



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2026) 2565 final

- English translation of the French version which is authentic -

Brussels, 4 June 2026

TEXTE EN

MINUTES

of the 2565th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 6 May 2026

(morning)

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PV(2026) 2565 final

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Single sitting: Wednesday 6 May 2026 (morning)

The sitting opened at 9.03 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Ms RIBERA	Executive Vice-President	
Ms VIRKKUNEN	Executive Vice-President	
Mr SÉJOURNÉ	Executive Vice-President	
Ms KALLAS	High Representative / Vice-President	Items 8 to 13
Ms MÎNZATU	Executive Vice-President	
Mr FITTO	Executive Vice-President	Items 1 to 12 (in part)
Mr DOMBROVSKIS	Member	
Mr VÁRHELYI	Member	Items 1 to 12 (in part)
Mr HOEKSTRA	Member	
Mr KUBILIUS	Member	
Ms KOS	Member	
Mr SÍKELA	Member	
Ms ALBUQUERQUE	Member	
Ms LAHBIB	Member	
Ms ROSWALL	Member	
Mr SERAFIN	Member	
Mr JØRGENSEN	Member	
Ms ZAHARIEVA	Member	
Mr McGRATH	Member	
Mr TZITZIKOSTAS	Member	Items 8 to 13 (in part)
Mr HANSEN	Member	
Mr MICALLEF	Member	

Absent:

Mr ŠEFČOVIČ	Member
Ms ŠUICA	Member
Mr KADIS	Member
Mr BRUNNER	Member

The following also sat in:

Mr DE GREGORIO	Director-General, Legal Service	
Ms SPINANT	Director-General, DG Communication	
Ms PINHO	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Mr ADAM	Deputy Head of Cabinet to the PRESIDENT	
Mr BEHRNDT	Deputy Secretary-General	Item 12
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet	
Ms HENMAN	Adviser in the PRESIDENT's cabinet	
Mr CALACEAN	Adviser in the PRESIDENT's cabinet	Items 8/11
Ms REILLY	Member of the PRESIDENT's cabinet	Items 8/11
Ms REICHSTEIN	Member of the PRESIDENT's cabinet	Item 12
Ms SEMLALI	Policy Assistant in the PRESIDENT's cabinet	
Mr CHARLES	Head of Unit in the Secretariat-General	
Mr TAQUET-GRAZIANI	Head of Unit in the Secretariat-General	

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS

(OJ(2026) 2565/FINAL; SEC(2026) 2565/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF HEADS OF CABINET

(RCC(2026) 2565)

The Commission considered the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Tuesday 5 May 2026.

3. APPROVAL OF THE MINUTES

(PV(2026) 2561; PV(2026) 2561, PART II; PV(2025) 2562)

The Commission approved the minutes of its 2561st and 2562nd meetings of 25 March and 13 April 2026, and held over approval of the minutes of its 2563rd and 2564th meetings of 22 and 28 April 2026 for a later date.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2026) 170)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (GRI) held on Thursday 30 April 2026 (RCC(2026) 170).

The Commission approved the lines proposed for the following points:

- **Adjustment of customs duties on the import of certain goods originating in the United States of America and opening of tariff quotas for imports of**

certain goods originating in the United States of America (Regulation) – LANGE report – 2025/0261 (COD) / Non-application of customs duties on imports of certain goods (Regulation) – LANGE report – 2025/0260 (COD)

Line set out in SI(2026) 122/2.

- **Amendment of Directive 2004/37/EC as regards the addition of substances and setting limit values in its Annexes I, III and IIIa (Directive) – SOMMEN report – 2025/0232 (COD)**

Line set out in SI(2026) 124/2.

- **Amendment of Regulation (EC) No 883/2004 on the coordination of social security systems and Regulation (EC) No 987/2009 laying down the procedure for implementing Regulation (EC) No 883/2004 (Regulation) – BISCHOFF report – 2016/0397 (COD)**

Line set out in SP(2026) 181/2.

- **Legal and procedural considerations on the exclusion of Ukraine from the designation as a safe country of origin pursuant to Regulation (EU) 2024/1348, as amended by Regulation (EU) 2026/464**

Line set out in SI(2026) 125.

- **Authorisation of the opening of negotiations between the European Union and the United Kingdom of Great Britain and Northern Ireland on the participation of the United Kingdom in the internal electricity market of the Union and on the financial contribution of the United Kingdom towards reducing economic and social disparities between the regions of the Union (Council Decision) – COM(2025) 804**

Line set out in SI(2026) 109/2.

The Commission took note of the following point:

- **Establishment of the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034, and amendment of Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509 (Regulation) – RESSLER, NOVAKOV & KATAINEN report – 2025/0240 (COD)**

Information set out in SI(2026) 126/2.

5. COORDINATION OF EXTERNAL ACTION (RCC(2026) 215)

The Commission took note of the operational conclusions in RCC(2026) 215 of the meeting of the Group for External Coordination (EXCO) held on Thursday 30 April 2026.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. *WRITTEN PROCEDURES APPROVED* (SEC(2026) 120 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 April and 3 May 2026.

6.2. *EMPOWERMENT* (SEC(2026) 121 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 April and 3 May 2026.

6.3. DELEGATION / SUBDELEGATION OF POWERS
(SEC(2026) 122 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 27 April and 3 May 2026, as archived in Decide.

6.4. WRITTEN PROCEDURES SPECIFICALLY IDENTIFIED
(SEC(2026) 123 AND /2)

The Commission took note of the written procedures specifically identified for which the time limit expired between 4 and 8 May 2026.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2026) 124)

ADMINISTRATIVE MATTERS
(PERS(2026) 39)

7.1. DG MOBILITY AND TRANSPORT – PROPOSAL FOR THE
APPOINTMENT OF THE DIRECTOR OF THE PERMANENT
SECRETARIAT OF THE TRANSPORT COMMUNITY
(PERS(2026) 40)

The Commission took note of the information set out in point 1 of PERS(2026) 39 and, on a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr TZITZIKOSTAS, decided:

- to propose the appointment of Mr Talis LINKAITS to the post of Director

of the Permanent Secretariat of the Transport Community;

- to task Mr TZITZIKOSTAS, the Member of the Commission responsible, with communicating this decision to the Council and to the Regional Steering Committee of the Transport Community.

These decisions would take effect immediately.

**7.2. DG MOBILITY AND TRANSPORT – PROPOSAL FOR THE APPOINTMENT OF THE DEPUTY DIRECTOR OF THE PERMANENT SECRETARIAT OF THE TRANSPORT COMMUNITY
(PERS(2026) 41)**

The Commission took note of the information set out in point 2 of PERS(2026) 39 and, on a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr TZITZIKOSTAS, decided:

- to propose the appointment of Ms Liljana PERKUSIC to the post of Deputy Director of the Permanent Secretariat of the Transport Community;
- to task Mr TZITZIKOSTAS, the Member of the Commission responsible, with communicating this decision to the Council and to the Regional Steering Committee of the Transport Community.

These decisions would take effect immediately.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE EUROPEAN UNION'S ANTI-POVERTY

STRATEGY: ADDRESSING AND PREVENTING POVERTY FROM CHILDHOOD TO OLD AGE

(COM(2026) 538 TO /3; SWD(2026) 770 AND /2; SWD(2026) 771 AND /2; RCC(2026) 25)

- 9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – BREAKING THE CYCLE OF CHILD POVERTY: STRENGTHENING THE EUROPEAN CHILD GUARANTEE**
(COM(2026) 539 TO /3; SWD(2026) 772 AND /2; RCC(2026) 25)

- 10. PROPOSAL FOR A COUNCIL RECOMMENDATION ON FIGHTING HOUSING EXCLUSION**
(COM(2026) 540 TO /3; RCC(2026) 25)

- 11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ENHANCING THE STRATEGY FOR THE RIGHTS OF PERSONS WITH DISABILITIES UP TO 2030**
(COM(2026) 541 AND /2; SWD(2026) 773; RCC(2026) 25)

The PRESIDENT introduced the ambitious social package presented that day, stating that it aimed to prevent and reduce poverty and to promote the rights of people with disabilities across the EU. She felt that this package fully reflected the European social market economy model. Work had to be fairly remunerated and allow for value creation, and it also had to be part of a solidarity framework that ensured that the benefits of growth were shared fairly and that people were protected against the main risks of life, whether unemployment, illness or loss of income after retirement.

The PRESIDENT also welcomed the fact that the package addressed the root causes of poverty, noting in particular the attention paid to unemployed single parents, who were among the most vulnerable. She stressed that access to quality employment remained the most effective and sustainable way out of poverty for families, but this had to go hand in hand with better access to services such as childcare.

Ms MÎNZATU then detailed the content of the package, which included the first EU anti-poverty strategy. She noted that this strategy offered a clear path to reaching the EU targets set out in the European Pillar of Social Rights Action Plan of reducing the number of people at risk of poverty and social exclusion by at least 15 million by 2030 and helping eradicate poverty by 2050. This political ambition for 2050 had also been reaffirmed in the PRESIDENT's 2025 State of the Union address.

She stressed the urgent need to act in the light of the current situation, which had deteriorated as a result of successive crises. One in five Europeans was at risk of poverty or social exclusion, and one in four children – that is, more than 19 million children. The chosen approach covered every stage of life, from childhood to old age, by combining income support with access to essential services. She pointed out that poverty was not only about the cost of living and lack of money, but also about difficulties in accessing housing, energy, transport or care. The strategy therefore had a particular focus on child and in-work poverty, barriers to participation in a rapidly changing labour market, in particular for those removed from the labour market, and the increased risks of poverty in old age.

Ms MÎNZATU then highlighted two priority areas of the package. With regard to housing, she noted that the proposal for a Council Recommendation focused on long-term solutions and prevention to address housing exclusion and homelessness. The proposal provided for the establishment of early warning systems, emergency rent support schemes, debt advice and targeted support for those most at risk. She also stressed the importance of strengthening the provision of affordable social

housing, better addressing the needs of students, people with disabilities and older people, and supporting homeless people, including by facilitating access to emergency or temporary shelters.

With regard to child poverty, Ms MÎNZATU stressed the importance of intervening as early as possible in order to break the intergenerational transmission of poverty. She reminded the College that the European Child Guarantee had already enabled progress to be made in this regard, but that the results remained insufficient. With this in mind, she announced the development, on a pilot basis, of a European Child Guarantee Card, designed as a simple digital tool to better monitor children's actual access to the services to which they were entitled and identify unmet needs more quickly. She also stressed the need to protect children from online and offline threats, including exploitation and abuse, and to better bridge the Child Guarantee and the Youth Guarantee to avoid care breaks during the transition to adulthood.

At this stage, the strategy was not accompanied by specific new funding, but was based above all on more effective mobilisation of existing instruments and on concrete operational levers. Ms MÎNZATU emphasised the participatory dimension of the approach, which was based on broad consultations involving not only the EU level, Member States, local and regional authorities and civil society, but also people with direct experience of poverty. She also announced the launch, in the second half of 2026, of a first round of consultation of the social partners on the preparation of a European legislative instrument on integration measures for people excluded from the labour market. The aim would be to define minimum requirements for the identification of the persons concerned, personalised support, integrated pathways into employment and support for employers, all while respecting the competences of the Member States and the principle of subsidiarity.

In conclusion, Ms MÎNZATU felt that the effectiveness of this package would depend on the ability to better identify situations of poverty, monitor the implementation of policies and assess their concrete results for those most at risk, in

order to move from fragmented national approaches to more coherent, preventive and effective action at EU level.

For her part, Ms LAHBIB stressed that the fight against poverty must also take full account of the situation of people with disabilities, who were among the most vulnerable. Almost 30% of people with disabilities were at risk of poverty or social exclusion, and only 55% were employed. She stressed that this situation represented not only a social injustice for the people concerned, but also a significant budget shortfall for the European economy. Given the demographic context of an ageing society, she therefore called for a change in the approach to disability, which could affect every European at any time in their life, temporarily or in a more lasting way.

Against this background, she presented the Communication on enhancing the strategy for the rights of persons with disabilities up to 2030, which had been drawn up following broad consultations involving the Member States, the social partners, people with disabilities and their representative organisations. She explained that the Communication constituted a renewed commitment by the Commission to promote the implementation of the EU Strategy for the Rights of Persons with Disabilities 2021-2030. She highlighted the needs expressed by people with disabilities and their representative organisations during the consultation, in particular greater integration into the labour market, better opportunities for independent living outside specialised institutions and improved mobility.

Among the concrete measures envisaged, she pointed to the large-scale deployment of the European Disability Card and the European Parking Card to facilitate the recognition of disability status and access to related services across the EU. Their digital format, including new security and interoperability features, would enable simpler and more efficient use. She stressed the need to increase accessibility, particularly in transport, and to better mobilise assistive technologies, including artificial intelligence, for people with disabilities. She also mentioned the importance of more inclusive democracies, to enable people with disabilities to

participate more fully in civic and electoral life.

In addition, Ms LAHBIB emphasised the promotion of autonomy and deinstitutionalisation, including through a European Alliance for Independent Living, to support the development of community-based services and assist with the transition out of institutional structures. She highlighted the role of the Disability Employment Package in supporting Member States in recruitment, adapting work environments, supporting transitions between education and employment and keeping people in employment. She stressed the importance of the contribution which people with disabilities could make to the European economy, provided they were given the means to do so. She added that special attention would also be paid to inclusive lifelong learning.

Finally, she called for better integration of the needs of people with disabilities in crisis preparedness and emergency policies to ensure that they were not left behind during evacuations, relief operations or humanitarian crises. She concluded by stressing that the challenge was to translate the rights of people with disabilities into tangible improvements in their daily lives.

During the discussion that followed, the Commission raised the following main points:

- broad support for the package, which was seen as an important contribution to combating poverty and consolidating the European social model;
- a reminder of the major importance of the European social model in ensuring that people played an essential role in the EU's economy and prosperity, as well as of the close link between social policies and economic performance;
- the recognition that a strong and competitive economy was essential for creating quality jobs and financing social investment in a sustainable manner;

- the need to take into account the context of successive crises and shocks, geopolitical tensions and technological transformations, whose effects, notably on the cost of living, weighed more heavily on vulnerable households;
- the risks to social cohesion and trust in democratic institutions posed by rising inequalities and a sense of disconnection, which could fuel the polarisation of public debate;
- the need to address the structural determinants of poverty, including its intergenerational dimension, with a particular focus on child poverty, to ensure fair opportunities from an early age;
- the importance of better supporting access to employment in a context of labour shortages in several sectors, in particular through proportionate activation measures;
- an emphasis on the gender dimension, as women were particularly at risk of poverty and social exclusion due to pay gaps and structural barriers to employment and affordable childcare;
- the role of education and skills development, including digital skills, as levers for preventing poverty and fostering labour market participation and access to public services;
- the challenges linked to digitalisation, both as a lever for inclusion and as a source of new risks, in particular with regard to disinformation, digital fairness and the safety of children in the online environment;
- the interest generated by the European Child Guarantee, subject to careful implementation of the pilot project while taking full account of data protection requirements and the risk of stigmatisation;
- the urgency of the proposed measures on housing and combating exclusion, and

the need to ensure clear communication and effective implementation, given the growing sensitivity of this issue for citizens;

- calls to increase the level of ambition, in particular with regard to child poverty, and to provide adequate financial means, including through targeted mobilisation and a dedicated allocation under existing instruments;
- the added value that the EU could bring, in full respect of national competences, and the levers available to support the implementation of social policies in the Member States, in particular by facilitating exchanges of good practice and providing common policy frameworks.

In response to certain points raised during the debate, Ms MÎNZATU stressed that the initiatives presented that day fully respected the competences of the Member States in the social field. She pointed out that the EU already had guidance instruments capable of producing tangible effects. She cited the example of the European Child Guarantee, set up in 2021 by means of a Council Recommendation, which had already contributed to tangible progress in several Member States, in particular as regards access to a daily school meal for the most vulnerable children. This example illustrated the ability of guidelines agreed at EU level to generate real commitment on the part of the Member States and bring about positive changes on the ground.

She added that the European Pillar of Social Rights was now fully integrated into EU action and noted that a significant proportion of the recommendations relating to the social dimension in the context of the European Semester were linked to poverty. In addition to the instruments mobilised, she underlined the political significance of the message to citizens that the EU was fully aware of the practical difficulties of daily life and supported the Member States in their action to respond to them. She stressed the importance of making clear that efforts to strengthen the EU's competitiveness, security and resilience had to go hand in hand with an

equally strong commitment to social fairness and a dignified life for all.

The PRESIDENT concluded the debate by placing this package of measures in the broader context of the profound transformation of the economic, social and technological environment in recent decades. Whereas the post-war generations had been able to enjoy the promise of progress and openness, the current context was dominated by a succession of crises, deep uncertainty and accelerating change, notably linked to artificial intelligence. Against this background, she stressed the importance and ambition of the proposed measures, which had been drawn up within the limits of the EU's competences, considering it essential to create an environment where all Europeans had a real chance of moving out of poverty.

Following these presentations, the Commission:

- approved the Communication in COM(2026) 538/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working documents distributed as SWD(2026) 770/2 and SWD(2026) 771/2, the contents of which were noted;
- approved the Communication in COM(2026) 539/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2026) 772/2, the contents of which were noted;
- adopted the proposal for a Recommendation in COM(2026) 540/3 for transmission to the Council and, for information, to the European Parliament, the European Economic and Social Committee, the Committee of the Regions and the national parliaments;

- approved the Communication in COM(2026) 541/2 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2026) 773, the contents of which were noted.

12. ORIENTATION DEBATE ON THE CIRCULAR ECONOMY ACT

The PRESIDENT welcomed the fact that the College was holding an orientation debate that day on the circular economy, a concept which enjoyed very broad support in the EU but the implementation of which was proving to be difficult in practice. She noted that the circular economy was attractive not only because of its potential to save resources, which was crucial in the current geopolitical context, but also because of its ability to contribute to the development of the EU's autonomy, particularly as regards strategic raw materials, of which at least 25% could come from domestic recycling by 2030. She stressed the need to address specific issues linked to the development of this type of economy, in particular by encouraging producers to manufacture more sustainable products and consumers to adapt their behaviour.

In a context where independence and sustainability issues were strategic, Mr SÉJOURNÉ felt that the focus should be on effective measures with a high economic impact in order to make circularity a competitive advantage for the EU. He noted that the circular economy had been mainly an environmental policy, but that it was now addressing challenges relating to security, resilience and competitiveness.

He believed that the fragmentation of the internal market was the main barrier for companies seeking to secure recycled raw materials. This fragmentation created significant bottlenecks that undermined the competitiveness and green transition of

EU companies. In this context, the aim was (a) to harmonise, simplify and clarify the rules, particularly as regarded extended producer responsibility, (b) to improve the recovery of critical materials from waste, which were currently too often exported, such as battery black mass, (c) to standardise the definitions of waste between Member States in order to facilitate its movement within the EU, and finally (d) to create a genuine market for secondary materials, as supply was currently insufficient and demand was too volatile.

Mr SÉJOURNÉ believed that it was possible to create a secondary market if it encompassed 450 million consumers. To that end, it was essential to stabilise demand, be at the forefront of technology and avoid the proliferation of national bodies that increased costs and did not genuinely promote circularity. He concluded his presentation by stating that the implementation of the circular economy had become not only an environmental issue, but also an economic and strategic one.

Ms RIBERA noted that the circular economy represented a major opportunity for innovation and competitiveness, but that it remained an environmental policy. She pointed out that despite growing awareness among both entrepreneurs and citizens, progress on recycling had been stagnating for several years, and she called for efforts to be relaunched and stepped up. She felt that the expected benefits were manifold, namely reduced biodiversity loss, reduced pollution, climate change mitigation, as well as strengthening of the EU's resilience and security of supply.

She highlighted the economic opportunity that the circular economy represented for EU industries, and questioned the reasons for the slow progress in its implementation, mentioning the impact of market fragmentation, increased costs and lack of harmonisation. She believed that a cost-benefit analysis would be necessary, citing as an example the waste electrical and electronic equipment sector. She concluded by saying that a State aid framework for the circular economy could allow Member States to financially support green initiatives such as recycling, reuse and refurbishment, without undermining the single market.

Ms ROSWALL presented her vision of a European circular economy that could be a strategic response to successive crises, in particular shortages linked to the COVID-19 pandemic, tensions in the Middle East and Chinese restrictions on exports of raw materials. These crises had revealed how the linear economic model of extracting, producing, consuming and discarding made the continent vulnerable. She felt that the transition to a circular economy was no longer just an environmental issue, but a necessity in terms of Europe's security, resilience, preparedness and competitiveness. In this regard, she referred to the reports by Mr Draghi and Mr Letta, which stressed that a stronger circular economy could strengthen the EU's strategic autonomy and industrial base.

She then turned to the specific challenges facing the EU in the use of raw materials, in particular the availability of materials needed by European industries, exposure to price volatility and dependence on imports for critical sectors such as defence, clean technologies and the digital transition. She said that circularity was a key part of the response to all these challenges. However, recycled and recovered materials currently accounted for only about 12% of materials used in Europe, a figure that had been stagnating for years.

Ms ROSWALL felt that the current context gave companies a stronger reason to double down on circularity, but that they needed the right ecosystem. She explained that, while the EU had played a leading role in setting standards in this area, it had not yet succeeded in making circularity a reality on a large scale. To illustrate the urgent need for progress in this area, she looked at three sectors where the EU was critically behind in implementing circularity.

Firstly, she referred to the defence sector and its dependence on steel, a raw material of which less than half came from recycled waste but whose recycling potential was increasing with the development of new technologies. Secondly, she referred to the digital transition and associated technologies, noting that the sectors concerned relied on the use of critical raw materials such as lithium, cobalt or rare earths. The

EU was almost entirely dependent on imports of these resources, while the collection rate for electrical and electronic waste remained below 40% and the recovery rate of rare earths was barely 1%. In this regard, she stressed that recycled batteries could cover part of future needs, but that fragmented rules and low incentives to invest in this area were holding back the transition. Thirdly, she mentioned the construction sector, the growth of which had led to increased demand for concrete, steel and other materials. She regretted that construction sites often used more concrete than necessary, and that hundreds of millions of tonnes of construction waste, much of which could be recycled, ended up in landfill. She pointed out that better use of these materials could reduce costs and speed up the supply of housing for EU citizens.

On this basis, Ms ROSWALL explained that, despite its great potential for development, the circular economy market was not functioning properly, due to excessive fragmentation. She added that the circular economy lacked the scale and investment needed to grow. Moreover, demand for circular products and secondary materials was still too weak and unpredictable, while investors did not have the long-term signals they needed to invest in recycling, recovery and processing capacities, resulting in an annual investment gap of around EUR 82 billion. Finally, consumers were still locked in habits linked to the linear economic model.

For all these reasons, she felt that the Circular Economy Act should focus on the single market and promote the free movement of recoverable materials as needed. At present, a material regarded as a product or resource in one Member State may be regarded as waste in another. Moreover, extended producer responsibility schemes were also still very fragmented, and companies had to navigate between 27 different schemes, involving different costs and reporting obligations depending on the products covered. It was therefore important to further harmonise the single market in the area of recycling and recovery.

Ms ROSWALL stated that the Commission was currently working on a package of

measures built around four pillars to speed up the circular transition. The first pillar of this set of measures was the Circular Economy Act, which should be a horizontal legislative instrument for the single market that met the objective of simplicity by design. This instrument would aim to remove key barriers to circularity, including by harmonising end-of-waste rules, improving the functioning of by-products, and creating more coherent extended producer responsibility schemes. It should also help to reduce landfilling and avoid the leakage of valuable resources.

The second pillar focused on reforming the rules on electronic waste, which was a valuable source of critical raw materials, but whose collection was still too limited and whose recovery was far below its potential. That was why the Commission was considering turning the current Directive into a Regulation, which would enable the creation of more harmonised rules, increased collection and the recovery of more valuable materials in Europe. The third pillar was a cross-cutting proposal to remove barriers to circularity, reduce dependencies and strengthen Europe's resilience in other areas, such as construction and fertilisers. The fourth and final pillar related to the need to strengthen the entire ecosystem, beyond regulation alone. In this context, it was important for the Commission to address, among other things, issues of taxation, investment, trade, skills, innovation and international partnerships.

Ms ROSWALL concluded her presentation by stressing that the biggest challenge would be of a political nature. While there was consensus in principle regarding support for the single market and simplification, the concrete changes proposed by the Commission often came up against the preference of many Member States to keep their own systems. In this regard, she referred to the environmental omnibus proposed by the Commission, which encountered some resistance during the legislative process, in particular as regarded the removal of the obligation for companies to have authorised representatives in the 27 Member States to comply with extended producer responsibility obligations. In order to avoid a similar risk

with regard to the rules on the circular economy, she stressed the need for the Commission to set a high level of harmonisation from the outset and to involve the entire College in work that ultimately aimed to make Europe more competitive, more resilient, more independent and better prepared for the future.

During the discussion that followed, the Commission raised the following main points:

- the highly strategic nature of the transition to a circular economy and the opportunity for the EU to lead by example in this field, thanks to the fundamental change that the proposed package of measures would bring about;
- the systematic approach to be taken, sector by sector, in order to maximise the opportunities to grow the circular economy, with a focus on the untapped potential of exported waste and the need to rethink the very concept of waste;
- the possibility in this process of reconciling the environmental dimension, the promotion of competitiveness and progress towards energy independence and strategic autonomy guaranteeing EU security;
- the challenges posed by a fragmented single market in circularity;
- an emphasis on the key importance of reusing black mass and critical raw materials, but the observation that sufficient incentives, especially tax incentives, to recycle these essential materials were lacking;
- the need to foster investment in recycling pathways and simplify licensing;
- the special emphasis also to be placed on reusing energy-intensive materials;
- the economic efficiency challenge given existing price differentials between primary and secondary raw materials, and the need to consider financially supporting demand for recycled materials and related technologies;

- the need to strengthen extended producer responsibility schemes;
- the targets to be maintained for using bio-based resources and the key role of farmers as energy and fertiliser producers; in that regard, the diversity of biogas applications notably for energy-intensive industries, domestic heating and aeronautics;
- the scale of the task ahead and the limited breakthroughs on circularity in recent years despite legislative progress, and the urgent need for change in the light of the international context;
- the need to make circularity a more obvious, competitive and realistic choice for consumers, and the need for more transparency on recycling to motivate them to sort their waste;
- the need to start from the beginning of the chain to avoid waste of all kinds, whether that be the influx of low-value and over-packaged parcels from China, the systematic incineration of parcels returned to the sender or food waste;
- the support to be given to circular businesses in the EU to boost their global competitiveness, and the key concept of circular economy partnerships;
- the role of circularity in helping decarbonisation efforts in non-EU countries, and the need to work with them in that regard; the case for a stronger internationally coordinated approach on this subject;
- the relevance of circularity also in relation to the EU preparedness strategy and stockpiling, including for the rescEU strategic reserve;
- the own resources generated by the plastic tax on non-recycled synthetic packaging waste, and the related proposal on electronic waste presented by the Commission the previous year;

- the usefulness of producing reliable data and statistics on recycling;
- the caution to be exercised in promoting secondary raw materials in public procurement given the potential budgetary impact of such a measure, and the importance of not creating new administrative burdens.

The PRESIDENT stressed that regulation was necessary, but it had to be smart and incentive-based, in order to make circularity the leading economic model for the EU. She felt that this European economic model would also help preserve the environment, boost competitiveness and guarantee the EU's independence. However, she noted that the transition to this model needed full commitment from businesses. She concluded by proposing that the College continue the discussions to enable practical solutions to be found as part of a structural and systematic approach that would make circularity a tangible reality.

13. OTHER BUSINESS

LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Ms KALLAS reported on the latest developments in external relations. She began by referring to the meeting of the European Political Community and the EU-Armenia summit, held on 4 and 5 May in Yerevan, Armenia. She noted the positive development reflected in the ongoing processes to normalise relations between Armenia and Azerbaijan, as well as between Armenia and Türkiye. She also reported on her visit to Baku, Azerbaijan, on 5 May, where special emphasis had been placed on energy and connectivity issues.

On Russia's war against Ukraine, she noted the difficulties faced by Russia on various fronts, especially in terms of Russian public support following the blocking of access to social media, and in economic and budgetary terms, despite the extra

profits resulting from the energy-related consequences of the war in Iran. She considered the Council's recent adoption of the 20th package of sanctions against Russia to be an important step and stressed the need to continue work on the 21st package. The situation in Ukraine, especially its energy supply needs, would be discussed at the upcoming Foreign Affairs Council meeting on 11 May.

On the war in Iran, Ms KALLAS referred to the EU continuing its ASPIDES and ATALANTA operations in the region, highlighting the need to scale them up and maintain EU unity in the current crisis. She also noted Iran's proposal to address the post-crisis security structure in the Gulf. She added that the first ever high-level political dialogue would be held between the EU and Syria on 11 May.

She then mentioned her visit to the Sultanate of Brunei on 27-28 April, during which she had co-chaired the 25th EU-ASEAN ministerial meeting on multilateralism for peace. In this regard, she had asked Member States to come up with concrete deliverables for the following year's EU-ASEAN summit.

On Kosovo, Ms KALLAS noted that the high-level dialogue on normalising relations with Serbia, scheduled for the end of May, had had to be postponed because of new general elections organised in June. Several Member States would only recognise Kosovo's independence if these relations were normalised.

She concluded her presentation by reporting on the exercise to operationalise Article 42(7) of the Treaty on European Union, carried out on 4 May with ambassadors from the Political and Security Committee. She noted that the exercise had shown the importance of continuing work on the practical implementation of the article.

The Commission took note of this information.

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The meeting closed at 11.49.