Water Directive (91/271/EEC). Huge investments and many costly measures are still needed for: extension of the sewage network, upgrading of waste water treatment plants, monitoring of individual systems and proper management.

The compromise text of the Urban Waste Water Treatment Directive shows great ambition. The new Directive will require both long implementation deadlines (e.g. for investment purposes) and considerable funding and organisational efforts. In addition, EU funds must be provided to meet the new obligations stemming from the Directive.

Poland is concerned about the tightening of requirements and the shortening of deadlines compared to the compromise reached under the General Approach, adopted on 16 October 2023.

Poland reiterates its concerns regarding the feasibility of provisions that would make it possible to effectively apply extended producer responsibility (EPR), given that the proposed Directive does not cover all sectors emitting micro-pollutants (it covers only two: cosmetics and pharmaceuticals), to ensure full implementation of the true 'polluter pays' principle.

Furthermore, the extension of the Directive to agglomerations of between 1 000 and 2 000 p.e. will require huge investments and high operating costs, which will also have an impact on waste water collection tariffs.

In addition, the disastrous consequences of the floods in Poland call for a significant financial commitment to rebuild infrastructure. In this light, it will be difficult to meet the requirements of the Directive, which will also entail significant financial expenditure.

In view of the above, Poland cannot support the draft Directive and votes against its adoption.”

STATEMENT BY PORTUGAL

“Portugal fully supports the objectives of the Urban Waste Water Treatment Directive, recognising it as an ambitious and essential step towards improving the protection of bodies of water, addressing the challenges of climate change and achieving the objectives of the Water Framework Directive (WFD).

Portugal believes that the Directive will strengthen the protection of human health and the environment, particularly in mitigating emerging sources of contamination.

However, Portugal recognises that the successful implementation of the Directive will be a challenge, requiring considerable investment and thorough knowledge of risk-based approaches. One of the main difficulties lies in estimating pollutant loads from storm water overflows, which will require sophisticated assessment techniques. In addition, the implementation of extended producer responsibility (EPR) poses a significant challenge.

Portugal stresses the importance of ensuring a robust exchange of information between Member States in order to avoid inconsistencies in the implementation of EPR, particularly with regard to the pharmaceutical sector. Discrepancies can have a negative impact on domestic markets, so alignment between countries will be crucial.

Industries should continue to maintain their investments and innovation, especially in the production of more responsible products within the country. Maintaining a balance between environmental objectives and industrial competitiveness will be key to ensuring sustainable progress.

Despite these challenges, Portugal remains committed to making a significant contribution to the objectives of the Directive. Portugal is committed to promoting cooperation and knowledge sharing with other Member States to ensure the successful implementation of the Directive. This cooperative approach will be instrumental in overcoming the difficulties associated with EPR and in advancing the environmental protection objectives of the Directive.

In conclusion, Portugal is fully committed to the success of the Directive and is prepared to make significant contributions and engage in collaborative efforts to strengthen environmental protection and public health across Europe. Portugal therefore supports the adoption of the Urban Waste Water Treatment Directive.”

STATEMENT BY ROMANIA

“Romania expresses its support for the final compromise text of the proposal for a Directive of the European Parliament and of the Council concerning Urban Wastewater Treatment (recast). While we endorse the proposal's overarching goal of aligning urban wastewater treatment with the latest scientific developments and the objectives of the Zero Pollution Action Plan, we would like to highlight that certain requirements will be challenging and costly to implement.

We emphasise that the successful execution of the Directive will require significant investments over an extended period, which will impact the availability and affordability of wastewater management services, mostly in rural areas. This is particularly crucial given that substantial work remains to fully implement the current Directive (91/271/EEC). We appreciate that the new Directive acknowledges the unique challenges faced by Member States that joined the Union more recently, including Romania.

The implementation and enforcement of the Directive will require funding from diverse sources, including substantial financial support from national and European Union funds. Additionally, broadening the scope to include agglomerations with populations between 1 000 and 2 000 will demand considerable investments and lead to higher operational costs. We wish to highlight a specific national concern: due to declining population trends, the lowered threshold increases the likelihood that some agglomerations may soon fall below this limit, which could compromise cost efficiency and drive up unnecessary expenses. Romania also has reservations regarding the impact of the extended producer responsibility (EPR) provisions, particularly as they pertain to pharmaceuticals.

From the intensive discussions we have had with the industry the implementation of EPR will lead to extremely high costs which will affect the availability and affordability of medicines, particularly generic ones. Such a situation could lead to a health crisis for our population. From the outset, we have underlined the necessity of implementing the EPR at the EU level to ensure equitable treatment among Member States. Therefore, we urge the Commission to facilitate discussions aimed at achieving a uniform implementation of the EPR across all Member States, ensuring that it does not impose undue burdens on populations in need of medicines.”

STATEMENT BY SLOVENIA

“Slovenia supports and commits to the objectives of the Directive concerning urban wastewater treatment (recast) that will contribute to the reduction of emissions of substances into water as well as to the reduction of greenhouse gas emissions, to efficient use of energy and to the promotion of a circular economy by encouraging the reuse of treated wastewater and sludge and nutrient processing.

Slovenia welcomes the agreed extension of the deadlines for the implementation of the new or enhanced requirements of the directive. However, Slovenia believes that some of the objectives are very ambitious and some technically and economically very demanding measures will be needed to achieve them. Therefore, Slovenia urges the Commission to ensure sufficient EU funds to support the efforts of Member States.

Slovenia welcomes the ambitions in providing appropriate infrastructure for the collection and treatment of urban wastewater, as well as lowering of the threshold for agglomerations’ size falling under the scope of this directive. At the same time Slovenia welcomes the provisions that allow for some flexibility according to specific national or local, especially geographic circumstances, or other specific local conditions. However, Slovenia is of the opinion that even more flexibility would be needed regarding the use of individual systems for the collection and treatment of urban wastewater. We emphasise our specific concern regarding the vague requirement to achieve the same level of environmental and human health and environmental protection that has to be achieved by individual systems, as well as regarding the uniform threshold of 2 % for the use of individual systems at national level that does not take into account the variety of circumstances at EU, national, or local levels.

Slovenia supports the enhanced implementation of the “polluter pays” principle. Nevertheless, Slovenia recalls concerns that the requirements on the extended producer responsibility are not sufficiently clear. In this respect Slovenia welcomes the obligation of the Commission to provide an exchange of information and is looking forward to exchanging experience and good practices.

Slovenia also points out that the implementation of the new obligation for the quaternary treatment and the achievement of the objectives in this regard will be a significant challenge at national level. Same goes for the ambitions on achieving energy neutrality of this sector. Slovenia believes that the contribution of this sector to the achievement of climate goals is necessary, and from this point of view supports the efforts to improve energy efficiency within the sector. However, Slovenia would like to recall its concerns as regards the feasibility of achieving energy neutrality within the sector at national level.

In addition, Slovenia recalls its concerns regarding the ambitious requirements for information collection and management of that information.

Despite serious concerns related to the ambitious objectives mentioned above, Slovenia nevertheless recognises the revised directive as an important step towards an enhanced protection of environment and human health, and thus votes for the adoption of this Directive.”

Ad “A” item 8: Regulation on construction products
Adoption of the legislative act

STATEMENT BY BULGARIA

“The Republic of Bulgaria considers the new Construction Products Regulation to be a key act in the area of the EU single market, in view of the important role that the construction sector plays in the EU economy as a whole.

The Republic of Bulgaria fully supports the objective of the new Regulation on account of:

the need to address shortcomings identified in the practical application of Regulation (EU) No 305/2011, and

the need to update the legal framework for construction products, taking into account new market realities, including by introducing circular economy principles.

In this sense, we recognise the challenge the co-legislators are facing in adopting an ambitious and completely new Construction Products Regulation, which is a complex piece of legislation due to its interconnection with a number of other pieces of EU single market legislation. At the same time, however, we strongly regret that the lengthy discussions in the Council, involving discussions on specific aspects per cluster, failed to allow for the final text of the Regulation to be considered in full and within a reasonable time frame.

We would stress that in the area of technical harmonisation, the guiding principle for Bulgaria has always been adherence to the principles of better regulation, and most importantly to the objective of achieving a clear regulatory framework and future-proof legislation, adequately responding to the current challenges and needs of the market, and avoiding unnecessary burdens, both for economic operators and competent national authorities.

In the light of the above, we believe that the ultimate objective of improving the current legislative framework in the construction products sector has not been achieved to the greatest extent possible, and consequently potential difficulties could arise in the practical implementation of the new Regulation. Although many of the problematic issues have been addressed in the final text of the Regulation, Bulgaria highlights its concerns about the feasibility and effectiveness of the requirements related to the obligations of economic operators (including the new categories of economic operators introduced), the updated market surveillance framework and the implementation of the new assessment and verification systems.

In view of the above, Bulgaria cannot agree and is abstaining in the vote on the final version of the Construction Products Regulation.”

STATEMENT BY ITALY

“Italy welcomes the new Regulation for construction products.

This Regulation is essential to facilitate standardisation and to support the green and digital transition, with the aim of ensuring that only safe and compliant products circulate on the Union market.

However, the new Regulation requires significant efforts at both national and European level. The Commission should provide adequate resources in a timely manner to implement the provisions of the new Regulation and assist authorities and stakeholders in the Member States during the transition phase, focusing in particular on SMEs, which will incur additional costs in complying with the new standards.

Europe cannot afford to continue to rely on a set of harmonised standards that are more than 20 years old.

At the same time, Italy hopes that support for innovation will lead to a smoother process for ensuring the citation of new European Assessment Documents (EADs) in the Official Journal of the European Union, as these specifications are no longer harmonised.”

Ad “B” item 4: Regulation on construction products
Adoption of the legislative act

STATEMENTS BY THE COUNCIL AND THE COMMISSION

“Re Article 14(4) of Directive 2006/112/EC: The Council and the Commission agree to assess the need to extend the definition of ‘distance sales of goods imported from third territories or third countries’ to supplies of goods from customs warehouses in the EU in the context of the forthcoming negotiations on the proposal on the scope of IOSS (EUR 150 threshold), taking into account the possible effects of this extension in terms of evasion and fraud.’

‘Re Article 262 of doc. 14961/24: The Council and the Commission agree to assess the need to strengthen the VAT administrative cooperation framework to ensure that Member States that use the option provided for under Article 262, paragraph 1, subparagraph 2, allowing to exclude acquirers of goods and recipients of services from the obligation to report the data on those cross-border transactions, provide timely information to the Member State of the supplier whenever required. Based on that assessment, the Commission shall, where appropriate, submit a legislative proposal.’”

STATEMENTS BY THE COUNCIL

“Re Article 59c of doc. 14961/24: The Council invites the Commission within 5 years of the entry into force of this Directive to review the amount and scope of the threshold laid down in Article 59c of Directive 2006/112/EC.’

‘Re Mandatory import one-stop-shop: The Council will continue to work on other elements of the proposal as regards the incentives to use the import-one-stop-shop in the framework of the negotiations on the Proposal for a Council Directive amending Directive 2006/11/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT (interinstitutional file number 2023/0158 (CNS)) with a view to reaching an agreement as soon as possible.’

‘Re Entry into application: The Council acknowledges the challenges that the implementation of the new reporting system brings from an IT perspective to tax administrations and taxable persons, in particular SMEs. For that reason, a staged approach to the implementation of electronic invoicing is recommended in particular for Member States introducing digital reporting requirements for self-supplies and supplies of goods and services made between taxable persons within their territory. Member States could provide for consecutive stages in the implementation of the obligation to issue electronic invoices for domestic transactions, other than those covered by the cross-border digital reporting requirements, based on the size of the taxable persons concerned, leading up to the EU-wide entry into force of the reform with respect to e-invoicing and e-reporting as of 1 July 2030.’”

STATEMENTS BY THE COMMISSION

”The Commission acknowledges that the European standard for electronic invoicing was initially developed for its use on B2G (Business to Government) transactions. Work is being carried out on this standard to ensure that it shortly covers all B2B (Business to Business) needs. The Commission also recognises the need for this standard to integrate existing sectoral business requirements in which European businesses have already massively invested. The Commission will assess, before the entry into force of the obligation to use the European standard for all intra-EU transactions, if this work is fully completed and will propose the necessary transitional measures should that not be the case.’

‘In order to provide full transparency, the Commission will collect and publish information on the application of the SME exception, as provided for in Article 28a (4).’”

STATEMENT BY SPAIN

”Spain supports the general approach reflected in the proposal regarding the deemed supplier model provided for in Article 28a of Directive 2006/112/EC (VAT Directive). However, it declares its willingness to apply such a model before the date of entry into application of this provision, as a simplification measure in the collecting of the VAT and as a way to improve the fight against fraud in the VAT, as foreseen in Article 395 of the VAT Directive.”