

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**

**TO THE OPINIONS OF THE**

**EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

**PLENARY SESSION OF OCTOBER 2023<sup>1</sup>**

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<sup>1</sup> Including the follow-up to eight opinions adopted during the September 2023 Plenary session, one during the April 2023, one during the June 2023 and seven during the July 2023 Plenary session.

N°	Title	References
<b>SG.D2</b>		
1 Assoc INTPA, ECFIN, SG.F4	<a href="#"><u>EU and Agenda 2030: strengthening the implementation of the SDGs (Exploratory opinion requested by Spanish presidency)</u></a>  Rapporteur: Maria NIKOLOPOULOU (ES-II) Co-rapporteur: Antje Sabine GERSTEIN (DE-I)	NAT/903 EESC-2023-02539-00-00-AC
<b>SG.RECOVER</b>		
2	<a href="#"><u>Additional considerations on the Annual Sustainable Growth Survey 2023 (Own-initiative opinion)</u></a>  Rapporteur: Konstantinos DIAMANTOUROS (EL-I) Co-rapporteur: Javier DOZ ORRIT (ES-II)	ECO/620 EESC-2023-02008-00-00-AC
<b>EMPL</b>		
3	<a href="#"><u>The impact of education on wages and labour productivity (Own-initiative opinion)</u></a>  Rapporteur: Linda ROMELE (LV-II)	SOC/769 EESC-2023-01972-00-00-AC
4	<a href="#"><u>Social economy package</u></a>  Rapporteur: Giuseppe GUERINI (IT-III) Co-rapporteur: Carole DESIANO (FR-II)	INT/1037  COM(2023) 316 final EESC-2023-03192-00-00-AC
<b>EAC</b>		
5	<a href="#"><u>Digital skills and education package</u></a>  Rapporteurs: Milena ANGELOVA (BG-I), Tatjana BABRAUSKIENĖ (LT-II), Justyna Kalina OCHĘDZAN (PL-III)	SOC/774  COM(2023) 205 final COM(2023) 206 final EESC-2023-02515-00-00-AC
<b>Co-lead ENV/ESTAT</b>		
6	<a href="#"><u>Revised monitoring framework for the circular economy</u></a>  Rapporteur: Cillian LOHAN (IE-III)	NAT/912 COM(2023) 306 final EESC-2023-03270-00-00-AC
<b>ENV</b>		
7	<a href="#"><u>Soil Health Law</u></a>  Rapporteur: Arnold PUECH D'ALISSAC (FR-I)	NAT/906 COM(2023) 416 final EESC-2023-03275-00-00-AC
8	<a href="#"><u>Revision of the Mercury Regulation</u></a>  Rapporteur: Jarmila DUBRAVSKÁ (CZ-III)	NAT/909 COM(2023) 395 final EESC-2023-03740-00-00-AC

<b>Co-lead ENV/SANTE</b>		
9	<a href="#"><u>Revision of the EU waste framework Directive</u></a> Rapporteur: Zsolt KÜKEDI (HU-III)	NAT/907 COM(2023) 420 final EESC-2023-03281-00-00-AC
<b>ENV</b>		
10	<a href="#"><u>Umbrella opinion "A call for an EU Blue Deal" (Own-initiative opinion)</u></a> Rapporteurs: Paul RÜBIG (AT-I), Florian MARIN (RO-II), Kinga JOÓ (HU-III) Co-rapporteur: Péter OLAJOS (HU-Cat. 3)	CCMI/209 EESC-2023-01894-00-00-AC
<b>NEAR</b>		
11 Assoc ENER	<a href="#"><u>Energy policies and strategies in the Euro-Mediterranean region (Own-initiative opinion)</u></a> Rapporteur: Ioannis VARDAKASTANIS (EL-III) Co-rapporteur.: Maria Helena DE FELIPE LEHTONEN (ES-I)	REX/555 EESC-2022-03888-00-00-AC
<b>HOME</b>		
12	<a href="#"><u>Update of the anti-corruption legislative framework</u></a> Rapporteur: José Antonio MORENO DÍAZ (ES-II) Co-rapporteur: João Diogo DE CASTRO NABAIS DOS SANTOS (PT-III)	SOC/776 COM(2023) 234 final EESC-2023-02769-00-00-AC
<b>SANTE</b>		
13	<a href="#"><u>Pharmaceutical package</u></a> Rapporteur: Martin Josef SCHAFFENRATH (AT-III)	INT/1030 COM(2023) 190 final COM(2023) 191 final COM(2023) 192 final COM(2023) 193 final EESC-2023-01968-00-00-AC
14	<a href="#"><u>Plants produced by new genomic techniques</u></a> Rapporteur: Arnaud SCHWARTZ (FR-III)	NAT/908 COM(2023) 411 final EESC-2023-03330-00-00-AC
<b>FISMA</b>		
15	<a href="#"><u>Retail investment package</u></a> Rapporteur: Kęstutis KUPŠYS (LT-III) Co-rapporteur: Wautier ROBYNS (BE-I)	INT/1034 COM(2023) 278 final COM(2023) 279 final EESC-2023-02682-00-00-AC
16	<a href="#"><u>Environmental, social and governance ratings</u></a> Rapporteur: Krzysztof Stanisław BALON (PL-III) Co-rapporteur: Andrea MONE (IT-II)	ECO/623 COM(2023) 314 final EESC-2023-03268-00-00-AC

<b>ECFIN</b>		
17	<a href="#"><u>Additional considerations on the Euro area economic policy 2023 (Own-initiative opinion)</u></a> Rapporteur: Manthos MAVROMMATIS (CY-I)	ECO/619 EESC-2023-02523-00-00-AC
<b>ENER</b>		
18	<a href="#"><u>Individual and collective energy self-consumption as a factor in the fight for the green and energy transition, and for economic and social balance (Own-initiative opinion)</u></a> Rapporteur: Pierre Jean COULON (FR-II)	TEN/801 EESC-2023-00714-00-00-AC
<b>MOVE</b>		
19	<a href="#"><u>Equity and efficiency considerations for maritime transportation (Own-initiative opinion)</u></a> Rapporteur: Panagiotis GKOFAS (EL-III) Co-rapporteur: Pierre Jean COULON (FR-II)	TEN/802 EESC-2023-00737-00-00-AC
20	<a href="#"><u>Harmonised measurement of transport and logistics emissions</u></a> Rapporteur: Angelo PAGLIARA (IT-II)	TEN/814 COM(2023) 441 final EESC-2023-02269-00-00-AC
21	<a href="#"><u>Rail capacity and traffic management</u></a> Rapporteur: Angelo PAGLIARA (IT-II)	TEN/820 COM(2023) 443 final EESC-2023-03522-00-00-AC
22	<a href="#"><u>Revision of the Weights and Dimensions Directive 96/53/EC</u></a> Rapporteur: Dumitru FORNEA (RO-II)	TEN/811 COM(2023) 445 final EESC-2023-02156-00-00-AC
<b>COMP</b>		
23	<a href="#"><u>Report on Competition Policy 2022</u></a> Rapporteur: Paulo BARROS VALE (PT-I)	INT/1032 COM(2023) 184 final EESC-2023-02810-00-00-AC
<b>GROW</b>		
24 Assoc COMP	<a href="#"><u>Competitiveness and Industry (Exploratory opinion requested by Spanish presidency)</u></a> Rapporteur: Andrés BARCELÓ DELGADO (ES-I) Co-rapporteur: Angelo PAGLIARA (IT-II)	INT/1033 EESC-2023-02448-00-00-AC
<b>BUDG</b>		
25	<a href="#"><u>Next generation of own resources</u></a> Rapporteur: Katrīna ZARIŅA (LV-I) Co-rapporteur: Philip VON BROCKDORFF (MT-II)	ECO/626 COM(2023) 330 final COM(2023) 331 final EESC-2023-03197-00-00-AC

<b>CNECT</b>		
26 Assoc GROW	<a href="#"><u>A way forward for the deepening of the Single Market through digitalisation (Own-initiative opinion)</u></a>  Rapporteur: Mira-Maria DANISMAN (FI-I)	INT/1019 EESC-2023-02058-00-00-AC
<b>GROW</b>		
27	<a href="#"><u>Modern Business Responsibility - Avenues for elevating MSMEs ability for successful transformation (Own-initiative opinion)</u></a>  Rapporteurs: Milena ANGELOVA (BG-I), Ferdinand WYCKMANS (BE-II), Rudolf KOLBE (AT-III)	INT/1020 EESC-2023-01160-00-00-AC
28	<a href="#"><u>Strengthening MSMEs' financial resilience and promoting a second chance for entrepreneurs (Own-initiative opinion)</u></a>  Rapporteur: Mira-Maria DANISMAN (FI-I)	INT/1024 EESC-2023-00998-00-00-AC
<b>*** OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSIONS ***</b>		
<b>MOVE</b>		
29 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>CO2 emission class of heavy-duty vehicles with trailers</u></a>  Rapporteur: Bruno CHOIX (FR-I)	TEN/815 COM(2023) 189 final EESC-2023-03043-00-00-AC
30 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>Minimum breaks and rest periods for occasional passenger transport</u></a>  Rapporteur: Mateusz SZYMAŃSKI (PL-II)	TEN/816 COM(2023) 256 final EESC-2023-02929-00-00-AC
31 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>Revision of the Directive on Ship-Source Pollution</u></a>  Rapporteur: Constantine CATSAMBIS (EL-I)	TEN/809 COM(2023) 273 final EESC-2023-02154-00-00-AC

<b>REGIO (Assoc SG.RECOVER)</b>		
32 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>The Recovery and Resilience Facility and cohesion policy: towards cohesion policy 2.0 (Exploratory opinion requested by the Spanish presidency)</u></a>  Rapporteur: Maria del Carmen BARRERA CHAMORRO (ES-II) Co-rapporteur: David SVENTEK (CZ-I)	ECO/621 EESC-2023-02427-00-00-AC
<b>GROW</b>		
33 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>Patent package</u></a>  Rapporteur: Rudolf KOLBE (AT-III)	INT/1035 COM(2023) 221 final COM(2023) 222 final COM(2023) 223 final COM(2023) 224 final COM(2023) 231 final COM(2023) 232 final EESC-2023-02306-00-00-AC
<b>SG.RECOVER</b>		
34 Opinion adopted during the Plenary session of April 2023	<a href="#"><u>The EESC's recommendations for a solid reform of the European Semester (Own-initiative opinion)</u></a>  Rapporteurs: Gonçalo LOBO XAVIER (PT-I), Javier DOZ ORRIT (ES-II) and Luca JAHIER (IT-III)	ECO/600 EESC-2022-05830-00-00-AC
<b>ENV</b>		
35 Opinion adopted during the Plenary session of June 2023	<a href="#"><u>Green claims</u></a>  Rapporteur: Angelo PAGLIARA (IT-II)	INT/969  COM(2023) 166 final EESC-2022-05381-00-00-AC
36 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Water efficient consumption (Own-initiative opinion)</u></a>  Rapporteur: Milena ANGELOVA (BG-I)	INT/1022  EESC-2023-00849-00-00-AC
37 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>The economics of an "EU Blue Deal" (Own-initiative opinion)</u></a>  Rapporteur: Florian MARIN (RO-II)	ECO/611  EESC-2023-00679-00-00-AC
38 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Water poverty (Own-initiative opinion)</u></a>  Rapporteurs: Kinga JOÓ (HU-III) and Carlos Manuel TRINDADE (PT-II)	SOC/763  EESC-2023-01665-00-00-AC

39 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Sustainable and resilient water infrastructures and distribution networks</u></a> <a href="#"><u>(Own-initiative opinion)</u></a> Rapporteur: Thomas KATTNIG (AT-II)	TEN/804 EESC-2023-00442-00-00-AC
40 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Sustainable water management and climate emergency: circular and other solutions for the EU agri-food system in a future "Blue Deal"</u></a> <a href="#"><u>(Own-initiative opinion)</u></a> Rapporteur: Josep PUXEU ROCAMORA (ES-I) Co-rapporteur: John COMER (IE-III)	NAT/891 EESC-2023-00896-00-00-AC
41 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Water-intensive industries and water-efficient technologies</u></a> <a href="#"><u>(Own-initiative opinion)</u></a> Rapporteur: Paul RÜBIG (AT-I) Co-rapporteur: John BRYAN (IE-cat. 3)	CCMI/208 EESC-2023-01154-00-00-AC
<b>CNECT</b>		
42 Opinion adopted during the Plenary session of July 2023	<a href="#"><u>Advertising through influencers</u></a> <a href="#"><u>(Exploratory opinion requested by the Spanish presidency)</u></a> Rapporteur: Bernardo HERNÁNDEZ BATALLER (ES-III) Co-rapporteur: Stefano PALMIERI (IT-II)	INT/1026 EESC-2023-01658-00-00-AC
<b>GROW</b>		
43 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>For a resilient, sustainable and responsible European Union supply chain of critical raw materials</u></a> <a href="#"><u>(Own-initiative opinion)</u></a> Rapporteur: Cinzia DEL RIO (IT-II)	INT/1021 EESC-2023-00879-00-00-AC
<b>MARE</b>		
44 Opinion adopted during the Plenary session of September 2023	<a href="#"><u>The EU Maritime Security Strategy and its Action Plan</u></a> Rapporteur: Anastasis YIAPANIS (CY-III) Co-rapporteur: Mateusz SZYMAŃSKI (PL-II)	REX/576 JOIN(2023) 8 final EESC-2023-02550-00-00-AC

**ENV**

45	<p><b><u><a href="#">Water Politics: Between Desertification and Securitization - Time for a Blue Diplomacy (Own-initiative opinion)</a></u></b></p> <p>Rapporteur: Ioannis VARDAKASTANIS (EL-III) Co-rapporteur: Milena ANGELOVA (BG-I)</p>	<p>REX/570 EESC-2023-00858-00-00-AC</p>
46	<p><b><u><a href="#">Revision of the EU pollinators initiative – A new deal for pollinators</a></u></b></p> <p>Rapporteur: Jarmila DUBRAVSKÁ (CZ-III) Co-rapporteur: Veselin MITOV (BG-II)</p>	<p>NAT/896  COM(2023) 35 final EESC-2023-01362-00-00-AC</p>



<p><b>N°1 EU and Agenda 2030: strengthening the implementation of the SDGs (Exploratory opinion requested by Spanish presidency) EESC 2023/2539 – NAT/903 582<sup>nd</sup> Plenary Session – October 2023 Rapporteur: Maria NIKOLOPOULOU (ES-II) Co-rapporteur: Antje Sabine GERSTEIN (DE-I) SG – President VON DER LEYEN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC reiterates that, despite the fact that the Commission considers the SDGs a key part of the political guidelines, the EU needs an integrated, comprehensive strategy with ambitious long-term goals and plans, in order to accelerate progress on the SDGs at the European and global level.</p> <p>4.1. The EESC is concerned about the fragmented approach of EU legislation towards achieving the SDGs. Instead, the EU and the Member States need an integrated, comprehensive strategy to achieve the SDGs at the European and global level.</p>	<p>The 2030 Agenda is implemented at EU level through a holistic whole-of-government approach that places the Sustainable Development Goals (SDGs) at the core of EU policy, legislation and funding, and focuses on delivering concrete internal and external actions that will bring about tangible progress towards the SDGs.</p> <p>The political programme of the President of the Commission integrates the SDGs into all Commission proposals, policies and strategies. All of the 17 SDGs feature in one or more of the six headline ambitions announced.</p> <p>The current strategy to fully deliver on the SDGs consists in advancing the Commission’s headline ambitions through concrete initiatives set out in the annual Commission work programmes. The Commission believes that this ‘streamlining’ is the most effective way of pursuing the SDGs at EU level.</p> <p>The EU vision for sustainable development combines economic growth, a highly competitive social market economy that leaves no one behind, the respect for human rights and a high level of environmental protection. Sustainable development is also an</p>

	<p>objective of EU external action. The EU pays particular attention to interlinkages and integrated actions that can create mutual benefits and meet multiple objectives in a coherent way.</p>
<p>1.3. The EESC emphasises that the Commission needs to make a long-term political commitment, which has to go beyond this term of office.</p>	<p>The Commission remains committed to the 2030 Agenda and the Sustainable Development Goals.</p> <p>The Commission recalls that sustainable development is a core principle of the Treaty on European Union and a priority objective for the Union's internal and external policies.</p>
<p>1.4. The EESC stresses the need to engage civil society, the public and private sectors, academia, and youth and women's organisations in the implementation of the SDGs. Given the recent positive outcome of the EESC as a facilitator in reflecting the view of civil society organisations in the EU Voluntary Review, the Committee urge the Commission to build with the EESC a convening space for regular and structured civil society dialogue with the participation of companies, trade unions and civil society organisations that work on the ground.</p> <p>4.7. The EESC urges the Commission to build along with the EESC a convening space for civil society's structural involvement in the implementation of the SDGs.</p>	<p>The Commission agrees that delivering on the SDGs is not only a matter for public authorities; it also requires the full participation of civil society and the private sector. Action to advance the 2030 Agenda is needed at all levels.</p> <p>The 2023 EU Voluntary Review on SDG implementation<sup>2</sup> presents numerous examples of stakeholder platforms that the Commission uses to deliver on the SDGs in a collaborative approach.</p> <p>According to the Treaties and in line with current inter-institutional agreements, the current activities of the Committee allow already for a regular and structural involvement of civil society organisations in EU policy making, including on the implementation of the SDGs.</p> <p>The Commission remains committed to working with the Committee to achieve the objectives set in the Treaties.</p>
<p>2.6. The Committee states that, according to the OECD, the share allocated to Official Development Assistance (ODA) is</p>	<p>The EU and its Member States remain firmly committed to collectively reaching the target of providing 0.7% of</p>

<sup>2</sup> COM(2023)700 final.

<p>insufficient in most EU countries, and they have not progressed towards the target of 0.7% of GNI as ODA by 2030.</p> <p>3.5. The Committee considers that achieving SDG 17 (Partnerships for the goals) in Europe is challenging, partly due to only four EU Member States meeting the target of dedicating 0.7% of their gross national income to Official Development Assistance.</p> <p>4.18. The EESC urges to strengthen the effort in reaching the goal of 0.7% of the Gross National Product in Official Development Assistance to promote the sustainable economic development and welfare of developing countries as soon as possible, but no later than 2030. This includes EU funds, as well as the funds of the Member States.</p>	<p>collective Gross National Income (GNI) as Official Development Assistance (ODA) by 2030. The primary responsibility is with Member States.</p> <p>While the need to step up efforts is evident, recent progress should also be recognised: the EU collectively as well as most Member States individually have significantly improved their performance based on the Organisation for Economic Co-operation and Development (OECD's) preliminary 2022 ODA data compared to 2021: EU collective ODA as a share of GNI jumped from 0.49% to 0.59%. In particular, 19 Member States have increased their ODA/GNI share (it was stable in 3 and decreased in 4).</p> <p>This being said, the implementation of SDG requires the mobilisation of all resources. As described in the 2023 EU Voluntary Review on SDG implementation, partnering with the private sector is critical to mobilise the financial investment needed to progress towards the SDGs. The EU promotes innovative financial instruments, such as blending of private and public sources and providing guarantees to support private investments in partner countries, especially countries most in need. In this respect, Global Gateway, launched in December 2021, is the EU's offer and effective contribution to strengthen the means of implementation to pursue the SDGs.</p>
<p>2.7. The EESC notes that, according to the European Court of Auditors special report about the EU climate and energy targets, there are few indications that ambitious EU targets will translate into sufficient action to reach the 2030 targets in the context of the</p>	<p>The Commission takes note of the European Court of Auditors' report on the achievement of the EU's 2020 and 2030 climate and energy targets.</p> <p>While more needs to be done to accelerate climate and energy measures</p>

<p>European Green Deal, the Fit-for-55 package and REPowerEU.</p>	<p>on the ground and to mobilise funding, the Commission considers that substantial progress is being made towards reaching the higher ambition for 2030 and that the newly-agreed or almost-agreed legislation under the Fit for 55 package puts us on track for increasing our emissions reductions in this decade. The European Court of Auditors (ECA) audit took place prior to the recent adoption of much of the Fit for 55 legislation, whose impact it is too early to assess.</p> <p>The update of the national energy and climate plans for the period 2021-2030 will be a key moment to take stock of the policies and measures being put in place to meet the 2030 climate and energy ambition. The Commission is committed to working closely with Member States on these plans, on reporting of progress, and on implementation of the agreed legislation.</p>
<p>4.3. The Committee considers that special attention needs to be given to the reduction of territorial imbalances between cities and the countryside so as to avoid the depopulation and abandonment of rural areas.</p>	<p>The Commission takes note of the Committee’s consideration regarding the need for a reduction of urban-rural territorial imbalances.</p> <p>Aware of the territorial imbalances between rural and urban areas in Europe and their related impacts, and acknowledging the Territorial Agenda 2030 agreed by all EU Member States, the Commission launched in 2021 a Long-term Vision for the EU’s Rural Areas, whose overarching goal is to spur action at all levels to ensure all rural areas are attractive places to live in, with job opportunities, affordable and quality services and infrastructure as well as a diversified economy, all while strengthening urban-rural linkages and the role of small- and middle-sized cities</p>

	<p>as anchor points for their hinterland, therefore helping to reduce territorial imbalances.</p> <p>Particularly on the issue of depopulation, the Commission has published on 11 October 2023 the Communication ‘Demographic change in Europe: a toolbox for action’<sup>3</sup>, paying special attention to the challenges of rural areas. In addition, the Commission’s Talent Booster Mechanism will ensure that regions in talent development traps can harness working-age population and counter their abandonment, including in rural areas. This includes an initiative on ‘Smart adaptation of regions to demographic transition’, which helps regions with higher rates of departure of their young people.</p>
<p>4.8. With reference to proposal 39 from the final report on the Conference on the Future of Europe, the EESC offers its unique role within the EU institutional architecture in order to facilitate and moderate citizens’ panels which relate to a better achievement of the SDGs.</p>	<p>As a follow-up to the Conference and building on the experience thereof, the Commission has enabled citizens’ panels to make recommendations ahead of certain key proposals. The results of these panels feed the preparation of policy proposals and are shared with the College of Commissioners together with the policy proposal itself. The Commission takes note of the Committee’s intention to facilitate and moderate its own citizens’ panels.</p> <p>The Commission is also strengthening its online engagement by revamping the Have Your Say platform, which will be a single-entry point to access all tools and channels the Commission has at its disposal to engage citizens’ in policy-making. It will encompass public consultations, European Citizens’ Initiatives and a new citizens’ platform.</p>

<sup>3</sup> [Communication “Demographic change in Europe: a toolbox for action - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/2023/10/Pages/23-10-11-demographic-change-in-europe-a-toolbox-for-action.aspx)

	<p>This new gateway will provide a unique possibility for EU citizens and members of the Committee in all EU languages to express their views and thereby shape EU policies for the future.</p>
<p>4.10. The EESC calls on Eurostat to systematically include performance data from the European Semester in its SDG database in order to better assess SDG performance within the European Union.</p>	<p>The annual SDG progress report is published in parallel with the European Semester spring package, providing a timely monitoring of progress towards the SDGs. Moreover, the Spring Package Communication as well as each country report include a specific annex on progress towards the SDGs.</p> <p>Certain performance data from the European Semester are reflected in the SDG monitoring, as for example the employment rate, circular material use rate, share of renewable energy, or gross domestic expenditure on research and development to name a few. However, the European Semester uses data on a broad range of topics, not all of which fall into the objectives of the SDGs, but are published elsewhere by Eurostat or other official data providers. In addition, the EU SDG indicator set has a limit of 100 indicators, 6 indicators per SDG goal.</p>
<p>4.12. The Committee states that the EU needs an expansive approach directing public and private investment flows into the achievement of the SDGs. [...] Aligning the Semester with the SDGs could be an effective way to promote a new economic model that is sustainable and inclusive.</p>	<p>EU funding instruments are boosting the green and digital transition, skills and employment at national and regional level. The Recovery and Resilience Facility, the Technical Support Instrument and use of cohesion policy funds play a pivotal role in shaping the reform and investment agendas in all Member States. The proposed Strategic Technologies for Europe Platform will ensure further synergies among existing EU instruments, including the InvestEU programme, for a quick deployment of critical technologies. Indeed the 2024</p>

	<p>European Semester will focus on these complementarities and how reforms are acting as enablers for investments at different levels.</p> <p>The Annual Sustainable Growth Survey 2024 highlights the structured approach of the European Semester which is based upon the four dimensions of competitive sustainability (macroeconomic stability, environmental sustainability, productivity and fairness) and is aligned with the EU’s work to make continuous progress to towards the SDGs.</p>
<p>4.14. The Committee highlights that it is paramount to adopt a proactive and fact-based communication strategy in view of the upcoming EU elections.</p>	<p>The Commission’s communication ahead of the 2024 European elections is closely coordinated with the European Parliament and the other institutions. The aim is to inform citizens, based on facts, about the European Union, its policy delivery and the elections, and to engage them in European democracy.</p>
<p>4.16. According to the EESC, the EU should spearhead SDG/Green Deal Diplomacy at the 2023 SDG Summit, COP28 and the 2024 Summit of the Future.</p>	<p>The High representative, with the support of the European External Action Service (EEAS), in close coordination with the Commission and its services and EU Member States, have intensified climate diplomacy in the last few years, to support more ambition and action worldwide.</p> <p>The importance of a pro-active climate diplomacy in multilateral fora is also acknowledged and described in the Council Conclusions on Climate and Energy Diplomacy of the Foreign Affairs Council, the most recent of these (annual) conclusions adopted in March 2023. Taking an integral approach, acknowledging that climate mitigation and adaptation go hand in hand with and are a precondition for sustainable development, the EU will continue its</p>

	diplomacy on all aspects related to the European Green Deal.
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<p><b>N°2 Additional considerations on the Annual Sustainable Growth Survey 2023 (Own-initiative opinion)</b>  <b>EESC 2023/2008 – NAT/909</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Konstantinos DIAMANTOUROS (EL-I)</b>  <b>Co-rapporteur: Javier DOZ ORRIT (ES-II)</b>  <b>SG.RECOVER – Executive Vice-President DOMBROVSKIS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The EESC notes that according to the latest Summer Economic Forecast, the Commission has downgraded growth projections to 0.8%, pointing to an increasingly challenging economic outlook.</p>	<p>The Commission published the 2023 Autumn forecast on 15 November 2023<sup>4</sup> projecting 2023 gross domestic product (GDP) growth in 2023 at 0.6% in both the EU and the euro area, 0.2 percentage points below the Commission's summer forecast. Certain figures in 2.1 do not correspond to the latest Commission's forecast.</p>
<p>1.2. In this context, the EESC believes that monetary policy in the coming months should take care to strike the right balance between the need to continue to reduce inflation and the need to avoid excessively stalling growth and to contribute to public debt reduction plans.</p>	<p>In the Commission's view, it is important to respect the independence of the European Central Bank in the conduct of monetary policy in line with Article 130 of the Treaty on the Functioning of the EU.</p>
<p>1.3. In view of the persistent inflation, the EESC believes that the social partners and governments should negotiate and agree on national income pacts to reduce inflation without undermining investment and growth, and that these pacts should be accompanied by targeted measures to support the vulnerable parts of the population.</p>	<p>Strong social dialogue and effective collective bargaining are, indeed, important for delivering balanced wage-setting outcomes. Wage developments will need to strike a balance between mitigating purchasing power losses, especially for low-income earners, taking due account of risks to inflation and competitiveness dynamics, as well as avoiding lasting divergences. On the positive side, the Commission 2023 Autumn forecast expects inflation to</p>

<sup>4</sup> [European Economic Forecast, Autumn 2023 - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/economic-forecast-autumn-2023)

	<p>continue declining. This, together with higher wages and a still strong labour market, is expected to contribute to a gradual recovery of households' purchasing power.</p>
<p>1.4. The EESC supports the Commission proposal, included in the legislative package on the reform of the EU's economic governance framework, which seeks to establish differentiated national paths to ensure sustainable public finances through fiscal and structural plans based on compromises negotiated between European and national authorities. Nevertheless, the Committee considers that national ownership of these commitments requires greater involvement of national parliaments and local and regional authorities, as well as the participation of the social partners and civil society organisations in formal consultation processes.</p>	<p>The Commission confirms the importance of a reform of the EU economic governance framework. The central objective of the proposals on new economic governance rules, presented by the Commission in April 2023<sup>5</sup>, is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reforms and investment. The proposals address shortcomings in the current framework, taking into account the need to reduce public debt levels and support progress towards a green, digital, inclusive and resilient economy. The proposals are the result of an extended period of reflection and a broad consultation process and entail stronger national ownership. They foresee sufficient time for Member States to prepare their plans based on the input from the Commission.</p> <p>The Commission agrees that relevant stakeholders should be appropriately involved in the European Semester under the new governance framework. This can only be done in accordance with the competences established by the Treaty and national legal frameworks.</p> <p>With regard to national parliaments, the Commission proposed that national medium-term fiscal-structural plans should mention whether the plan was presented to the national parliament and</p>

<sup>5</sup> [New economic governance rules fit for the future - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/new-economic-governance-rules-fit-for-the-future)

	<p>whether there has been parliamentary approval of the plan.</p> <p>The national medium-term fiscal structural plan should also indicate whether the national parliament had the opportunity to discuss the Council recommendation on the previous plan and other Council recommendations or decisions, or any Commission warning.</p>
<p>1.5. The EESC welcomes the fact that the eurozone banking system has proven to be resilient in the wake of the recent financial turmoil in the USA and in Crédit Suisse. The role of the Single Supervisory Mechanism (SSM) as a single supervisor has been significant in this respect. At the same time, the EESC expresses its concern regarding the fact that approximately 18% of banking assets in the eurozone are not currently supervised by the SSM.</p>	<p>The statistics mentioned (18%) refer to Less Significant Institutions (determined by bank's size, its importance to the economy of its home country or the EU as a whole and the significance of its cross-border activities). These are all indirectly supervised by the European Central Bank (ECB) on the basis of the Single Supervisory Mechanism Regulation. National Competent Authorities carry out the day-to-day supervision of the Less Significant Institutions, as these have mostly local presence, while the ECB concentrates its supervisory resources on Significant Institutions.</p>
<p>1.6. In view of the EU's deteriorating global competitiveness, the EESC welcomes the Green Deal Industrial Plan, which seeks to speed up the permitting process for a certain set of technologies crucial for the green transition. While this is a step in the right direction, the EESC believes that the fast-track procedure should not focus solely on specific technologies (and therefore indirectly pick winners) but should apply to all sectors of the economy.</p>	<p>With the Green Deal Industrial Plan, the Commission confirms its intention to enhance the competitiveness of Europe's net-zero industry and support the fast transition to climate neutrality. In particular, the Commission proposed the Net-Zero Industry Act to scale-up manufacturing of clean technologies in the EU and make sure the Union is well-equipped for the clean-energy transition.</p> <p>The net-zero technologies cover a vast range of energy supply-side, demand-side, grid, storage, and Carbon capture and storage (CCUS) technologies with a technology readiness level ('TRL') above 8. The list was designed to be as</p>

	<p>broad and technology neutral as possible in the identification of key technologies that are needed to reach EU's net-zero objective by 2050.</p> <p>The Act will ensure a faster roll-out of manufacturing capacities through simplifying and fast-tracking the permitting procedures with strict deadlines and a single point of contact at national level. Acceleration of permits is foreseen for all projects in the value chain. The Act supports, in particular, strategic net-zero technologies that are commercially available or soon to enter the market and have significant potential for rapid scale-up to contribute to the EU's decarbonisation targets. Net-zero strategic projects, which are deemed essential for reinforcing the resilience and competitiveness of the EU industry, would benefit from even shorter permitting timelines. Other net-zero technologies are also supported by the measures in the Act.</p> <p>Beyond clean tech, the Commission is supporting the transition of all industrial ecosystems, including energy intensive ones, in particular through the co-creation of transition pathways.</p>
<p>1.7. Concerning the relaxation of state aid rules, the EESC acknowledges its political necessity in the short run with a view to preserving strategic industrial investments in the EU, but is convinced that it represents a threat to the internal market. As such, it regrets that the Commission did not propose a European Sovereignty Fund in its latest mid-term review of the Multiannual Financial Framework.</p>	<p>The Commission has adopted a new Temporary Crisis and Transition Framework for State aid<sup>6</sup>, which gives Member States more flexibility to design and implement support measures in sectors that are key for the transition to climate neutrality, while limiting distortions to the Single Market and preserving cohesion objectives.</p>

<sup>6</sup> [Temporary Crisis and Transition Framework - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/2023/04/pdf/23041401.pdf)

	<p>The Commission has proposed the Strategic Technologies for Europe Platform (STEP) to reinforce and leverage existing EU instruments to quickly deploy financial support to the benefit of industrial investments in strategic technologies. The choice of streamlining and making a better use of existing instruments under the EU budget over creating a brand-new instrument has three main advantages: it enables beneficiaries of EU funding to get access to EU financing more quickly; it leads to a more efficient use of resources by increasing the possibilities to blend different sources of financing under direct, indirect and shared management; it allows for a centralised data-management, minimising the risk of overlaps amongst instruments.</p> <p>STEP will direct EU funding at the identified investment needs of EU industries, while preserving the level playing field in the Single Market. It complements the Green Deal Industrial Plan (GDIP) to speed up access to funding for the net-zero industry, including investments in the supply of critical raw materials. At the same time, private investment will be essential to meet the goals of the GDIP.</p>
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<p><b>N°3      The impact of education on wages and labour productivity (Own-initiative opinion) EESC 2023/1972 – SOC/769 582<sup>nd</sup> Plenary Session – October 2023 Rapporteur: Linda ROMELE (LV-II) DG EMPL – Commissioner SCHMIT</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC fully supports the European Skills Agenda for sustainable competitiveness, fairness and resilience and calls for an action plan to properly implement it. In this respect the EESC welcomes the Porto Declaration adopted by the Heads of State in 2020, and confirmed on its anniversary in 2023, and a commitment to put education and skills at the centre of all policies.</p>	<p>The European Skills Agenda includes twelve actions, for each of which a specific implementation approach is appropriate: three have resulted in Council Recommendations, with specific implementation provisions, others are being put in practice as non-legislative initiatives. For more information, please refer to the Commission position on paragraph 4.13.</p>
<p>1.5. [...] It is necessary to improve EU and Member State initiatives, with the involvement of social partners, regarding employee training in the workplace, creating the right incentives for employers to continue investing in the training of their workforce, while respecting the autonomy of social dialogue and collective agreements at national, sectoral and company levels.</p>	<p>The Council Recommendation on strengthening social dialogue in the European Union<sup>7</sup> adopted by the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) on 12 June 2023 requires Member States to submit to the Commission by 24 months from the publication of the Recommendation a list of measures, drawn up in consultation with social partners, which are taken or have already been taken in each Member State to implement the Recommendation.</p>

<sup>7</sup> <https://data.consilium.europa.eu/doc/document/ST-10542-2023-INIT/en/pdf>

	<p>The Council Recommendation recommends Member States to ensure an enabling environment for bipartite and tripartite social dialogue, including collective bargaining, in the public and private sectors, at all levels. However, it does not mention specific areas of the economy.</p> <p>The Commission is carrying out a study on accountancy rules and practices, to explore how to best consider training as an investment rather than a cost. This could facilitate embedding staff training activities into the general investment plans of employers. The results should be available by the end of 2024.</p> <p>The Council Recommendation on individual learning accounts<sup>8</sup> provides guidance to Member States to set up schemes providing individuals with direct financial support to participate in training. While this concerns all individuals, including the unemployed and the self-employed, appropriate social dialogue and guidance services can ensure coordination between workers and employers for the best use of such resources.</p>
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1.7. Although the discussions and measurement of returns are mainly related to tertiary education, initial education plays a key role - we will reap the fruits of the foundations we lay today in the next levels of education. Therefore, it is important to ensure good quality initial education supported by better in-school guidance to accompany and prepare learners in the transition to the world of work using dual learning systems where applicable. It is important to continue to strengthen the role and profile of Vocational Education and Training (VET) to further develop dual systems as a way to train people in basic, transversal and STEM skills.

As the opinion underlines the importance of good quality initial education and the contribution education in general can bring, it is important to highlight the contribution that the work towards achieving the European Education Area can bring.

As called for in the 2020 Council Recommendation on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience<sup>9</sup>, VET programmes should offer a balanced mix of vocational skills development, including technical skills aligned to all economic cycles, evolving jobs and working methods, as well as key competences, including solid basic skills, digital, transversal, green and other life skills, which provide strong foundations for resilience, lifelong learning, lifelong employability, social inclusion, active citizenship and personal development. VET programmes at all levels should comprise work-based learning components.

The Commission promotes dual VET, apprenticeships and work-based learning through the European Alliance for Apprenticeships (EAfA)<sup>10</sup>. The Alliance aims to strengthen the supply, quality, image and mobility of apprenticeships. Since its launch in 2013, 40 countries have made national commitments under the alliance<sup>11</sup>. In addition, various apprenticeship stakeholders have pledged to provide over 1.3 million apprenticeship opportunities to young people since the start of the initiative.

<sup>9</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020H1202%2801%29>

<sup>10</sup> <https://ec.europa.eu/social/main.jsp?catId=1147&langId=en>

<sup>11</sup> <https://ec.europa.eu/social/main.jsp?catId=1148&langId=en>



1.9. The EESC calls for the EU's legal migration policy to evolve into a model based on the coordination of national immigration policies. Such an approach would allow Member States to address their varying needs for skilled migrant workers while doing so in a way that is broadly coordinated at EU level.

The Commission shares the Committee's views on more coordinated migration policies that better reflect the integration of the EU economy and the interdependence of Member States' labour markets and help attract talent and different types of skills.

In line with the Skills and Talent package adopted in April 2022, the Commission has announced legal, operational and forward-looking initiatives to this aim. In this context, targeted revisions of the existing legal framework have been proposed:

- A revision of the Long-Term Residents Directive to improve the rights and mobility within the EU of migrants who are already well integrated into our societies. The negotiations are ongoing.

- A revision of the Single Permit Directive to simplify the single application procedure for the admission of third-country workers and to better protect third-country workers from the risk of exploitation. A political agreement was reached on 18 December 2023, which maintain these objectives.

These proposals complement the revised EU Blue Card Directive, which was adopted in 2021 and introduces efficient rules for attracting highly skilled workers to the EU.

The Commission has also launched in January 2023 the Labour Migration Platform, which brings together Member States experts from both the employment and the migration sides, European social and economic partners as well as relevant stakeholders to discuss labour migration governance and reforms.

On 15 November 2023, the Commission presented a series of new initiatives in a Skills and Talent Mobility package to make the EU more attractive to talent from

	<p>outside EU, and to facilitate mobility within. The package includes a new EU Talent Pool to match employers in the EU with jobseekers in third countries. The EU Talent Pool will additionally support the implementation of Talent Partnerships. These are tailor-made partnerships with non-EU countries, providing mobility for work or training. The Commission has also adopted a recommendation on the recognition of qualifications of third country nationals as part of the package, and announced several supporting measures.</p> <p>The Commission also recognises the need to reflect on how to continue to improve the potential avenues for legal migration in the medium to longer term, responding to evolving socio-economic needs and challenges. To prepare for possible future initiatives in these areas, the Commission launched in 2023 studies focused on long-term care and youth mobility.</p>
<p>3.10. The EESC hopes that ILAs will promote the development of employees' abilities in the right direction, i.e., according to the needs of the labour market and the abilities of the employee. We should not forget the wishes, needs and responsibility of the individuals themselves. Employee self-growth can contribute to employee satisfaction and productivity.</p>	<p>The Council Recommendation on individual learning accounts invites Member States to set up schemes to provide individuals with training entitlements, as well as to ensure that a proper framework of enabling conditions is available. This would include an inventory of labour market relevant training opportunities and effective guidance services, to support individuals in the choice of opportunities matching their own aspirations and the needs of the labour market. Individual learning accounts would be available to all adults, including employees, self-employed and those currently unemployed or inactive.</p>

<p>3.16. The EESC calls for attention to be paid to small and medium-sized companies, as they have fewer opportunities to educate their employees. However, the situation is not clear-cut, because with the support of EU structural funds, small and medium-sized companies are also supported through associations that create special educational programmes. These opportunities must be better mainstreamed across Europe, better communicated to SMEs and better exploited.</p>	<p>The Commission agrees on the need to support small and medium-sized enterprises (SMEs) access to skilled workforce. The SME Relief Package<sup>12</sup> includes several measures in this direction.</p> <p>An example of new actions are the skills academies supported by the Net Zero Industry Act. These are a concept that will allow to develop education and training content to upskill and reskill the workers of the future in net zero technologies. The learning content they will produce will be co-designed with the industry, to ensure it is up to date and pertinent. The content will be rolled out in partnerships with local training providers throughout the Member States, such as academia, vocational learning institutes, social partners, companies, etc. A system of credentials will be set in place to allow learners to move across borders throughout Europe while keeping proof of their new skills. Each Academy is envisaged to directly reskill and upskill 100 000 learners in its first three years of functioning, and indirectly even more.</p>
<p>4.13. The EESC believes that strong partnerships between governments, regional and local authorities, education and training providers, companies and social partners, CSOs and public employment and social services can result in the right skills that are needed in the labour market. Following the new European Skills Agenda for sustainable competitiveness, social fairness and resilience the EESC recommends an action plan to properly implement its twelve proposed actions to address the main solutions needed to respond to the current challenges.</p>	<p>The European Skills Agenda strongly promotes an approach based on partnerships between all public and private stakeholders. This is especially visible in the Pact for Skills, its flagship actions. Within the Pact 20 large-scale partnerships have been set up to address skills challenges in all sectors of the European industrial strategy. Regional partnerships are also being created.</p>

	<p>The twelve actions of the European Skills Agenda have different nature, and each is being implemented following its own plan. In particular, actions 4, 6, 9 and 10 have led to the adoption of Council Recommendations on vocational education and training (followed by the Osnabrück Declaration<sup>13</sup>), on learning for the green transition<sup>14</sup>, on individual learning accounts and a European approach to micro-credentials<sup>15</sup>. Regarding their implementation, for instance, Member States have submitted their National Implementation Plans for the VET Recommendation and Centres of Vocational Excellence (CoVEs) have been established. At this stage, 15 Member States are working towards individual learning accounts schemes.</p>
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<sup>13</sup> <https://op.europa.eu/en/publication-detail/-/publication/f731da19-6d0b-11ec-9136-01aa75ed71a1/language-en>

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022H0627%2801%29>

<sup>15</sup> <https://data.consilium.europa.eu/doc/document/ST-9237-2022-INIT/en/pdf>

	<p>The other actions, which did not involve legislative action, are being implemented and producing their own deliverables. For example, under action 5 (Erasmus+ European Universities Initiative and upskilling scientists) and 50 European universities are operational in 35 countries, including all Member States providing their student and staff with the skills they need for the future, and a taxonomy of scientific and scientist occupations and skills is available within the classification of European Skills, Competences, Qualifications and Occupations (ESCO)<sup>16</sup>. Under action 7 (STEM graduates and entrepreneurship), the new Action Plan on the Social Economy<sup>17</sup> was released on 9 December 2021, with tangible measures to support social economy actors and social and the online Europe-wide platform WEgate<sup>18</sup> supports women entrepreneurship with information on how to start and scale up business and networking.</p>
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<sup>16</sup> <https://esco.ec.europa.eu/en>

<sup>17</sup> <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10117&furtherNews=yes#navItem-1>

<sup>18</sup> <https://www.wegate.eu/>

<p><b>N°4 Social economy package – Proposal for a Council Recommendation on developing social economy framework conditions</b>  <b>COM(2023) 316 final</b>  <b>-EESC-2023-03192 – INT/1037</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Giuseppe GUERINI (IT-III)</b>  <b>Co-rapporteur: Carole DESIANO (FR-II)</b>  <b>DG EMPL – Commissioner SCHMIT</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC recommends that the Commission and the Member States make use of the expertise of national statistics offices and Eurostat to establish an authoritative and regularly updated database on the size and distribution of social economy entities.</p> <p>2.10. In order for Member States to be able to adopt and implement the recommendation as effectively as possible, better knowledge of the social economy and the contribution it makes needs to be cultivated, including through research and the collection of consistent and up-to-date data. Here, the EESC recommends that the European Commission work closely with the Member States, Eurostat and social economy networks. It advocates consolidating the regular censuses that are carried out of the social economy with a view to aggregating the data and statistics from individual Member States' research institutes and ensuring their accuracy and comparability, and thus paving the way to the creation of a European social economy observatory</p>	<p>The Commission thanks the Committee for its opinion, which provides valuable input to the implementation of the proposal for a Council recommendation on developing social economy framework conditions ('the proposal')<sup>19</sup>.</p> <p>The Commission shares the view that data and statistics are essential to monitor the development and performance of the social economy, achieve a better recognition of the sector and ensure evidence-based policymaking.</p> <p>In the proposal, Member States are recommended to make <i>'the most of the available support from the European Commission to expand their national accounting systems to collect supplementary and comparable data (satellite accounts) and adapt key household surveys (such as the Labour Force Survey and the surveys that feed into the EU-SILC) to collect information on participation in the social economy'</i> (paragraph 21(a)).</p> <p>The Commission (Eurostat) has already supported the development of satellite accounts in several Member States (Spain, France, Slovenia and Poland) and a task force on social economy satellite accounts was set</p>

<sup>19</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0316>

	<p>up. The Commission is currently exploring other means to promote the collection of national data. At this stage the Commission is not considering the creation of a formal observatory.</p> <p>In parallel, the Commission is currently working to gather quantitative and qualitative data on the ‘proximity and social economy ecosystem’. The data includes insights on size, workforce development, and challenges faced by the social economy. Work began in the second quarter of 2023, and the results are expected by mid-2024.</p> <p>Furthermore, the social economy flagship report prepared by the Organisation for Economic Co-operation and Development (OECD) in cooperation with the Commission intends to provide updated qualitative data on the latest developments regarding policy and legal frameworks building on existing research, as well as OECD and Commission work. This report will be delivered in 2025 and take stock of any national initiatives to support the social economy, including those following the adoption of the Council recommendation.</p>
<p>1.4. Given the role played by social economy entities in Europe's economy, helping to generate around 8% of GDP and 13 million jobs, the EESC proposes that the recommendation to the Member States take into account the provisions of the European industrial strategy relating to the "proximity and social economy ecosystem", and call on the Member States to include the social economy in their industrial policies at national level.</p>	<p>The proposal recommends Member States to <i>‘ensure that policy on the social economy is linked to industrial policy and the transition to a digital, climate-neutral, and circular economy’</i> (paragraph 8(b)). It also provides specific recommendations on social innovation, circular economy, social economy community-based initiatives and ecosystems, and the development of digital tools and new technologies. These recommendations are aligned with the European industrial strategy<sup>20</sup>.</p>
<p>1.5. The EESC considers social dialogue</p>	<p>The proposal recognises the participatory</p>

<sup>20</sup> [European industrial strategy - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_european_industrial_strategy_en.pdf)

<p>to be a fundamental element of EU policy and, given the importance of social economy enterprises in terms of employment, encourages the Member States and the European Commission to recognise the role of social economy organisations in social dialogue.</p>	<p>governance models in social economy. Furthermore, it encourages Member States to promote social dialogue and collective bargaining in the social economy to ensure that workers have fair working conditions, including fair wages, respecting the autonomy of social partners.</p>
<p>1.7. The EESC, reiterating the provisions of the social economy action plan, calls for the adoption of socially responsible and innovative solutions in the field of public procurement, with the aim of removing obstacles that make it difficult for social economy enterprises to participate in the public procurement market, and recommends introducing criteria that reward the social impact created, as well as territorial proximity criteria.</p>	<p>To support Member States in this field, the Commission is supporting a specific action under the Single Market Programme to raise awareness, foster the exchange of good practices and train both public procurement officials and social economy entities on how to use public procurement to achieve social policy objectives. Workshops are currently being organised in Member States.</p>
<p>1.8. Given the growing importance of measuring the impacts created by social economy enterprises, the EESC recommends that the Commission and the Member States roll out support measures to enable social economy entities to equip themselves with appropriate tools to measure their social impact. An effective system for measuring the social impact of social economy enterprises can be a valuable tool in terms of more accurately assessing their effect on competition.</p>	<p>As announced in the Social Economy Action Plan, the Commission is working together with the OECD on a study on social impact measurement and management for the social economy.</p> <p>The study aims at addressing the need of social economy entities to better understand the existing methodological approaches to measure and manage impact. It will unpack social impact measurement approaches by looking at their purpose, scope, and main features. It will feature a pedagogic section with guidance on how the various methodologies can be applied by different types of social economy entities, according to their capacity and needs.</p> <p>The study will also endeavour to propose a principles-based approach to social impact measurement, pinpointing common principles that should underpin all social impact measurement efforts.</p> <p>The study is expected to be finalised by the</p>



	second quarter of 2024.
<p>1.10. The EESC recommends that the EU institutions and the Member States foster tax systems that support the social economy by simplifying the administrative requirements involved and by considering introducing appropriate tax measures that recognise its public interest function and its ability to pursue objectives geared to the common good, which deserve to be recognised in the taxation system.</p> <p>4.1. In this regard, the EESC welcomes the Commission's working document on the tax frameworks adopted in different countries for social economy entities, which makes it possible to compare the different approaches. The Committee encourages the Commission to continue this in-depth work, by promoting research to assess the effects of the support measures, comparing the tax advantages granted to social economy entities with the benefits that the exempted activities generate for the public finances.</p>	<p>The Committee's proposal is largely in line with the proposal for a Council recommendation, which recommends Member States to consider measures to <i>'ensure that taxation systems do not hinder the development of the social economy and assess whether tax systems sufficiently encourage its development'</i> (paragraph 18(a)), including by providing tax incentives for the social economy.</p> <p>Direct taxation falls essentially within the competence of the Member States, who are therefore free to introduce tax measures that support the social economy. Many Member States have introduced these measures. An overview of the existing measures is provided in the Commission Staff Working Document on 'Relevant taxation frameworks for Social Economy Entities'<sup>21</sup>. The Commission will continue to build knowledge in this area in the framework of its cooperation with the OECD. Furthermore, it will provide Member States the opportunity to exchange knowledge and best practices on this topic through future mutual learning workshops.</p> <p>The proposal also calls to simplify administrative requirements. It recommends to <i>'facilitate compliance on a practical level for public-benefit cross-border donations for taxation purposes'</i> (paragraph 18(d)).</p>
<p>2.1. In line with the principles of the European Pillar of Social Rights, this recommendation aims to improve access to the labour market and social inclusion by supporting Member States in fostering policy and regulatory frameworks conducive to the social economy and</p>	<p>The European Semester process will continue to monitor the socio-economic developments in the Member States. When relevant, it may also consider the situation of the social economy. In addition to this, the implementation of the Council recommendation will be monitored via the</p>

<sup>21</sup> SWD(2023) 211 final.

<p>measures that facilitate its development. The objectives of this recommendation should therefore be incorporated into the European Semester process.</p>	<p>Employment and Social Protection Committees, which are advisory policy committees to the Ministers in the Employment and Social Affairs Council, as well as through the Commission Expert Group on Social Economy.</p>
<p>2.7. The EESC considers that the definition of social economy entities put forward in paragraph 4 of the Proposal for a Recommendation should also include social economy enterprises that have the characteristics set out therein, including when they are contractually linked to the management and coordination of a lead company (provided that this company has the typical characteristics of a social economy enterprise), where the obligations of that company include the duty to contribute to supporting and safeguarding their social characteristics and responsibilities.</p>	<p>Given the heterogeneity of national traditions, concepts, and legal forms, the proposal does not seek to provide a standard definition of social economy or social economy entities.</p> <p>The proposal aims to clarify the main principles and criteria that bring all actors in the social economy together and differentiate them from the mainstream economy. The definition of social enterprise provided is in line with conceptual and operational definitions used in EU policy and programmes.</p> <p>The proposal does not assess links established between different undertakings of the same group.</p>
<p>2.9. Given that the national frameworks vary greatly, the European Commission should provide special support to Member States that have not yet put in place a national legislative framework.</p>	<p>The Commission is supporting the development of the social economy across the Union through the implementation of the Social Economy Action Plan. Some of the most relevant actions are highlighted under the ‘Union support’ section of the proposal (paragraph 22(a)).</p> <p>The Commission is facilitating peer learning opportunities for national public officials by organising mutual-learning webinars and workshops on key topics linked to the social economy. To support the implementation of the Council recommendation, the next set of workshops are focused on social economy strategies (first and second quarters of 2024).</p>
<p>2.12. In the case of the Social Economy Gateway, the EESC encourages the Commission and the Member States to</p>	<p>The Commission has contracted a study to deliver updated data on the social economy ecosystems in the Member States in 2024.</p>

<p>complete and update the data entered on this platform in order to reflect the real situation in the different countries.</p> <p>In addition to these initiatives, the Committee also proposes that consideration be given to establishing a European Erasmus scheme for the social economy to encourage collective entrepreneurship among young people.</p>	<p>The Social Economy Gateway will be updated with this data. Meanwhile, Member States can share their most recent data for publication on the Gateway. However, to ensure comparability, the data from the last comprehensive mapping study will be retained (at least until the update in 2024).</p> <p>Erasmus for Young Entrepreneurs (EYE) is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries. Within the EYE programme, the Commission has developed a social entrepreneurship strand – SEEDplus (Social Entrepreneur Exchange and Development) – to help young people develop skills to start a social enterprise.</p> <p>Social entrepreneurship skills can also be enhanced through participation in solidarity projects within the European Solidarity Corps programme.</p>
<p>3.6. Given that many social economy activities take place at local community level, it is imperative to invest in the continuous improvement of cooperation between regional and municipal administrations and social economy entities. A specific paragraph on local and decentralised administrations should therefore be included in the recommendation.</p>	<p>In the proposal, the strong local dimension is recognised. Several recommendations highlight the need to involve local and regional administrations in both the planning and implementation of social economy strategies. Furthermore, there is a specific recommendation promoting a favourable ecosystem for social and place-based innovation by facilitating cooperation and partnership initiatives between social and circular economy entities, mainstream businesses, finance providers, local governments and other stakeholders.</p>
<p>4.3. The EESC is aware that when it comes to taxation, the primary competence lies with the Member States, to the extent that every measure put in place by the Member States must be notified to the European Commission in order to ensure</p>	<p>The proposal encourages Member States to consider certain fiscal measures ‘without prejudice to State aid rules’. Not every such measure constitutes State aid in the first place, though. Even if a fiscal measure constitutes State aid, it may be exempt from</p>

<p>consistency with the State aid and competition rules. However, the EESC points to the need to apply different rules to social economy entities, taking into account the general interest objectives they pursue. Efforts to design tax measures to recognise the general interest function of social economy enterprises, in particular those providing services of general interest such as social assistance, education and combating poverty, should focus on three main dimensions: i) the taxes imposed on the revenue generated by the activities; ii) reducing the contributions deducted from the wages of disadvantaged workers employed by the entity; and iii) the VAT applicable to social and educational services.</p>	<p>the notification obligation. This applies to aid, including aid in the form of tax advantages, granted in accordance with the general and applicable special conditions of the General Block Exemption Regulation<sup>22</sup> (in its recently revised version)<sup>23</sup>. For example, that Regulation sets forth the conditions for risk finance aid to small and medium-sized enterprises (SMEs) in the form of tax incentives for private investors who are natural persons (Article 21a of the Regulation). SMEs with a social objective could thus benefit from such aid.</p> <p>State aid that compensates undertakings that are entrusted the provision of services of general economic interest is subject to specific rules. These rules recognise the special place these services occupy in the shared values of the Union, and that these services have a particular role in promoting social and territorial cohesion (Article 14 of the Treaty on the Functioning of the European Union (TFEU)).</p> <p>The Commission is conducting a Study on aid for access to finance in the field of social economy. It also analyses how the rules for wages subsidies for disadvantaged workers are applied in Member States and how satisfactory they are perceived.</p>
<p>4.5. The recommendation's proposals, and in particular the two staff working documents on taxation, should be taken into account by the Commission in the implementation of its BEFIT initiative [...].</p>	<p>For those within the scope of Business in Europe: Framework for Income Taxation (BEFIT) or opt in, the BEFIT proposal will allow social economy enterprises to benefit from simplification and will allow Member States to follow the recommendations of the social economy package.</p>
<p>4.6. The EESC believes that a level playing field for access to finance, be it</p>	<p>It is worth noting that the demand was not considered in the context of the negotiations</p>

<sup>22</sup> Regulation (EU) 651/2014.

<sup>23</sup> [Regulations - European Commission \(europa.eu\)](http://europa.eu)

<p>public or private, must be created at all levels; social economy initiatives should be able to benefit from different sources of funding, as is the case for traditional businesses. Long-term investment and patient capital must therefore be promoted, as previously proposed by the EESC in its opinion INT/96524. It would also be useful to introduce specific support – similar to the "SME support factor" in the Capital Requirements Regulation (CRR) – to reduce the percentage of capital that has to be set aside in the case of loans to social economy entities.</p>	<p>on the Banking Package, which just finished.</p> <p>There are exceptions in prudential rules that target wide categories of firms (e. g. SMEs, potentially including the majority of the social economy enterprises), or a very broad spectrum of activities (e.g. public infrastructural projects, but under certain strict conditions and safeguards).</p> <p>Prudential regulation is not necessarily a suitable policy instrument in this context. Governments have at their disposal other policy tools (e.g. fiscal policy) with which they can promote individual economic sectors/activities based on non-risk-based, wider economic policy considerations.</p>
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<p>increased, with the aim of involving them more actively in the process of developing learning opportunities and increasing investment in the development of digital skills to achieve better alignment with the new workplace needs.</p>	<p>increase the publicity and visibility of the National Coalitions for Digital Skills and Jobs. Those national coalitions are crucial in bringing together a wide range of partners (from education and employment ministries, non-profit and social organisations, associations and public and private actors), who take concrete actions to bring digital skills to all levels of society. In fact, under the work programme 2024 of the Digital Europe Programme (DEP), the Commission will launch a call with the target, amongst others, to sustain and extend the activities related to the Digital Skills and Jobs Coalition, notably by further supporting collaboration among National Coalitions and the digital skills community in Europe, as well as deepening the exchange between the National Coalition websites and the core Digital Skills and Jobs Platform.</p>
<p>1.6. The EESC considers that it is necessary to pay special attention to the development and improvement of high-quality provision of digital training, through information, motivation, the assessment of skills and identification of gaps and training needs, career guidance and mentoring during training in specific digital skills, as well as the validation of informal and non-formal learning, etc. These are of particular importance for providing targeted and effective support, especially for those with low levels of digital skills. The EESC asks the Commission and MSs to promote access to and participation in quality and inclusive employee training and adult learning (AL) by providing appropriate tools and approaches for funding digital skills training to support individuals and businesses, in particular micro, small and medium-sized enterprises.</p>	<p>The Digital Decade Policy Programme 2030 set objectives and targets on digital skills, to be commonly achieved at least 80% of the population aged 16-74 should have at least basic digital skills by 2030 and that at least 20 million ICT experts should be employed in the EU by the same year, with more graduates and a better gender balance. High quality provision of digital skills has also been at the core of the work of the Commission and Member States through the Council Recommendation on improving the provision of digital skills and competences in education and training. Increasing adult participation in training is also a key objective of the European Skills Agenda, and one of the headline targets under the European Pillar of Social Rights Action Plan to be achieved by 2030: the objective is that 60% of all adults participate in training every year. To do so, the EU is promoting micro-credentials and individual learning accounts as essential tools to step up efforts in upskilling</p>

	<p>and reskilling. Micro-credentials, as short, flexible and targeted courses can be instrumental for adults to update their skills according to labour market needs. Individual learning accounts can also be used as a tool to boost digital training for adults. Individual learning accounts can combine financial and non-financial support in an effective way to empower all adults to develop their skills throughout their working life. Employers can provide top up contributions to the accounts of individuals.</p> <p>The Commission is supporting the acquisition of at least basic level of digital competence via the Council Recommendation on Upskilling Pathways.</p> <p>The European Social Fund Plus, the Recovery and Resilience Facility and the Digital Europe Programme are devoting significant funding to support the rollout of these objectives on the ground. Moreover, the Digital Europe Programme currently offers a range of different funding opportunities in the area of employee training regarding digital skills.</p>
<p>1.7. The EESC points out that policies and measures aimed at developing and improving digital skills should be an integral part of the overall skills governance system. Democratic governance, paying special attention to social dialogue and civic dialogue, is essential to ensure efficient whole-of-government coordination, to facilitate successful engagement with the relevant education, training and labour market actors, and to enable the development of coordinated skills financing arrangements. That is why the EESC is suggesting to the Commission that it synchronise the two Council recommendations and ask the MSs to prepare single national action plans to</p>	<p>The Council recommendation on improving the provision of digital skills and competences in education and training recommends to the Member States to agree on coherent and consistent national, and where appropriate regional, strategies or strategic approaches for digital education and skills and competences.</p> <p><u><a href="#">In terms of governance, the Digital Decade Policy Programme 2030 also set up a cooperation mechanism between the Commission and the Member State to achieve the common objectives and targets referred to under point 1.6. The cooperation mechanism aims at identifying and addressing deficiencies, including in areas where progress in achieving the Digital Decade targets is considered to be insufficient or where significant gaps and</a></u></p>



<p>achieve the European Pillar of Social Rights (EPSR) goals by co-designing digital strategies and education and training strategies, effective policy coordination with the social partners and relevant stakeholders on digital skills and competences, including updating occupational profiles and skills forecasts, and sustainable investment.</p>	<p><u><a href="#">shortages, including in the area of digital skills, have been identified on the basis of the results of an annual Report on the state of the Digital Decade. Furthermore, a Digital Decade Board assists and advises the Commission on digital transformation issues, including on digital skills matters.</a></u></p>
<p>1.8. Supporting and developing digital entrepreneurship is vital because of the key role entrepreneurs play in driving digital innovation and economic growth. Therefore, the EESC calls for a supportive ecosystem to be created. It also advocates promoting collaboration and partnerships between entrepreneurs, educational institutions and relevant stakeholders on support for digital skills development, especially for low-skilled adults<sup>4</sup>. Digital skills development should improve entrepreneurship competences such as creativity, problem-solving, adaptability and risk-taking, and thus empower those involved to embrace entrepreneurship and contribute to digital innovation.</p>	<p>The Commission fully supports the Committee's that entrepreneurs play a key role in driving digital innovation and economic growth in the area of digital education and skills. Related to this, the Commission is currently funding, via the Digital Europe Programme, the project empowerED<sup>27</sup> with the main goal to establish a pan-European network and platform for exchanges between European EdTech initiatives, support organisations, practitioners and policymakers.</p>
<p>1.9. Incorporating digital competencies into the education process is crucial to prepare students for the rapidly evolving digital landscape. To effectively achieve this, it is necessary to support the improvement of teaching and assessment methods with quality and inclusive digital tools by means of continuous professional development for teachers and trainers and by building teachers' capacity to effectively integrate technology into classrooms, creating</p>	<p>The Commission fully agrees with the importance put on the continuous professional development of teachers and trainers to boost teachers' capacity to effectively integrate technology into classrooms. Several initiatives, including the EU Code Week<sup>28</sup>, which is a grassroots initiative supported by the Commission with the aim to spread computational thinking and coding to as many people as possible, puts a strong emphasis on upskilling, training and empowering teachers as well as school leaders in the areas of coding,</p>

<sup>27</sup> [Empowered ED project \(empowerededtech.eu\)](https://empowerededtech.eu)

<sup>28</sup> [codeweek.eu](https://codeweek.eu)

<p>flexible and adaptive learning environments, integrating science, technology, engineering, arts and mathematics (STEAM) into curricula and adopting a student-centred approach allowing students to take ownership of their learning, putting more emphasis on problem-based and project-based learning, and fostering collaboration, interdisciplinary learning and creativity.</p>	<p>computational thinking, digital literacy and the wider field of digital education.</p>
<p>1.13. The EESC recommends that the Commission encourage and support MSs in developing and launching large-scale information campaigns on digital learning opportunities so as to reach all individuals, involving the social partners, CSOs, national and local media, and various other relevant enablers at national and local level in these campaigns, applying an individual approach to encourage everybody to take part in such training programmes. The EESC recommends that the MSs enhance implementation of the Council recommendations on micro-credentials with specific attention paid to quality standards.</p>	<p>The European Digital Skills and Jobs Platform, launched by the Commission in 2016, provides a wide range of high-quality information on EU and national initiatives and actions on supporting digital skills and jobs, including training opportunities and career development support, good practices, expert advice, resources and tools and funding opportunities.</p> <p>In the context of the work on the European Digital Skills Certificate, one of the actions of the Digital Education Action Plan, the Commission is also promoting awareness raising of the Digital Competence framework and its use, including for developing curricula and digital learning opportunities, framing digital skills policies and digital skills assessment in both the Education and Labour market context.</p> <p>The European Social Fund Plus can be used by Member States for the development of digital skills, including awareness-raising.</p>
<p>1.14. The EESC recommends that the Commission encourage MSs to focus on equal access to digital education and training and digital tools.</p>	<p>The Commission agrees with the need to reduce the gender skills gaps, especially in science, technology, engineering, and mathematics (STEM) specialisations, including programming and artificial intelligence (AI). This is a central point in the recently adopted Council recommendation on improving the provision of digital skills and competences in education and training.</p>

	<p>The recommendation makes special attention to vulnerable and socio-economically disadvantaged groups, persons with disabilities and people living in rural and remote areas and the outermost regions and calls Member States to identify ‘priority or hard-to-reach groups’ and establish appropriate measures to facilitate their participation in formal and non-formal education for digital skills, taking into account accessibility, territorial and socio-economic gaps in digital skills.</p> <p>To support the Digital Decade target of 20 million information and communications technology (ICT) specialists in the EU by 2030 and of gender convergence, the Commission has a set of funded actions under Digital Europe Programme. Notably, in 2023 the Commission launched a EUR 6 million call under the Digital Europe Programme to boost digital skills of young people, particularly girls. Among other goals, the call aims at encouraging particularly girls to pursue STEM studies and ICT careers. Girls Go Circular<sup>29</sup> is another initiative, under the Digital Education Action Plan, which has the overall objective to contribute to increase participation and careers of women in digital and STEM fields, including entrepreneurship. The action is implemented by the European Institute of Innovation and Technology (EIT). It aims to bridge the gender gap by building the digital and entrepreneurship skill sets of girls and young women through an online learning programme focused on concrete societal challenges related to the circular economy.</p> <p>In addition to that, in 2024, under the upcoming 2024 Work Programme under Digital Europe, the Commission will launch a new EUR 2 million call called ‘Girls and Women in Digital’ with the goals to provide insights into the gender gap in the ICT professions in the</p>
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<sup>29</sup> [Girls Go Circular | European Circular Economy Stakeholder Platform \(europa.eu\)](https://european-circular-economy-stakeholder-platform.europa.eu/)

	<p>EU, to collect information on the gender gap in ICT professions in other countries internationally, to identify and analyse best practices to tackle it, to provide a set of recommendations on activities needed to fight the gender gap in ICT professions in EU as well as to create a network of expertise and community of stakeholders to boost female participation in ICT across Europe.</p>
<p>2.8. The EESC recommends that the EC encourage and support MSs on 6 subpoints (<i>please see Opinion</i>).</p>	<p>Digitalisation of vocational education and training (VET): following the 2020 Council Recommendation on vocational education and training (VET)<sup>30</sup> and the 2020 Osnabrück Declaration<sup>31</sup> focus on modernising VET to make it a key driver for the digital and green transitions, the Commission is supporting the modernisation of VET to make it also a more attractive choice through a range of EU funding opportunities.</p> <p>Cooperation of VET institutions with Centres of Excellence: the European Skills Agenda flagship initiative of Erasmus+ funded Centres of Vocational Excellence already provides opportunities for VET centres to collaborate with companies, higher education institutions, research centres and other relevant institutions at national and international level to create skills ecosystems and cooperate to boost innovation and growth. There are annual calls for Centres of Vocational Excellence in the Erasmus+ with the target of having 100 projects funded by 2027.</p> <p>Incorporation of digital competences and skills: cohesion policy funding (European Social Fund (ESF) and European Regional Development Fund (ERDF) and the Recovery and Resilience Facility (RRF) will devote significant funds to modernise VET systems</p>

<sup>30</sup> [Council Recommendation of 24 November 2020 on vocational education and training \(VET\) for sustainable competitiveness, social fairness and resilience | CEDEFOP \(europa.eu\)](#).

<sup>31</sup> [Osnabrück Declaration on vocational education and training as an enabler of recovery and just transitions to digital and green economies - Publications Office of the EU \(europa.eu\)](#).

	<p>including to integrate digital skills in the training programmes, and also to support vocational excellence.</p> <p>In the Council Recommendation on improving of the provision of digital skills and competences in education and training, the Commission has recommended Member States to encourage the development of advanced and specialist digital skills in VET, including on AI, deep tech and in other key capacity areas.</p> <p>Effective apprenticeships: the Commission is supporting Member States and other stakeholders in the implementation of the Council Recommendation on a European Framework for Quality and Effective Apprenticeships through the European Alliance for Apprenticeships<sup>32</sup>, as well as its dedicated Apprenticeship Support Services. The Commission is strongly committed to a Union of Equality, as well reflected in the Gender Equality Strategy 2020-2025<sup>33</sup> which stresses the importance of convergence in the ICT sector by addressing talent shortages and promoting women in digital and achieving equal participation across different sectors of the economy.</p>
<p>2.11. The EESC recommends that the Commission and MSs develop the European framework for digital skills with a broader focus, while taking into account educational levels and other skills, especially transversal skills, paying special attention to work with AI, ChatGPT, social media, algorithms and the protection of personal data, as well as combating fake news and digital bullying.</p>	<p>The Commission developed the European Competence Frameworks for Digital Competences<sup>34</sup> with the aim of tackling for a broad set of skills. The framework was updated in April 2022, precisely to take account of new emerging technologies such as AI, datafication, misinformation and disinformation.</p>

<sup>32</sup> [Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic-council-recommendation-on-a-european-framework-for-quality-and-effective-apprenticeships-16012018.pdf)

<sup>33</sup> COM(2020) 152 final.

<sup>34</sup> [DigCompEdu - European Commission \(europa.eu\)](https://ec.europa.eu/digital-affairs/en/digital-competence-frameworks)

<p>4.3. Working on understanding, recognising and neutralising biases in the fields of gender, ethnic background, sexual identity, age, language, religion, political opinion, economic and social status at birth and disability, and in any other field protected by human rights in real life and in the algorithms creating our digital reality, is one of the milestones of digital inclusion. Particular attention should be paid to ensuring learners do not replicate their teachers' biases and limitations.</p>	<p>The Commission agrees on the path of accessibility, inclusion and equality in digital skills and education. Those are the guiding principles behind the Digital Education Action Plan<sup>35</sup>. In addition to the funding and initiatives mentioned above in points 1.14, an important milestone is the European Declaration on Digital Rights and Principles<sup>36</sup> which includes the commitment to ‘promoting high-quality digital education and training, including with a view to bridging the digital gender divide’.</p>
<p>5.1. AI plays an increasingly large role in the development of the digital economy. The EESC draws attention to the importance of developing knowledge and skills on AI in European societies in order to avoid digital gaps and to strengthen the EU's competitiveness. The EESC notes the growing need for AI roles in public and private entities and for AI skills training for workers, individuals of all ages (including both younger and older people), people with disabilities, people with special needs and people from rural areas.</p>	<p>The Commission agrees to address the growing need for Artificial Intelligence roles in public and private entities and for AI skills training for workers, individuals of all ages and others. <a href="#">The 2018 Coordinated Plan on Artificial Intelligence identified the significant and persistent ICT skills gap as a key challenge to the development of AI in Europe. All Member States that have adopted national AI strategies have integrated the skills dimension into their strategies, as suggested in the 2018 Coordinated Plan. The revised 2021 Coordinated Plan on Artificial Intelligence proposed further actions to target the skills gap to be implemented by the Commission and Member States. In addition to this,</a> the Commission currently co-funds a series of specialised education programmes under the Digital Europe Programme that relate to boosting advanced digital skills in the area of artificial intelligence including: AI and Health<sup>37</sup>, DIGITAL4Business<sup>38</sup>, DIGITWIN4CIUE<sup>39</sup>, DS4Health<sup>40</sup>,</p>

<sup>35</sup> [Digital Education Action Plan \(2021-2027\) | European Education Area \(europa.eu\)](#)

<sup>36</sup> [European Declaration on Digital Rights and Principles | Shaping Europe's digital future \(europa.eu\)](#)

<sup>37</sup> [Funding & tenders \(europa.eu\)](#)

<sup>38</sup> [Funding & tenders \(europa.eu\)](#)

<sup>39</sup> [Funding & tenders \(europa.eu\)](#)

<sup>40</sup> [Funding & tenders \(europa.eu\)](#)

	<p>ManagiDiTH<sup>41</sup>, MERIT<sup>42</sup>, AI4CI<sup>43</sup>, EMAI4EU<sup>44</sup> and DigiWind<sup>45</sup>. Short-term training courses are co-funded with a link to AI skills for workers, including REBOOT Skills<sup>46</sup>, Level Up<sup>47</sup> or Tech Time 2 Skill<sup>48</sup>.</p> <p>Another important initiative is the International AI doctoral academy<sup>49</sup> which is a joint initiative of several European funded projects, including AI4Media<sup>50</sup>, Vision4AI<sup>51</sup>, HumanE AI Net<sup>52</sup>, ELISE<sup>53</sup> and TAILOR<sup>54</sup>. The AI doctoral academy aims to achieve European academic excellence and industry relevance, attract young talent and provide incentives for them to stay in Europe. Moreover, the Commission current funds a AI-on-Demand platform<sup>55</sup>, which is a community-driven channel that facilitates knowledge sharing, research experimentation and development of state-of-the art solutions and technologies related with AI and AI-based robotics. The platform also offers or links to learning material<sup>56</sup> in the area of artificial intelligence.</p> <p>The EU rural action plan commits to improve digital skills in rural areas through the flagship ‘Rural digital futures’ and actions regarding digitalisation of agriculture. The pilot project Learning from the extremes<sup>57</sup>, for example, contributes to that objective.</p>
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41 [Funding & tenders \(europa.eu\)](#)

42 [Funding & tenders \(europa.eu\)](#)

43 [Funding & tenders \(europa.eu\)](#)

44 [Funding & tenders \(europa.eu\)](#)

45 [Funding & tenders \(europa.eu\)](#)

46 [Funding & tenders \(europa.eu\)](#)

47 [Funding & tenders \(europa.eu\)](#)

48 [Funding & tenders \(europa.eu\)](#)

49 [Home - AIDA - AI Doctoral Academy \(i-aida.org\)](#)

50 [AI4Media – Home](#)

51 [VISION4AI | Vision4AI](#)

52 [Humane AI | Human-Centered Artificial Intelligence \(humane-ai.eu\)](#)

53 [ELISE - European Network of AI Excellence Centres \(elise-ai.eu\)](#)

54 [TAILOR - A Network for Trustworthy Artificial Intelligence \(tailor-network.eu\)](#)

55 [Home Page | AI-on-Demand \(ai4europe.eu\)](#)

56 [Education Resources | AI-on-Demand \(ai4europe.eu\)](#)

57 [Home - Learning from the Extremes](#)





<b>N°6</b>	<b>Revised monitoring framework for the circular economy COM(2023) 306 final EESC 2023/3270 – NAT/912 582nd Plenary Session – October 2023 Rapporteur: Cillian LOHAN (IE-III) DG ENV/ESTAT – Commissioner SINKEVIČIUS/GENTILONI</b>	
<b>Points of the European Economic and Social Committee opinion considered essential</b>	<b>European Commission position</b>	
The follow-up given by the Commission to this opinion will be included in a subsequent report.		

<b>N°7</b> <b>Soil Health Law</b> <b>COM(2023) 416 final</b> <b>EESC 2023/3275 – NAT/906</b> <b>582nd Plenary Session – October 2023</b> <b>Rapporteur: Arnold PUECH D'ALISSAC (FR-I)</b> <b>DG ENV – Commissioner SINKEVIČIUS</b>	
<b>Points of the European Economic and Social Committee opinion considered essential</b>	<b>European Commission position</b>
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<p><b>N°8      Revision of the Mercury Regulation</b>  <b>COM(2023) 395 final</b>  <b>EESC 2023/3740 – NAT/909</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Jarmila DUBRAVSKÁ (CZ-III)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
	<p>Overall, the Commission welcomes the support of the Committee for an ambitious revision of the EU Mercury Regulation, which will contribute to the European Green Deal (EGD), notably from the perspective of the Zero Pollution Action Plan (ZPAP) and the EU Sustainable Chemicals Strategy.</p>
<p>1.4. The ban on the use of amalgam in favour of suitable and appropriate alternatives can be put into effect by devising a form of financial compensation to be incorporated into the rules of individual health insurance companies. Accordingly, the EESC recommends that the Commission identify ways and means of financing safe, environmentally friendly alternatives. Amalgam is already more expensive than the alternatives, given the costs of manufacture, the limited availability of raw materials, the requirement to install separators, and costs of storage and the safe removal of waste from dental offices.</p>	<p>Reducing the difference between the social security reimbursement rates for dental amalgam and mercury-free filling materials would indeed be important for incentivising consumers towards opting for the latter. However, the EU has a limited competence in the field of public health and is not entitled to act as a price regulator, i.e., Union action needs to respect the responsibilities of the Member States for the definition of their health policy and for the organisation and delivery of health services and medical care, including the allocation of the resources assigned to them. Nevertheless, in banning the use of dental amalgam, it is expected that health insurance schemes will adapt to accommodate mercury-free materials and ensure adequate and affordable access to dental treatment.</p>
<p>1.5. Dental amalgam will continue to be necessary without a full ban. The Committee points out that in this case, due to the need to protect society and the environment at both EU and global level, it is essential to ensure a</p>	<p>Although the proposal foresees the continued (minimal) use of dental amalgam for patients with specific medical needs, case studies in Sweden have shown that such exemptions are very rarely used once the ban of dental</p>

<p>level playing field for all parties. It is unacceptable to impose a ban on the manufacturing and export of amalgam just for EU Member States if amalgam can still be imported into the EU. Continued manufacture of amalgam within the EU will need to be authorised if it is still in use, even if only to a limited extent, so that the competitiveness of EU companies is maintained, and measures are taken to ensure oversight of the manufacturing and quality of the amalgam supplied.</p>	<p>amalgam applies. It is therefore not expected that large amounts of dental amalgam will continue to be used and thus the Commission expects existing stocks of dental amalgam to cover the demand for such limited exemptions.</p>
<p>1.7. The EESC recommends that steps be taken to pick up the pace as regards research into suitable alternatives to mercury-containing products.</p>	<p>There are several alternatives to amalgam fillings e.g., ceramic fillings, glass ionomer fillings and composite resin fillings. These dental fillings already offer safe and effective alternatives to dental amalgam with several advantages. They can be made to match the colour of natural teeth, making them more aesthetically pleasing. They are also durable and long-lasting and do not require as much removal of healthy tooth material as amalgam fillings. The Commission agrees that further research into even better alternatives would be welcomed.</p>
<p>1.8. The Committee regrets that no ban has been implemented to date on products deemed essential for civil protection and military uses and which continue to use mercury. Mercury contained in the above-mentioned products harms the environment and people's lives and health: it remains in the soil, gets into water and then is cycled back around, meaning that the damage it does to living organisms does not stop.</p>	<p>Both the Minamata Convention as well as the Mercury Regulation oblige Parties and Member States, respectively, to phase out the use of mercury in products and processes with some defined exemptions. These exemptions aim to cover specific mercury-added products for civil protection and military use but are not to serve as loopholes for manufacture and trade of regulated mercury-added products (MAPs). It is expected that only small amounts of mercury are used in accordance with the allowed exemptions, and these are considered to be negligible compared to other intentional uses of mercury such as in dental amalgam. For the moment, the Commission does therefore not consider it is necessary to change these exemptions for military uses in</p>

	the EU Mercury Regulation or the Minamata Convention.
1.9. The Committee calls on the Commission to begin work on banning the manufacturing and use of mercury-containing products for military use at global level. This can help protect the environment and, most importantly, promote world peace.	See reply to 1.8.
4.6. Effective checks must be carried out on imports into the EU of banned mercury-containing products, including dental amalgam and mercury-added products.	<p>The Commission agrees with this statement, except with regard to dental amalgam as mentioned in section 4.6 of the Committee's opinions, since no import ban exists or is intended for dental amalgam. The EU goods nomenclature is the Combined Nomenclature (CN) established by Regulation on the tariff and statistical nomenclature and on the Common Customs Tariff<sup>58</sup>. The CN code is the key element of the administrative document submitted by economic operators to customs and used by customs in their monitoring of external trade flows and a useful tool to fight against fraudulent imports of MAPs. The CN undergoes revisions on an annual basis. TARIC, the integrated Tariff of the European Union, based on the Combined Nomenclature, is a multilingual database integrating all measures relating to EU customs tariff, commercial and agricultural legislation.</p> <p>Integrating and coding these measures facilitates their uniform application by all Member States and gives all economic operators a clear view of measures to be taken when importing goods into the EU or exporting goods from the EU. In addition, it makes it possible to collect EU-wide statistics for the concerned measures.</p>

<sup>58</sup> Regulation (EEC) No 2658/87.



<p><b>N°9</b></p> <p><b>Revision of the EU waste framework Directive</b></p> <p><b>COM(2023) 420 final</b></p> <p><b>EESC 2023/3281 – NAT/907</b></p> <p><b>582nd Plenary Session – October 2023</b></p> <p><b>Rapporteur: Zsolt KÜKEDI (HU-III)</b></p> <p><b>DG ENV/SANTE – Commissioner SINKEVIČIUS/KYRIAKIDES</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°10 Umbrella opinion "A call for an EU Blue Deal"</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/1894 – CCMI/209</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteurs: Paul RÜBIG (AT-I), Florian MARIN (RO-II), Kinga JOÓ (HU-III)</b>  <b>Co-rapporteur: Péter OLAJOS (HU-Cat. 3)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	



<p><b>N°11 Energy policies and strategies in the Euro-Mediterranean region (Own-initiative opinion) EESC 2022/3888 – REX/555 582nd Plenary Session – October 2023 Rapporteur: Ioannis VARDAKASTANIS (EL-III) Co-rapporteur.: Maria Helena DE FELIPE LEHTONEN (ES-I) DG NEAR – Commissioner VÁRHELYI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°12 Update on the Anti-corruption legislative framework</b>  <b>COM(2023) 234 final</b>  <b>EESC 2023/2769 – SOC/776</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: José Antonio MORENO DÍAZ (ES-II)</b>  <b>Co-rapporteur: João Diogo DE CASTRO NABAIS DOS SANTOS (PT-III)</b>  <b>DG HOME – Commissioner JOHANSSON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. Corruption is a serious problem that affects all EU Member States and democratic coexistence itself: the EESC therefore welcomes the Commission's initiative on the fight against corruption and supports the proposed measures, which represent an effort to ensure systematisation in this area.</p>	<p>The Commission welcomes the Committee's support for the proposal for a Directive on combating corruption and its recognition of the great harm that corruption can inflict on our democracies.</p> <p>Discussions between the Commission and the co-legislators concerning the proposal are now underway and the Commission looks forward to constructively work to reach an agreement in the near future.</p>
<p>1.2. The EESC welcomes the Commission proposal for a Directive and takes note of the legal basis as indicated in the proposal and its exploratory memorandum. However, considering the need to achieve the aim of the Directive in a more effective way, it would be advisable to consider extending the legal basis of the EU's strategy to fight corruption for instance relating to the Directive, whether in addition to Articles 82 and 83 TFEU; reference should also be made to Article 84 TFEU because it includes preventive measures, and to Article 87 TFEU because of the need for police cooperation. It is logical to promote police cooperation and coordination on these issues to improve effectiveness.</p>	<p>The legal bases for the Commission's proposal for a Directive on combating corruption are Articles 83(1), 83(2) and 82(1)(d) of the Treaty on the Functioning of the EU.</p> <p>Article 83(1) TFEU identifies corruption as one of the crimes with a particular cross-border dimension. It enables the European Parliament and the Council to establish the necessary minimum rules on the definition of corruption by means of directives adopted in accordance with the ordinary legislative procedure.</p> <p>According to settled case law of the European Court of Justice (ECJ), the choice of legal basis should rest on</p>

'objective factors that are amenable to judicial review', including the 'aim' and 'content' of the adopted measure. If the legal instrument pursues a twofold purpose and if one of those is identifiable as the main or predominant purpose, whereas the other is merely ancillary, the legislative instrument must be founded on a single legal basis, namely that required by the main or predominant purpose or component.

The predominant aim of this Directive is combating corruption by criminal law and therefore also most of the provisions further this aim. The prevention of corruption is an ancillary purpose to the one of combating corruption and is limited to a few provisions. For these reasons, the Commissions considers that it does not need to add any other legal basis to this proposal.

Under Article 84 TFEU, the European Parliament and the Council may establish measures to promote and support the action of Member States in the field of crime prevention, but this excludes any harmonisation of the laws and regulations of the Member States. This legal basis is as such not feasible because the proposal for a Directive to combat corruption aims to set some minimum harmonisation on prevention rules.

Under Article 87 paragraph 1 TFEU the Union shall establish police cooperation involving all the Member States' competent authorities, including police, customs and other specialised law enforcement services in relation to the prevention, detection and investigation of criminal offences. The inclusion of this Article is not necessary, because any elements in the proposal relating to the



<p>deriving from the UNCAC apply to all contracting parties in the same way and to the same extent. This parallel framework should most likely be contained in a Council decision.</p>	<p>about that, after transposition of the Directive, they would be liable under the national legislations of individual Member States whose authorities have the power to investigate and prosecute the criminal offences committed by these persons. The Commission considers the proposed framework, which is binding for all Member States, to be sufficient for this purpose.</p> <p>In terms of prevention measures, EU institutions and organisations may already adopt respective preventative measures for tackling corruption within their ranks by themselves. The Commission has been uncompromising in delivering the highest standards of transparency and ethics. The Treaties and the Code of Conduct for the Members of the European Commission require us to observe the highest standards of integrity and ethical conduct, during but also after the end of the mandate.</p>
<p>1.4. The EESC notes that according to Article 86(4) TFEU, the adoption of a Council decision could be suggested, that would extend the competences of the European Public Prosecutor's Office to corruption, including where no prejudice to the financial interests of the Union is involved and in case of crimes with a cross-border dimension, even though they affect only one Member State.</p>	<p>The Commission takes note of the Committee's remark on the possible extension of the European Public Prosecutor's Office (EPPO's) competence. Currently, Article 86 TFEU confines the EPPO's competence to criminal offences affecting the financial interests of the Union. Pursuant to Article 86(4) TFEU, an extension of the EPPO's competence to any area of 'serious crime having a cross-border dimension', which entails amending Article 86(2) TFEU, requires a decision of the European Council by unanimity, which is to be taken after obtaining the consent of the European Parliament and after consulting the Commission.</p> <p>The Commission is open to assess the possible need of extending the EPPO's</p>

	<p>competence to other serious crime having a cross-border dimension in the context and within the timelines of the already existing reporting obligations, such as under Article 119 of the EPPO Regulation (due in June 2026).</p> <p>.</p>
<p>1.5. The EESC believes that the definition of public officials should be formulated in as much detail as possible.</p>	<p>The concept of ‘public official’ is based on the definitions provided for in the 1997 Convention on the fight against corruption and the Directive on the fight against fraud to the Union's financial interests by means of criminal law<sup>60</sup> while making explicit that it also covers persons working in third countries, international organisations, including the EU institutions, and national and international courts.</p> <p>The Commission believes that the proposed definition covers all relevant persons with increased responsibilities and heightened risk of liability to corruption. The given definition is formulated in general terms, without being overly specific – adding too much detail to the definition would be in our opinion too casuistic, which is not the appropriate approach to be taken when drafting legal regulation.</p>

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<sup>60</sup> Directive (EU) 2017/1371.

<p><b>N°13    Pharmaceutical package</b>  <b>COM(2023) 190 final</b>  <b>COM(2023) 191 final</b>  <b>COM(2023) 192 final</b>  <b>COM(2023) 193 final</b>  <b>EESC 2023/1968 – INT/1030</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Martin Josef SCHAFFENRATH (AT-III)</b>  <b>DG SANTE – Commissioner KYRIAKIDES</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.4. “However, faster authorisations do not automatically guarantee a better supply of medicines. Hence, the EESC calls for caution when it comes to these fast-track procedures, which might be based on insufficient evidence as to the effectiveness of the medicinal products.”</p>	<p>The Committee’s text gives the impression that there is a health risk associated with faster authorisation procedures introduced by the reform proposal. However, faster authorisation would be achieved by the simplification of procedures, without impacting the standards or the quality of scientific evaluation of medicinal products to guarantee their quality, safety and efficacy.</p> <p>As regards ‘insufficient evidence’, a medicinal product is not granted a marketing authorisation if the available evidence is insufficient to demonstrate the quality, safety and efficacy and a positive benefit risk of the product. This principle would not change with the proposed reform. Effectiveness primarily relates to health technology assessments and not to marketing authorisation.</p>
<p>1.8. “In the field of orphan medicinal products (OMPs), the EESC already positively stressed in prior opinions the fact that the current incentives have steadily increased the number of approved OMPs and hence significantly increased the</p>	<p><i>On the re-evaluation of the criteria</i></p> <p>The current Orphan Regulation<sup>62</sup> gives the possibility to Member States to ask for reduction of the market exclusivity based on re-evaluation of the relevant criterion on the</p>

<sup>62</sup> Regulation (EC) No 141/2000 of the European Parliament and of the Council of 16 December 1999 on orphan medicinal products, OJ L 18, 22.1.2000, p. 1–5.

number of therapies for patients. However, access is being undermined more and more by high price demands from manufacturers<sup>61</sup>. The EESC therefore stresses that OMP status should not be used for unreasonable price demands and therefore supports the revision and respective adjustment of these provisions. However, the EESC points out that this should go further than only reducing and staggering the market exclusivity periods. Consideration should be given to a regular re-evaluation of the criteria and a possible revision of the criteria, in particular prevalence (taking into account all authorised indications) and equally the criterion of profitability. The EESC especially regrets that the latter, namely the profitability criterion is no longer maintained for granting orphan status.”

basis of which the orphan status was granted i.e., prevalence or insufficient return upon investment. This re-evaluation was triggered only once based on the prevalence criterion, and it was at the end very difficult for the Member States and the European Medicines Agency (EMA) to prove that the prevalence of the given orphan condition is more than 5 in 10 000. It would be even more difficult for Member States or the EMA to prove that the return on investment for a particular product is ‘sufficient’. This would require data from the producing company and it could be highly contestable.

That is why the Commission decided that the re-evaluation should be abandoned and introduced a conditional market exclusivity and conditions to facilitate the entry of generics and biosimilars on the market in the reform proposal.

*On the cumulative prevalence (taking into account all authorised indications)*

The impact assessment showed that the fact that an orphan medicinal product (OMP) is useful for more than one condition (as happens for cancers) is overall a positive aspect, rather than something to penalise. However, the proposal empowers the Commission to set up specific designation criteria for certain conditions, if the prevalence criterion is not appropriate due to scientific reasons and on the basis of a recommendation of EMA. An example could be conditions which have a short duration and high mortality: to qualify a disease as rare, measuring the number of people that acquired the disease during a specific time period is more accurate than

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<sup>61</sup> [European Commission, Study to support the evaluation of the EU Orphan Regulation, Final report July 2019.](#)



	measuring the number of people who are ‘affected by it’ in a specific moment of time.
<p>1.10. “Especially in view of the rapidly increasing medicines shortages and their negative impact on healthcare and public health, the EESC agrees with the need to strengthen the current obligations for all supply chain actors in order to better monitor, manage and mitigate shortages as well as to improve the security of supply. The present framework could only ensure the safety of supply with medicines to a limited extent as it contains only a few general provisions. One of the key core demands of this revision must be to significantly increase transparency in this respect. However, the EESC regrets that the proposal does not introduce any real obligation for manufacturers to build up safety stocks or to establish EU-level stocks of active pharmaceutical ingredients (APIs) for critical medicines or even finished products via ad hoc decisions.”</p>	<p>The proposals strengthen obligations on pharmaceutical companies, including concerning earlier reporting of shortages (from 2 to 6 months) and withdrawals of medicines. The proposals also include the development and maintenance of shortage prevention plans for all medicines. In addition, an EU-wide list of critical medicines has been established, and supply chain vulnerabilities (and dependencies) of these medicines are being assessed, with specific hereby anticipating certain elements of the proposal. For these medicines, the authorities will be able to provide recommendations on measures to be taken by companies and other supply chain stakeholders. Furthermore, the Commission could adopt legally binding measures to strengthen security of supply, including contingency stocks measures. In addition, and in line with its Communication ‘Addressing medicine shortages in the EU’, the Commission is establishing a Critical Medicines Alliance to boost security of supply of critical medicines with vulnerabilities in their supply chains. This Alliance will allow national authorities, industry, civil society representatives, the Commission and EU agencies to come together to develop coordinated action at the EU level against the shortages of critical medicines, in compliance with the competition rules considering a possible need for open strategic autonomy.</p>
<p>1.15. “To be critically stressed is however the substantial number of aspects which should be clarified and defined by delegated as well as implementing acts and accompanying guidelines issued by the</p>	<p>The foreseen Delegated Acts concern non-essential elements of the proposals. Moreover, the Commission will carry out appropriate consultations during its preparatory work, including at expert level,</p>

<p>European Commission. Their impact cannot be assessed at this point in time. In any case and due to the immediate impact on stakeholders such as payers and patient organisations, their positions need to be taken duly into account and must be firmly anchored in the proposal. Particularly, the EESC cautions the co-legislators about postponing the concrete wording of too many aspects.”</p>	<p>and those consultations will be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>63</sup>. In particular, to ensure equal participation in the preparation of Delegated Acts, the European Parliament and the Council receive all documents at the same time as Member States’ experts, and their experts systematically have access to meetings of Commission expert groups to which Member States’ experts are invited and which concern the preparation of delegated acts.</p>
<p>2.1.1. “On a rather critical note, the EESC would like to raise the question of whether or not the staggered approach of protection periods all together would jeopardise competition even more, since it is foreseen that the maximal protection period could – under specific circumstances – be extended by one additional year, namely 12 years instead of 11 years. In international comparison, data and market protection periods are already longer than in other jurisdictions, e.g. the US and Canada. Therefore, the EESC calls for a robust assessment of how many products would really fulfil all conditionalities set out in the proposal and reach the twelve years of protection in order to realistically evaluate this tool.”</p>	<p>On ‘jeopardising of competition’, in the reform, the Commission departed from the current ‘one size fits all’ incentives system towards a modulated one which targets public health objectives. The proposed system would provide incentives that are more targeted for innovation with a focus on patient access and unmet medical needs. The objectives of the modulation respond to repeated calls by the Council and Parliament in recent years.</p> <p>In the revised system, companies would have the possibility to keep these protection periods in exchange for meeting these objectives. However, if those objectives were not fulfilled, generics and biosimilars could enter the market earlier contributing to affordability and reduction of costs for healthcare systems (not all products are expected to meet all the conditions cf: impact assessment).</p>
<p>2.2.1. “In this respect, the EESC has major concerns about reducing the assessment timelines from 210 to 180 days, as it could negatively affect the soundness of central authorisation procedures. Taking into</p>	<p>The simplification of procedures should not have an impact on the quality of scientific evaluation.</p>

<sup>63</sup> [EUR-Lex - 32016Q0512\(01\) - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/lexUri.do?uri=CELEX:32016Q0512(01)-EN)

<p>account that experts within the Committee for Medicinal Products for Human Use (CHMP) will also have to eventually evaluate the environmental risk assessments and the ever increasing complexity of methods and technologies, this could seriously hamper the quality of rigorous authorisation procedures. In addition, the EESC would like to emphasise that the current, as well as the proposed regulatory framework, already foresees provisions for accelerated procedures within 150 days.</p>	<p>Currently, the scientific evaluation of medicines for an EU marketing authorisation involves significant ‘clock-stops’ during which companies prepare responses to EMA requests for information missing from the initial application. The proposed strengthening of EMA’s scientific support to medicine developers, before the submission of applications for marketing authorisation, would improve the quality of initial applications, reduce delays caused by ‘clockstops’ and expedite evaluations for marketing authorisation. Incomplete applications would be invalidated during the evaluation should the applicants fail to provide the missing data within set deadlines. This would reduce the ‘waste’ time in the evaluation process without compromising the actual evaluation time. Hence, the reduction from 210 to 180 days would be achieved with these measures without any impact on standards or the quality of scientific evaluation.</p>
<p>2.2.3. “Ultimately, the EESC has major concerns about introducing regulatory sandboxes into pharmaceutical legislation, due to their high uncertainty with regard to the impact on the pharmaceutical system. Although the initial goal of these sandboxes, namely to provide the opportunity for advancing regulation through testing innovative technologies etc. in a secure environment, is to be welcomed, this would, in the EESC's view, open the door to massive lobbying activities and hence undermine the high quality and independence of current as well as future European authorisation procedures. Ultimately, the EESC calls for a stricter regulatory framework for these sandboxes in order to limit them as far as possible.”</p>	<p>The sandbox is not an unregulated playground for innovation. In fact, it is the opposite: a tightly monitored system to pilot, test and get accustomed to innovation that does not fully fit into the design of the current legislation. It is a time-limited tool to closely shadow and guide the development of this break-through innovation under the oversight of a respected regulator, here: EMA. This would avoid over- or under-regulation or a regulatory framework that blocks innovation. It is a tool to ensure better regulation. There are certainly checks and balances in the proposal to ensure that sandboxes would be used in exceptional cases.</p>

<p>2.4. “The revision of the pharmaceutical legislation aims to address unmet health needs and the accessibility and affordability of medicines. To achieve those goals, a shift is needed away from relying solely on de novo drug development and towards complementing that with encouraging innovation all throughout the lifecycle of a molecule, including in the off-patent space. Therefore, the EESC supports the recognition and inclusion of all types of repurposing of off-patent molecules into the legislative framework by rewarding it with four years of data protection, provided they bring a significant benefit to patients. Repurposing can serve as an accessible, affordable type of innovation to address unmet health needs, relieve burden on health systems and lead to better quality of life for patients. However, in order to ensure that the provisions in the legislation are not misused for so-called evergreening practices, the EESC suggests excluding products which have benefitted from market exclusivity in the context of the provisions for orphan medicinal products (OMP) and at the same time make the link to the concept of a global marketing authorisation.”</p>	<p>Regarding the concern about evergreening, the Commission Directive proposal specifies that ‘the medicinal product has not previously benefitted from data protection, or 25 years have passed since the granting of the initial marketing authorisation of the medicinal product concerned’.</p> <p>In addition, the proposal introduces a type of global marketing authorisation for orphan medicines. More specifically, to continue supporting further development of an already authorised orphan medicinal product, while avoiding ever-greening, the first two new indications of an orphan medicinal product would be rewarded with 1 year of exclusivity each. The extension would apply to the entire medicinal product.</p>
<p>2.5.3. “As an adequate alternative, the EESC strongly supports the establishment of a reserve antibiotic fund as proposed in the draft Council Recommendations on AMR. This could enable rapid approval of novel as well as established antibiotics, and support an equitable supply of reserve molecules to all Member States, while also supporting SMEs that rely on those funds. Equally important would be a further strengthening of milestone prizes to support research done by SMEs in particular.”</p>	<p>The Committee here refers to the multi-country pull incentive scheme and mechanisms mentioned in section G. of the Recommendation. It should be flagged that the procurement mechanism foreseen is different from a fund.</p> <p>In addition, it should be flagged that while these mechanisms would serve primarily to provide access to existing antimicrobials, they could also support new antimicrobials in the development phase. Therefore, these mechanisms and the proposed Transferable Exclusivity Vouchers (TEV) are</p>

	<p>complementary and not alternative. Finally, there is no legal basis for an antibiotic fund, or a procurement mechanism to be established by this proposal.</p>
<p>2.6.4. “Furthermore, in order to focus incentives on the development of therapies for truly rare diseases, the EESC encourages a discussion on the possibility of further reducing the prevalence threshold of 5:10 000 patients in the EU, as already mentioned in its opinion on the pharmaceutical strategy adopted in 2021. 5:10 000 patients equate 5 000 patients in a population of 10 million, i.e. about 220 000 patients in the entire Union affected by such a condition. With increasing prices for OMPs, this population size seems, in the EESC's view, sufficiently large to be an attractive target for a conventional marketing authorisation and could hence allow for an adequate return on investment by the manufacturer. By reducing the current prevalence criterion, the EESC is of the opinion that OMP incentives will be re-focused on truly rare or ultra-rare conditions – a criterion that just over 50% of all OMPs licensed between 2000-2017 would have fulfilled – and reflect once more the initial aim of the Regulation as mentioned above.”</p>	<p>The impact assessment showed that lowering the prevalence threshold would not better address unmet medical needs. Products for some rarer diseases (with a low prevalence) are available while there are none for some more widespread diseases.</p> <p>However, the orphan criterion based on prevalence of a disease may not be appropriate to identify rare diseases in all cases. For example, for conditions which have a short duration and high mortality, measuring the number of people that acquired the disease during a specific time period (incidence) would better reflect the rarity than measuring the number of people who are ‘affected by it’ in a specific moment of time. The proposal empowers the Commission to set up specific orphan criteria for certain conditions if prevalence criterion is not appropriate due to scientific reasons and based on the recommendation from EMA.</p>
<p>2.7.1. “In order to further strengthen an efficient monitoring and notification of shortages, the EESC encourages a debate on including also proportionate sanctions in case of deliberate non-compliance with and/or repeated violation of the provisions foreseen in the text, and could distinguish exceptional circumstances. Sanctions should be commensurate with the level of efforts made by the company.”</p>	<p>The Commission is not against the principle that sanction measures should be enforceable but it is for Member States to impose sanctions. Article 171 of the proposed Regulation already requires Member States to determine the penalties to be applied for infringement of the provisions of that Regulation or the Regulations adopted pursuant to it and shall take all measures necessary for their</p>

	<p>implementation, addressing this point sufficiently.</p> <p>There is also a mirroring provision in the proposed Directive.</p>
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<p><b>N°14 Plants produced by new genomic techniques</b>  <b>COM(2023) 411 final</b>  <b>EESC 2023/3330 – NAT/908</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Arnaud SCHWARTZ (FR-III)</b>  <b>DG SANTE – Commissioner KYRIAKIDES</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.3. Moreover, the EESC calls on the Commission to ensure that the successful models of organic farming and the GM-free sector can continue to flourish. Harmonised coexistence measures need to be defined at EU level to avoid different rules and distortion of competition between Member States. If such models decide to call for a ban, it would make more sense to include this in the organic legislation than in the NGT rules, which is not the appropriate legal area (as in the case of GMOs).</p> <p>3.11. Regarding whether or not to ban NGTs in organic farming, the EESC recommends referring to the opinions of professional organisations in the sector. If they decide to call for a ban, it would make more sense to include this in the organic legislation than in the NGT rules, which is not the appropriate legal area (as in the case of GMOs).</p>	<p>The Commission proposal aims at striking a balance supporting production chains that wish to use New Genomic Techniques (NGT) plants and those that wish to remain free from NGT plants.</p> <p>NGT products that entail complex modifications and, as a result, remain subject to risk assessment and authorisation (category 2 NGT plants) will be traced and labelled in the same manner as genetically modified organisms (GMOs); the proposal moreover makes the adoption of coexistence measures mandatory in all Member States.</p> <p>NGT plants that are comparable to conventionally bred plants (category 1 NGT plants) will be treated like conventional plants and will not be subject to traceability and labelling as GMOs. The Commission considered very carefully the status of such NGT plants in organic production. The views of the organic sector were carefully considered and the proposal provides for the ban of category 1 NGTs in organic production. Such a ban is included in the NGT proposal, given that the proposal otherwise provides that the rules that apply to conventionally obtained plants (allowed in organic production under</p>

	<p>certain circumstances) apply to category 1 NGT plants.</p> <p>The proposal, however, contains the necessary measures to allow the organic (and other GM-free) sectors to set up supply chains that exclude category 1 NGT plants, by providing for the labelling of seeds and the inclusion of information in the catalogues of varieties, as well as a public register of such plants. The Commission considers that this approach strikes the appropriate balance taking into account the characteristics of category 1 NGT plants and the needs of organic production.</p>
<p>1.4. The EESC highlights the potential risk of a large number of patents linked to the use of NGTs, which could create dependencies for farmers and seed SMEs. The planned monitoring process will have to address this concern. The EESC therefore calls for a clarification of the intellectual property rules in relation to living organisms before this legislation enters into force.</p> <p>3.8. The EESC acknowledges the existing legislation and notes that the Commission proposal calls for intellectual property issues to be addressed by 2026 by assessing the impact of patents on plant breeding. However, the issue of patents has not yet been addressed. It is difficult to assess the risk in relation to restricting the rights of farmers and other seed producers (other than patent holders) to use the plants to produce their own seeds, and the risk of imposing high usage costs on farmers.</p> <p>3.9. The EESC therefore calls for consideration to be given to how to address the issue of patents, and how to find a solution that</p>	<p>The Commission would like to clarify that the proposal on plants obtained by certain NGTs concerns the deliberate release and the placing on the market of such plants. It does not cover patent protection of biotechnological inventions, which is regulated by the Directive on the legal protection of biotechnological inventions<sup>64</sup>.</p> <p>However, the Commission has taken note of the concerns expressed in the Committee's opinion and also by many stakeholders in the consultation activities preceding the adoption of the NGT proposal. It agrees that ensuring access to patented techniques and material for farmers and breeders, while protecting innovation, is a must, but also notes that the concerns expressed relate to issues of patenting in the area of plant breeding that are not exclusive to NGTs.</p> <p>In this context, the Commission will assess the impact that the patenting of</p>

<sup>64</sup> Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions *OJ L 213, 30.7.1998, p. 13–21*.



<p>suitably respects the needs of farmers, seed producers and stakeholders in the food supply chain. The EESC supports the development of a regulation on NGT patents by the time the ad hoc regulation is implemented (two years after its ratification).</p>	<p>plants may have on innovation in plant breeding, on breeders' access to genetic material and techniques and on availability of seeds to farmers as well as the overall competitiveness of the EU biotech industry and will present a report at the latest by 2026. Based on the results of this analysis, the Commission will decide on any necessary follow-up actions.</p>
<p>1.5. The EESC also asks the Commission to address the issue of irreversibility and, therefore, responsibilities in this area. In particular, the EESC proposes the creation, in a public and decentralised way, of a European traditional seed bank which, through existing national seed banks or similar actions, would collect seeds from endemic plants in order to preserve them (prevent their potential extinction and cross-breeding with plants derived from NGTs) and make them available if needed in the future. This bank is important for the EU's food sovereignty and heritage, as well as for the EU's strategic autonomy. The EC should assess the possibilities for collaboration with the Global Seed Vault in Norway and build on national collections, as well as the European collection of genetic resources.</p>	<p>The Commission takes note of the Committee's opinion on the need to have a collection of genetic resources and a European seed bank.</p> <p>The Commission would like to recall that an international seed bank, the Svalbard Global Seed Vault, which serves a humanitarian purpose and is part of the international system for conserving plant genetic diversity guided by the UN organisation for Food and Agriculture, already exists. This seed bank possesses more than 1 billion samples of seeds from the entire world, including endemic seeds and seeds of crops for food. At the EU level, a catalogue of national seed collection is available at the European Search Catalogue for Plant Genetic Resources (EURISCO) and, in addition to that, the AEGIS (A European GenBank Integrated System) collection is a collection of European genetic resources.</p>
<p>1.6. Furthermore, the EESC calls on the Commission to remedy the lack of legislation on the technologies themselves as soon as possible. Given their potential systemic impact from a One Health perspective, the EESC believes that it is necessary, for example, to make it impossible for non-NGT professionals to purchase on the internet and</p>	<p>The Commission takes note of the Committee's views on lack of legislation on the technologies and would like to recall that any organism obtained by genetic modification technologies are covered by the EU GMO legislation, including genetically modified organisms obtained by do-it-yourself</p>

<p>use kits for genetically modifying living beings using techniques such as CRISPR-Cas without oversight.</p> <p>4.3.1. [...] Nevertheless, the EESC calls on the EC to put in place proper monitoring of online sales of these kits and points out that any unapproved products resulting from such sales would be considered fraudulent.</p> <p>4.3.2. Monitoring of bioterrorism could be improved with the proposed regulation. The EESC believes that the Commission should tackle this issue and address security and safety concerns.</p>	<p>kits. This legislation does not extend to the kits, which are not GMOs themselves, and their distribution, which is a matter for the Member States' oversight.</p> <p>Regarding the Committee's suggestions as regards bioterrorism, on 3 October 2023, the Commission adopted a Recommendation on critical technology areas for the EU's economic security<sup>65</sup>. In this context, the Commission, in collaboration with Member States, is currently performing a risk assessment related to technology security and technology leakage of four technologies, one of them being biotechnology, with the aim of finalising it in 2024.</p>
<p>1.7. Therefore, the Commission should specifically consider [...] labelling of NGTs category 1 for the consumer. This labelling could rely on administrative traceability and include information on the added value of the variety.</p> <p>3.2. [...] some farmers, seed producers, tradespeople, manufacturers and consumers who want to live without what they call "new GMOs" would feel deprived of some of their freedoms, as NGT 1 plants and products derived from them would be exempt from a thorough environmental and health risk assessment, traceability measures and labelling for the final consumer.</p> <p>3.14. [...] labelling through to the consumer should only be done using administrative traceability, which is already provided for seeds through to the farmer. As NGTs are less expensive than transgenesis, the Commission should ensure, after a transparent debate with all stakeholders concerned, that the costs of this labelling are not borne by farmers and</p>	<p>The Commission would like to stress that the proposal aims at facilitating the arrival on the European market of safe plants and plant products that increase choice for farmers and consumers. It does so by adapting the regulatory burden to the level of risk in order to allow for innovation using new genomic techniques (NGTs), as well as by providing tools to supply chains not wishing to use NGTs.</p> <p>NGT plants and their products which, according to the proposal, will remain subject to risk assessment and authorisation as GMOs will remain subject to the current requirements of traceability and labelling of the GMO legislation.</p> <p>The Commission considers that labelling products from category 1 NGT plants as GMOs along the whole chain until the consumers is not appropriate as such plants could occur naturally or be</p>

<sup>65</sup> [https://defence-industry-space.ec.europa.eu/document/download/31c246f2-f0ab-4cdf-a338-b00dc16abd36\\_en?filename=C\\_2023\\_6689\\_1\\_EN\\_ACT\\_part1\\_v8.pdf](https://defence-industry-space.ec.europa.eu/document/download/31c246f2-f0ab-4cdf-a338-b00dc16abd36_en?filename=C_2023_6689_1_EN_ACT_part1_v8.pdf)

<p>other smaller actors in the agri-food economic chain.</p> <p>4.2.2. To add another level to the ethical context, many Europeans want to be informed about the presence of GMOs in food. In this case it is necessary to respect personal beliefs. The EESC asks the Commission to do the same for plants and products from NGT.</p>	<p>obtained by conventional breeding. The current GMO labelling, which is associated to more complex genetic modifications, would not reflect the fact that category 1 NGT plants could also be obtained by conventional breeding techniques. The same approach is already in place as regards GMOs exempted from the requirements of the GMO legislation, such as the products of plants obtained by random mutagenesis, which already today are not labelled as GMOs.</p> <p>As shown in the impact assessment, labelling and traceability along the whole chain would create additional costs for all the actors of the agri-food chain as it would require segregation measures though the entire supply chain, which, in the view of the Commission, are not justified for NGT plants that could also have been obtained by conventional means.</p> <p>The Commission would also like to highlight that consumers wishing to avoid the consumption or use of category 1 NGT plants would be able to rely on the organic labelling as, according to the proposal, NGT plants will be banned from organic production.</p>
<p>1.7. Therefore, the Commission should specifically consider implementing an ex post systemic surveillance [...].</p> <p>3.6. [...] the EESC calls for surveillance to include monitoring of potential systemic effects and a cost-benefit analysis.</p> <p>3.7. A systemic or all-encompassing surveillance differs from a case-by-case assessment, as in the case of an analytical assessment. It requires indicators to be developed on the dynamics of the systems to which we belong (societies, ecosystems, etc.)</p>	<p>The Commission would like to point out that the proposal includes provision for a comprehensive monitoring programme of all NGT plants and products released or placed on the market, including of impacts on the environment. This is intended to allow the collection of data on systemic impacts, whether positive or negative.</p> <p>In addition, the proposal also includes an evaluation of the implementation of the Regulation and its impact on human and</p>

<p>to be developed in collaboration with the EFSA, the JRC and interested parties from civil society. The aim of such surveillance is to make possible practices that would otherwise be blocked by the precautionary principle.</p> <p>4.1. The EESC recommends a risk-benefit analysis applicable 10 years after the introduction of the new techniques [...] a risk-benefit approach supports the conditional use of NGTs set out in the Commission proposal. Such an approach, particularly in relation to the environment, will make it possible to take into account the impact of biotechnology on an ecosystem.</p> <p>4.2.1. [...] A study on systems as a whole cannot be carried out every time a new variety is introduced, considering the significant additional time and costs involved. The proposed systemic approach would therefore be limited to a single overall surveillance of techniques and not for each new variety. [...]</p>	<p>animal health, the environment, consumer information, the economy and environmental and social sustainability.</p>
<p>3.4. The Commission proposal is based on scientific knowledge provided by the Joint Research Centre (JRC) and the European Food Safety Authority (EFSA). However, some civil society organisations believe that the knowledge provided ignores critical expertise and does not fully comply with the precautionary principle.</p> <p>4.4. The EESC warns of certain unrealistic simplifications.</p>	<p>The Commission welcomes the acknowledgement of the Committee that the proposal is based on scientific knowledge.</p> <p>Regarding the views of some civil society organisations that critical expertise may not have been taken into consideration and that the precautionary principle has not been complied with, the Commission would like to note that the safety aspects of its proposal built on the work of the European Food Safety Authority (EFSA) concluding that there are no new hazards specifically linked with targeted mutagenesis and cisgenesis in plants. EFSA noted that some plants produced with these techniques may undergo small changes that might also occur in nature or through conventional breeding. Others</p>

	<p>may have multiple and extensive modifications that are similar to those in plants produced by established techniques of genetic modification used in the last two decades. EFSA opinions are based on the latest scientific developments and took into accounts all the views of the stakeholders expressed during various public consultations.</p> <p>These conclusions warrant a proportionate approach based on the different risk profiles that result from the diversity of NGTs, and they underpin the Commission’s decision to propose two categories of NGT plants subject to different requirements. This is fully compatible with the precautionary principle.</p> <p>The Commission would also like to note that all the references to scientific literature cited in the Committee’s opinion have been taken into account by EFSA in its opinions and that additional clarification on how this was done was provided by EFSA in a questions and answers document<sup>66</sup> following the publication of its statement on the criteria for the risk assessment<sup>67</sup> of plant developed by targeted mutagenesis, cisgenesis and intragenesis.</p>
<p>3.10. The EESC warns about the threat this poses to organic farming and the GM-free sector. Although GMOs are banned in this sector, and NGTs would be as well, because no method of detection, identification or traceability is required, buyers, Member States and the Commission would be unable to properly enforce the law. Introducing the proposed legislation would risk considerably</p>	<p>The Commission would like to note that the economic impacts of the proposal on organic and conventional farmers was examined in the impact assessment accompanying the proposal. The impact assessment is transparent about the costs to be borne by different actors and the proposal provides for measures to mitigate these costs (e.g. seed labelling).</p>

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<https://www.efsa.europa.eu/sites/default/files/2023-05/extended-faqs-on-ngts-ts.pdf>

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<https://www.efsa.europa.eu/en/efsajournal/pub/7618>

<p>increasing monitoring of the processes required for organic farming and other GM-free production models. It should therefore be ensured that the costs involved are covered fairly and that the burden is not borne solely by organic and GM-free production models.</p> <p>3.18. The EESC believes that the European Commission should take into account the impact of NGTs on different agricultural models. Small farmers are concerned that these new seeds will contaminate the organic, ecological, regenerative or traditional farming practices they already use. [...]</p>	<p>The impossibility of differentiating analytically certain NGTs from conventionally bred varieties would make the enforcement of strict coexistence measures very difficult or even impossible. In addition, the monitoring proposed by the Commission after the entry into force of the legislation will look, among other issues, at the impact of the regulation on the organic sector.</p>
<p>3.16. Many agricultural and seed organisations are awaiting the new EU regulation, especially considering the competitive context, where various non-EU countries have made it easier to place products and seeds deriving from NGTs on the market. Until this regulation is comprehensive and effective as called for by the EESC, the Committee explicitly calls on the Commission to take all necessary measures in relation to non-EU countries to protect the EU from any distortions of competition and from exposure to risks.</p>	<p>The Commission is aware that various non-EU countries have adapted, or are in the process of adapting, their regulatory frameworks to the specificity of NGT plants, in many instances exempting certain of these plants from the requirements of their respective GMO legislations. This may lead to regulatory divergences that, as outlined in the impact assessment, could have negative impacts for EU operators and trade flows. In this regard, the proposal is intended to update the legislation inter alia to consider global regulatory developments. However, the Commission recalls that until new rules are adopted by the European Parliament and the Council, plants obtained by new genomic techniques are subject to the requirements of the current EU GMO legislation.</p>
<p>4.4.1.1. Transgenesis, cisgenesis and intragenesis all involve techniques that include in vitro cultures that induce mutations and epimutations, not including unintentional foreign DNA insertions (Zang 2014). Under the Commission proposal, these unintentional modifications will be assessed either through</p>	<p>According to the Commission proposal, during the regulatory procedures leading to the deliberate release or placing on the market of category 1 or 2 plants obtained by NGTs and their products, the authority in charge of the verification procedure or the risk assessment will have the relevant</p>

<p>the authorisation documentation for category 1 NGTs or through the specific assessment for category 2 NGTs. The EESC believes that authorities should have the means to verify the information provided in this regard, for example through independent bodies.</p>	<p>data or studies in order to verify the information provided. The proposal spells out the data requirements for all types of applications, which should be further developed by implementing acts. Where appropriate, the involvement of scientific bodies (such as EFSA or the European Union Reference Laboratory for Genetically Modified Food and Feed) is foreseen.</p>
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<p><b>N°15    Retail investment package</b>  <b>COM(2023) 278 final</b>  <b>COM(2023) 279 final</b>  <b>EESC 2023/2682 – INT/1034</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Kęstutis KUPŠYS (LT-III)</b>  <b>Co-rapporteur: Wautier ROBYNS (BE-I)</b>  <b>DG FISMA – Commissioner MCGUINNESS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1. (...) takes note of the Commission's decision not to propose a full ban on inducements, however, it welcomes the explicit Commission statements that there are potential conflicts of interest in the sales and distribution models for investment products, while standalone financial advice and financial planning services are largely unavailable to most consumers in the EU, and therefore most consumers only have access to advisors who advise on the products that they sell.</p>	<p>Inducement payments by third parties to financial advisors who sell products to retail investors could lead to a risk of conflicts of interest, as shown in the Commission's impact assessment. However, in light of the potential disruptive impact caused by the introduction of a full prohibition of inducements, the Commission took the decision not to propose a full ban at this stage. Instead, the Commission suggests pursuing a staged approach. This involves, as a first stage, strengthening the requirements around the payment and receipt of inducements to address potential conflicts of interest and ensure better protection of retail investors, including through a partial ban covering payments of inducements for execution-only sales and a strengthened best client interest test. At a second stage, the Commission suggests reviewing the effectiveness of the framework three years after the adoption of the package, and, if appropriate, propose alternative measures.</p>
<p>1.3. The EESC is concerned about the willingness of individuals with a limited disposable income to pay upfront for advice, particularly as those individuals are most in</p>	<p>The Commission proposal does not provide for a ban on inducements for non-independent advice services. Non-</p>



<p>need of the benefits of protection and diversification while wealthier investors would be more likely to recognise the added value of advice. It would regret any unintended consequences through which the market would be split between sophisticated investors and the vast majority of retail investors who would get only the most basic services as a result of an excessive focus on cost rather than distinctive features of services like capital protection or life and health-related coverage<sup>68</sup> (health issues, disability, death, life expectancy, etc.).</p>	<p>independent advice will continue to be provided to retail investors, with the risk that potential conflicts of interest still arise despite the introduction of new additional safeguards. At the same time, the current lack of independent advice services in many Member States may also persist. The Commission would point out that different pricing models exist, so that a full ban on inducements would not necessarily imply that investors would have to pay the full fee upfront, as fees can be spread over a time period. The Commission's proposal also seeks to encourage the provision of independent and cheaper advice by introducing a possibility for independent advisors to provide advice limited to a range of diversified, non-complex and cost-efficient financial instruments.</p>
<p>1.6. The EESC points to possible effects of the proposals as they would favour exchange traded funds (ETFs). This would lead to inequalities between non-listed companies and listed companies, as particularly those included in indexes, are more likely than SMEs to be included in such investment instruments. With regard to the digital and green transitions, the EU economy cannot afford to see investment flows leave the EU, with dire consequences for jobs and businesses.</p>	<p>The Commission's proposal is product neutral and is not promoting certain products over others. The Commission is however concerned that all products should offer value to investors and is also seeking to ensure that advisors recommend to their clients' products that are suited to their needs and objectives and are in their best interest. In the specific case of exchange traded funds, the Commission would point out that a substantial portion of these instruments are manufactured by European firms and that even where they are offered by third country providers, there are numerous options that follow European indices and thus channel capital back into the EU economy. Other initiatives have also been put in place to support investments into non-listed companies, such as under</p>

<sup>68</sup> Biometric risks as defined in Regulation (EU) 2019/1238 of the European Parliament and the Council of 20 June 2019 on a pan-European Personal Pension Product (PEPP).

	<p>the European Long Term Investment Fund (ELTIF) and crowdfunding regulations.</p> <p>The Commission is also seeking to facilitate small and medium-sized enterprise' (SME) access to finance, for example with its Listing Act proposal, which aims to reduce the burden for SMEs accessing certain public capital markets. Work will continue in this area to improve the conditions for SME financing.</p>
<p>2.1. The EESC has diverging views about whether the Value for Money concept, in particular pan-European benchmarks for the diversity of national markets, will ultimately bring prices down and on the burden of proof for a full ban, which remains with the European Commission. To ensure and demonstrate to consumers that they are receiving Value for Money, and to enable lawmakers to make an evidence-based assessment of the review clause that would potentially introduce a full ban on inducements, it is essential that reports on costs and benchmarks be made both to the supervisors as well as easily accessible to the general public, and that reporting to supervisors starts as soon as possible to define a baseline scenario.</p>	<p>Reports by both the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA) provide clear evidence that some products sold to retail investors have little or no prospect of offering positive net returns. Under the Commission proposal's new Value for Money provision, it is envisaged that both ESMA and EIOPA will publish benchmarks for comparable products based on market data that will help identify outliers. While the benchmarks would need to be publicly available so that manufacturers and distributors can use them for the value for money assessment, the Commission proposal does not foresee the introduction of a new disclosure requirement and does not envisage that the Value for Money assessments made by firms in relation to specific investment products would be made public.</p>
<p>2.3. [...] Strong consumer organisations can help to discipline manufacturers and distributors of financial products. Therefore, the EESC calls on the Commission to come up with measures on how to strengthen the network of such alternative advisory services,</p>	<p>The Committee's proposal is outside the scope of the legislative proposal. Consumer organisations can indeed play an important role in guiding consumers in their investment decisions, however the primary responsibility for enabling them</p>

<p>taking into account already existing good practices in the Member States.]</p>	<p>to play such a role lies with national authorities and the consumer organisations themselves. A reflection could be useful on whether there might be ways to support their efforts.</p>
<p>4.6. The EESC welcomes the possibility for experienced well-informed investors to opt out from the default categorisation as a "retail" client but warns that this process should be subject to strong safeguards, to avoid consumers being inappropriately encouraged to opt out of EU consumer protection rules that are designed to protect them. Consumers who do actively choose to opt out from the default "retail" client category should remain subject to safeguards not only to compensate for the lack of knowledge or experience, but also to reflect the unequal negotiating power with an investment services provider or firm. Consumers might over-estimate or exaggerate their investment knowledge or experience to gain access to more complex products or products with a risk profile that is inappropriate for average consumers in a similar situation.</p>	<p>The Commission's proposal seeks to improve classification of clients. It does so by reviewing the requirements for investors to be considered professional clients with adequate knowledge, experience and wealth, whilst maintaining very strong investor protection safeguards for retail clients. Requirements regarding investor categorisation included in the Commission proposal set out a robust framework that will guide investment firms when handling requests to be categorised as professional clients. The procedure will involve an assessment of the expertise and knowledge of the requestor and requires that the envisaged services or transactions are taken into account for the purposes of client categorisation. Furthermore, the procedure will require a written statement and a clear written warning from the firm regarding the protections that would be waved and the consequences of waving such protections.</p>
<p>5.2. [...] the EESC is however concerned that the current disclosure measures in the SFDR such as Green Asset Ratio are not enough to provide a full detailed image of a company or fund's impact on the externalities covered by the SFDR. The EESC is convinced that retail investors should have access to the relevant and, when consumers require, granular data, for instance as a result of available environmental, social, and governance (ESG) ratings, to make objective investment choices</p>	<p>The Commission's proposal aims at tackling information overload and at ensuring that investors receive concise and comparable information. The Commission proposal to amend the Packaged Retail and Insurance-based Investment Products (PRIIPs)'s key information data (KID) includes a new sustainability section that addresses this</p>

<p>proceeding from the assessment of demands and needs, including on sustainability, and not be subject to information asymmetries which can lead to greenwashing and consumer detriment.</p>	<p>issue, without overwhelming retail investors with too much information.</p> <p>The Green Asset Ratio is a disclosure requirement under the Taxonomy Regulation indicating the greenness of balance sheets of financial undertakings. It relates to an obligation in Article 8 of the Taxonomy Regulation placed on banks, insurance companies, investment firms and asset managers to disclose the extent to which their activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.</p> <p>The Commission’s proposed Regulation on transparency and integrity of environmental, social and governance (ESG) rating providers aims to increase transparency on ESG ratings methodologies, objectives, characteristics and data sources. It also aims to increase clarity on the operations of ESG rating providers and to prevent and mitigate potential risks associated with conflicts of interest.</p>
<p>5.3. The EESC recommends making sustainable products the default option, including in fintech situations, within the boundaries of the requirements of the demands and needs test, where applicable, subject to an impact assessment and not conflicting with the principle of offering the product most suited to the customer's needs according to adequate advice. As there will not be a full ban on inducements, mitigating measures should be put in place to help consumers autonomously make better investment decisions. Rather than consumers having to ask for a sustainable product, these products should become the norm and a consumer should opt out instead,</p>	<p>MiFID II (Markets in financial instruments directive 2) and the Insurance Distribution Directive (IDD) already provide an obligation for advisors to inquire about the sustainability preferences of a retail investor and take these into account when recommending investment products. In the recommendation report to their client, the adviser must explain how the recommendation meets the client’s sustainability preferences, if any.</p> <p>However, while the legislation requires more transparency on sustainable financial instruments, it does not prescribe the type of product that</p>

<p>especially as two-thirds of consumers<sup>69</sup> want their money to be invested in a sustainable way. Civil society initiatives such as Fair Finance International and MeinFairMögen<sup>70</sup><sup>71</sup> can help consumers identify providers with a relatively sustainable product portfolio. [...]</p>	<p>investors should get. Sustainability preferences of clients differ. Hence the Commission believes the current approach of assessing sustainability preferences and reflecting them in suggested products is appropriate.</p>
<p>6.4. Specifically in the field of digital disclosures, the EESC supports the Commission's overdue "digital first" approach but warns that disclosures on a "physical medium" have been tested and are embedded in legislation to ensure that key information is disclosed to consumers. The EESC warns that behavioural consumer testing of digital disclosures is needed at technical level to ensure that important information is seen and understood by consumers when entering into a contract, and not hidden (deep) inside digital disclosures.</p>	<p>The Commission recognises the importance of behavioural testing for consumer disclosure documents to ensure that the way information is displayed facilitates understanding and helps retail investors make the right choices before they enter into a contract. Behavioural testing was used previously by EIOPA in the design of the pan-European personal pension product (PEPP) disclosure document<sup>72</sup>, and it is foreseen in the Omnibus proposal that both ESMA and EIOPA will develop regulatory technical standards specifying how disclosure information is to be provided to retail investors, on the basis of consumer and industry testing<sup>73</sup>. The PRIIPs Key Information Document has also been subject to consumer testing<sup>74</sup>.</p>
<p>6.6. The EESC also notes that the impact assessment does not contain a "competitiveness check" analysing the different policy options, despite an earlier commitment by the Commission President to systematically include such a check. [...]</p>	<p>The requirement to carry out a competitiveness check to the Regulatory Scrutiny Board became compulsory as of 1 March 2023. The Impact Assessment for the Retail Investment Strategy was submitted on 19 December 2022.</p>

<sup>69</sup> 2° Investing Initiative (2020), A Large Majority of Retail Clients Want to Invest Sustainably, <https://2degrees-investing.org/resource/retail-clients-sustainable-investment/>

<sup>70</sup> <https://fairfinanceguide.org/>

<sup>71</sup> <https://www.meinfairmoegen.de/>

<sup>72</sup> See [behavioural study](#) carried out at the request of EIOPA

<sup>73</sup> See Article 24b.2 (MiFID) and Article 29.4 IDD

<sup>74</sup> [https://finance.ec.europa.eu/publications/consumer-testing-study-key-information-document-under-priips-framework\\_en](https://finance.ec.europa.eu/publications/consumer-testing-study-key-information-document-under-priips-framework_en)

<p><b>N°16 Environmental, social and governance ratings</b>  <b>COM(2023) 314 final</b>  <b>EESC 2023/3268 – ECO/623</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Krzysztof Stanisław BALON (PL-III)</b>  <b>Co-rapporteur: Andrea MONE (IT-II)</b>  <b>DG FISMA – Commissioner MCGUINNESS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>2. The European Economic and Social Committee (EESC) recommends further clarifying the definitions of "ESG rating", "ESG data products" and "ESG rating providers" by adding the element of regular commercial basis, in order to avoid civil society organisations (CSOs) producing scoreboards as a non-major and non-profit activity, as well as academic research and journalistic work, unintentionally falling under the scope of the Regulation.</p>	<p>The Commission proposal captures the Environmental, Social and Governance (ESG) ratings produced by ESG rating providers as defined in Article 3, point (4) of the proposal. This includes legal persons offering ESG ratings on a professional basis.</p> <p>Article 2, second paragraph, point (e) excludes products or services that incorporate an element of an ESG rating.</p> <p>The combination of the two articles ensures that Non-Governmental Organisations (NGOs), academic and other consumer organisations that would be including in some of their papers some ESG ratings will not be captured by the scope of the Regulation.</p> <p>Would NGOs, consumer organisations or academics offer ESG ratings on a commercial basis, they would however be captured by the Regulation. The objective is to create a level playing field where all operators offering similar products should be subject to the same rules.</p>
<p>3. The EESC welcomes the transparency provisions proposed by the Commission and recommends increasing the share of information to be provided to the general</p>	<p>The majority of ESG rating providers operate on a user / subscriber pay model, meaning that users, mainly institutional investors, purchase ESG ratings (and the</p>

<p>public rather than exclusively to the rated entities and ratings users.</p>	<p>underlying data) for a fee. Retail investors do not directly use ESG ratings from ESG rating providers.</p> <p>In its proposal, the Commission aims at finding the right balance between information to be made available to the general public, to allow a general understanding of the object of that rating (e.g. looking at financial risk or impacts, climate or social issues) and to users.</p>
<p>6. The EESC recommends further strengthening the rules on conflicts of interest by separating activities at group level and by empowering the European Securities and Markets Authority (ESMA) to effectively put an end to conflicts of interest.</p>	<p>Article 15 of the Commission proposal foresees a requirement for ESG rating activities to be separated from a number of other activities such as consulting, audit, and credit rating activities, in order to prevent and mitigate potential conflicts of interests.</p> <p>A ban to offer those other services at group level is not considered necessary and may have important disruptive effects to the market.</p> <p>ESMA is empowered with a large number of supervisory tools in order to address potential risks of conflicts of interests, that are laid down in Article 33 and include among others the power to withdraw the authorisation, temporarily prohibit the provision of ESG ratings and impose fines.</p>
<p>7. The EESC in order to prevent regulatory arbitrage, suggests only allowing access to third country ESG rating providers in the EU single market through equivalence decisions and endorsement of an EU-based ESG rating provider in conformity with all the requirements of the present regulation but not through company-by-company recognition by ESMA.</p>	<p>The vast majority of larger ESG rating providers are currently located outside the Union. They offer a large number of ESG ratings to European investors and on European companies. It is necessary to introduce requirements based on which third country ESG rating providers may offer their services in the Union. The rationale is to allow for the provision of services by third country ESG rating providers in the EU, while ensuring</p>

	<p>market integrity, investor protection and proper enforcement.</p> <p>Three possible regimes are proposed for third country ESG rating providers: equivalence, endorsement and recognition. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. It is key that third country providers abide by the same standards as EU market players.</p> <p>The Commission has duly considered all options and how they would work in practice, and suggested the above framework that will allow for third country providers to continue/start offering their services in the Union where they apply rules similar to those of the regulation. The above-mentioned options cater for an array of situations and standing of the third country providers: (i) equivalence in cases when third countries adopt a regulatory framework equivalent to the EU's; (ii) endorsement for cases of a collaborative relationship between third country and EU providers; (iii) recognition – proportionally tailored for smaller providers. The Commission has also considered the impact based on the size of providers, foreseeing a mechanism adapted to the needs of smaller providers.</p> <p>These routes are proposed having regard to experiences gained on other third country regimes.</p>
<p>8. The EESC calls on the co-legislators to ensure a level EU playing-field so that small and medium-sized enterprises (SMEs), social economy enterprises, and providers of services of general interest (SGIs) get fair treatment in ESG ratings.</p>	<p>The proposal applies to all ESG rating providers no matter their size, including those that are SMEs. The objective is to improve transparency on methodologies and operations of all actors.</p>



	<p>The Commission proposal however foresees a transitional period for SME providers – they would be allowed to continue operating on the condition that they notify ESMA and become authorised within 24 months of the entry into application. Similarly, a transitional period for new SME entrants to the market is foreseen, requiring them to notify ESMA and giving them 12 months to become authorised.</p> <p>Other mitigation measures foreseen for smaller providers include:</p> <ul style="list-style-type: none"><li>- adjustment of supervisory fees to be paid by the supervised entity to the size of the provider,</li><li>- exemptions from a wide range of internal organisational measures, where SMEs are able to demonstrate that those requirements are not proportionate to the nature, scale and complexity of their business and the nature and range of issues assessed by the ratings.</li></ul> <p>The mitigation measures are aimed at fostering innovation and access to the market of small providers.</p>
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<p><b>N°17 Additional considerations on the Euro area economic policy 2023 (Own-initiative opinion)</b>  <b>EESC 2023/2523 – ECO/619</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Manthos MAVROMMATIS (CY-I)</b>  <b>DG ECFIN – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.5. With regard to energy prices, the EESC underlines the residual uncertainty in terms of geopolitical and energy-supply related risks, with prices remaining historically elevated although appearing more balanced than in the past. The EU should therefore intensify its path towards a wider diversification of energy supply and reduced dependency on imported fossil fuels within the green transition process already undertaken.</p>	<p>Total natural gas imports (pipeline and Liquefied natural gas (LNG)) amounted to 19.8 bcm in September 2023 (a decreased of 19% from last year). Total gas imports are 30% below compared to pre-crisis level (Jan-Jun 2021).</p> <p>While pipeline gas imports are 48% below pre-crisis level mainly due to substantial Russian pipeline flows disruptions, LNG imports are 40% above pre-crisis level due to the new diversification gas strategy with new LNG import capacity in Europe. Regarding Russian dependency, there was a significant decrease in Russian pipeline imports share: in total EU gas imports were at 12% in September 2023 while they were around 45% historically.</p> <p>Moreover, in 2022, 57 GW of wind and solar capacity have been installed (respectively 16 and 41 GW). This represents a 16% increase from 2021 installed capacity (353 GW) and an annual saving of around 11 bcm of gas equivalent.</p>
<p>3.8. At the same time, targeted and temporary fiscal measures are needed to support vulnerable people and companies, especially from the perspective of maintaining jobs and human capital, while preserving price signals and providing incentives to reduce energy</p>	<p>The Commission recommends that Member States wind down the fiscal measures taken to respond to the energy prices in a timely manner.</p>

<p>consumption. Suitable levels of investment in research, development and innovation to drive the growth of the real economy, increase productivity and maintain competitiveness should also be duly supported. Close coordination of policy responses between Member States is crucial in this respect.</p>	<p>In case renewed tensions on energy price were to call for support measures, these should be temporary, targeted at protecting vulnerable households and firms, as well as be fiscally affordable and preserve incentives for energy savings.</p> <p>In its dedicated Recommendation of 23 October 2023 on energy poverty<sup>75</sup>, the Commission underlines the need to prioritise effective and well-targeted structural measures to address root causes of energy poverty, when it comes to energy efficiency, building renovation, thermal retrofitting, access to energy efficient appliances and to renewable energy. Member States may accompany structural measures with well-targeted measures to improve affordability of energy, such as targeted income support and social tariffs, or to temporarily support households affected by energy poverty.</p>
<p>3.12. The EESC welcomes the relative resilience of the labour market shown by the most recent data, underlining at the same time its concern for the widespread difficulties businesses are facing in hiring skilled workers<sup>76</sup>. In this regard, the EESC stresses the critical importance of rapidly implementing the recommendations set out in the <i>Employment and Social Developments in Europe Report on Addressing labour shortages and skills gaps in the EU</i><sup>77</sup>.</p>	<p>In the context of the 2023 European Year of Skills, the 2023 report on Employment and Social Developments in Europe (ESDE)<sup>78</sup> has been dedicated to an in-depth analysis of the structural drivers of labour shortages, focusing on sectors and occupations that have experienced persistent labour shortages over the longer term. It also showcases examples of policies that help to address labour shortages.</p> <p>The EU has put in place a broad range of policies and instruments to tackle labour shortages, in the policy areas of skills, activation, mobility, migration, and</p>

<sup>75</sup> [EUR-Lex - 32023H2407 - EN - EUR-Lex \(europa.eu\)](#)

<sup>76</sup> [Survey on the access to finance of enterprises \(SAFE\).](#)

<sup>77</sup> [Commission report finds labour and skills shortages persist and looks at possible ways to tackle them.](#)

<sup>78</sup> [ESDE Review 2023 \(europa.eu\)](#)

	<p>working conditions, that have been highlighted in the 2023 ESDE report. Most of these policies have been implemented under the European Pillar of Social Rights Action Plan and the European Semester and benefited from financing from the EU budget.</p> <p>In particular, the Demography Toolbox adopted in October 2023 looks at how existing EU policies and additional new actions can help to address the lack of workers in certain sectors with a focus on the employment of younger and older people, parents, as well as with legal migration. To promote legal and targeted migration, in November 2023 the Commission adopted a package on ‘Maximising Talent Mobility’, in the context of the New Pact on Migration and Asylum. As part of this, the EU Talent Pool will facilitate the matching between third-country nationals and EU employers, on the basis of a skills first approach.</p>
<p>3.13. In view of the persistent inflation and its adverse effects on real wages, the EESC believes that the social partners and governments should negotiate and agree on national income pacts to reduce inflation without undermining investment and growth, and that these pacts should be accompanied by targeted measures to support vulnerable sections of the population<sup>79</sup>.</p>	<p>The Commission agrees with the Committee’s view on targeted measures to support for vulnerable sections of the population. The 2023 Social Protection Committee (SPC) Annual Report<sup>80</sup> states in its key messages that ‘Member States should continue to take targeted actions to mitigate the impact of price increases and volatility. Households’ purchasing power should be protected, especially for lower income families who spend a higher fraction of their income on energy and food (and other essential services), and which are consequently increasingly</p>

<sup>79</sup> EESC opinion on [Additional considerations on the Annual Sustainable Growth Survey 2023](#). Not published yet.

<sup>80</sup> <https://op.europa.eu/en/publication-detail/-/publication/64a5b749-6e43-11ee-9220-01aa75ed71a1/language-en>

	<p>affected by material and social deprivation. In this context distributional impact assessment of policies and reforms can help prevent adverse social effects of measures on poverty and inequalities and should be used more systematically when designing reform measures and during budgeting’.</p>
<p>3.14. As previously noted<sup>81</sup>, a swift implementation of the Minimum Wage Directive across Member States is strongly recommended to achieve a labour market able to be both strong and fair, preserving the purchasing power of wages during challenging times of high inflation. Effective, targeted actions by Member States in implementing the Directive become crucial in this respect and could lead to more convergence across the EU.</p>	<p>The ongoing transposition of the EU Directive on adequate minimum wages is crucial to (i) promote sound governance procedures for setting and updating statutory minimum wages and to (ii) strengthen collective bargaining on wage setting.</p> <p>Statutory minimum wage policies have played and will continue to play an important role in protecting the incomes of the most vulnerable workers, which is particularly important in periods where inflation rates are high.</p> <p>As regards strengthening collective bargaining, it is also key to promote wage adequacy and ensure that wage growth is consistent with economic fundamentals.</p> <p>The Commission is working closely with Member States to ensure a swift transposition and implementation of the Directive, in order to ensure that workers can benefit from its provisions as soon as possible.</p>
<p>3.16. The implementation of the RRF is well underway and it is crucial that Member States effectively utilise the available funds to improve their economies for future challenges. The implementation of the Recovery and Resilience Facility (RRF) is crucial for the remaining period, and a thorough evaluation of the impact of the funded projects will be</p>	<p>As stipulated by Article 32 of the Recovery and Resilience Facility (RRF) Regulation, the Commission will provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent evaluation</p>

<sup>81</sup> EESC opinion on *Euro area economic policy 2023*, [OJ C 140, 21.4.2023, p. 58](#).

<p>required to ensure that they align with long-term goals and are actually able to contribute to recovery and resilience.</p>	<p>report on the implementation of the Facility by 20 February 2024.</p> <p>This will be followed, by 31 December 2028, with an independent ex-post evaluation report.</p>
<p>4.4. The EESC acknowledges that inflation prospects remain high and need to be tackled as soon as possible before finally being able to reduce rates in the short term to preserve both businesses and households. Furthermore, it encourages both the ECB and national governments to roll out alternative support measures and appropriate initiatives, other than interest rates changes, to put inflation on a downward path in the near future, especially considering that some of the main drivers of inflation are significant rigidities, distortions and disruptions on the supply side.</p>	<p>Our joint approach to reduce energy prices<sup>82</sup> by pooling demand and buying energy together has allowed to lower prices and secure supply and further improvements intend to ensure secure, sustainable and affordable energy supplies to EU citizens.</p> <p>The Commission Recommendation on energy poverty invites Member States to take structural measures to tackle root causes of energy poverty and measures targeted to the most in need.</p> <p>With regard to fiscal policies, the Commission agrees that the inflationary pressures need to be tackled with no delay. In particular, fiscal policy coordination is key to helping monetary policy bring inflation back to its medium-term target in a timely manner. In that respect, while remaining agile in view of the high uncertainty, achieving a contractionary fiscal stance, as expected in 2023 and 2024, appears appropriate. Fiscal emergency measures taken to respond to the energy price shock should be wound down as soon as possible. Should support measures be necessary, these should be focused on protecting vulnerable households and firms, be fiscally affordable and preserve incentives to increase energy efficiency.</p> <p>In the face of the fast increase in prices over the past few years, wage developments should reflect the need to</p>

	<p>mitigate purchasing power losses and take due account of competitiveness dynamics and avoid lasting divergences within the euro area.</p> <p>With reference to the European Central Bank (ECB) policies, the Commission notes that the ECB shall not take instructions from Union institutions, bodies, offices or agencies (art. 130 of the Treaty on the Functioning of the EU). As the guardian of the Treaty, the Commission respects the independence of the Eurosystem in the conduct of the monetary policy in the euro area and does not comment on its decisions. In the Commission's view the Committee as a Union's body should avoid 'recommendations' in the field of monetary policy and instead use more neutral terminology.</p>
<p>4.5. The EESC expresses its concern about the state of the euro-area economy after the September ECB interest rate increases, pointing out that, based on the current economic fundamentals, further increases should be avoided.</p>	<p>Monetary policy always has an effect on the business cycle and the 'concerns' referred to are unclear. In the Commission's view this part should be explained in more detail or deleted. Furthermore, as stated in the previous comment, in the Commission's view the Committee as a Union's body should avoid 'recommendations' in the field of monetary policy and instead use more neutral terminology, to preserve the independence of the ECB.</p>

<p><b>N°18 Individual and collective energy self-consumption as a factor in the fight for the green and energy transition, and for economic and social balance (Own-initiative opinion)</b>  <b>EESC 2023/714 – TEN/801</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteur: Pierre Jean COULON (FR-II)</b>  <b>DG ENER – Commissioner SIMSON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	



<p><b>N°19 Equity and efficiency considerations for maritime transportation (Own-initiative opinion)</b>  <b>EESC 2023/737 – TEN/802</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Panagiotis GKOFAS (EL-III)</b>  <b>Co-rapporteur: Pierre Jean COULON (FR-II)</b>  <b>DG MOVE– Commissioner VÁLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.1. Maritime and inland water transportation development should be considered a top priority as regards mobility and facilitating trade, since this will help achieve core European equity and efficiency objectives, such as those set out on the European Green Deal and Sustainable Development Goals agenda, in the 2023 IMO Greenhouse Gas Strategy and in other European Commission communications.</p>	<p>The Commission notes the Committee’s opinion on the importance of maritime and inland water transportation development for objectives such as the Green Deal and the International Maritime Organisation (IMO) Greenhouse Gas Strategy. To deliver on these priorities, the Commission, Parliament and Council have agreed to extend the EU Emissions Trading System (ETS) to cover large ships (Directive (EU) 2023/959<sup>83</sup>), while the Commission’s Sustainable and Smart Mobility Strategy (SSMS)<sup>84</sup> sets of number of initiatives to achieve the green and digital transformation and make transport more resilient. Under this strategy, the Commission has committed to achieving market-ready zero-emissions marine vessels, developing new sustainable maritime fuels, and promoting modal shifts from road to more sustainable alternatives, such as shortsea shipping and inland waterway transport.</p>
<p>1.2. Investments in maritime infrastructure should focus on better safety, eco-friendly</p>	<p>The Commission notes that in the proposal for a revision of the TEN-T</p>

<sup>83</sup> <https://eur-lex.europa.eu/eli/dir/2023/959>

<sup>84</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0789>

<p>transportation and cheaper transportation for the public, businesses, travellers and tourists.</p>	<p>Regulation<sup>85</sup> - where a provisional political agreement was reached by legislators on 18 December 2023, and which puts increased focus on resilience of transport infrastructure - states that the land-side infrastructure should be better integrated into the maritime dimension of the TEN-T network. To this end, a truly sustainable, smart, seamless and resilient European Maritime Space will be created. The European Maritime Space should encompass all maritime infrastructure components of the trans-European transport network.</p>
<p>1.3. It is important to fund new investment in resilient ports and hubs to meet the objective of more economic and sustainable goods transportation and business activities.</p>	<p>The Commission agrees that maritime ports, being the entry and exit points for the land infrastructure of the trans-European transport network, play an important role as cross-border multimodal nodes which serve not only as transport hubs, but also as gateways for trade, industrial clusters and energy hubs. In this context, the Commission emphasizes that short sea shipping (SSS) can make a substantial contribution to the decarbonisation of transport by carrying more freight and passengers. To this end, the Commission will promote the European Maritime Space by creating or upgrading short-sea shipping routes and by developing maritime ports and their hinterland connections. It should be also noted that in terms of domains for support of the current Motorways of the Sea horizontal priority, the European Coordinator identified four pillars in the last edition of his Detailed Implementation Plan. These concern: the “Sustainable”, “Seamless”, “Smart” and “Resilience” pillars. The Resilience pillar is a new and very vast topic, introduced</p>

<sup>85</sup> [EUR-Lex - 52021PC0812 - EN - EUR-Lex \(europa.eu\)](#)

	<p>in the Management Operating System (MoS) strategy following the COVID pandemic and the Russian war of aggression against Ukraine.</p>
<p>1.5. State aid regulations must be carefully reviewed when it comes to the production of ships for European water transportation for the purpose of meeting population needs and tackling labour mobility in remote areas and ensuring sustainable and safe navigation and better coastal monitoring, rather than for the purpose of profitable shipping activities, which can be further developed via market instruments.</p>	<p>The Commission recalls that in order to maintain appropriate scheduled maritime transport of passengers and goods to and from or between islands, Member States may impose public service obligations or conclude public service contracts on these routes, in particular in the event of market failure to provide such adequate services. In this regard, Member States are bound by conditions and requirements set out in Article 4 of the Regulation on maritime cabotage<sup>86</sup>. Public service obligations must be imposed and public service contracts shall be concluded in a non-discriminatory manner. When financial compensation is granted for a public service obligation or contract, its amount shall be set in compliance with the EU State aid rules.</p>
<p>1.6. The revision of the regulatory framework should focus on the effective implementation of rules on substandard shipping and seafarers' rights to equal terms of employment. The European Maritime Safety Agency (EMSA) should be given a greater institutional and technical role to help implement an upgraded and sustainable maritime transportation policy.</p>	<p>The Commission has proposed a revised mandate for the European Maritime Safety Agency (EMSA), which is accompanied by a significant increase in resources to ensure the Agency can fully deliver on its existing and new tasks. The institutional role of EMSA remains the support to the Commission and Member States in their responsibilities concerning EU law. EMSA will also be tasked to create new tools and platforms, provide trainings and support the Commission and the Member States in their tasks. We envisage that these trainings could be used to also improve the enforcement of</p>

	the Maritime Labour Convention (MLC, 2006).
1.7. It is essential to redesign ports and update the sea cadastre for water transportation to reduce the impact of noise and air pollution on urban areas.	The Commission takes note of the Committee's point on redesigning ports to curb noise and air pollution but recalls that the design and redesign of ports are only indirectly within EU competence, notably as an effect of e.g. noise action plans and air quality plans required respectively under the Ambient Air Quality <sup>87</sup> and the Environmental Noise <sup>88</sup> Directives.
1.8. In order to implement an effective and just pricing mechanism, a type of "transportation equivalent" could be carefully designed and activated, especially for Mediterranean Sea, Baltic Sea and North Sea countries with small and disperse inhabited islands and for non-accessible inland water/offshore river areas. This could entail subsidising transportation charges for professionals and businesses working and operating in those areas, granting permanent VAT or tax exemptions for transportation of local goods or lowering energy rates.	<p>As regards suggestion to harmonise pricing mechanism, the Commission is of the opinion that there is no reason to challenge different forms of (national) subsidies for transport to peripheral or isolated islands (allowed by EU law) or dispute their basic justification.</p> <p>As regards indirect taxes, for <b>passenger transport</b>, Member States may, as a result of the reform of VAT rates adopted by way of Directive 2022/542, apply reduced or zero rates (see Annex III, point (5)). As a matter of subsidiarity, it is for them to decide which is the most appropriate VAT rate to apply. For the <b>transport of goods</b>, there is no access to a reduced rate. Insofar as most such transport will be B2B, VAT is not a cost as it could be deducted. If B2C, it could be that the delivery of goods is exempt should the transport qualify as postal services exempt under Article 132(1)(a) of the VAT Directive.</p>
1.11. It is essential for highly skilled workers to be recruited and be part of a modern	The Commission agrees with the Committee that highly skilled workers

<sup>87</sup> 2008/50/EC and 2004/107/EC.

<sup>88</sup> 2002/49/EC.

<p>maritime transportation sector. The participation of women in the maritime sector should be promoted. Existing employees must be further trained in the areas of sustainable tourism, the green economy, efficient use of resources and operational crisis management for natural and human disasters. Establishing modern and well-equipped schools and universities specialising in the maritime economy and water transportation management could provide added value to coastal areas and economies that depend on the blue economy.</p>	<p>are needed for the maritime transportation sector and underlines the importance of ensuring that the seafarers are not left behind in the green and digital transition. This transition will require reskilling and upskilling of the existing workforce. The industry’s initiative, Maritime Just Transition Task Force, is working exactly on this issue. At the same time, the Commission also organised a workshop on 17 January 2024 on the seafaring profession with Member States and industry discussing and addressing issues in digitalisation and decarbonisation and coming together to shape the future of maritime safety and education in an evolving sector.</p>
<p><b>General comments</b></p>	
<p><b>3.1. Greening initiatives that will allow for a balanced and super-added value growth of the blue economy</b></p>	
<p>3.1.1. Reducing pollution from shipping is a key objective for the European Sustainable Development Goals agenda. Investments in production and operation of electric and low-emission ships, and TEN/802 – EESC-2023-00737-00-00-AC-TRA (EN) 4/8 use of eco-friendly fuels, such as hydrogen and biofuels, in European waters (rivers, seas, canals, oceans) are essential for the paradigm change.</p>	<p>The Commission recalls that under the Regulation on the deployment of alternative fuels infrastructure<sup>89</sup> Member States must, under their National Policy Frameworks, provide an overview of the state of play, perspectives and planned measures with regards to the deployment of alternative fuels infrastructure in maritime and inland waterway ports. In addition, under the Renewable and Low Carbon Fuel Alliance work is ongoing to ensure that aviation and waterborne transport have sufficient access to renewable and low-carbon fuels.</p>
<p>3.1.2. The European Union should have a leading contribution towards the reduction of emissions and decarbonisation targets set by</p>	<p>The Commission agrees that the EU must take a leading role in developing ambitious decarbonisation targets for the</p>

<p>the International Maritime Organization<sup>5</sup> (IMO). This should be done by open and transparent consultation for upgrading the regulatory framework of the IMO in a consistent and effective manner.</p>	<p>maritime transport sector. By actively promoting ambitious decarbonisation objectives, the EU has played a crucial role in achieving the agreement on a strong 2023 International Maritime Organisation (IMO) greenhouse gas (GHG) Strategy, including a net-zero GHG emission target at the 2050 (or close to) horizon and concrete GHG reduction checkpoints in 2030 and 2040. Together with Brazil and Japan, the Commission is leading the work on the life-cycle assessment of marine fuels, which will be essential to ensure that GHG emissions eliminated from shipping are not transferred to other sectors. Finally, the EU is an active participant in the development of the IMO mid-term measures, which will deliver on the strategy's objectives. In this respect, the EU is promoting the most ambitious solution involving a combination of a GHG fuel standard (similar to FuelEU Maritime) and of a universal GHG pricing mechanism on the well-to-wake emissions generated by ships. 6 EU Member States and the Commission actively participate in the steering committee for the comprehensive impact assessment of the mid-term measures, notably to make sure that any regulatory solutions considered at least deliver on the goals and checkpoints of the 2023 GHG strategy.</p>
<p>3.1.3. The resilience of public infrastructure, marinas and ports is a core objective for Europe's 2050 Development Strategy. This means that a European maritime policy should focus on transport infrastructure, port capacity and performance, traceability and cost-effective methods of domestic shipping and yachting production. The risk of increased</p>	<p>The Commission attaches great importance to improving competitiveness of the maritime industry and acknowledges the challenges the EU industry is facing. It is in continuous policy dialogue with the maritime industry. In the context of the mobility transition pathway, a dedicated</p>

<p>dependence on third countries must be taken into account.</p>	<p>workstream has therefore been set up with the maritime stakeholders. The Commission has recently launched an interservice group discussing the future of the maritime industry, keeping the level playing field in the centre of discussion. A waterborne high-level event organised end of September 2023 also provided an opportunity for exchanges between the industry and the Commission. In addition, in line with the objectives of the Sustainable and Smart Mobility Strategy, the proposal for a revision of the TEN-T Regulation- where a provisional political agreement was reached on 18 December puts increased focus on resilience of transport infrastructure, as well as on short-sea shipping and ports, notably by the strengthened maritime dimension of the TEN-T, the European Maritime Space.</p>
<p>3.1.4. Maritime transportation is the most efficient mode of transport, recording lower carbon emissions compared to road and air transport in terms of CO2 emissions per passenger or tonne/kilometre, due to scale economies and massive transportation capacity. Of course, the EU regulatory framework should focus on vastly improving the sector's environmental performance. Shifting passengers' and businesses' preferences to modern intermodal transportation patterns involving sea routes and inland waterways will contribute to further improvements on the environmental footprint.</p>	<p>The Commission strongly supports increased uptake of sustainable modes of transport, as made clear in the Sustainable and Smart Mobility Strategy. As regards freight transport, the Commission has made a proposal to amend the Combined Transport Directive with an aim to making it more attractive to transport organisers and induce thereby modal shift.</p>
<p>3.1.5. Noise and air pollution produced by maritime port activities should not be ignored, as it pertains to both the quality of life of local residents and to the health of workers and inhabitants of areas near ports. This entails considerable socio-economic costs and extra</p>	<p>Under the Zero Pollution Action Plan and the Sustainable and Smart Mobility Strategy the Commission has launched, over the past years, many legislative initiatives to make sure that the different transport modes, including sea and inland</p>

financial burdens on healthcare systems. The same applies to the residents of the hinterland area of navigable inland waterways. Improving the performance of inland waterway transport goes hand in hand with the socio-economic development of the hinterland; however, this development cannot come at the expense of the residents' quality of life, despite inland waterway transport creating less nuisance than road transport.

shipping, operate in a smooth, efficient and increasingly clean way.

The Commission notes that the Naiades III programme, adopted in 2021, sets actions to increase the modal shift to the inland waterway transport (IWT) but also to improve the carbon footprint of the sector. Air pollutant emissions by IWT are regulated at EU level. Due to the long lifecycle of IWT combustion engines, further efforts will be needed to minimise emissions by current vessels but also to accelerate the renewal of those engines or the transition to other low-emitting fuels. Since emissions by IWT contribute also to the regional background of air pollution, this emission reduction will help further reduce the negative health impacts of air pollution not only for citizens living nearby ports and inland waterways but also for those living further away.

The Ambient Air Quality Directives<sup>90</sup> set EU standards for pollutant concentrations in Ambient Air, to be met throughout the territory of the Member States. Member States can choose the appropriate measures to comply with the standards, including transport measures. The Commission has proposed stricter air quality standards on 26 October 2022<sup>91</sup>.

The Commission further notes that the National Emission reduction Commitments Directive<sup>92</sup> sets emission reduction commitments per Member for the main air pollutants with significant impacts on human health and ecosystems. Directive 2016/2284 requires Member States to report

<sup>90</sup> Directives 2008/50/EC and 2004/107/EC.

<sup>91</sup> <https://europa.eu/!JJuV4N>

<sup>92</sup> Directive (EU) 2016/2284.



emissions from inland water transport and national maritime transport and these are then accounted for when assessing compliance with the emission reduction commitments. The Environmental Noise Directive<sup>93</sup> sets an obligation to quantify the effects of noise on human health, and to adopt action plans to address this problem. Ports part of agglomerations of more than 100 000 inhabitants are included.

On shipping, the EU mobility strategy foresees that *Zero-emission large scale ocean-going vessels will become market-ready by 2035*. The deployment of such vessels in the next decade is linked to the implementation of the alternative fuels infrastructure regulation (AFIR) under the Fit for 55 package and the EU support and research opportunities that are set to be mobilised to accelerate the transition. In port cities, AFIR requires large maritime ports to provide shore-side electricity to the most polluting vessels. Many ports are ready today.

Requirements from the ship side are set out in the Fuel EU Maritime regulation, will stimulate the demand for renewable and zero carbon fuels and zero emission technologies. Moreover, Fuel EU obliges big ships to connect to shore side electricity as of 1/1/2030 while encouraging early movers.

In addition to port electrification, cleaner marine fuels powering ships with higher energy efficiency under the Fit for 55, will generally improve overall air quality and reduce also underwater noise in coastal areas if trade-offs between

	<p>climate developments and other pollution types will be duly addressed.</p> <p>To reach ‘no harm’ air pollution levels the Commission is implementing in a cost-effective way the Directive regulating SO<sub>x</sub> air pollutants<sup>94</sup> from ships through strict fuel quality standards as illustrating in the related Commission report adopted in 2018. Under the Sustainable and Smart Mobility Strategy the Commission is also pushing for the creation of Emission Control Areas in all EU seas – SO<sub>x</sub> control from shipping will start also in the Mediterranean in 2025, while the IMO will possibly start reviewing the nitric oxide (NO<sub>x</sub>) rules in 2024.</p> <p>Under the Marine Strategy Framework Directive the Commission has also adopted in 2022 threshold values for underwater noise and is closely working to implement the recently revised 2023 IMO guidelines on underwater noise from international shipping and its action plan covering also in view to set a regulatory framework in the future.</p>
<p><b>3.2. The digital transition shall be in line with investment opportunities in the maritime sector</b></p>	
<p>3.2.1. Digitisation and connectivity of ports and ships will serve the objectives of productivity, security, better monitoring and tackling economic crimes. The ongoing revisions of the Directives on port State control and flag State control should enhance EMSA’s and national authorities’ capacity to develop the appropriate tools for fulfilling their demanding roles.</p>	<p>Both of the proposals on flag State requirements and port State control have digitalisation as an essential element. For flag State, the proposal envisages the better sharing of information on ship certificates and on flag State inspections carried out by Member States on their own-flagged ships. Member States should also move towards the digitalisation of their ship registers.</p>

<sup>94</sup> Directive EU/2016/802.

	On port State control, the Commission contends that the digitalisation of ship statutory certificates will allow for quicker, more efficient and better prepared ship-based inspections.
<b>3.5. Gender equality</b>	
3.5.1. The participation of women in the maritime labour market is still reported to be very low, although new opportunities exist in the field of monitoring and digitisation to improve this condition.	The Commission welcomes the Committee's point on women in the maritime labour market. In the context of gender equality in transport, the Commission has established the 'Women in Transport – EU Platform for change' <sup>95</sup> . The Platform brings together stakeholders committed to getting more women into the sector. Thanks to the actions that the Platform members are bringing about and their exchange of good practice, this has now become a well-established cooperation tool. The EU has also funded the Working Environment in the Shipping Sector (WESS) project, which was launched by the European Community Shipowners' Associations (ECSA) and the European Transport Workers' Federation (ETF). One of the pillars of the project, finalised in 2022, was the participation of women in EU shipping. The project identified several measures to enhance recruitment and retention of women in the industry.
3.5.2. The maritime industry should also build women's skills and achieve gender equality. Highly skilled personnel should be incentivised to work in the maritime transportation sector, by placing greater emphasis on improving working conditions in the sector, particularly improving the balance between family and working life, wages and job security. International agreement	The Commission notes that the International Convention on Standards for Training, Certification and Watchkeeping (STCW Convention) is currently being revised, with the EU being one of the frontrunners. IMO is also currently discussing amendments to the STCW Code to include competences for the prevention of and response to

<sup>95</sup> [Women in Transport – EU Platform for change - European Commission \(europa.eu\)](https://ec.europa.eu/euipo/women-in-transport/).

	bullying and harassment, including sexual assault and sexual harassment.
<b>3.6. Harmonisation of processes</b>	
3.6.2. Maritime transportation is characterised by major diversities in the quantity and quality of commercial and industrial fleets. Tourists, professionals and habitants must rely on better and safer conditions for travelling across Europe, either inland or by sea. This demands further public and private investments in sustainable water transportation, infrastructure, new ships and other sea transportation means, based on the criteria of the European Sustainable Development Goals agenda and the green transition.	The Commission works with Member States' experts and EMSA to ensure the transition to a decarbonised maritime transport takes place in a safe manner, particularly in relation to the deployment of new fuels. The Commission takes initiatives at EU level with the assistance of EMSA and contributes together with Member States in related work taking place at IMO.
3.6.3. The EU port and marinas optimisation strategy should focus on the better time management of ships and yachts while approaching a station. The Commission should develop a midterm plan to reduce time inefficiencies and minimise extra energy consumption.	As outlined in the Sustainable and Smart Mobility Strategy, the benefits of just-in-time arrival in ports in terms of emission savings would potentially be significant with the implementation of smart routing/steaming. An international task force on port call optimisation (Port Call Optimization <sup>96</sup> ) is working to establish standards for the exchange of information and data between all stakeholders, such as the ports and the vessels. The aim would be to have agreed standards recognised at the level of the International Maritime Organisation (IMO).

<p><b>N°20    Harmonised measurement of transport and logistics emissions</b>  <b>COM(2023) 441 final</b>  <b>EESC 2023/2269 – TEN/814</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteur: Angelo PAGLIARA (IT-II)</b>  <b>DG MOVE – Commissioner VĂLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°21 Rail capacity and traffic management</b>  <b>COM(2023) 443 final</b>  <b>EESC-2023-003522 – TEN 820</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Angelo Pagliara (IT-II)</b>  <b>DG MOVE – Commissioner VĂLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.2. The EESC is aware of the need to efficiently allocate rail capacity. The various modes of transport, such as passenger and freight, long-distance and local, national and international, involve multiple stakeholders and often opposing interests. The EESC urges the Commission to strike the right balance between these different interests by prioritising the public interest.</p>	<p>The Commission agrees that the allocation of scarce rail infrastructure capacity in some cases requires the prioritisation of certain rail services. The proposal addresses this issue by introducing the use of objective socio-economic criteria, which should help in allocating capacity in line with the public interest. At the same time, the proposal allows this system to take into account the specific national or regional circumstances, so that the capacity allocation can reflect any specific societal needs.</p>
<p>1.3. The EESC calls on the Commission to promote an active EU policy focused on investment in building new infrastructure and maintaining existing infrastructure, focusing not only on international and high-speed long-distance lines but also on local and regional lines.</p>	<p>The Commission has consistently supported the development of rail infrastructure through the Trans-European Transport Network (TEN-T) Regulation, the Connecting Europe Facility and other policy instruments. Nevertheless, transport policy is an area of shared competence and Member States, including regional and local authorities, are responsible for identifying regional and local transport needs and providing the necessary transport infrastructure.</p>
<p>1.4. The EESC underlines the importance of social dialogue in the introduction of any new</p>	<p>The Commission supports the dialogue between employees and employers in the</p>

<p>digital tools in the workplace. New methods and tools for planning the infrastructure capacity of European railways should be accompanied by a meaningful dialogue between the workers and companies using these systems, as well as by a thorough assessment of the impact on employees and the additional training requirements.</p>	<p>rail sector and the importance to fulfil the training needs of employees. It notes that the digital tools referred to in the proposal will concern specialised activities related to capacity management and affect a limited number of sector employees.</p>
<p>1.5. The EESC considers that the proposed capacity planning will affect infrastructure managers and workers in particular. The occupational health and safety of infrastructure maintenance workers should be a priority in capacity planning and implementation.</p>	<p>The Commission agrees that the health and safety of workers is of paramount importance. It considers that the proposal, by allowing infrastructure managers to better plan development and maintenance work on the infrastructure, and rely on contingency planning in cases of disruptions, will be conducive to greater occupational health and safety of infrastructure maintenance workers.</p>
<p>1.6. The free movement of persons and goods is one of the fundamental freedoms of the EU. Considering the great potential of railways, the EESC welcomes the initiative and urges the European Commission to put in place all necessary complementary measures, not only to make rail transport more attractive, accessible to people with disabilities and affordable for the public but also to invest in the sector's employees and improve their working conditions, skills and competencies.</p>	<p>The Commission fully concurs with the importance of improving rail employees' working conditions, skills and competences. For example, the Commission is funding the STAFFER project (Skill Training Alliance For the Future European Rail system)<sup>97</sup> from 2020 to 2024. The aim is to help identify the main existing skill gaps and assess the future needs in the industry and encourage vocational and education training institutions and technical universities to propose adaptations to curricula, training and educational programmes accordingly.</p>
<p><b>General comments</b></p>	
<p>2.5. Interestingly, the proposal is stepping back from the 2010 Rail Freight Corridors Regulation by abolishing the corridor concept for capacity management but retaining and</p>	<p>The Commission agrees with the Committee that the development of the TEN-T corridors should remain a priority. This is demonstrated, i.a. by the</p>

<sup>97</sup> [Home - Railstaffer](#)

<p>further developing what it describes as the positive elements of the Regulation. It says the results of this exercise have been unsatisfactory as managing capacity on a corridor basis does not reflect how freight trains typically operate. In addition, the growing focus on cross-border services compounds the problem as passenger and freight flows do not always coincide.</p> <p>While the EESC understands why the Commission wants to stop using the corridor approach to capacity management, it underlines that the development of the TEN-T corridors should continue to be a priority.</p>	<p>ambitious revision of the TEN-T Regulation<sup>98</sup>, which is part of the Fit for 55 legislative package.</p>
<p><b>Specific comments</b></p>	
<p>3.1. The EESC regrets to note that the proposal includes no reference to railway workers or the higher administrative costs for IMs leading to the need for more resources. It also regrets the lack of a counterpart to ENIM for railway undertakings (RUs) and terminals. The EESC calls on the European Commission to come up with a coherent strategy to promote green freight transport in the long term. The proposed Greening Freight Package lacks consistency, as it threatens to lead to a reverse modal shift from rail to road by facilitating cross-border operations for fossil fuel-powered galiners.</p>	<p>The impact assessment accompanying the proposal for a regulation includes cost estimates for infrastructure managers. However, as the scope of the proposal is limited to rail infrastructure capacity and rail traffic management, the estimates cover only the measures included in the proposal.</p> <p>The Commission’s Sustainable and Smart Mobility Strategy<sup>99</sup> addresses the greening of freight transport. The impact assessments of all proposals included in the Greening Freight Package show a modal shift from road to multimodal transport, and to rail in particular, that is much bigger than any reverse modal shift.</p> <p>The impact assessment<sup>100</sup> accompanying the proposal for the revision of the Weights and Dimensions Directive<sup>101</sup> concludes that measures providing incentives to road transport operators</p>

<sup>98</sup> [TEN-T Revision - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_ten-t_revision_en.pdf)

<sup>99</sup> COM(2020) 789 final.

<sup>100</sup> SWD(2023) 445 final.

<sup>101</sup> [Revision of the Weights and Dimensions Directive \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_weights_and_dimensions_en.pdf)



	<p>involved in intermodal operations will bring four times bigger shift from road-only to intermodal operations than the potential risk of reverse modal shift (which is however not confirmed by the practical experience) linked with the harmonisation of the use of European Modular Systems (EMS) in cross-border operations between Member States that allow them in national traffic.</p>
<p>3.2. This change to capacity planning will have implications for the daily work of railway workers, notably of IMs, which will be under pressure to recruit additional staff to carry out the growing administrative work. Furthermore, the occupational health and safety of infrastructure maintenance workers should be a priority in the capacity planning process.</p> <p>3.3. Therefore, the Committee deems it necessary to assess the impact of this on the number and nature of jobs at IM and RU level as well as the training requirements, especially for workers directly involved in the capacity planning process.</p>	<p>The impact assessment accompanying the proposal showed no significant increase in the administrative burden for stakeholders, including infrastructure managers. It also concluded that no major increase in labour resources would be required for infrastructure managers. The impact assessment also concluded that the effect of the proposal on employment would be positive, despite the current trend of declining employment in the rail sector. The number of employed persons for the preferred policy option would increase by 1.06 million over 2025-2050 (42 320 additional employed persons per year on average) relative to the baseline.</p> <p>There are limits to the level of detail of the impact assessment. Assessing the impact of the proposal on specific groups of infrastructure managers and railway undertakings employees would be disproportionate to the objectives of the impact assessment.</p> <p>The proposal should result in better planning and implementation of rail infrastructure development and maintenance, which should increase the predictability of the workload for infrastructure maintenance workers.</p>
<p>3.6. The EESC regrets to note that the results of the Regulation will only be visible after</p>	<p>The implementation period of the measures included in the proposal is</p>

<p>2030. Therefore, the EESC recommends speeding up the implementation of certain elements in order to achieve concrete results by 2025, such as digitalisation of tools and digital capacity management (DCM). The EESC considers it crucial to speed up the deployment and implementation of digital tools in the coming years to partially meet the growing demand of rail traffic and the Green Deal and Sustainable and Smart Mobility Strategy objectives.</p>	<p>extended by the process of strategic planning of infrastructure capacity. Without strategic planning, the new allocation rules risk being opaque and even discriminatory.</p> <p>It is the Commission's understanding that a number of infrastructure managers are already investing and upgrading their digital tools as part of the Timetable Redesign Project, which inspired many of the measures in the Commission proposal.</p>
<p>3.7. The EESC welcomes the introduction of (multi-year) rolling planning and framework agreements. However, it is important to point out that the mandatory use of framework agreements by IMs must go hand in hand with a revision of Regulation 2016/545. Framework agreements are regulated in this Regulation in such a way that their use is extremely bureaucratic and burdensome for IMs. For this reason, many European IMs have so far opposed their use.</p>	<p>In the period following the adoption of the legal act by the legislators, the Commission will discuss with rail stakeholders the need for revising Commission Implementing Regulation of 7 April 2016 on procedures and criteria concerning framework agreements for the allocation of rail infrastructure capacity<sup>102</sup>. If necessary, it will propose amendments to that act.</p>
<p>3.8. The new "rolling planning" concept is a key element in ensuring that the new capacity allocation and management process fits market needs. At the same time, national characteristics must be allowed for, as long as they do not undermine the overall implementation process.</p> <p>However, the EESC also notes that massive public investment and stable funding are needed in the medium and long term to build new infrastructure and maintain and upgrade existing lines while also investing in digitalised tools such as DCM. The EESC believes that it is crucial for the rail sector that the deployment and implementation of DCM be sped up in the coming years. To that end,</p>	<p>The Commission agrees with the Committee that the digitalisation of capacity management should happen as quickly as possible. The Commission supports the process through the Connecting Europe Facility. However, digitalisation is primarily the responsibility of rail stakeholders and Member States.</p> <p>As regards the European Rail Traffic Management System (ERTMS), the Commission agrees with the Committee that its roll-out should continue to be a priority not only to achieve a high degree of safety but also to ensure an efficient use of infrastructure capacity. The</p>

<sup>102</sup> Commission Implementing Regulation (EU) 2016/545 of 7 April 2016 on procedures and criteria concerning framework agreements for the allocation of rail infrastructure capacity; OJ L 94, 8.4.2016, p. 1–11.

<p>the European Commission should ensure that sufficient financing is available for full TTR implementation, including DCM. Investment in the European Rail Traffic Management System (ERTMS) should also be promoted, as ERTMS can potentially increase infrastructure capacity.</p>	<p>Commission's commitment to ERTMS is most apparent in the definition of ERTMS as a horizontal TEN-T corridor including a European coordinator and dedicated funding under the Connecting Europe Facility.</p>
<p>3.10. To improve cross-border traffic, the proposal calls for the harmonisation of the rules and procedures governing the management of rail infrastructure capacity.</p> <p>In this respect, the EESC stresses that the principles of subsidiarity and proportionality must always be respected. Adding additional layers of coordination and/or bureaucracy to an already complex system – such as establishing a Performance Review Body to advise the Commission on all areas that influence the performance of rail services and infrastructure management, establish a common framework to review performance and ensure that IMs use common principles and methodologies to measure performance through agreed indicators, helping to identify deficiencies in network performance – should be limited to what is really necessary. It is important to use a well-defined but limited set of KPIs. The Performance Review Body must incorporate the experience and knowledge of IMs and RUs, in a balanced manner.</p> <p>The EESC considers that this legislative initiative should be limited only to what is necessary to implement the TTR and should mostly build on the existing provisions of the Single European Railway Area (SERA) Directive.</p>	<p>The Commission agrees with the Committee on the importance of respecting the principles of subsidiarity and proportionality. Performance monitoring and the tasks of the Performance Review Body should be result-oriented and should not produce unnecessary burdens. The main idea behind the setting up of the Performance Review Body is to ensure that rail services meet the needs and expectations of rail customers.</p> <p>The Commission recognises the importance of the Timetable Redesign Project and has drawn inspiration from the measures included therein. However, the Project has its limitations resulting i.a. from the different views of the two main stakeholder groups involved in it: infrastructure managers and railway undertakings. The Commission is better placed at assessing and proposing a complete set of rules that would ensure the smooth functioning of the tools developed by the Timetable and Capacity Redesign (TTR). The proposal does indeed build on the existing provisions of the Single European Railway Area (SERA) Directive, for example by relying on the same entities established by the Directive (European Network of Infrastructure Managers and European Network of Rail Regulatory Bodies) to perform tasks under the Regulation.</p>

<p>3.12. While optimising the capacity allocation of rail infrastructure is undeniably a step forward in promoting rail as a sustainable mode of transport, the EESC also underlines the sector's assessment that this will lead to a maximum increase of 3% in usable capacity and a &gt;0.5% modal shift from road to rail<sup>3</sup>.</p> <p>Current rail infrastructure is not at all sufficient to meet demand. Building new infrastructure and properly maintaining the existing network will significantly increase capacity as well as the quality of the infrastructure and rail passenger and freight services.</p>	<p>The impact assessment accompanying the proposal and the support study indicated that road traffic will decrease by 0.5% to 0.7%, while rail traffic will increase by 2.7 to 4.0% (from 2030 until 2050) compared to the baseline. These results should be compared to the relatively low costs of the measures included in the proposal.</p> <p>At the same time, other measures, in particular the development of the core, extended core and the comprehensive network as laid down in the proposal for the revision of the TEN-T Regulation, will enable a considerable increase of rail traffic.</p> <p>Nevertheless, the improvements in rail infrastructure capacity and rail traffic management will enhance these impacts by minimising disturbances during infrastructure works and improved quality of rail services through better capacity allocation and traffic management.</p>
<p>3.14. The EESC recognises that, while rail capacity should be allocated as efficiently as possible, the choice between passenger and freight, long-distance and local, and national and international will always be a balancing act between different interests. These choices are not neutral and will affect how railways serve our public interests. It is therefore crucial that there is sufficient focus on local and regional lines. In any case, achieving the goals of the Green Deal will not be possible without regional transport due to its massive volume. The Regulation's network approach vis-à-vis the corridor approach is welcome in this regard.</p>	<p>The Commission agrees that all rail market segments play a role in increasing rail traffic. Therefore, the proposal for a regulation does not define priority for the different rail market segments but introduces tools and rules to ensure that the process is transparent, coherent and facilitates cross-border traffic, which faces the biggest challenges in terms of capacity allocation.</p>

<p>3.15. The EESC agrees that international rail freight is crucial in making goods transport in Europe more sustainable, but it regrets to conclude that the EU policies of the past few decades, which fully liberalised the sector in 2006, have not increased the share of rail freight in Europe. An active EU policy focused on investment and promoting cooperation between rail freight companies across borders is needed to boost rail freight. An "RU Platform" similar to the IM one (PRIME/ENIM), as well as technical working groups, similar to the current Rail Freight Corridor structure of Railway Undertaking Advisory Groups (RAGs)/Terminal Advisory Group (TAGs), would keep the market voice balanced and provide a symmetrical counterpoint to ENIM vis-à-vis the Commission, as well as an interface for the European Network of Rail Regulatory Bodies (ENRRB).</p> <p>In addition, the EESC supports the further development and (EU) funding of digital automatic coupling (DAC) to promote rail freight in Europe.</p>	<p>The liberalisation of the market for rail services has not happened with the same pace in all EU Member States. Nevertheless, those with increased level of competition show a positive trend for rail traffic.</p> <p>There are limits to what Union law can do and regulate. Cooperation between railway undertakings in a market, which should be open to competition, is not an issue that <i>prima facie</i> requires rules set in Union law.</p> <p>As for the consultation of railway undertakings and terminal operators, the proposal provides for a flexible approach where this consultation is set up in the way that is considered most efficient by the rail stakeholders. This will allow to eliminate any overlaps that were present in the Rail Freight Corridors Regulation<sup>103</sup> due to the overlap of the lines included in the corridors.</p> <p>The Commission very much welcomes the Committee support to digital automatic coupling (DAC), identified in the Communication on Greening Freight Transport<sup>104</sup> as a game-changer for European rail freight.</p>
<p>3.16. The EESC fully supports the Greening Transport Package's objectives of making transport in Europe more sustainable and achieving a modal shift in freight transport from road to rail. However, the Committee has noted that the Package falls short of delivering measures that will truly lead to a modal shift in freight transport.</p>	<p>The Greening Freight Package provides only part of the measures included in the sustainable and smart mobility strategy. The proposals included in the Fit for 55 package also support modal shift.</p> <p>As for the proposal for a directive amending the Weights and Dimensions Directive, the impact assessment showed that the measures promoting</p>

<sup>103</sup> Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight; OJ L 276, 20.10.2010, p. 22–32.

<sup>104</sup> COM(2023) 440 final.

<p>While more efficient allocation of rail infrastructure capacity is a step in the right direction, the European Commission is also proposing to ease cross-border operations for large fossil-fuel lorries, known as gigaliners. Not only are these lorries dangerous for other road users and often incompatible with multi-modal transport, but they will also lead to a reverse modal shift from rail to road.</p>	<p>intermodality will together create a four times bigger shift from unimodal road-only operations to intermodal ones than potential reverse modal shift that could be caused by allowing European Modular Systems (EMS) in cross-border operations between Member States that allow their circulation in national traffic (currently around one third of Member States). EMS are longer and usually heavier vehicle combinations composed of standard vehicles units which are compatible with all modes of transport.</p> <p>That is why EMS are particularly suitable for intermodal operations. EMS are usually the newest vehicles equipped with the latest vehicle safety and driver assistance features, they are usually driven by the most experienced drivers on dedicated safest parts of a road network, where there are no vulnerable users.</p>
<p>3.17. Lastly, the EESC regrets to note that the Commission's approach to promoting rail freight as the sustainable backbone of the European transport policy does not seem to be consistent. Recent investigations into possible illegal State aid to two of the EU's largest rail freight operators do the exact opposite. They discourage Member States from investing in the promotion of rail freight as a sustainable alternative to road transport.</p>	<p>State aid rules provide a complete toolkit to support the financing of rail infrastructure and operations in order to boost modal shift from more polluting modes of transport. At the same time, as guardian of the Treaties, the Commission has a duty to enforce these rules. The Commission must in particular ensure that public support is really necessary and proportionate to the objectives of common interest pursued by the Member States concerned. Public money cannot be wasted to benefit some companies in an unjustified and discriminatory manner, but it must be channelled to boost the competitiveness of rail transport.</p>

<p>3.18. The EESC calls on the European Commission to come up with a coherent strategy to promote green freight transport in the long term. The proposed Greening Freight Package lacks consistency, as it threatens to lead to a reverse modal shift from rail to road by facilitating cross-border operations for fossil fuel-powered ginaliners.</p>	<p>The Commission's Sustainable and Smart Mobility Strategy<sup>105</sup> provides a coherent and comprehensive framework for EU transport policy, including freight. As already indicated above, the impact assessments of all proposals show a modal shift from road-only transport to intermodal transport. Therefore, the legislative proposals included in the Greening Freight Package are in line with the consistent policy of the Commission of supporting the greening of EU transport.</p>
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<sup>105</sup> COM(2020) 789 final.

<p><b>N°22    Revision of Weights and Dimensions Directive 96/53/EC</b>  <b>COM(2023) 445 final</b>  <b>EESC 2023/2156 – TEN/811</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Dumitru Forna (RO-II)</b>  <b>DG MOVE – Commissioner VĂLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.3. The EESC supports the objectives of greening of transportation modes by using cleaner road transport vehicles. The EESC however takes note of the worries expressed by the railway community, workers and some NGOs that the adoption of this Directive would generate a reverse modal shift.</p>	<p>The Commission welcomes the position of the Committee that supports the objectives of the proposal. The Commission notes that the legal proposal includes measures to support the uptake of zero-emission vehicles, to improve the efficiency of road transport and to support intermodality. The Impact Assessment (IA) shows that the group of measures comes out with a net positive for rail/water-based modes of 4 times more modal shift from road-only transport to intermodal transport than from other modes to road.</p>
<p>1.4. The EESC suggests expanding the scope of the Directive to encompass additional critical elements, such as increasing the comfort of the driver by allowing longer cabins and the implementation of appropriate training and control equipment for authorities. This could help address the driver shortage challenge in the EU.</p>	<p>The Commission agrees that the shortage of drivers should be tackled by a wide range of measures. The improved working conditions are an important contribution to this challenge which is supported by the current Weights and Dimensions Directive. Namely, the current directive requires that the type-approval rules allowing more aerodynamic cabs with unlimited length take into account the safety and comfort of drivers. Commission Implementing</p>



	<p>Regulation 2021/535<sup>106</sup> developed the necessary technical requirements to this effect. Moreover, the legal proposal attenuates the demand for drivers by reducing the number of vehicle-kilometres which results from a decrease in the number of trips necessary to carry the same amount of cargo and the shift from road-only to intermodal transport.</p>
<p>1.5. The Committee endorses the proposal to allow a maximum additional weight of 4 tonnes for zero-emission (ZE) lorries only, but calls for a rigorous monitoring policy post-adoption, including immediate policy change should the desired impact not be achieved.</p>	<p>The Commission welcomes the support of the Committee to the incentives to zero-emission heavy-duty vehicle (HDV) and takes note of the request for closer monitoring of the impacts and adaption of the policy measures if need be.</p>
<p>1.6. Significant investment and extensive infrastructure modifications will be necessary to support the increased volume of traffic while maintaining current safety standards and installing the essential charging infrastructure for ZE vehicles.</p>	<p>The Commission confirms that investments in the upgrade of road infrastructure are necessary. The Commission's impact assessment analyses this issue showing that the adjustment costs for public authorities over the period 2025-2050 are estimated at EUR 4.2 billion (which are almost entirely linked to infrastructure costs). The Commission recalls that the proposal needs to be considered as a whole. As shown by the IA, costs for public administrations are saved thanks to: (i) the increased efficiency of controls, which will reduce considerably the costs of manual and random road-side checks as well as the frequency and severity of overloading; (ii) streamlining of procedures for the issuing of permits for the transport of indivisible loads; (iii) the reduction in the number of trips linked to increased loading capacity of HDVs and</p>

<sup>106</sup> Commission Implementing Regulation (EU) 2021/535 of 31 March 2021 laying down rules for the application of Regulation (EU) 2019/2144 of the European Parliament and of the Council as regards uniform procedures and technical specifications for the type-approval of vehicles, and of systems, components and separate technical units intended for such vehicles, as regards their general construction characteristics and safety (OJ L 117, 6.4.2021, p. 1).

	(iv) the shift to intermodal transport. All these measures will bring cost savings to public administrations of around EUR 21.5 billion over the period 2025-2050. This is 5 times higher than the overall costs estimated by the impact assessment.
<p>1.7. The EESC asserts that the successful implementation of ZE EMS requires robust support from both EU and national policies to ensure the availability of accessible and cost-effective specialised driver training.</p> <p>1.12. The EESC also understands the Commission's arguments for facilitating the EMS combinations in international operations between neighbouring Member States who allow their circulation on their territories. This approach allows the varying infrastructure standards and operational conditions between Member States to be taken into account, as for example, the practices that have been in place since Finland and Sweden joined the EU for transport between the two countries. However, the Committee does not deem it appropriate to ease cross-border operations for heavier and longer fossil-fuel EMSs, as it undermines the initiative's climate goals.</p> <p>1.13. The EESC emphasises the need to implement distinct measures to ensure that all cross-border EMSs eventually reach ZE and that EMSs avoid routes posing risks to cyclists and pedestrians when possible. Furthermore, the Committee is worried that additional EMSs on the EU's roads could place an</p>	<p>The Commission is committed to contribute to the decarbonisation of road transport by incentivising the uptake the zero-emission HDV and the development of new technologies, supporting the shift to intermodal transport, as well as making use of all the available energy solutions.</p> <p>The Commission recalls that EMS<sup>107</sup> are authorised in 9 Member States, including in cross-border transport based on 4 bilateral agreements and that their impacts in the EU were extensively analysed by the Report on the implementation of Directive 2015/719<sup>108</sup> (COWI, TRT, 2021) and by the ex-post Evaluation of the Weights and Dimensions Directive. EMS have been proven successful in reducing the environmental impact (with CO<sub>2</sub> emissions being reduced by 15% to 25% depending on the vehicle configuration), improving operational efficiency and road safety<sup>109</sup>. The road safety is guaranteed by geofencing measures requiring that Member States allow EMS on dedicated parts of road network, specifically high-capacity roads, which are the safest and where EMS do not</p>

<sup>107</sup> Emergency Response Procedures for Ships Carrying Dangerous Goods.

<sup>108</sup> Directive (EU) 2015/719 of the European Parliament and of the Council of 29 April 2015 amending Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic (OJ L 115, 6.5.2015, p. 1).

<sup>109</sup> According to COWI, TRT, 2021 the use of EMS, both as part of trials and as generally authorised in Finland and Sweden, accounts for €2.5 billion in operation costs savings (mainly linked to the reduction in labour costs due to less drivers needed for carrying the same amount of cargo) and €93 million in external costs savings (around 900,000 t of CO<sub>2</sub>) in 2018.

<p>additional unnecessary burden on road parking infrastructure.</p>	<p>interact with vulnerable road users. In practice, operators always choose the most experienced and safest drivers to drive EMS. The Commission is open to consider strengthening these safety elements during the inter-institutional negotiations.</p>
<p>1.8. The EESC welcomes the suggestion for Member States to set a mandatory minimum level of controls, including conducting appropriate night-time inspections. Nevertheless, the Committee was expecting a more precise, standardised and uniformly executed approach to the number of night-time inspections across all Member States.</p> <p>1.14. Achieving equitable conditions necessitates standardising maximum weights and dimensions across Member States, incorporating digitalised border-crossing protocols and allocating resources to adapt national road infrastructure to heavier and longer ZE vehicles, particularly along the extensive TEN-T network. The Committee suggests including onboard equipment, such as weight sensors connected to tachographs, which would ensure continuous monitoring throughout the entire journey and across the entire road network.</p> <p>1.15. The Committee finds it challenging to ascertain exactly how Member States should enact particular measures to detect vehicles or vehicle combinations in use that are likely to have surpassed the approved maximum weight, and would have expected a standardised procedure to be established.</p>	<p>The Commission welcomes the position of the Committee that supports the strengthening of the enforcement envisaged by the proposal. At the same time, the Commission recognises that Member States are in the best position to determine the proportion of night controls that is adequate based on the characteristics of the traffic in their territories.</p> <p>The Commission recalls that the current Weights and Dimensions Directive imposes the use of systems to automatically detect overloaded HDV, leaving Member States the choice of the best technological tool to achieve this objective. All Member States have chosen to install Weigh-In-Motion (WIM) systems in the road infrastructure, as opposed to On-Board-Weighing equipment, and this choice is also reflected in the proposal for a revision of the TEN-T Regulation and the provisional political agreement reached by legislators on 18 December 2023, which puts increased focus on resilience of transport infrastructure.</p> <p>The proposal also imposes a minimum of one WIM system every 300 km in the TEN-T network.</p> <p>In addition, to efficiently manage access of HDVs to the road network, the Commission proposal on the revision of the Weights and Dimensions Directive</p>

	<p>recommends the establishment of Intelligent Access Policy schemes (IAP). Such IAP schemes could help Member States ensure that the right trucks (including based on their weights or dimensions) are on the right roads at the right time, thus preventing congestion, damage to infrastructure and safety risks.</p>
<p>1.17. Finally, considering the impact of this Directive on the multimodal framework, the EESC deems it appropriate for the discussions on this Directive to proceed concurrently with the upcoming proposal for the Combined Transport Directive.</p>	<p>The Commission recognises that the proposal on Weights and Dimensions and on Combined Transport have a common objective of promoting intermodal freight transport operations. The support to such operations provided in both instruments can bring synergy effects and significantly speed up the growth of intermodal transport. At the same time, the Commission would like to clarify that each instrument provides for different type of support. While the Combined Transport Directive (CTD) provides the framework for financial support to operations that fulfil the environmental criteria, the Weights and Dimensions Directive offers technical support in terms of extra weight or height to vehicles in intermodal operations as well as ensuring their technical compatibility as intermodal loading units. The necessary coherence is guaranteed by the alignment of the definition of intermodal/combined transport in the Weights and Dimensions Directive with that of the Combined Transport Directive, aligning the support to intermodal operations, including for non-containerised transport. In addition, the Weight and Dimensions Directive facilitates the transport by road of high-cube containers and ensures that road units are compatible with intermodal (rail-road) transport.</p>

	<p>For the above reasons, the Commission considers that the discussions on both proposals can be carried out independently, while closely monitoring both processes to secure the consistency.</p>
<p><b>General comments</b></p>	
<p>3.2. The EESC takes note of the worries expressed by the railway community, workers and some NGOs that the adoption of this Directive would generate a reverse modal shift. Only by enabling a fair framework for all modes of transport can sufficient transport capacity be guaranteed. The long-term goal of greening the commercial road transport can, however, be further incentivised. The EESC also reminds that continuous efforts will need to be taken to improve road safety and working conditions for drivers.</p>	<p>It is important to consider the proposal on Weights and Dimensions as part of the Greening Freight Transport package. That package contains an ambitious proposal to improve rail capacity management, a proposal for a regulation to set out a common framework to calculate and report transport-related greenhouse gas emissions in all transport modes and a revision of the Combined Transport Directive.</p>
<p>3.3. Furthermore, a decrease in the amount of fuel consumed per unit of goods would be countered by an increase in fuel consumption per vehicle-kilometre. The Commission proposal includes facilitating cross-border operations for EMS combinations. The EESC understands the Commission's arguments for facilitating the use of such vehicles in international operations between neighbouring Member States who allow their circulation on their territories. This allows the varying infrastructure standards and operational conditions between Member States to be taken into account. However, the Committee does not deem it appropriate to ease cross-border operations for heavier and longer fossil-fuel EMSs, as it undermines the initiative's climate goals.</p> <p>3.7. The EESC believes that, for the deployment of ZE EMS to be successful, strong EU and national policy support is</p>	<p>The Commission takes note of the concerns of the Committee as regards the fuel consumption and points towards the conclusions of the IA accompanying the proposal on weights and dimensions. It shows that the measures in the proposal will reduce the CO<sub>2</sub> emissions by 27.8 million tonnes (1.2% of the CO<sub>2</sub> emissions from freight transport) over the period 2025-2050 as a result of the increase in the share of zero-emission vehicles in the HDVs fleet, the increase in the intermodal transport, but also to the improved efficiency of transport operations due to the reduction of energy consumption.</p> <p>Moreover, the Commission notes that the ex-post evaluation of the Weights and dimensions Directive has assessed the impacts of allowing HDV beyond the standards authorised by the Directive. The evaluation showed that allowing</p>

<p>essential to ensure that dedicated driver training is accessible and affordable.</p>	<p>EMS or extra weight (namely, 44-tonne HDV) has not had a negative effect in the “modal shift potential” of Member States.</p> <p>The Commission also notes that, while EMS are currently an available solution including for intermodal transport, they will not be electrified before standard vehicle combinations. Presently, the cross-border traffic of EMS takes place based on bilateral agreements. The limitation of such traffic to zero-emission EMS will either raise the emissions from transport as a consequence of transporting the same amount of goods with more vehicles or lead to the inefficient situation where the combination is uncoupled at the border to be coupled again after border-crossing.</p> <p>The Commission will remain vigilant to technological developments that would make zero-emission EMS a viable solution in the future.</p>
<p>3.8. The announced cost for the European Commission of establishing the technical and operational standards for information exchanges concerning the transportation of indivisible loads is under EUR 900 000, including an initial study and a two-day workshop. Roughly the same amount is calculated for the development of IAP standards. The EESC finds that acceptable.</p>	<p>The Commission welcomes the position of the Committee that supports the economic estimation of measures to set minimum administrative and safety requirements for the transport of indivisible loads and to develop of standards for IAP.</p>
<p>3.9. The proposal made in several paragraphs of the Directive to empower the Commission to adopt delegated acts is very sensitive due to the subsidiarity aspects it may infringe. The EESC would have expected the majority of these issues to have been clarified in this legislative proposal and debated with the European Parliament and the Council.</p>	<p>The Commission notes that the proposal introduces one delegated act to develop the minimum sets of data and the performance indicators to monitor the impacts of EMS and trials on road safety, on the road infrastructure, on modal cooperation, and on the environment, including the impacts on modal split. The objectives are clearly set in the proposal,</p>

	<p>and the concrete datasets and performance indicators to be provided by the Member States require carrying out consultations with Member States at expert level and agreeing on the datasets and the definition of harmonised performance indicators to ensure the comparability of the results. Those consultations will be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016<sup>110</sup>, ensuring equal participation in the preparation of the delegated act and ex-post control both from the European Parliament and the Council.</p>
<p><b>Specific comments</b></p>	
<p>4.3. The EESC considers that there are no significant technical barriers to handling heavier containers weighing up to 34-36 tonnes in combined transport operations. However, it calls for further studies and analysis to assess whether there are any new technical challenges concerning infrastructure and lifting capabilities at terminals.</p>	<p>The Commission highlights that the legislative proposal was preceded by an evaluation of the current Directive and an IA that shows internal inconsistencies undermining the measures to ensure a level playing field for the transport of containers in intermodal transport as compared to unimodal road transport. These inconsistencies were also recognised by the European Court of Auditors in its special report ‘Intermodal freight transport. EU still far from getting freight off the road’. The Commission would like to draw the attention of the Committee to the in-depth analysis carried out in the study on ‘Comparative evaluation of transshipment technologies for intermodal transport and their cost’<sup>111</sup>.</p>

<sup>110</sup> OJ C 369, 17.12.2011, p. 14.

<sup>111</sup> European Commission, Directorate-General for Mobility and Transport, Comparative evaluation of transshipment technologies for intermodal transport and their cost – Final report, Publications Office of the European Union, 2022, <https://data.europa.eu/doi/10.2832/743839>.

4.9. The production of electric trailers must be enhanced and incentivised, given their energy-saving potential. Specific attention must be paid to respecting the maximum allowed gross weight, especially since electric trailers may require the use of heavier equipment. The EESC considers that, in order to enhance the efficiency of combined transport, new trailers must be craneable. Furthermore, it is essential to ensure that any technical specifications for these trailers, such as additional metal reinforcements, do not result in an increase of the allowed maximum gross weight.

The Commission shares the opinion of the Committee that considers that electric trailers must be incentivised. The current proposal on Weights and Dimensions does so by disconnecting the extra weight allowance granted to zero-emission vehicles from the actual weight of the zero-emission technology and by allowing the use of the extra weight by the vehicle combination (not only for the motor vehicle).

Mandating all semitrailers to be craneable was considered by the IA accompanying the legal proposal. The measure was discarded for the reasons stated in Annex 8 of the IA. The Annex concluded that it would not effectively and efficiently promote the intermodal operations, and, on the contrary, it would increase the cost and reduce the efficiency of intermodal transport. This would particularly be the case for containerised transport and for intermodal road-water based transport where the majority of transport of semi-trailers takes place.



<p><b>N°23 Report on Competition policy 2022</b>  <b>COM(2023) 184 final</b>  <b>EESC 2023/2810 – INT/1032</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Paulo BARROS VALE (PT-I)</b>  <b>DG COMP – Executive Vice-President VESTAGER</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. ‘The European Economic and Social Committee (EESC) congratulates the European Commission on the publication of the Report on Competition Policy 2022, which provides a comprehensive and up-to-date overview of competition-related activities in the EU. The report indicates the Commission's ongoing commitment to promoting fair and efficient competition for the benefit of consumers and businesses, demonstrating developments that coincide with a more ambitious vision, as called for by the EESC in the past.’</p>	<p>The Commission welcomes the fact that the Committee considers the Report on Competition Policy 2022 (ACR 2022) comprehensive, timely and that it acknowledges the Commission’s efforts to safeguard fair and efficient competition in the Single Market.</p> <p>In a challenging environment, the Commission took swift and resolute action to alleviate the nefarious effects on the EU economy caused by successive economic shocks. EU competition policy was one of the tools used for responding to swift market developments and other challenges that competition enforcers are faced with today.</p> <p>Furthermore, the EU equipped itself with other policy instruments aiming to ensure fairer market conditions for all companies operating in the Single Market. Notably, the Digital Markets Act which applies as of 2 May 2023 and the Foreign Subsidies Regulation that entered into force on 12 July 2023 with the notification obligation applying from 12 October 2023.</p>
<p>1.2. ‘[...] The Commission's action on foreign subsidies constitutes a first step and is welcomed by the EESC, but this needs to be extended to other areas so as to ensure a genuine level playing field, given the current disadvantages faced by European</p>	<p>The Foreign Subsidies Regulation aims to ensure a level playing field as regards the impact of subsidies from third countries that could disturb the Single Market. As such, social and environmental standards in third countries do not fall in the scope of the</p>

<p>companies in the face of other international realities that are not subject to the same principles, rules, social and environmental safeguards, etc.’</p> <p>4.3. ‘The EESC supports the adoption of the Regulation on foreign subsidies distorting the internal market, as all companies operating in the EU market should follow the same rules. The EESC calls for continuous dialogue and cooperation with third countries and for other mechanisms that could protect the internal market from hidden subsidies to be assessed and developed [...].’</p>	<p>Foreign Subsidies Regulation. However, in recently concluded bilateral Free Trade Agreements, the EU and its counterparts agreed on binding rules on implementing environmental and social standards, for example international conventions on labour rights.</p> <p>The Foreign Subsidies Regulation is complementary to the World Trade Organisation Agreement on Subsidies and Countervailing Measures (ASCM) and covers subsidies for the manufacture, production, or export of goods, which means that the ASCM rules are outside the scope of the Foreign Subsidies Regulation. However, in the World Trade Organisation as well as in bilateral relations, the EU engages in cooperation and policy dialogue on subsidy issues.</p>
<p>1.3. ‘In the past three years, the Commission has implemented temporary frameworks to enable Member States to support businesses in the context of the coronavirus pandemic and the war in Ukraine. While it has alleviated the economic consequences suffered by EU companies, it has also led to distortions of competition and negative effects on trade between Member States. The analysis conducted by the Commission itself in the 2022 Competition Policy Report (page 4) makes it clear that Member States with greater fiscal capacity could provide more support to their domestic companies compared to Member States with limited resources. We argue that companies based in Member States with more fiscal capacity will have an advantage in the internal market over other EU companies located in different Member States. Consequently, we urge the Commission to address the consequences of the temporary frameworks</p>	<p>By regularly sending surveys to Member States, the Commission assesses the impact of the Temporary Frameworks on competition in the Single Market. The Commission refers to the Competition State Aid Brief (2022 and 2023 editions). The Commission’s analysis shows that State aid measures implemented by Member States are proportionate to the economic damage suffered during the crisis. Moreover, the research does not indicate that there are any Member State(s) that would have completely outspent others. This is reassuring because it addresses concerns about the COVID-19 Temporary Framework having distorted competition in the Single Market.</p> <p>The Commission notes the concerns raised that the Temporary Crisis and Transition Framework may possibly impact the level playing field in the Single Market because Member States have diverging fiscal capacity to subsidise companies negatively</p>

<p>and to restore competition while enabling significant EU investments, especially in the green and digital transition.’</p> <p>1.4. ‘The EESC recommends that the Commission assess the distortions of competition that have arisen through the implementation of the COVID-19 State Aid Temporary Framework, together with other European funds. The Commission should urge the Member States to correct the mistakes, precipitous measures and unequal treatment that have occurred and that, while understandable in an unprecedented state of emergency, can and should now be corrected in order to restore the level playing-field – and thereby competition – for businesses operating in the same market that were treated unequally during that period. [...]’</p> <p>3.8. ‘The adoption of temporary frameworks to allow Member States to support their business sectors over the last three years is, as recognised by the Commission itself, a source of competition distortion, with varying degrees depending on the Member State's capacity. The EESC is concerned about the consequences for competition and calls for initiatives to rectify any situations that may arise.’</p>	<p>affected by Russia’s aggression against Ukraine. However, the Commission only approves measures when they are considered necessary, appropriate, and proportionate, after careful analysis.</p> <p>Different fiscal capacity of Member States should be tackled in other ways than through State aid control. In that regard, the Commission has proposed the Strategic Technologies for Europe Platform (“STEP”). The STEP will allow directing existing funding towards technology fields that are crucial for Europe's leadership, thus contributing to a level playing field for investments throughout the Single Market.</p>
<p>1.10. ‘[...] The EESC also calls for the implementation of financially effective instruments, such as fair tax rules between Member States. The Commission can and should play a more active role in these matters, directly within the scope of its competences, or indirectly through interaction with national competition authorities.’</p>	<p>The Commission will continue enforcing the State aid rules in fiscal matters, notably as regards aggressive tax planning practices. It will do so in line with and in the light of the most recent guidance of the Union Courts in cases like ENGIE, FIAT or Belgian excess profit.</p> <p>In the framework of the European Semester, several Member States have received country-specific recommendations concerning the fight against aggressive tax planning and these Member States’</p>

	<p>Recovery and Resilience Plans include measures to fight aggressive tax planning. Payments under the Recovery and Resilience Facility are conditional upon the satisfactory fulfilment of relevant milestones and targets. The Commission monitors that Member States fulfil the required milestones and targets.</p>
<p>3.5. ‘[...] The EESC stresses the importance of healthy competition in inflationary periods. Competition can help contain inflation by putting downward pressure on profit margins. A competitive economy is more responsive to changes.’</p>	<p>The Commission agrees that an effective competition policy is important during times of higher inflation. An effective enforcement of the competition rules makes it harder for companies to increase prices (and sometimes profit margins).</p> <p>Effective competition in markets therefore puts downward pressure on prices and profit margins and makes it harder for companies to simply pass on inflation-generated cost increases to the next level in the value chain and ultimately to consumers.</p> <p>Conversely, firms active in markets with insufficient competitive pressure may collude also in times of low inflation or even deflation.</p>
<p>1.10. ‘The EESC highlights the importance of ensuring fair competition in all sectors, especially those that have a direct impact on the well-being of consumers and SMEs. Abuses of dominant positions and unfair commercial practices can negatively affect thousands of small businesses (especially in the most sensitive sectors already identified in previous EESC opinions). SMEs need to be strengthened as they are crucial to local development and well-being, providing jobs, paying taxes to communities, and strengthening regions. [...]’</p> <p>3.12. ‘[...] Unfair advantages can arise through abuses of dominant positions, unfair commercial practices, and creative</p>	<p>The Commission fully agrees with the Committee about the importance of the small and medium-sized enterprises for the competitiveness of the Single Market, both as a whole and on local and regional levels across the EU.</p> <p>Given the fact that the long vertical supply chains of the largest transnational firms in the EU to a large degree consist of SMEs, it is crucial to consider potential effects on SMEs in competition policy analyses. This applies for all enforcement instruments (antitrust, mergers and State aid).</p> <p>As a concrete example in State aid policy, the Commission refers to the amended General Block Exemption Regulation</p>

and international tax strategies, which SMEs do not have the human resources and financial possibilities to address. At the same time, SMEs (especially in the most sensitive sectors already identified in previous EESC opinions) need to be strengthened, because they play a unique role for local development and welfare by providing jobs, paying taxes to communities, and strengthening regions. [...]

(GBER) adopted in June 2023. The amendments to the GBER - which aim to further simplify and speed up support for the green and digital transitions - include several provisions aimed to support SMEs.

For example, the amended GBER facilitates the design and implementation of Important Projects of Common European Interest (IPCEI) by clarifying and streamlining the possibilities to grant State aid to SMEs. A prime example of this approach is the recently approved *ME/CT IPCEI*<sup>112</sup>, which supports research, innovation and industrial deployment of micro-electronics and communication technologies. An integral part of this project are 56 companies including SMEs and start-ups that will carry out 68 projects.

The Commission recently approved an IPCEI to support research, development and first industrial deployment of advanced cloud and edge computing technologies. The *IPCEI CIS* was jointly notified by seven Member States: France, Germany, Hungary, Italy, the Netherlands, Poland, and Spain. As part of this IPCEI, 19 companies, including SMEs, will carry out 19 projects<sup>113</sup>.

Finally, the Commission points out that competition policy is only one of many instruments in the overall policy mix that aim to strengthen the position and competitiveness of SMEs across the EU. Ideally, all policy instruments should complement and strengthen each other to

<sup>112</sup> IPCEI ME/CT approved on 8 June 2023, see [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3087](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3087).

<sup>113</sup> IPCEI CIS approved on 5 December 2023, see: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_6246](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6246).

	maximise the impact of the overall SME policy.
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<p><b>N°24    Competitiveness and Industry</b>  <b>(Exploratory opinion requested by Spanish presidency)</b>  <b>EESC 2023/2448 – INT/1033</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteur: Andrés BARCELÓ DELGADO (ES-I)</b>  <b>Co-rapporteur: Angelo PAGLIARA (IT-II)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°25    Next generation of own resources</b>  <b>COM(2023) 330 final</b>  <b>COM(2023) 331 final</b>  <b>EESC 2023/3197 – ECO/626</b>  <b>582<sup>nd</sup> Plenary Session – October 2023</b>  <b>Rapporteur: Katrīna ZARIŅA (LV-I)</b>  <b>Co-rapporteur: Philip VON BROCKDORFF (MT-II)</b>  <b>DG BUDG – Commissioner HAHN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.3. The EESC also broadly supports the Commission's adjusted package for the next generation of own resources, understanding its temporary nature and on the basis that it is limited to the repayment of the appropriations used to finance NextGenerationEU.</p>	<p>The Commission welcomes the support of the Committee.</p>
<p>1.4. The EESC calls on the European Parliament and the Council of the EU to adopt an adjusted package for the next generation of own resources before the next European Parliament elections in 2024 and before the end of the current political term of office.</p>	<p>The Commission welcomes the support of the Committee.</p>
<p>1.5. However, the EESC believes that the issue of EU own resources and budgetary capacities has not received the visibility needed to address all its aspects. An in-depth but time-bound debate involving the social partners and civil society organisations should take place without delay and in accordance with the next term of office of the EU institutions. This is a particularly pressing debate, which should also focus on the EU's fiscal capacity to finance its own ambitious but necessary agenda. In this regard, the set of proposals for own resources proposed by the European Parliament on 10 May 2023, and largely supported by the EESC, represents an important contribution to this debate.</p>	<p>Over more than a decade, the Commission has deployed its best efforts to generate and inform a debate on new own resources. <b>As announced in the Communication of the Commission accompanying the first Own Resources Package (December 2021), the Commission advanced its latest package by one year in June 2023</b> , for Member States to have all elements for a decision on new own resources. With this proposal and all sectoral legislation now in place, there are no further obstacles to stepping up negotiations on this file.</p> <p>In view of point 1.3. (supported by the Committee), it is in the mutual interest to proceed with the schedule proposed by</p>



	the Commission. Nevertheless, a wide debate on the matter should indeed be promoted by all Institutions in preparation of the next steps.
1.6. The EESC emphasises that the expenditure from the Union budget related to the NextGenerationEU repayment must not reduce the funding of other EU programmes or investments under the current and next MFF. This remains key for the EU's economic integration and social cohesion, as well as the EU's global competitiveness and the post-pandemic recovery over the medium term.	The Commission concurs with the opinion of the Committee. Moreover, given the level of ambition of the political goals set by the Commission, by the Parliament, and by the Council, in terms of structural transformation of our economy, a serious debate should take place about the size and composition of the next Multiannual Financial Framework.
1.10. The EESC points out that the statistical own resource on company profits could entail an administrative burden for national statistical institutes and businesses, as inherent to any new own resource. While this extra burden is deemed marginal compared to alternatives, the EESC stresses that administrative burdens – especially on businesses – should be avoided or minimised.	The Commission agrees that a certain administrative burden for national authorities is inherent to any new own resource and that a statistical own resource based on company profits is relatively simple compared to alternative new own resources. On businesses, no additional administrative burden is to be expected.
1.13. The EESC recognises that, overall, the temporary statistical own resource could contribute to financing NextGenerationEU until the implementation of the BEFIT mechanism. At the same time, the EESC calls for a thorough assessment of the effectiveness of the own resources already in place, and points to the need to ensure compliance with the already established rules and to complete and implement the reforms that have been started.	The Commission concurs with the Committee that it is key to implement existing new own resources effectively. Each year, the Commission gets from the European Court of Auditors a positive discharge assessment on the revenue side.
2.8. The EESC, in principle, welcomes the Commission's analysis and proposal, published in June 2023, for a new own resources package comprising the revision of the December 2021 initial proposal to generate three new sources of revenue for the EU,	The Commission appreciates the support of the Committee.

<p>including a new temporary statistical own resource based on company profits. At the same time, the EESC reiterates the need for a structural modernisation of the own resources system, which should support Member States' efforts to achieve digital, environment and sustainable economic growth objectives.</p>	
<p>2.10. In its previous opinion on the second set of new own resources, the EESC welcomed a number of the European Parliament's proposals and put forward its own recommendations on possible new own resources. On the same occasion, the EESC reiterated that any proposal for own resources should be accompanied by an impact assessment of their effectiveness and impact on businesses and households. The EU should therefore explore, as a matter of priority, further options for future revenues for the EU budget that minimise the tax burden on European businesses and citizens.</p> <p>2.11. While the Commission carried out an analysis of the possible options for new sources of revenue for the EU budget, the EESC regrettably notes that several of the options proposed by the European Parliament and the EESC were ultimately considered to be insufficiently suitable and robust for inclusion in the Commission's proposal. That said, a statistical own resource based on an estimate of company profits is considered to be an effective interim solution with a "high potential added value"<sup>114</sup>.</p>	<p>The Commission appreciates the Committee's support for the interim solution of a statistical own resource based on company profits.</p> <p>In the staff working document accompanying its June 2023 proposal, the Commission analysed extensively the European Parliament's and the Committee's recommendations for new own resources and came up with a realistic proposal that can be negotiated immediately.</p> <p>This proposal has several advantages, as it is: <i>i</i>) quickly implementable, <i>ii</i>) based on statistics, which the European Parliament deemed to have 'high potential added value', <i>iii</i>) linked to the corporate sector, as committed to in the interinstitutional agreement, and <i>iv</i>) as a contribution based on statistics, it is not a new tax and should not involve additional compliance costs for businesses and households.</p> <p>The Commission also highlights the importance of the stabilization properties of possible new own resources, and in particular recalls that scientific evidence points to the high stabilization capacity of an even very limited resource based on corporate income.</p>

<sup>114</sup> [Draft report on own resources: a new start for EU finances, a new start for Europe, Committee of Budgets, European Parliament.](#)

<p>2.13. The EESC calls on the Commission to carry out further assessments and evaluations of the candidate measures identified as potential own resources and expresses doubts about the effectiveness and sustainability over the long term of the resources proposed to repay the funds raised to finance the NextGenerationEU recovery instrument.</p>	<p>As mentioned in the Communication of June 2023, the Commission gave priority to a package of new own resources that can be negotiated immediately. The Communication also stresses that ‘Member States in the Council now have all elements on the table to proceed with negotiations towards a quick agreement’. The measures the Commission proposed in June 2023 should generate sufficient revenue to cover the NextGenerationEU (NGEU)- related needs. As the financing costs of NextGenerationEU will decrease with the successive repayment of principal, possibly declining the EU Emissions Trading System (ETS) revenue in the future will not endanger the contribution of new own resources to the repayment.</p>
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**N°26 A way forward for the deepening of the Single Market through digitalisation**  
**(Own-initiative opinion)**  
**EESC 2023/2058 – INT/1019**  
**582nd Plenary Session – October 2023**  
**Rapporteur: Mira-Maria DANISMAN (FI-I)**  
**DG CNECT – Commissioner BRETON**

**Points of the European Economic and Social Committee opinion considered essential**

**European Commission position**

The follow-up given by the Commission to this opinion will be included in a subsequent report.

<p><b>N°27    Modern Business Responsibility - Avenues for elevating MSMEs ability for successful transformation</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/1160 – INT/1020</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteurs: Milena ANGELOVA (BG-I), Ferdinand WYCKMANS (BE-II), Rudolf KOLBE (AT-III)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°28    Strengthening MSMEs’ financial resilience and promoting a second chance for entrepreneurs</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/998 – INT/1024</b>  <b>582nd Plenary Session – October 2023</b>  <b>Rapporteur: Mira-Maria DANISMAN (FI-I)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.3. &amp; 3.3. The European Economic and Social Committee (EESC) urges the Commission to closely monitor the overall impact of all financial regulation on MSME customers.</p> <p>[...] While the EESC supports the intention of European institutions to enhance the resilience and sustainability of the financial system, there are concerns regarding the potential adverse impact of tightening regulations on the access to bank finance for MSMEs, leading to a situation where MSMEs’ access to finance is increasingly conditional on the involvement of a public actor such as guarantee institutions, development and promotional banks [...]</p> <p>The EESC also expresses serious concern over the low MSME investment rates and the weakened ability of MSMEs to finance innovation and the twin transition and underlines that MSMEs must continue to have access to finance at reasonable prices.</p>	<p>As regards the Micro-, Small and Medium-sized Enterprises (MSMEs’) investment rates and their ability to finance innovation, the Commission has worked extensively over the recent years to support the development of the EU’s capital markets by making companies more visible to cross-border investors and facilitating their access to market funding.</p> <p>The Commission’s proposal for a Listing Act was tabled in December 2022<sup>115</sup>. The proposed regulatory amendments aim to make it more attractive for companies, and in particular SMEs, to seek listing and stay listed on EU public markets, by removing certain barriers and costs.</p> <p>The European Single Access Point (ESAP)<sup>116</sup> is a one-stop shop for investors who are ready to invest across borders. By making it easier for them to find information, it gives companies, in particular MSMEs, more visibility, opening up more sources of financing, including from cross-border investors, that are currently largely unavailable to those types of companies. Also, access to bank finance for MSMEs has been an</p>

<sup>115</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13238-Listing-Act-making-public-capital-markets-more-attractive-for-EU-companies-and-facilitating-access-to-capital-for-SMEs\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13238-Listing-Act-making-public-capital-markets-more-attractive-for-EU-companies-and-facilitating-access-to-capital-for-SMEs_en)

<sup>116</sup> Entry into force of the ESAP Regulation and of the Directive establishing and functioning of the ESAP - 9 January 2024.

	<p>important consideration for the Commission in designing its most recent proposal to amend EU banking regulations (i.e. the 2021 Banking Package). For example, this is reflected in the proposed treatment of banks' exposures of unrated SMEs and of their long-term and strategic equity holdings, while the overall calibration of the package avoids significant increases in capital requirements for banks.</p>
<p>1.4. &amp; 3.5. Sufficient funds via the InvestEU SME window need to be ensured. Also, more EU regional funds should be directed to MSME activities.</p>	<p>The Commission has already proposed, as part of the Strategic Technologies for Europe Platform (STEP), to increase the EU guarantee by EUR 7.5 billion through a dedicated STEP window of InvestEU. <a href="#">However, co-legislators decided against this reinforcement.</a></p> <p>In addition, in the context of the STEP proposal, Member States can benefit from aligned state aid and the 'do no significant harm' rules if they decide to transfer part of their Recovery and Resilience Facility (RRF), the European Structural and Investment Funds (ESIF) or national budget funding to InvestEU under the so-called 'Member State compartment'. These are aimed to stimulate more Member State to contribute funding, including for InvestEU backed financing to SMEs.</p>
<p>3.4. &amp; 3.6. Alternative financing, such as crowdfunding and business angels offer an option for some MSMEs facing difficulties in obtaining funding from traditional lenders. The EU can facilitate the uptake of alternative financing by establishing a</p>	<p>The Commission recalls that one of the objectives of the InvestEU joint RIDW/SMEW<sup>117</sup> equity product, deployed through the European Investment Fund (EIF), is to guarantee equity investments across the EU that</p>

<sup>117</sup> Research, innovation and digitisation (RIDW) / Small and Medium Sized enterprises (SMEW) equity product, [https://investeu.europa.eu/investeu-operations/framework-operation-9-smew-ridw-joint-equity-product-enabling-sectors-sub-product\\_en](https://investeu.europa.eu/investeu-operations/framework-operation-9-smew-ridw-joint-equity-product-enabling-sectors-sub-product_en)

<p>supportive regulatory framework, promoting data sharing and open banking initiatives, and investing in targeted financial education programs for MSMEs. Also, venture capital, equity and bond markets should be developed to be more attractive for MSMEs. [...] Finally, a fully-fledged European Capital Markets Union (CMU) would offer MSMEs broader and more flexible financing options. The EESC regrets the limited progress in this regard and calls for further actions to deepen the Capital Markets Union.</p>	<p>support the Capital Markets Union (CMU) development and improve access to finance for European startups and scaleups. This is meant to facilitate the growth of European enterprises, diversify funding opportunities by providing companies with alternative sources of financing, and attract private investors.</p> <p>The EIF reported that market interest for products under this policy priority has been considerable.</p>
<p>1.6. &amp; 4.4. The EESC welcomes the planned revision of the Late Payments Directive and encourages the EU legislators to ensure a speedy adoption. The revision should not only establish fair payment times but also implement an independent and effective monitoring and enforcement system [...]</p> <p>Also, the EESC calls for prompt payments in European project funding for SMEs and suggests that the late payment rules should be applied to them.</p>	<p>The Commission has presented a proposal for a Regulation to repeal the current Late Payment Directive on 12 September 2023<sup>118</sup>. The proposal presents:</p> <ul style="list-style-type: none"> <li>- maximum payment terms for all commercial transactions (both B2B and G2B) at 30 days. Public response and economic assessments (see the Impact Assessment<sup>119</sup> for more details) concur that this payment term offers the best cost-benefit ratio.</li> <li>- a comprehensive system of redress and enforcement. Member States will have to designate bodies to enforce the provisions of the Regulation in an independent manner. These bodies can also receive complaints from businesses and shall handle them confidentially. Member States shall also set up Alternative Dispute Resolution schemes and facilitate SMEs' access to them.</li> </ul>
<p>1.9. &amp; 6.5. To support entrepreneurs' second chance and reduce the stigma around business failure, the EESC asks the</p>	<p>The Commission, in collaboration with the World Bank, has initiated a study on systemic approach to support for distressed businesses. The study will</p>

<sup>118</sup> [https://single-market-economy.ec.europa.eu/system/files/2023-09/COM\\_2023\\_533\\_1\\_EN\\_ACT\\_part1\\_v7.pdf](https://single-market-economy.ec.europa.eu/system/files/2023-09/COM_2023_533_1_EN_ACT_part1_v7.pdf)

<sup>119</sup> [https://single-market-economy.ec.europa.eu/system/files/2023-09/SWD\\_2023\\_314\\_1\\_EN\\_impact\\_assessment\\_part1\\_v2.pdf](https://single-market-economy.ec.europa.eu/system/files/2023-09/SWD_2023_314_1_EN_impact_assessment_part1_v2.pdf)



<p>Commission to conduct a thorough assessment of the existing barriers to second chances that European entrepreneurs encounter following a business failure.</p>	<p>explore regulatory and institutional frameworks and financial and non-financial support mechanisms for companies at key stages of the process through which an enterprise goes in case of financial distress, including second chance. The final results of the study will be available in the first quarter of 2024.</p>
<p>1.10. &amp; 7.1. The EESC acknowledges the substantial influence of the regulatory environment on the financial resilience of MSMEs. It supports the European Commission's plan to reduce SMEs' reporting obligations by 25% and suggests setting more ambitious targets going forward, with regular monitoring and evaluation. Furthermore, the EESC raises concerns about the additional compliance costs arising from national "gold-plating" practices, which not only burden MSMEs but also create unfair competition within the Single Market</p>	<p>The Commission agrees that the regulatory environment is crucial for financial resilience of MSMEs and for maintaining the competitiveness of European business. The Commission's long-term competitiveness Communication<sup>120</sup> sets a target of reducing burdens associated with reporting requirements by 25%, without undermining the policy objectives of the initiatives concerned. Since March 2023 the Commission has adopted 15 proposals that simplify and rationalise reporting requirements. Under the 2024 Work Programme, 26 additional rationalisation proposals were put forward to reduce administrative burden. The Commission has also launched a call for evidence to gather feedback on burdensome reporting requirements. It will tackle the identified burdensome reporting requirements with targeted rationalisation plans for 2024 and beyond. It will report on the progress made in its annual burden surveys. In addition, the SME Relief Package<sup>121</sup>, adopted on 12 September 2023, has renewed the Commission's commitment to ensuring a business-friendly regulatory environment. Among the actions contained in the package, the Commission will systematically consider specific SME-friendly provisions in new</p>

<sup>120</sup> [https://commission.europa.eu/system/files/2023-03/Communication\\_Long-term-competitiveness.pdf](https://commission.europa.eu/system/files/2023-03/Communication_Long-term-competitiveness.pdf)

<sup>121</sup> [https://single-market-economy.ec.europa.eu/system/files/2023-09/COM\\_2023\\_535\\_1\\_EN\\_ACT\\_part1\\_v12.pdf](https://single-market-economy.ec.europa.eu/system/files/2023-09/COM_2023_535_1_EN_ACT_part1_v12.pdf)

	<p>legislative proposals, such as longer transition periods for SMEs, SME-targeted guidance, consideration of the impact of delegated and implementing acts on SMEs, and review and sunset clauses in secondary legislation.</p> <p>Moreover, the EU SME Envoy, once appointed, and the SME Envoy Network will work on the promotion of good practices as regards the application of SME-friendly provisions at national level, including in relation to the transposition of EU directives.</p>
<p>1.12. &amp; 8.2. Diversifying supply chains is highly relevant to the financial resilience of European MSMEs. Reducing their dependence on a single supplier or market helps mitigate financial risks and allows them to adapt more effectively to changing market conditions, price fluctuations, or disruptions in supply chains. The EESC calls for support for MSMEs' internationalisation and access to foreign markets to enable them to diversify their supply, ensure higher liquidity and participate in global trade.</p>	<p>The Commission agrees that diversifying supply chains is highly relevant for SMEs. As announced in the updated Industrial Strategy<sup>122</sup>, the Commission has been working through its key SME support networks, the Enterprise Europe Network<sup>123</sup> and European clusters network<sup>124</sup> to anticipate and help SMEs become more resilient to supply chain shocks. Two key elements in this have been the creation of an EEN Supply Chain Resilience platform to help SMEs affected by supply chain disruptions to find new partners or suppliers, and the creation of dedicated EEN “Resilience services” to help SMEs understand their potential vulnerabilities and take action to address them.</p> <p>In addition, the Commission contributes to businesses support services in third markets, with initiatives such as the EU SMEs Centre in China or the EU-Japan centre for industrial cooperation in Japan. The Commission also support MSMEs by providing advice and support through the EU-intellectual property rights SMEs</p>

<sup>122</sup> [https://commission.europa.eu/system/files/2021-05/communication-industrial-strategy-update-2020\\_en.pdf](https://commission.europa.eu/system/files/2021-05/communication-industrial-strategy-update-2020_en.pdf)

<sup>123</sup> <https://een.ec.europa.eu/>

<sup>124</sup> <https://clustercollaboration.eu/cluster-networks>

	Help Desks established in China, India, Latin America, South-East Asia and Africa.
<p>5.2. &amp; 5.3. The EESC strongly advocates for the integration of entrepreneurship education across all levels of education, emphasising the importance of equipping individuals with the necessary skills for entrepreneurship [...]</p> <p>The EU should invest in training programmes that enhance financial management and investment skills in MSMEs.</p>	<p>The Commission agrees that the entrepreneurship education is crucial for building up entrepreneurial mindsets among young students and equipping them with the entrepreneurial skills, and that it should be promoted it at all levels of formal and informal education and among all European citizens. This mindset is defined by a set of competences established by the European Entrepreneurship Competence Framework (EntreComp)<sup>125</sup>, published in 2016, as part of the European Skills Agenda. In order to implement and disseminate EntreComp, the Commission is running several projects on entrepreneurship education that support initiatives at all levels, from local to European. These projects have been funded through the Programme for the Competitiveness of Enterprises and SMEs (COSME) and the Single Market Programme (SMP)<sup>126</sup>, and focus on acquiring and enhancing entrepreneurial competences, improving access to mentoring and training, including financial management, creating EntreComp communities of practice, promoting role models, and boosting the attractiveness of entrepreneurship as a career choice, especially for those underrepresented categories, such as women and young people.</p>

<sup>125</sup> <https://ec.europa.eu/social/main.jsp?catId=1317&langId=en>

<sup>126</sup> [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/single-market-programme/overview\\_en#:~:text=The%20Single%20Market%20Programme%20\(SMP,governance%20of%20the%20single%20market.](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/single-market-programme/overview_en#:~:text=The%20Single%20Market%20Programme%20(SMP,governance%20of%20the%20single%20market.)

<p>8.3. The EESC calls for EU action to facilitate business transfers in Europe in its recent opinion on business transfers<sup>127</sup>.</p>	<p>The Commission has already addressed in its reply the recommendations contained in the recent Committee's opinion on business transfers (INT/982) quoted here.</p> <p>Furthermore, in its SME Relief Package the Commission announced that it will assess the framework conditions for business transfer in Member States together with the network of SME Envoys<sup>128</sup>.</p>
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<sup>127</sup> OJ C 486, 21.12.2022, p. 9.

<sup>128</sup> A group of Member States' high-level experts who advise the Commission on all aspects of SME policy, [https://single-market-economy.ec.europa.eu/smes/sme-strategy/sme-envoys-network\\_en](https://single-market-economy.ec.europa.eu/smes/sme-strategy/sme-envoys-network_en)

<p><b>N°29 CO2 emission class of heavy-duty vehicles with trailers</b>  <b>COM(2023) 189 final</b>  <b>EESC 2023/3043 – TEN/815</b>  <b>581<sup>st</sup> Plenary Session – September 2023</b>  <b>Rapporteur: Bruno CHOIX (FR-I)</b>  <b>MOVE – Commissioner VĂLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.1. The EESC recommends adding an indicator to Regulation (EU) 2019/1242 that would be mandatory Europe-wide on the deployment of H<sub>2</sub> refuelling infrastructure with regard to the number of alternatively powered commercial vehicles registered on the European market and the fleet limits for each five-year period.</p>	<p>The Commission notes that the deployment of refuelling infrastructure falls outside the scope of the current proposal. It is regulated by the new Regulation on the deployment of refuelling infrastructure<sup>129</sup> that has recently been adopted by the co-legislators and should not therefore be now amended by this proposal.</p>
<p>1.2. The EESC calls for an earlier date of entry into force to be set for both the changes in the calculation of tolls based on the energy efficiency of trailers and semi-trailers and the mandatory taking into account of the energy efficiency of trailers and semi-trailers in determining which charging class should apply to vehicle-trailer combinations once the CO<sub>2</sub>-based differentiation of charges becomes applicable to motor vehicles. The date proposed by the European Commission (1 July 2030) should therefore be brought forward.</p>	<p>The date of 1 July 2030 refers to the mandatory taking into account of the energy efficiency of trailers and semi-trailers in determining which charging class should apply to vehicle-trailer combinations. Once the proposal is adopted, Member States will have the option to implement the system before that date. For the sake of clarity, the date of 1 July 2030 corresponds to the proposed date when targets will be set for manufacturers under the revision of Regulation (EU) 2019/1242.</p>
<p>1.3. The EESC calls for an assessment and consideration of the possible consequences of imposing tolls or user charges on all heavy goods vehicles, in particular when it comes to small and medium-sized enterprises (SMEs).</p>	<p>The Commission notes that this point was included in the latest revision of the Eurovignette Directive, precisely in Article 9(b) of Directive (EU) 2022/362, supported by recital 15, which allows</p>

<sup>129</sup> Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure and repealing Directive 2014/94/EU (OJ L 234, 22.9.2023, p. 1).

<p>The EESC would therefore recommend that the Member States provide for targeted exemptions from the charges.</p>	<p>Member States to provide for reduced charges or exemption to small heavy-duty vehicles used by small and medium-sized craft businesses, where the transport is not effected for hire or reward.</p>
<p>1.4. The EESC calls for an assessment and consideration of the possible consequences of imposing multiple layers of taxation targeting CO<sub>2</sub> in tolls and user charges resulting from the application of the new CO<sub>2</sub>-performance-based charging in parallel with the possibility of applying an external carbon tax.</p>	<p>The Commission notes that Directive (EU) 2022/362, in its articles 7cb(4) and 7ga(8), calls on the Commission to carry out an assessment of the coherence of this Directive with other pieces of legislation that may put a price on carbon emissions (i.e., the emissions trading system and energy taxation) and, where appropriate, submit a legislative proposal to amend the relevant provisions of the directive.</p>
<p>1.5. Digital technologies can increase the safety, efficiency and inclusiveness of transport. The EESC considers that there is a need to further clarify the scope of trailers and semi-trailers that will or could be classified under the new framework, taking into account not only the dates of application of VECTO – the new simulation tool developed by the European Commission to determine the updated CO<sub>2</sub> emissions of heavy-duty vehicles for new registrations – but also the possibility of classifying existing trailers and semi-trailers, including those equipped with devices that improve their energy efficiency.</p>	<p>The scope of the proposal is based on the type-approval legislation that constitutes the legal basis for trailers certification, namely Commission Implementing Regulation (EU) 2022/1362<sup>130</sup> and corresponds to the scope of the proposed revision of Regulation (EU) 2019/1242 concerning Heavy-Duty Vehicles (HDVs) CO<sub>2</sub> standards<sup>131</sup>. According to the support study to that legislation<sup>132</sup>, the trailers covered by the proposal correspond to around 60% of new trailers.</p> <p>The proposal includes provisions on existing trailers equipped with devices</p>

<sup>130</sup> Commission Implementing Regulation (EU) 2022/1362 of 1 August 2022 implementing Regulation (EC) No 595/2009 of the European Parliament and of the Council as regards the performance of heavy-duty trailers with regard to their influence on the CO<sub>2</sub> emissions, fuel consumption, energy consumption and zero emission driving range of motor vehicles and amending Implementing Regulation (EU) 2020/683 (OJ L 205, 5.8.2022, p. 145), [https://eur-lex.europa.eu/eli/reg\\_impl/2022/1362](https://eur-lex.europa.eu/eli/reg_impl/2022/1362)

<sup>131</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/1242 as regards strengthening the CO<sub>2</sub> emission performance standards for new heavy-duty vehicles and integrating reporting obligations, and repealing Regulation (EU) 2018/956, COM(2023)88, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2023:88:FIN>

<sup>132</sup> See Figure 15: ‘Registrations of new trailers in 2017 per body type’ of the study ‘Bodies and trailers – development of CO<sub>2</sub> emissions determination procedure. Task 1. Review of existing studies, data collection and identification of the characteristics and specific constraints of the sector’: [https://climate.ec.europa.eu/system/files/2020-01/report\\_bodies\\_trailers\\_en.pdf](https://climate.ec.europa.eu/system/files/2020-01/report_bodies_trailers_en.pdf)

	<p>that improve their energy efficiency (see recital 8 of the proposal). Retrofitting of vehicles is mostly regulated at Member States' level; the proposal provides for the legal basis necessary to take into account efficiency improvements of retrofitted trailers, should a Member State decide to allow the retrofitting process. A retrofitted trailer is a trailer on which equipment, such as aerodynamic devices, is installed to improve its energy efficiency. Equipment can be certified under Commission Implementing Regulation (EU) 2022/1362. The proposal provides for empowerment for a delegated act to lay down a methodology for determining the allocation to a trailer class of a retrofitted trailer (last subparagraph of proposed Article 7gc(3)), based on the devices installed onto that trailer.</p>
<p>1.6. The EESC emphasises the need to use all possible means to reduce CO<sub>2</sub> emissions. For example, one way of cutting carbon emissions from heavy-duty vehicles with trailers is to shift the freight they carry to Europe's rail networks, which is a less carbon-intensive mode of transport, and another is to introduce alternative power sources, differentiated according to the type of transport involved (from local distribution to long-distance transport). Electric power can be suitable for vehicles used for short journeys, and hydrogen, renewable natural gas (RNG) and liquefied natural gas (LNG) can power heavy-duty vehicles for longer journeys.</p>	<p>The Commission shares the need to use all possible means to reduce CO<sub>2</sub> emissions. The Commission strongly supports rail transport with a number of measures, such as the Rail capacity proposal<sup>133</sup> which is part of the Greening Freight Transport package presented in July 2023. The directive aims at tapping into the potential of all available technologies to decarbonise road transport by setting out discounts not only for low-and zero-emissions vehicles (from 30% up to 75%), but also for efficient internal-combustion engine vehicles (from 5% to 30%).</p>

<sup>133</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the use of railway infrastructure capacity in the single European railway area, amending Directive 2012/34/EU and repealing Regulation (EU) No 913/2010, COM(2023) 443/2.

<p><b>N°30 Minimum breaks and rest periods for occasional passenger transport COM(2023) 256 final EESC 2023/2929 – TEN/816 581<sup>st</sup> Plenary Session – September 2023 Rapporteur: Mateusz SZYMAŃSKI (PL-II) DG MOVE – Commissioner VÁLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.3. The European Economic and Social Committee (EESC) acknowledges the Commission's efforts to improve the quality of service and attractiveness of this form of tourism. However, the proposal to increase labour flexibility in the sector should be considered inappropriate, as it would worsen the working conditions of drivers and thus further reduce people's interest in doing this job. Nevertheless, it is welcome that the proposed regulation does not introduce any changes to the minimum duration of breaks or rest periods, nor to maximum driving times. It is in the considerable interest of companies to take care of their drivers and fleets in order to ensure a high standard of road and passenger safety. At the same time, the EESC urges Member States to ensure that secure parking zones for rest periods and breaks are available.</p>	<p>The Commission would like to stress that the impact assessment accompanying the proposal demonstrated a right balance achieved between the interests of operators and drivers, considering notably the overall objectives of the Regulation: to ensure good working conditions for drivers and fair business conditions. The Commission agrees that companies have a vested interest in taking care of their drivers and fleets to ensure a high standard of road and passenger safety.</p>
<p>1.4. Furthermore, we have to take into account that the average age of drivers in the sector is already high and increasing. Higher workloads could lead to more accidents on the road. There is a strong link between driver fatigue and road safety. Flexibility is therefore at odds with EU road safety targets.</p>	<p>The Commission recalls that the proposal does not introduce any changes to the minimum duration of breaks or rest periods, nor to maximum driving times. Thus, drivers will not face any increase in workloads. On the contrary, more flexibility in arranging breaks and rest periods will improve working conditions and facilitate compliance with the rules, thereby leading to reduced drivers' stress</p>



	and fatigue levels, and indirectly to increased road safety.
1.5. The EESC proposes that much more attention be paid to the issue of effective implementation and enforcement of existing rules. There are opportunities for this to happen, not least through the use of digital tools to conduct inspections. This could be supported by EU funds.	<p>The Commission recognises that the effective implementation and enforcement of existing rules should be strengthened. To do that and to reduce administrative burdens for drivers and operators, the Commission is working on digitalising certain documents (e.g. digital licence for road undertaking), simplifying and replacing paperwork with digital solutions (e.g. eFTI platforms for storing and sharing digital data related to freight) and automating processes (e.g. electronic tolls, smart tachograph version 2).</p> <p>The Commission will highlight the EESC's recommendation on EU funds for the use of digital tools to conduct inspections to the European Parliament and to the Council.</p>
1.6. The EESC takes a negative view of the practice of consulting directly with individuals and collating their opinions with those of the representative social partners. This undermines the recognised role of the social partners and runs counter to the principles of social dialogue. At the same time, we call for issues relating to working conditions in the sector to be addressed to a greater extent by the sector-specific social partners, who are most familiar with the realities of the sector, in the process of the social dialogue.	<p>The Commission is committed to ensuring the highest levels of stakeholders' consultation. In the present case, consultation was carried out in line with the Better Regulation guidelines, which require to 'consult as widely as possible', giving all interested parties the opportunity to contribute to the evaluation or development of effective policies. Both representative employers' and workers' organisations were thoroughly consulted. Since not all drivers are members of trade unions or professional associations, especially self-employed drivers, it was important to also obtain their views.</p>
<b>General comments</b>	
3.1. The EESC acknowledges the Commission's efforts to improve the quality of	The Commission would like to recall that the proposal aims at both ensuring

<p>service and the attractiveness of this form of tourism. Nonetheless the EESC regrets that the Commission's proposal does not properly address the underlying problem of the transport sector: the significant shortage of staff. We doubt that the right solution is to make drivers' working time more flexible or to increase pressure on those drivers who continue to work in the sector. This is because the pressure on drivers is already very high.</p>	<p>efficient and high-quality occasional passenger services as well as improving working and driving conditions for drivers. As such, the proposal contributes to achieving well-fitted rules for the road occasional passenger transport sector and to reducing the shortage of drivers. However, the shortage of drivers is a wider issue going well beyond this initiative. The proposal brings nevertheless a small but important contribution to the challenge faced by the road transport sector. The Commission agrees that the pressure on drivers is very high, but the proposal to make drivers' breaks and rest periods in occasional passenger services more flexible aims precisely at reducing this pressure.</p>
<p>3.2. The EESC highlights that practice and the shape of existing regulations already allow for a long duration of working time, exacerbating fatigue, and the proposed new rules can make it even worse. Bearing in mind that the average age of a driver in the occasional passenger transport sector is 50<sup>134</sup>, we have to take into account not only purely economic and organisational factors, but also driver health and passenger safety.</p>	<p>The Commission is aware that the shortage of drivers is a growing global problem. The reasons are multiple, one of them being poor working and social conditions. Mobility Package 1 brought significant improvements in terms of working conditions and social protection of drivers. Further improvement of these conditions was one of the objectives of the proposal, in addition to economic and organisational factors, as it is shown by the impact assessment accompanying the proposal.</p>
<p>3.3. The proposed change in practice will lead to 12 consecutive days of driving without any weekly rest whatsoever in both domestic and international trips. This is even more unsuitable knowing that the enforcement of the 12-day derogation is already problematic, with inspectors reporting that there are major difficulties in controlling this derogation. This is due to lack of digital enforcement tools and</p>	<p>The proposed change to apply the 12-day derogation to both domestic and international occasional bus and coach operations aims to create a level playing field for all operators. The Commission is unaware that enforcing this derogation entails greater difficulties than enforcing other rules or derogations. Existing journey forms for international</p>

<sup>134</sup>

<p>difficulty ensuring that there is only one group of passengers (single occasional service as in Regulation (EC) No 561/2006). It is regrettable that the Commission did not take the necessary steps to address the existing problems.</p>	<p>operations can be adapted for domestic services. The journey forms contain all information relevant to enforcement, such as the main itinerary, the number of passengers and the carrier. Based on these documents and tachograph records, enforcement officers are able to determine the applicability of the 12-day derogation.</p>
<p>3.4. In regard to breaks there will be the possibility for operators to split daily breaks into three periods of a minimum of 15 minutes. This might result in bus and coach drivers not having sufficient time for recovery, especially given that there are more and more passengers on board coaches and drivers are burdened with additional responsibilities.</p>	<p>The Commission would like to recall that in the occasional passenger transport, the problem is not the lack of sufficient breaks, but the fact that breaks are not well aligned with the natural stops on touristic trips.</p> <p>Drivers in occasional passenger services have generally more breaks and longer rest periods than in freight and regular passenger services.</p>
<p>3.5. It also seems that the priorities of EU policy should not only be reducing the workload of employees, but also properly enforcing existing regulations. A number of problems related to the application of regulations and decreasing number of checks, which was already insufficient<sup>135</sup>, in road transport are observed. This is due to the inadequacies in controls and inspections and lack of digital tools. Efficient, practical and timely enforcement is essential to improve drivers' working conditions, tackle fatigue and ensure road safety. The EESC highlights the importance of close cooperation between Member States and the efficient exchange of information. EU funds could be used for this, especially for digitalising the available tools.</p>	<p>The Commission agrees with the Committee that efficient, practical and timely enforcement is essential to improve drivers' working conditions, tackle fatigue and ensure road safety. The recent Commission's biennial report to which the Committee is referring, indicates indeed that the number of infringements by drivers and road transport operators against the social provisions still remains high. It should be noted however, that the data collected by the Commission does not show the share of infringements committed in the occasional passenger transport sector out of the total number of detected infringements. The Commission will continue discussing with Member States and the enforcement community the enforcement issues and encourage Member States to strengthen their efforts</p>

	in improving cooperation, through joint inspections and concerted checks, notably by benefiting from the assistance offered by the European Labour Authority.
3.6. It is also crucial to build a level playing field for the all operators, which will enable fair competition. The search for a better position in the market by some transport companies by circumventing existing rules and requirements creates a situation of unfair competition that undermines the operation of honest entrepreneurs. This should be firmly tackled by all the competent national and European authorities.	The Commission agrees that building a level playing field for all operators is crucial. Therefore, it proposed to treat similarly the international and domestic occasional bus and coach operations (i.e. the 12-day rule). The Commission is also committed to monitor the implementation of the EU road transport legislation, for example the provisions of Mobility Package 1, which strengthened rules on stable establishment and good repute of road transport operators.
3.7. The EESC proposes that some aspects of working time organisation should be left to social partner agreement to ensure a fair work-life balance e.g., predictability of shifts, given the high level of complexity and specificity of the sector. Moreover, there is a need to work on more efficient enforcement of the existing rules, which already create proper grounds for fair competition.	Directive 2002/15/EC <sup>136</sup> provides Member States and social partners with sufficient flexibility with regard to the organization of working time. Specific rules on breaks, rest periods and night work may be adopted by means of collective agreements, agreements between the social partners, or if this is not possible, by laws, regulations or administrative provisions provided that social partners were consulted. National legislation may also allow the social partners to participate in the enforcement activities of the existing rules.
3.8. The proposed changes to the sector in question also appear to run counter to the objectives of the Mobility Package already adopted. The revision will undermine the Mobility Package's goal of improving working conditions in the road transport industry and will threaten road safety. Moreover, the	The Commission's proposal will contribute to achieving well-fitted rules for the road occasional passenger transport sector. It will notably guarantee efficient and high-quality occasional-passenger transport services and improve working and driving conditions for

<sup>136</sup> Directive 2002/15/EC of the European Parliament and of the Council of 11 March 2002 on the organisation of the working time of persons performing mobile road transport activities (*OJ L 80*, 23.3.2002, p. 35).

<p>reform goes against the Strategic Action Plan on Road Safety and the envisaged Vision Zero target of zero deaths or serious injuries in road accidents by 2050<sup>137</sup>.</p>	<p>drivers, in particular by minimizing their stress and fatigue, and indirectly improve road safety. The proposal is consistent with other EU policies, notably measures to ensure road safety.</p>
<p><b>Specific comments</b></p>	
<p>4.1. It is in the considerable interest of companies to take care of their drivers and fleets in order to ensure a high standard of road and passenger safety. Therefore the calculation of rest periods and breaks must be carried out with the utmost care, allocating appropriate importance to it, in order to prevent accidents from occurring, thus reducing risks for employees and for the businesses themselves.</p>	<p>The Commission agrees that companies have a vested interest in taking care of their drivers and fleets to ensure a high standard of road safety and passenger safety. Particularly in the driver shortage situation, it is in the employer's interest to provide drivers with adequate working and social conditions.</p>
<p>4.2. Staff shortages in the sector are becoming increasingly acute and threaten the future of the sector. The increasing average age of drivers highlights the need to make the sector more attractive. Inaction and the gradual retirement of drivers will only exacerbate the problems observed. It appears that targeting regulatory changes to improve conditions for professional drivers could make the sector more attractive and increase interest in the job, particularly among younger people.</p>	<p>The Commission is aware that the shortage of drivers is a growing global problem. There are many reasons for this, including poor working and social conditions. Mobility Package 1 brought significant improvements in terms of working conditions and social protection of drivers. A more flexible distribution of breaks and rest periods will further reduce drivers' stress and fatigue levels, thereby increasing drivers' quality of life and working attractiveness in the sector. Moreover, greater flexibility in drivers' assignment (in particular the 12-day rule) will also help to guarantee a good service performance with only one single driver, especially with regard to driver shortages in high season periods.</p> <p>The Commission would like to highlight that the driver shortage problem can only be solved by a wide range of measures. The proposal makes a small but important contribution to this challenge</p>

	faced by the road transport sector, but solving the driver shortage problem goes nonetheless beyond this initiative.
4.3. Reducing such significant staff shortages in the sector will also be possible by supporting all those who would be interested in starting to work in the area of occasional passenger transport. The high fees for the training and licences required to drive represent a significant barrier here. The EESC therefore calls on the Commission and the Member States to ensure that public employment services and other relevant bodies introduce support programmes in this domain.	The Commission takes note of the Committee's recommendation but would like to note that the fees for the training and licences required to drive are outside the scope of the proposal.
4.4. Another important aspect that could contribute to the attractiveness of this type of work would be an improvement in drivers' working conditions. Investment in secure parking places to facilitate rest, even for short periods, is still necessary. In this respect, the gender-inclusivity perspective may be particularly important in order to ensure safe and healthy working conditions with access to decent facilities.	The Commission fully agrees that safe and secure parking places could contribute to the attractiveness of this type of work and improve drivers' working conditions. Recital (7) of Commission Delegated Regulation (EU) 2022/1012 <sup>138</sup> recognises that providing good resting conditions to drivers on safe and secure parking areas is crucial to ensure road safety and reduce the risk of accidents due to fatigue. As regards the gender-inclusivity perspective, this Regulation establishes that all parking areas respecting Union's minimum level of service must dispose of gender-friendly sanitary facilities.
4.5. One response to the staff shortage has also been to open up the sector to third-country nationals. In practice, this solution is proving to be ineffective, as there is considerable variation in working conditions among EU	The Commission agrees that the access of third-country drivers may be one of the solutions to the driver shortage. It would like to highlight that third-country drivers employed by the operators established in

<sup>138</sup> Commission Delegated Regulation (EU) 2022/1012 of 7 April 2022 supplementing Regulation (EC) No 561/2006 of the European Parliament and of the Council with regard to the establishment of standards detailing the level of service and security of safe and secure parking areas and to the procedures for their certification (*OJ L 170*, 28.6.2022, p. 27).

<p>countries, as well as problems with the enforcement of existing legal requirements – both national and EU ones. It is therefore necessary to ensure that all drivers in the sector, throughout the EU, be effectively protected from abuse.</p>	<p>the EU must enjoy the same working conditions as EU nationals. In its overall assessment of the level of compliance with the rules on employment conditions, the Commission also monitors compliance with those rules with respect to third-country nationals.</p>
<p>4.6. In addition, for the purposes of the above, but also so that future decisions on the organisation of working time in the sector are based on the latest data, it is recommended that new studies be carried out on the impact of driving, rest and working time on safety in the sector, as well as on the main challenges in enforcing existing legal requirements in this area. Studies by the European Agency for Safety and Health at Work seem to be of particular relevance.</p>	<p>The Commission will undertake an evaluation survey on the level of drivers' fatigue and stress to assess how the new rules contributed to the reduction of drivers' stress and the improvement in working conditions. Following the Committee's recommendation, the Commission will take into special consideration studies by the European Agency for Safety and Health at Work.</p>
<p>4.7. In its opinions, the EESC stresses the importance of representative democracy, including social dialogue mechanisms involving representative employers' and workers' organisations. For this reason, the European Commission's practice of taking the views of individual drivers and collating them with the views of the sector's representative trade union in the results of the consultation, and drawing conclusions from these views in order to create universally applicable legislation, is to be criticised.</p>	<p>The Commission is committed to ensure the highest levels of stakeholders' consultation.</p> <p>The consultation activities upon this proposal were carried out in line with the Better Regulation guidelines, which require to “consult as widely as possible”, giving all interested parties the opportunity to contribute to the evaluation or development of effective policies. Both representative employers' and workers' organizations were thoroughly consulted. Since not all drivers are members of trade unions or professional associations, especially self-employed drivers, it was important to obtain their views.</p>
<p>4.8. The EESC wishes to stress the importance not only of legislation and its enforcement, but also of raising awareness among employers and drivers of the dangers of over-tiredness and fatigue. Public campaigns should be</p>	<p>The Commission agrees with the Committee that raising awareness among employers and drivers of the dangers of over-tiredness and fatigue is very important. The Commission welcomes</p>

<p>particularly publicised. In doing so, the EESC encourages cooperation with authorities responsible for road safety and health and safety at work (e.g. labour inspectorates). It is also recommended that Fatigue Risk Management strategies and use of systems to detect drowsiness and lack of concentration for drivers be promoted as part of the European Commission Road Safety policies, strategies and action plans. The European Commission may dedicate 2025 to the bus and coach sector, with a strong focus on how to tackle the driver shortage.</p>	<p>the Committee's recommendations regarding public campaigns and will carefully assess the feasibility of their implementation.</p>
<p>4.9. In the case of tourist agencies offering coach excursions, the EESC strongly recommends limiting the 'other work' arrangements where the driver needs to carry out tasks such as finding parking spaces, supervising loading and unloading activities or loading and unloading passenger luggage, and many more. This in practice means that drivers very often skip breaks, although this time is registered as a break. This definitely restricts the driver's real break and rest time and can constitute a significant danger.</p>	<p>The Commission notes the Committee's recommendation to tourist agencies. It would however like to note that 'other work' arrangements, such as finding parking spaces and loading and unloading passenger luggage, are usually integral part of drivers' work in view of ensuring high quality occasional bus and coach services. It is nevertheless important to underline that rules on working time should be respected and that the work concerned should not be part of the breaks.</p>



<p><b>N°31    Revision of the Directive on Ship-Source Pollution COM(2023) 273 final EESC 2023/2154 – TEN/809 581<sup>st</sup> Plenary Session – September 2023 Rapporteur: Constantine CATSAMBIS (EL-I) DG MOVE – Commissioner VĂLEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.10. Effective monitoring, control, identification and enforcement of pollution offences will require both a skilled workforce and technological advancements, including drone technology and satellite imagery. There is a need for properly trained, skilled professionals, for reskilling and up-skilling and further training of staff and crew in shipping, and for mandatory inspections in the event of marine pollution incidents, with due consideration to be given at all times to occupational health and safety protection on the ship and for the staff of the responsible authorities, including port staff. It is also necessary to develop new and detailed standards for the effective implementation of inspections.</p>	<p>The Commission welcomes the position of the Committee that recognises the importance of properly trained skilled professionals. In line with the expectations of the Committee, the aim of the proposed revision of the Ship-Source Pollution Directive is to provide more opportunities for training on detection, verification and enforcement, including training for port staff.</p> <p>The Commission welcomes the position of the Committee that recognises the need for standards for the effective implementation of inspections and recalls that it will organise the exchange of experiences between experts, including those from the private sector, civil society and trade unions, on the application of this Ship-Source Pollution Directive proposal, with a view to establish common practices and guidelines on the enforcement of this amended Directive.</p>
<p><b>General comments</b></p>	
<p>2.7. The European Commission will make publicly available a regularly updated Union-wide overview of the implementation and enforcement of this Directive five years after</p>	<p>The Commission is committed to ensuring the highest levels of personal data protection in its proposals and to set out clear rules and obligations as regards</p>

<p>its transposition. The overview will include the information listed in new Annex II to the SSPD-amending proposal. This is positive. To the extent that information relating to penalties includes personal data, such information will be anonymised.</p>	<p>the processing of personal data. It would also like to recall that the European Data Protection Supervisor (EDPS) has issued its opinion on the proposal and made recommendations concerning anonymising personal data reported regarding pollution incidents and their inspections<sup>139</sup>. The Union-wide overview of the implementation and enforcement of this Ship-Source Pollution Directive proposal will be updated regularly on a website. An evaluation on the effectiveness of the amended Directive will be published five years after its transposition.</p>
<p>2.19. During the legislative process, the European Commission decided that compliance with MARPOL Annex VI for sulphur oxides (SOx) through treatment (desulphurisation) by using exhaust gas cleaning systems (SOx scrubbers) could not result in detrimental impacts on the marine environment, water quality, species and habitats in European waters from exhaust gas cleaning system residues discharged overboard into the water (Directive 2008/56/EC on the marine strategy framework is relevant here)<sup>140</sup>.</p> <p>2.20. A number of recent studies have concluded that the issue of protective measures with regard to SOx scrubber discharges needs to be urgently addressed in IMO, as well as at EU, national and regional level. Alternative fuels should be pushed forward, especially in view of the need to combat climate change rather than continuing to use fossil fuels by all means<sup>141</sup>.</p>	<p>Provided that certain discharge criteria are met, studies show that open-loop SOx scrubbers result in detrimental impacts on the marine environment. The Commission did not draw up any new conclusions on the impact on the marine environment of systems in compliance with MARPOL Annex VI for sulphur oxides. The EU sets out regional rules on the sulphur oxides (SOx) limits in Directive (EU) 2016/802, which transposes the MARPOL SOx standards in EU law. The impact of SOx scrubber discharges is currently being addressed in IMO with the Commission's active role in these discussions.</p>

<sup>139</sup> EDPS Opinion 35/2023 on the Proposal for a Directive on ship-source pollution and on the introduction of penalties, including criminal penalties, for pollution offences.

<sup>140</sup> [OJ L164/19, 25.6.2008.](#)

<sup>141</sup> Environmental Impacts of Discharge Water from Exhaust Gas Cleaning Systems on Ships, German Environment Agency – Final report of the project ImpEx, TEXTE 27/2023.

Specific comments	
<p>3.1. Administrative penalties that have been introduced through the SSPD in the event of infringements have proved to be dissuasive, in particular when it comes to accidental pollution. In the context of shipping, administrative sanctions (via flag State<sup>142</sup> implementation and port State control<sup>143</sup>) are well enforced and already accepted as more dissuasive than criminal sanctions.</p>	<p>The Commission agrees with Committee that administrative penalties are enforced most often in the EU in the context of shipping. However, it notes that some Member States chose criminal prosecution for ship-source pollution and in the event of infringements apply criminal penalties. In such case the Environmental Crime Directive<sup>144</sup> will apply.</p>
<p>3.2. There is a need for alignment with international rules. The ECD-amending proposal sets out criminal sanctions and penalties and requires that EU Member States provide for infringements of the SSPD, however without recognising that EU Member States are constrained by UNCLOS in the application of penal sanctions for pollution by foreign vessels. The phrase "when committed with at least serious negligence" must be interpreted in line with the MARPOL standard of conduct "with intent to cause damage or recklessly and with knowledge that damage would probably result" for legal coherence with Article 5(2) of the SSPD-amending proposal.</p>	<p>The Commission agrees with Committee that there is need for alignment with international rules and recalls that Article 5(2) of the Ship-Source Pollution Directive (SSPD)-amending proposal is coherent with international rules. The MARPOL standards of conduct are fully respected in the proposal for a SSPD. Rules on criminal penalties for ship-source pollution are set in the Environmental Crime Directive whereas rules on administrative penalties are set in the proposal for a Ship-Source Pollution Directive. 'Serious negligence' and 'recklessly and with knowledge that damage will probably result' are not the same standards of conduct.</p>
<p>3.3. For legal certainty, the following clarifications should be sought in the SSPD-amending proposal:</p> <ul style="list-style-type: none"> <li>- The exceptions of Article 5 do not apply to harmful substances in packaged form and sewage discharges (MARPOL Annexes III and IV).</li> </ul>	<p>The Commission welcomes the position of the Committee that recognises that the exceptions of Article 5 do not apply to harmful substances in packaged form and sewage discharges (MARPOL Annexes III and IV). They also do not apply to garbage discharges (Annex V).</p>
<ul style="list-style-type: none"> <li>- The exceptions in Article 5 (Annexes I, II and VI) seem to apply in the territorial sea, the</li> </ul>	<p>The Commission welcomes the position of the Committee that recognises that the</p>

<sup>142</sup> Directive 2009/21/EC, [OJ L 131, 28.5.2009](#).

<sup>143</sup> Directive 2009/16/EC, [OJ L 131, 28.5.2009](#).

<sup>144</sup> COM(2021) 851 final

exclusive economic zone (EEZ), as declared, and the high seas <sup>145</sup> .	exceptions of Article 5 apply in the territorial sea.
- Article 6(3) introduces a list of irregularities in Annex I, however the list does not seem sufficiently linked to the principle of Article 6(1), which only refers to suspicions of irregularities in discharges.	The Commission welcomes the position of the Committee that recognises that the list of irregularities in Annex I is a list of suspected irregularities.
- Article 8 states that penalties (fines) should be imposed on the company of the ship in question, unless it can prove that the master and the crew are responsible. Further clarification is needed on the burden of proof and/or presumption of fault.	The Commission will provide to the co-legislators further clarification on the burden of proof and presumption of fault.
- Article 10 and 10d introduce new reporting obligations and protection of whistleblowers, but the right to contradiction by the company is lacking.	The Commission recalls that the right for contradiction by the company is embedded in national procedures for proceedings and appeals. Member States will report the information on the penalty imposed once the decision is final in accordance with their national procedures.
3.4. Clarity and certainty are essential where criminal sanctions and liabilities and an individual's personal freedom are at stake, emphasising the need for legal clarity between the scope of the two Directives, aimed at harmonised implementation and enforcement.	The Commission agrees with the Committee that there is need for coherence with the proposal for an Environmental Crime Directive. Rules on criminal penalties for ship-source pollution are set in the proposal for an Environmental Crime Directive whereas rules on administrative penalties are set in the Ship-Source Pollution Directive proposal.

<sup>145</sup> COM(2023) 273 final, Annex [II], point 2(c).

**N°32 The Recovery and Resilience Facility and cohesion policy: towards cohesion policy 2.0**  
**(Exploratory opinion requested by the Spanish presidency)**  
**EESC 2023/2427 – ECO/621**  
**581<sup>st</sup> Plenary Session – September 2023**  
**Rapporteur: Maria del Carmen BARRERA CHAMORRO (ES-II)**  
**Co-rapporteur: David SVENTEK (CZ-I)**  
**DG REGIO – Commissioner FERREIRA**

**European Commission position**

The Commission welcomes the opinion of the Committee, requested by the Spanish presidency, which provides - in a very exhaustive way - a set of challenges and priorities of cohesion policy.

The Commission notes the call of the Committee for cohesion policy to remain the EU's key investment policy aiming to reduce the disparities among regions and playing a crucial role in the green and digital transitions.

The Commission agrees with the Committee on the need to strike a right balance between the short- and long-term objectives of cohesion policy. Cohesion policy has contributed to ensuring resilience to shocks, including in the context of the COVID-19 crisis, Russia's war of aggression against Ukraine and the subsequent energy crisis. These measures were necessary to prevent higher bankruptcy rates of the small and medium-sized enterprises and job losses or higher risk of energy poverty, in the most impacted regions, with the risk otherwise of further widening territorial and social disparities. The flexibilities introduced were nonetheless limited, conditioned and proportionate and mostly applied to the 2014-2020 cohesion programmes, with a view to preserving the capacity of cohesion policy to meet its long-term objectives.

The Commission also agrees with the Committee on the need to further modernise the policy, in the context of the European Growth Model, with a view to tackle current and emerging challenges, as identified in the opinion.

These challenges will asymmetrically impact our people, regions and territories, requiring a differentiated approach to regional needs and challenges and relying notably on territorial instruments with local and citizen-oriented approaches. In this regard, the capacity of local, urban and regional bodies and stakeholders to access and manage funds should be further increased.

The Commission also agrees that the achievement of cohesion objectives requires adequate interactions and complementarities between cohesion policy and other EU sector policies and instruments, notably the Recovery and Resilience Facility (RRF). It also requires appropriate synergies with and within national policies, cohesion being a shared competence between the EU and Member States.

The Commission appreciates the Committee's view that in order to build a strong, effective, flexible and renewed cohesion policy, there is a need to increase the use of performance-based support, taking stock of the achievements of the RRF's National Recovery and Resilience Plans.

The Commission agrees with the Committee on the need to empower all generations to realise their full potential in the economy, in particular in the labour market and regional economies. It also agrees on the need to reinforce the European territorial cooperation through cross-border, transnational and interregional cooperation, especially for infrastructure development. The Commission is committed to supporting cross-border investments by contributing to overcoming the obstacles to their implementation.

The Commission takes note of the views of the Committee on the need to reinforce the effectiveness of the "partnership" and 'multilevel governance' principles in cohesion policy, necessary to improve ownership and increase the quality and impact of programmes.

The Commission also agrees with the Committee on the impact of an ageing and shrinking population, which already affects some regions while others are at risk, and the need to increase the labour market participation of underrepresented groups and boost productivity through investments and reforms in the EU labour markets and education and training systems. The implementation of the European Pillar of Social Rights contributes to this objective, together with EU policies and instruments outlined in the Commission Communications 'Demographic change in Europe: a toolbox for action' and 'Harnessing talent in Europe's regions', including the Talent Booster Mechanism.

As regards the composition of the group of high-level specialists on the future of cohesion policy, a balance has been reached with the participation of academic experts, former national and regional political leaders, former members of the European Parliament and representatives from civil society, who have been granted two seats. In addition, civil society organisations have been invited, for several meetings of the Group, to share their expertise and views.

<p><b>N°33 Patent package</b>  <b>COM(2023) 221 final</b>  <b>COM(2023) 222 final</b>  <b>COM(2023) 223 final</b>  <b>COM(2023) 224 final</b>  <b>COM(2023) 231 final</b>  <b>COM(2023) 232 final</b>  <b>EESC 2023/2306 – INT/1035</b>  <b>581<sup>st</sup> Plenary Session – September 2023</b>  <b>Rapporteur: Rudolf KOLBE (AT-III)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The proposal for a centralised Standard Essential Patents (SEPs) system has the potential to effectively promote transparency and predictability in SEPs. However, creating appropriate processes and administration for establishing the essentiality and the FRAND terms and conditions for a given SEP will be a major challenge for this project due to its technical and legal complexity. The EESC therefore requests that the Commission further investigate the project (based on Option 4), and consider further involving experts and competent authorities, including the Unified Patent Court (UPC) (see item 5 below).</p>	<p>Promoting transparency and predictability in the Standard Essential Patents (SEP) licensing is imperative and can be indeed complex legally and technically. Recognising the multidimensional challenges of SEPs, we aim to involve a diverse group of experts from the technical, legal, and patent domains. Their insights will be invaluable in shaping the proposed system.</p>
<p>1.4. The COVID-19 crisis and the way it was successfully handled by the EU has shown that making crisis-relevant products (such as COVID-19 vaccines) available did not interfere with the patents for these products and technologies. It is relevant and paramount that the patent system provide a system for Compulsory Licensing (CL) which is <b>transparent and fair to all stakeholders (the rights holders, the potential licensees and the public)</b>, and</p>	<p>Our initiative provides for legal remedies, in compliance with the requirements of article 42 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and the right to a fair trial and effective remedy:</p> <p>The Union compulsory licence will be issued by means of a Commission Implementing Act which can be judicially challenged by the patent owner who is concerned by the compulsory licence (see</p>

safeguards fundamental rights (see also items 2.5 and 4 below). **The present proposal does not fulfil these criteria: it neither complies with the European Convention on Human Rights (ECHR), nor with the minimum standards required by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS-Agreement)**<sup>146</sup>. The present proposal for CL for crisis management (CLCM) neither establishes a fair and transparent trial system<sup>147</sup> where the patent owner has full party status<sup>148</sup>, nor provides specific legal remedies<sup>149</sup>. This is not appropriate for such an act of expropriation.

Art. 263 of the Treaty on the Functioning of the EU). The patent owner will therefore always have the possibility to contest the implementing act (and thus the compulsory licence) before the Court of Justice of the EU (CJEU)). This is underlined in recital (31) of the proposal, which provides that the legal validity of the implementing act granting the Union compulsory licence, or any subsequent implementing act, should be subject to judicial review. This directly results from Art. 263 TFEU. Accordingly, the CJEU shall review the legality of acts of the Council and of the Commission. A fair and transparent trial system directly derives from the Treaties as well as from the relevant rules of procedure of the CJEU. Consequently, there is the possibility of a legal remedy against the compulsory licence with the patent owner having full party status. For the same reasons, the proposal is also compliant with corresponding TRIPS provisions. In view of the above, it appears that there is no breach of Art. 6, 13 ECHR and Art. 42, Art. 59 TRIPS.

In addition to legal remedies, specific measures are included in the proposal to ensure that the patent owner is involved at every step of the procedure. This is the case in the context of the advisory body (article 5) and before the granting of a compulsory licence (article 7). After the granting of a compulsory licence – and in addition to judicial review – the patent owner can request the Commission to take additional measures to complement the compulsory licence (e.g. additional safeguards).

<sup>146</sup> Processes must guarantee a fair trial, including the right to an effective remedy (Articles 6 and 13 ECHR; Articles 42 and 59 TRIPS).

<sup>147</sup> Article 7(7) of the present proposal for Compulsory Licensing.

<sup>148</sup> The patent owner only has "an opportunity to comment" Article 7(3) of the present proposal for Compulsory Licensing.

<sup>149</sup> Article 21 of the present proposal for CL defines only a review by the CJEU to the "fines" or "payments" without any details as to who may act or initiate such a review, and under which circumstances.



	<p>On article 21, mentioned in the opinion, please note that this provision simply clarifies that the CJEU has jurisdiction to review decisions by which the Commission has imposed fines or periodic penalty payments. This is a standard clause to be inserted in case the proposal foresees fines or penalty payments. Details of who may act or initiate such review, and under which circumstances is ruled in the TFEU and the relevant rules of procedure of the CJEU. A clear reference to Art. 261 TFEU is made in Article 21 of the proposal. This article does not limit the judicial review of the implementing act, as foreseen by Article 263 TFEU.</p> <p>We therefore disagree with the assessment of the Committee that the proposal neither complies with the European Convention on Human Rights (ECHR), nor with the minimum standards required by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs-Agreement).</p>
<p>1.5. The EESC recommends that establishing CLCMs for European and unity patents be dealt with by a court that is also technically competent, such as the UPC, on the basis of a transparent legal and procedural framework, which should be elaborated on the basis of Articles 5(A)(2) and (4) of the Paris Convention, Article 31 TRIPs, and with the guidance of national case law. Compulsory licensing of national patents and national utility models should be performed by the national authorities and courts already established for requests for CLCMs, guided by an appropriate EU directive on CLCMs corresponding to the law and practise for the proceedings before the UPC.</p>	<p>Although providing the Unified Patent Court (UPC) with the power to grant an EU compulsory licence seems sensible in the context of the launch of the unitary patent, it would go against the Unitary Patent Protection (UPP) Regulation and national practices in the field. The UPP Reg. (1257/2012) states that ‘Compulsory licences for European patents with unitary effect should be governed by the laws of the participating Member States as regards their respective territories’ (Recital 10). Furthermore, including the issuance of the compulsory licensing for crisis management (CLCMs) into the UPC competences would require the UPCA to be amended. Finally, it appears from national practices (see our impact assessment), that the granting of a</p>

	<p>compulsory licence for public interest purposes is usually entrusted to executive power (contrary to other types of compulsory licences – e.g. for lack of exploitation or competition issues – which are usually granted by courts).</p> <p>We therefore disagree with the proposal of the Committee to entrust the UPC with the competence to grant a Union CLCM.</p>
<p>2.1. Unitary patents and the UPC should be more integrated in the present proposals. The UPC judges, and especially the technically qualified judges, are the most suitable people to deal with the complex technical and legal issues concerned in all three projects. These judges are highly knowledgeable on patent practices and the relevant fields of technology (either concerning MP- and PPP-related patents for SPCs and CLCMs, or concerning IT-related patents for SEPs). In fact, the UPC already has exclusive competence to decide on the validity of SPCs and SEPs. The UPC also has the exclusive competence for any "related defences" of a defendant in patent infringement cases, including counterclaims concerning licenses<sup>150</sup>, which includes FRAND-based licenses. Therefore, issuing CLCMs could be integrated into the UPC competences. Moreover, the UPC could serve as a competent appeal body for appeals against decisions on SPCs (and this may be established in a straightforward manner straight away for SPCs for UPs) or SEPs taken by the European Union Intellectual Property Office (EUIPO) in first instance proceedings. Such appeals may be introduced in a similar way to appeal proceedings in questions related to</p>	<p>The grant of a unitary SPC is an act by an EU agency and as such may be challenged before the EU Courts which have jurisdiction to review these acts. Challenges against the examination opinion can be appealed to the European Union Intellectual Property Office (EUIPO) Boards of Appeal, and subsequently to the General Court and, possibly, ultimately before the Court of Justice subject to the system of leave to appeal under Articles 170a and following of the Rules of Procedure of the Court of Justice, or under the review procedure in accordance with Article 256, paragraph 2, TFEU, Article 62 of the Statute of the Court and Articles 191 and following of the Rules of Procedure of the CJEU. Please note that it needs to be ensured that the appeals system foreseen in the Regulations is within the EU system of remedies regarding decisions taken by an EU agency. Consequently, it is the General Court which has to be competent to serve as a competent appeal body and not the UPC. In addition, the UPC is only competent for the Member States that have ratified the UPC Agreement (17 initially), not for the remaining Member States.</p>

<sup>150</sup> Article 32(1)(a) of the UPC Agreement.

<p>Article 32(1)(i) of the UPC Agreement<sup>151</sup> already available. The UPC (as the "crown of patent jurisdiction") should be involved and fully integrated into the present projects; this also protects against establishing a bifurcated system between the EUIPO and the UPC.</p>	
<p>2.2. EUIPO is the central hub for registering EU trademarks (EUTMs) and community designs, and related questions of intellectual property protection<sup>152</sup>. The EUIPO is – up to now – not involved in major patent matters. Nevertheless, the present proposals suggest establishing the administrative processes required for each of the three projects at the EUIPO. The projects concerned (SPCs, SEPs and CLCMs) may involve complex technical and legal issues, such as [...]:</p> <p>whether an expropriation of the right holder by a CLCM is justified, "strictly limited to the relevant activities of crisis-relevant products in the Union"; and the licence fee for the CLCM is "adequate" (Articles 4 and 5 of the present proposal for CLCMs).</p>	<p>The Committee opinion seems to suggest that the EUIPO has a formal role in granting Union compulsory licences ( i.e. assessment of whether an expropriation of the right holder by a CLCM is justified). Please note that the initiative on compulsory licensing does not provide any such role to the EUIPO. The only role the EUIPO as an IP Office might have within the proposal is that the advisory body shall cooperate and coordinate closely, where appropriate, with other relevant crisis-related bodies and with intellectual property offices at Union and national level [Art. 6 (3) of the CL proposal].</p>
<p>2.3. While this involvement of specialised personnel may be put in practice through the creation of "examination panels" as suggested in Article 17 of the SPC proposals, because SPC experts of established national patent offices are eligible to participate, the planned "competence centre" to be established at the EUIPO for performing essentiality checks and FRAND determination does not yet provide – in the proposed form – the instruments and personnel required for the planned tasks, because the requirements for qualified evaluators and conciliators have not been satisfactorily defined.</p>	<p>The Regulation shall apply two years after its adoption. There is therefore enough time to equip the Competence Center appropriately. The experts for essentiality checks and reasonable and non-discriminatory (FRAND) conciliation will be selected in line with the procedures set out in articles 26 and 27.</p>

<sup>151</sup> "Actions concerning decisions of the European Patent Office in carrying out the tasks referred to in Article 9 of RE (EU) No 1257/2012".

<sup>152</sup> By the European Observatory.

2.5. The COVID-19 crisis proved the importance of innovative EU companies (such as BioNTech, the developer of a successful mRNA COVID-19 vaccine) having accessibility to a strong patent system which allowed, among other things, proper financing in the early stages of development of their innovative concepts (such as developing the mRNA technology for vaccines). Without such IP-based securities and an appropriate financial investment environment, the means and developments which led to the fast and successful provision of the crisis-relevant products could not have taken place.

As evidenced by the COVID-19 crisis, voluntary agreements remain the most efficient tool to enable rapid manufacturing of patent-protected products, including in crises. This is underlined by the very first recital of the proposal on compulsory licensing and voluntary agreements will always remain the Plan A. This will remain unchanged by the initiative on compulsory licence. However, should the Plan A fail, we need to have a Plan B, in particular in crises when rapid action is necessary. Plan B could consist of a compulsory licence (see among others Explanatory Memorandum of CL Impact Assessment). In short, this initiative aims at improving the EU's resilience to crises by allowing the EU to rely on effective and quick tools to address a crisis (in the field of IP, this translates into an effective and predictable compulsory licensing scheme) and therefore allow the EU to be on a par with main trading partners (who already have this possibility in their national law). Providing an adequate, effective and balanced compulsory licensing system for crisis management at EU level also allows to avoid extreme solutions, such as IP waivers. As evidenced by the COVID-19 crisis, where there is no effective compulsory licensing system in place, the temptation is great to rely on an IP waiver.

<p>3.2. However, to ascertain the intentions in the Recitals, the following proposals are made. To overcome the "Medeva-based" case law (C-322/10), the relevant stipulation concerning the extent of protection (both of European and unity patents), namely Article 69 of the EPC (Extent of protection), should be included in the definition of a "basic patent" in Article 2 of the draft regulations:</p> <p>"'basic patent' means a patent which protects – <u>according to the extent of protection as defined in Article 69 EPC, including the Protocol on the Interpretation of Article 69 EPC</u> – a product as such, a process to obtain a product or an application of a product, and which is designated by its holder for the purpose of the procedure for grant of a certificate".</p> <p>Consequently, the term "strictly" in Recital (16) and (18) of the revised existing SPC regulations should be deleted.</p>	<p>It is not the intention of the reform to make substantive changes to the Supplementary Protection Certificate (SPC) regime, including the existing definitions. In particular, given that the (existing) SPC regime also covers national patents (to which Art. 69 EPC does not formally apply), this change would not be feasible.</p>
<p>3.3. In the Recitals of the present proposals, the "Smithkline-based" CJEU case law (C-181/95) is addressed (no SPC is granted without the consent of the holder of the market authorisation). However, no stipulations are included in the regulation proposals to safeguard the rights of the market authorisation holder. Therefore, stipulations have to be included to consider these rights, e.g. as an issue in examination proceedings or at least as a reason for opposition (this reason should then be limited to the market authorisation holder or their successor in title).</p>	<p>The Commission takes note of this comment and agrees that potential adjustments could be made in this regard.</p>

<p>3.4. The present SPC proposals aim to provide for "all EU languages" for centralised SPC applications. While this may be feasible for the application request (except if a declaration concerning Article 3(1)(a)<sup>153</sup> is voluntarily made), this language regimen is not suitable for the process as a whole. In practice, after filing the initial request in SPC proceedings, legal arguments (which are often technically intertwined) may be complex (and far more difficult to be automatically translated into all EU languages as a list of products and services of a EUTM or a community design). This holds specifically true in view of the possibility for third parties to observe, take evidence, or oppose proceedings against granting an SPC. In addition, the legal definition and implications of what is a "verified machine translation" should also be included in the proposals.</p>	<p>The Commission does expect that many applications will be filed in English, but for the sake of transparency (especially regarding the register) and accessibility, in particular for the small and medium-sized enterprises, a system of all official EU languages was considered justified (it was also the case under the recent proposal regarding GIs for craft and industrial products). Please note that there is no requirement to translate the whole internal examination file into all official languages for the purpose of proceedings.</p>
<p>3.5. Finding legally and technically qualified members to perform the processes planned for the present SPC proposals is a major challenge for the present SPC proposals. An even bigger challenge is to establish appropriate appeal proceedings before the EUIPO and before the General Court. The current EUIPO Boards of Appeal (BoA) hold the highest competence for dealing with EUTM and community design matters. They do not have any competence in patents or SPCs. It is therefore necessary for fair and appropriate appeal proceedings to establish the possibility to launch appeals after the EUIPO first instances for SPC matters, to be overseen by a body with high competence in both fields (patents and SPC), such as the UPC (see items 2.1 and 2.2 above).</p>	<p>Finding legally and technically qualified members to examine SPC applications was considered paramount to the proposals, hence, as pointed out in the opinion, recourse is made to national examiners. Due account has been taken of this fact when it comes to appointing Members of the Boards of Appeal: recital 31 of the proposal for a unitary SPC for medicinal products holds that <i>‘[w]hen appointing members of the Boards of Appeal in matters regarding applications for unitary certificates, their prior experience in supplementary protection certificate or patent matters should be taken into account.’</i></p>

<sup>153</sup>

As to why and how the product is protected by the basic patent.

4.3. All states party to the Paris Convention have therefore introduced appropriate and balanced systems for establishing CLs<sup>154</sup>. Since granting CLCMs severely goes against the "right to own", it is an act of expropriation. The proceedings concerning CLCMs must therefore involve the parties concerned (at least the patentee, as the potential licensor of the CLCM, and the requester of the CLCM, as the potential licensee of the CLCM).

Compulsory licensing differs from an Intellectual Property (IP) waiver, which can be considered as an act of expropriation. Contrary to an IP waiver, under a compulsory licence, a patent holder can continue to exploit on a voluntary basis his rights (because a compulsory licence can never be exclusive). A compulsory licence concerns the right to intellectual property of patent owners (Article 17(2) of the EU Charter of fundamental rights – the ‘Charter’). IP rights are not absolute rights: limitation to the exercise of these rights is allowed under the Charter, provided that the proportionality principle is respected. In that respect, the proposal provides for that compulsory licensing:

- would remain an exceptional mechanism, with a scope limited to EU crises;
- would always be granted on a non-exclusive basis and subject to a definite duration;
- involves both parties, the patentee and the licensee [Art. 7 (3) of the CL proposal] who have the opportunity to comment on (i) the possibility of voluntary licensing agreement to avoid the granting of a compulsory licence, (ii) the need for Union compulsory licence, and (iii) the conditions of the compulsory licence, including the remuneration.
- ensures fair compensation for patent owners;
- ensures the availability of legal remedies for patent owners.

Importantly, the initiative will have a positive impact on other fundamental rights as it would provide an additional tool to face

<sup>155</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive) (OJ L 149, 11.6.2005, p. 22) as amended.

	<p>crises, including health-related (right to health care – article 35 of the Charter) or environmental crises (right to environmental protection – article 37 of the Charter).</p>
<p>4.4. It is therefore relevant and paramount that the patent system provide a system for CLs which is transparent, quick and fair to all stakeholders. This requires competence of the first instance and the appeal instance(s) in both technical and legal interpretation of patents. The UPC has, based on its Rules of Procedure, established a patent litigation system which aims to provide such competent decisions of first instance within one year, which is also an acceptable timeframe for CLCM processes.</p>	<p>Reference is made to the replies provided in respect of points 1.4 and 1.5 above.</p>
<p>4.5. The EESC therefore recommends that establishing CLCMs for European and unity patents be dealt with by the UPC or a court with comparable technical and specific legal competence on the basis of a transparent legal and procedural framework, which should be elaborated on the basis of Articles 5(A)(4) of the Paris Convention , Article 31 TRIPs, and with the guidance of national case law. Established national authorities and courts should grant CLs for national patents and national utility models, guided by an appropriate EU directive corresponding to the law and practise for the proceedings before the UPC.</p>	<p>Reference is made to the replies provided in respect of points 1.4. and 1.5. above.</p>
<p>5.1. As already noted under item 1.2 above, determining if a patent is an SEP or not is not a trivial task. According to the present proposal, this task (which often requires hundreds of hours of work in court proceedings) is carried out through a discussion between an evaluator at EUIPO</p>	<p>The proposed SEPs regulation allows for observations by stakeholders on the SEPs selected for essentiality tests (art. 30). It also allows for peer evaluation at the request of the SEP holder (art. 32). The essentiality check result is a reasoned opinion, which is not legally binding (art. 28) and can be</p>



<p>and SEP proprietors. Any alleged infringer not part of the evaluation will be able to challenge these results in the court. Also, if an evaluator does not agree with the proprietor, there needs to be a possibility for an appeal to challenge such EUIPO decision. Also here (see items 2.1. and 3.5. above) the UPC is to be established as a competent appeal body.</p>	<p>challenged in court. Please note that the UPC is, due to its limited geographical scope of only 17 Member States, not suitable as a general competent appeal body for an act that is of general applicability throughout the EU. See also table 12 on page 96 of the impact assessment.</p>
<p>5.2. The present proposal does not suggest how many resources are needed per evaluation, as they are paid by users of the system. This is an additional job that will be a burden for SEP proprietors, as they will be required to do an additional evaluation for patents that may never be used in detail in licensing negotiations or in litigation. Also here, the question must be asked as to where the EUIPO will find the professionals for this activity.</p>	<p>As outlined in the impact assessment, the comparative financial burden is negligible compared to licensing revenues for SEPs (see table 35 on page 116). The selection of evaluators is outlined in art. 26 ff. Evaluators may come from national patent offices, legal practice, research and academia, patent pools and other specialists. The Commission shall by means of an implementing act, lay down the practical and operational arrangements of the proceedings under the Regulation and the selection process for evaluators and conciliators (art. 26.5).</p>

<p><b>N°34 The EESC's recommendations for a solid reform of the European Semester (Own-initiative opinion)</b>  <b>EESC 2022/5830 – ECO/600</b>  <b>578<sup>th</sup> Plenary Session – April 2023</b>  <b>Rapporteurs: Gonçalo LOBO XAVIER (PT-I)</b>  <b>Javier DOZ ORRIT (ES-II)</b>  <b>Luca JAHIER (IT-III)</b>  <b>SG.RECOVER – Executive Vice-President DOMBROVSKIS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The European Semester, despite its weaknesses, has played an important role in coordinating national economic policies within the EU. However, its procedures have not allowed for the satisfactory involvement of citizens and national political, economic and social actors in the Member States (MS) in its processes and recommendations. The level of participation of organised civil society (OCS) in the Semester is insufficient and of low quality in a majority of MS. Although there has been some improvement in the consultation on the drafting of national Recovery and Resilience Plans (RRPs), this has not been consolidated and, in some countries, there have been recent setbacks, for political reasons, in commitments to further support this participation.</p>	<p>The Commission shares the view of the Committee regarding the need for a close involvement of social partners and civil society organisations in the European Semester process. The Commission is committed to an inclusive process and the timely involvement of relevant stakeholders during the European Semester cycle and urges Member States to also ensure such an approach at national level e.g. in its recent Communication on strengthening social dialogue in the EU. At national level, the Commission engages with European Semester Officers (ESOs), economic policy experts who bring the European Semester closer to national stakeholders, making this instrument more accessible to civil society and therefore more inclusive and democratic.</p>
<p>1.2. The European Commission's (EC) communication setting out orientations for a reviewed EU economic governance framework, which the EESC supports, establishes a more flexible and differentiated fiscal policy framework that will require negotiations and agreements between the EU institutions and the MS. For these to be successful, national ownership of the process and of the commitments made is crucial. To</p>	<p>The Commission confirms the importance of a reform of the EU economic governance framework. The central objective of the proposals on new economic governance rules, presented by the Commission in April 2023, is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reforms and investment. The proposals</p>

<p>achieve this, a reform of the procedures and timetables of the ES is necessary.</p>	<p>address shortcomings in the current framework, taking into account the need to reduce public debt levels and support progress towards a green, digital, inclusive and resilient economy, making the EU more competitive. The proposals are the result of an extended period of reflection and broad consultation process and entail stronger national ownership. They foresee sufficient time for Member States to prepare their plan based on the input from the Commission.</p>
<p>1.3. The EESC considers that ownership by the MS is only possible with the concrete and structural involvement of political, economic and social actors in the European Semester process. The EESC believes that the involvement of social partners and civil society organisations (CSOs) must become one of the pillars of this revised Semester, as well as that of national parliaments and local and regional authorities. The competences of the European Parliament (EP) should be increased to the level of being able to have more co-decision rights on economic policy guidelines and proposals of a European nature.</p>	<p>The Commission confirms the importance of informing and involving social partners, local and regional authorities and civil society organisations throughout the Semester cycle. In January 2023, the Commission published a communication on strengthening social dialogue in the EU, as well as a proposal for a Council recommendation on the role of social dialogue at national level, adopted by the Council in June 2023, which calls on Member States to ensure that social partners are systematically, meaningfully and in a timely manner involved in the design and implementation of employment and social policies and, where relevant, economic and other public policies, including in the context of the European Semester.</p>
<p>1.4. The EESC proposes reforming the European Semester in order to strengthen its transparency and democracy, the involvement of organised civil society and the effectiveness of its operation, in link with the objectives of economic growth and quality employment, social cohesion and convergence between MS, and of accelerating the green and digital transitions. The existing systems of indicators must be reviewed, complemented and made</p>	<p>The Commission agrees with the need to ensure a high level of transparency and adhere to democratic principles, as well as to improve the engagement of organised civil society, while aligning with the goals of fostering economic growth, promoting high-quality employment, ensuring social cohesion, facilitating convergence among Member States and regions, and</p>

<p>consistent with each other, thus helping to improve evaluation procedures.</p>	<p>expediting the green and digital transformations.</p> <p>The proposed Economic Governance Review (EGR) framework incentivises the implementation of reforms and investment, including those needed to achieve fiscal sustainability, social, climate and digital goals, by allowing an extended and more gradual fiscal adjustment path if justified based on commitment to a well-specified set of reforms and investments within a medium-term fiscal structural plan.</p>
<p>1.5. The EESC believes that the main instruments of the European Semester, in particular the Country-Specific Recommendations (CSRs), should cover a period of three years, with annual evaluations and reviews. This proposal is consistent with the EC's communication on a reviewed EU economic governance framework and will facilitate the processes of national ownership and organised civil society participation.</p> <p>1.9. In the EESC's view, this regulation should establish basic criteria and principles concerning, inter alia, the following issues: timetables (linked to those of the RRF and the European Semester), the formality of meetings and public access to documentation in due time and form, minutes, public communication of proposals and government responses and a roadmap for the implementation of agreements.</p>	<p>The Commission takes note of the Committee proposals to reform the European Semester, in particular the timeline of the Country-Specific Recommendations (CSRs), the formality of meetings and public access to documentation. The European Semester will remain the key channel for the Commission and the Council to monitor Member States' compliance with their reform and investment commitments and identify new challenges and policy priorities.</p> <p>According to the current proposal on a reviewed EU economic governance framework, all Member States will be expected to set out in their medium-term fiscal-structural plans how they will address Country-Specific Recommendations issued in the context of the European Semester. These plans will replace the current Stability and Convergence Programmes with the National Reform Programmes. They will need to take into account Member States' Recovery and Resilience Plans during the lifetime of the Recovery and Resilience Facility. The plans will be submitted by Member States before end of April. The</p>

	<p>Commission proposed 2 months for the assessment of the plans, followed by adoption by the Council within four weeks.</p> <p>Member States will report annually on progress with the implementation of these commitments and on the actions taken to address the country-specific recommendations. The Commission will monitor delivery of those national commitments closely.</p> <p>The current European Semester timeline follows an annual cycle of policy coordination: it starts in November, when the Commission sets the priorities for the year to come, and ends in October of the following year, when national governments submit draft budgetary plans taking into account the EU recommendations adopted by the Council in summer. The timeline is clearly outlined on the Commission’s website and accessible to the public. During this cycle, the European Semester documents that are part of both the Autumn Package and the Spring package are published and readily available, and this accessibility will persist in the future.</p>
<p>1.6. It is compliance with the CSRs that makes it possible to assess the validity and effectiveness of the European Semester. Therefore, the EESC believes that the most appropriate incentive is to link their implementation to the EU budget and to receive part of the funds from it, along the lines of the Recovery and Resilience Facility (RRF).</p>	<p>The Commission takes note of the Committee’s opinion to link the implementation of CSRs to the EU budget, in line with the Recovery and Resilience Facility (RRF) approach. The RRF offers Member States the opportunity to access EU financing to implement ambitious reforms and investments that i) address the challenges identified in country-specific recommendations under the European Semester framework of economic and social policy coordination and ii) foster the development of economies and societies that are more sustainable, resilient, and</p>

	<p>equipped for the challenges presented by the green and digital transitions, in accordance with the established priorities of the European Union.</p>
<p>1.7. The EESC proposes that the social partners and civil society organisations be involved through a structured formal consultation procedure, both at European and national level, covering both the drafting and decision-making phases, and the implementation, monitoring and evaluation phases. The procedure should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process.</p> <p>1.8. The EESC believes that the principles and general characteristics of structured and permanent involvement of organised civil society in the various stages of the European Semester should be defined in an EU regulation, while respecting the fact that it is up to national legislation to further specify the procedures and bodies in which this consultation is carried out, and complying with criteria of openness, transparency and representativeness.</p>	<p>The Commission’s reform proposals for the economic governance framework reconfirm that the involvement of social partners, civil society organisations and other relevant stakeholders in the European Semester is key to ensure ownership and transparent and inclusive policy-making.</p> <p>In particular, article 26 of the proposed Regulation on the effective coordination of economic policies and multilateral budgetary surveillance stipulates that ‘Relevant stakeholders, in particular the social partners, shall be involved within the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the Treaty on the Functioning of the EU and national legal and political arrangements.’</p>
<p>1.10. The EESC believes that the debate on the EU's fiscal capacity and own resources needs to be deepened. In the Committee's view, the geopolitical, economic, social and environmental challenges facing the EU in the coming years will require the financing of European common goods.</p>	<p>The Commission shares the Committee’s views that the debate on the EU's fiscal capacity and own resources needs to be deepened. In economic terms, the EU’s fiscal capacity is important to cope with large economic shocks and/or large common investment needs, especially in the euro area where there is a single monetary policy and national budgetary responsibilities. Currently, the RRF and the Multiannual Financial Framework</p>

	(MFF), of which the mid-term review is ongoing, fulfil this role.
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<p><b>N°35 Green claims</b>  <b>COM(2023) 166 final</b>  <b>EESC 2022/5381 – INT/969</b>  <b>579<sup>th</sup> Plenary Session – June 2023</b>  <b>Rapporteur: Angelo PAGLIARA (IT-II)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.1. The EESC urges the European Commission to develop specific instruments to promote a culture of circular economy and in particular to set up information campaigns to disseminate a "circular culture", especially among the younger generation. The EESC would also encourage the Commission to collect the good practices in this domain that Member States have developed in their activities, and to consider disseminating them.</p>	<p>The Commission thanks the Committee for its opinion and its support to the proposal for a Directive on Green Claims (provisional agreement between the European Parliament and the Council in September 2023).</p> <p>The Commission agrees with the Committee on the need to promote the take up of circular solutions. For this reason, the Commission together with the Committee launched in 2017, the European Circular Economy Stakeholder Platform. Its website gathers good practices, reports and strategies at national, regional and local level as regards transition towards circular economy.</p>
<p>3.6. Article 1 of the proposal excludes much sectoral legislation from the scope of the directive, where the legislation concerned contains its own requirements on claims and labelling schemes. The EESC suggests that at least the same level of protection against greenwashing be reflected in sector-specific legislation. This should include, at the very least, an equivalent level of substantiation, communication (supporting documents) and (third-party) verification. Moreover, there is a need to clarify that only the claims covered in these pieces of legislation are excluded, rather than any claim regarding the products targeted</p>	<p>With the view of ensuring that specific needs of individual economic sectors are recognised and that the economic operators (referred to as ‘traders’) are not confused as regards the rules applicable to specific environmental claims and labels where EU rules exist already, the Commission proposed that the Green Claims Directive should apply to voluntary explicit environmental claims and environmental labelling schemes that are <u>not regulated</u> by any other Union act as regards their substantiation or communication, or verification.</p>



<p>by the sectoral legislation. If certain claims do not involve specific requirements, they should fall under the scope of the Green Claims Directive. For example, Article 1 excludes legislation on packaging and packaging waste, and that legislation only covers claims regarding recyclability and recycled content. This should mean that other claims (such as the life-cycle impact of certain packaging) should fall under the Green Claims Directive.</p>	<p>While the final wording of the legislative text is subject to interinstitutional negotiations, the Commission takes note of the suggestion to clarify that the sectoral exclusion concerns only claims and labels that are/would be regulated in other EU acts and that the Green Claims Directive would still apply to other claims made by that sector if not included in the relevant sectoral rules.</p>
<p>3.7. The EESC acknowledges that there are growing concerns about the proliferation of environmental claims based on compensation via the use of offsetting credits ("climate-neutral", "plastic-compensated", etc.), which have been recognised by several consumer authorities – and in several court cases – as scientifically incorrect and always misleading to consumers. The EESC therefore urges the Commission to take these lessons fully on board and to introduce a clear ban on claims based on offsetting, in addition to requirements regarding the way that companies communicate their contributions to sustainability projects rather than claiming compensation. In particular, the Green Claims Directive must be fully aligned with the Directive on Empowering consumers for the green transition.</p>	<p>As regards claims on climate neutrality of products based on offsets the proposal introduces specific rules requiring that the substantiation assessment</p> <ul style="list-style-type: none"> <li>- separates any offsetting from the calculation of greenhouse gas emissions,</li> <li>- specifies whether those offsets relate to emission reductions or removals, and</li> <li>- describes how the offsets relied upon are of high integrity and accounted for correctly to reflect the claimed impact on climate.</li> </ul> <p>The proposal also requires that companies inform consumers in a transparent manner to which extent they rely on offsets and if these relate to emissions reductions or removals.</p> <p>The proposal for the Green Claims Directive is foreseen to be ‘lex specialis’ to the Unfair Commercial Practices Directive<sup>155</sup> as amended by the Empowering Consumers for the Green</p>

<sup>155</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive) (OJ L 149, 11.6.2005, p. 22) as amended.

	<p>Transition proposal<sup>156</sup>. In the context of the ongoing ordinary legislative procedure of the latter proposal, the co-legislators are currently discussing possible limitations for the traders on environmental claims based on carbon offsets.</p>
<p>3.8. The EESC notes the decision to exclude microenterprises from some of the legislation's provisions [...]. The EESC takes note of the opt-in option for microenterprises, allowing them to take advantage of the benefits flowing from certificates of conformity, should they decide to invest resources in these going through the verification procedure. [...] Nonetheless, the EESC recognises that there is a need to ensure that no companies feel that they are allowed to mislead consumers; it fully supports the fact that the opt-in element in the Green Claims Directive does not mean an opt-in to the Unfair Commercial Practices Directive. The Commission should introduce specific requirements to ensure that microenterprises are properly included in the checks carried out by Member States [...].</p>	<p>The administrative burden linked to substantiation and verification of environmental claims ex-ante is very likely to be proportionately higher on the smallest companies. For this reason, the proposal excludes microenterprises from this obligation but still allows them to opt-in should they wish to receive a certificate of conformity. The Commission will review this exemption and its consequences as set out in Article 21.</p> <p>Unfair commercial practices, including misleading environmental claims, are prohibited for all traders pursuant to Directive 2005/29/EC. Therefore, microenterprises making environmental claims should still be able to substantiate them and ensure that they are not communicated in a way that is misleading to consumers. To this end these smallest companies can still be subject to ex-post checks by the competent authorities and courts under Directive 2005/29/EC.</p>
<p>3.9. The EESC would encourage the Commission to start work on the adoption of common rules to substantiate claims, as proposed in Article 3, which opens the door for the Commission to develop and adopt common methodologies for the substantiation</p>	<p>Article 3 (4) of the Green Claims proposal empowers the Commission to adopt delegated acts to inter alia set more detailed rules for assessing the environmental aspects, impacts or environmental performance, or establish</p>

<sup>156</sup> Proposal for a Directive of the European Parliament and of the Council amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and better information, COM(2022) 143 final.

<p>of specific claims, based on the results of regular monitoring. The EESC believes that the Commission should already draw up a priority list of claims for which there is a need for common rules, based on information currently available, and start developing common methodologies, over and above life-cycle assessment. These are needed to ensure harmonised implementation across Europe, with clear rules for verifiers on how to assess the supporting documentation provided by companies. [...]</p>	<p>specific life-cycle-based rules for certain product groups and sectors. The Commission however considers it more relevant to identify the priorities to act in secondary legislation based on the results of monitoring of the evolution of environmental claims as foreseen in Article 20. The Commission will continue its work on Environmental Footprint methods as set out in Commission Recommendation (EU) 2021/2279<sup>157</sup>, and in line with the commitments listed in recital 32 of the Green Claims proposal, to ensure the method remains an appropriate tool to substantiate the environmental claims about products and organisations.</p>
<p>3.10. The EESC notes the Commission's decision not to introduce the Product and Organisation Environmental Footprint methods as requirements for the substantiation of claims. However, in those cases where it is relevant, the EESC would encourage best use to be made of these methods when defining common methods for substantiation. Regarding Article 3.1(c) on the requirement to demonstrate that given elements of claims are significant from a life-cycle perspective, the EESC urges the Commission to further specify how this significance should be assessed.</p>	<p>Recital 24 acknowledges the role that Environmental Footprint methods can play to support substantiation of environmental claims in line with the requirements of the Green Claims Directive.</p> <p>When assessing an environmental claim, the product's environmental impact throughout its lifecycle, including its supply chain, are relevant. An environmental claim should relate to aspects that are significant in terms of the product's environmental impact as opposed to being marginal. This requirement corresponds to the application of the current Unfair Commercial Practices Directive 2005/29/EC and its guidance on implementation<sup>158</sup>. The Commission is requesting empowerment to adopt</p>

<sup>157</sup> Commission Recommendation (EU) 2021/2279 of 15 December 2021 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations, OJ L 471, 30.12.2021, p. 1.

<sup>158</sup> Commission Notice – Guidance on the interpretation and application of Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market (Text with EEA relevance) C/2021/9320, OJ C 526, 29.12.2021, p. 1–129.

	delegated acts to further specify these provisions as per Article 3(4)(a).
<p>3.11. The EESC strongly recommends that the Commission further specify the requirements regarding claims about the future environmental performance of a product or trader, set out in Article 5.4. First of all, the requirements should be fully aligned with the provisions of the Directive on Empowering consumers for the green transition. Secondly, the requirements should specify that such claims will only be accepted when they are not solely based on offsetting and when they are supported by clear, understandable supplementary information provided by the trader, setting out clear, objective, science-based and verifiable commitments and targets, as well as an implementation plan at trader level that includes implementing measures and concrete, verifiable interim targets that do not rely on offsets [...] Claims relating to future environmental performance should also be subject to independent monitoring [...]. Claims relating to future environmental performance should only be allowed at trader level and not at product level, otherwise the environmental claims concerned could mislead consumers.</p>	<p>The proposal for the Green Claims Directive is foreseen to be complementary to the Unfair Commercial Practices Directive 2005/29/EC<sup>159</sup> as amended by the Empowering Consumers for the Green Transition proposal<sup>160</sup>.</p> <p>In the context of that ongoing ordinary legislative procedure, the co-legislators are considering strengthening the Commission’s proposal regarding the prohibition of making environmental claims related to future environmental performance without certain minimum requirements.</p>
<p>3.12. The EESC welcomes Article 7’s ban on ratings and scores based on an aggregated indicator of environmental impacts, unless they are introduced in EU legislation. While their clear-cut communication is appealing to consumers, the lack of clarity as to the methodologies behind the scores, and the increasing number thereof, result in confusion and misunderstanding. The EESC would encourage the Commission to clarify what is covered in the scope of this ban, and especially</p>	<p>Article 2 of the Green Claims proposal defines an ‘environmental impact’ as any change to the environment, whether positive or negative, that wholly or partially results from a trader’s or sector’s activities or from a product or product group during its life cycle.</p> <p>Articles 5(5) and 7(2) currently only refer to the ban on aggregated indicators of environmental impacts rather than aspects. The Commission considered that</p>

<sup>159</sup> See footnote 15555.

<sup>160</sup> See footnote 156.

<p>what is deemed to be an "environmental impact". [...]</p>	<p>the use of such aggregated scoring presents risks of misleading consumers and therefore should be limited to cases when it is set in EU law to ensure a harmonised approach.</p> <p>The final wording of the legal text is subject to the on-going negotiations but the Commission takes note of the suggestion to clarify the scope of this ban.</p>
<p>3.17. The EESC would encourage the Commission to adopt all measures necessary – including involving the social partners in the process – to protect consumers and companies from greenwashing. [...] The EESC suggests involving participatory forums, such as the Consultation Forum for Ecodesign and the EU Eco-labelling Board, or establishing a new round table specifically for the purpose of this legislation.</p>	<p>The Commission takes note of the suggestion of the Committee as regards involvement of the social partners and representatives of civil society in the implementation of the Green Claims Directive once adopted.</p>

<p><b>N°36 Water efficient consumption (Own-initiative opinion) EESC 2023/849 – INT/1022 580<sup>th</sup> Plenary Session – July 2023 Rapporteur: Milena ANGELOVA (BG-I) DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.4. The EESC calls on the EU, Member States, competent authorities, water operators, and all parties involved in the process to endeavour, within their competences, to constantly improve water availability, accessibility and efficiency. Better protecting drinking water resources, moving towards circular water, ensuring public water supply at a fair price for services, and preventing water poverty are essential elements of this process.</p>	<p>In the Letter of Intent, the Commission announced a Water Resilience Initiative as one of the key initiatives for 2024.</p> <p>The EU is equipped with a solid body of laws (Directives and Regulations) that include ambitious environmental objectives that should lead to a constant improvement of water quality and the water quantity and the protection of aquatic ecosystems with an obligation to avoid deterioration of the chemical and ecological status of the water bodies. It also requires achieving good chemical and ecological status by 2027. All the relevant competent authorities are bound to comply with such provisions. Unfortunately, at the EU level there is a large number of ongoing infringement cases related to water.</p>
<p>1.5.1.1. Clear communication regarding the value of water (<i>implemented by competent authorities, water operators</i>). Communication campaigns to change long-term behaviour should be conducted to educate consumers on the value of water and water services and also to specifically address short-term emergency measures in response to crisis situations caused by climate change (drought, flood).</p>	<p>The Commission is planning a corporate communication campaign in 2024 which will be done in close cooperation with the Green Spiders Network<sup>162</sup> of Member States' heads of environmental communication to build synergies with the communication campaigns ongoing in several countries. This campaign will of course also cover the awareness of the</p>

1.5.1.2. Promoting water-efficient appliances/devices (*implemented by the EU and the Member States*). Further incentives are needed to motivate producers to keep innovating to improve water efficiency and the customers to buy and use them. All such appliances/devices should include a water consumption label.

1.5.1.3. *Informing consumers about their water footprint (implemented by the EU and the Member States).*

**Measures focused on improving water availability, accessibility and efficiency**

1.5.2.1. *Ensuring public water supply (implemented by the Member States, water operators).* As part of a holistic approach, measures should be taken to improve the efficiency and resilience of the drinking water supply and distribution system through better leakage control, where necessary, the development of alternative drinking water sources and other appropriate measures. This also entails, with a view to protecting public health and well-being, Member States considering measures to ensure that the public water supply has priority over other water uses in periods of acute water scarcity.

effects of climate change in the water cycle.

The Commission proposal for a new Ecodesign for Sustainable Products Regulation (ESPR), published on 30 March 2022 establishes a framework to set ecodesign requirements for specific product groups to significantly improve their circularity, energy performance and other environmental sustainability aspects. This includes the water footprint of such products. This will spark innovation and the development of more water efficient products and production methods in water intensive sectors. The EU Digital Product Passport will allow consumers to benefit from that information. For energy-related products consuming water, the EU Energy Label will continue to be used to inform user and incentivise improvements wherever relevant.

In accordance with Article 4(3) of the recast Drinking Water Directive (DWD)<sup>163</sup>, Member States shall ensure that an assessment of water leakage levels within their territory and of the potential for improvements in water leakage reduction is performed and the results are communicated to the Commission by 2026. Subsequently, the Commission will establish a maximum threshold for leakage rates in Member States. Member States having a leakage rate exceeding this threshold shall present an action plan to the Commission

<sup>163</sup> <https://eur-lex.europa.eu/eli/dir/2020/2184/oj>

*1.5.2.2. Ensure a fair price for water services based on full cost recovery while guaranteeing affordability for vulnerable groups (implemented by competent authorities).* The Member States should discuss the possibility of charging based on the "value of water", which would ensure that this scarce resource is preserved also for future generations. Water tariffs could contain price signals to increase water-use efficiency. For example, tariffs could increase when a certain amount of per capita consumption is exceeded in a household, or when water supply is threatened by temporary water scarcity.

*1.5.2.3. Efficient water consumption metering by increasing the accuracy of measurement (implemented by the Member States, municipalities, water providers):*

- ensure efficient water consumption measuring with accurate water meters and a water meter renewal policy to make end users aware of their actual consumption;
- control consumption from private wells to limit water use directly from groundwater;
- use smart metering to provide alerts to end users regarding high or abnormal consumption, and low flow consumption, which could be internal leakage.

*1.5.2.4. Better protection of drinking water resources (implemented by the EU and*

laying down measures to be taken in order to reduce their leakage rates.

Article 9 of the Water Framework Directive requires that Member States take account of the principle of recovery of the costs of water services, including environmental and resource costs, having regard to the economic analysis conducted according to Annex III, and in accordance in particular with the polluter pays principle. However, the law allows for a considerable discretion in implementing these provisions and this also applies to water pricing policies. Member States also report in the river basin management plans (RBMPs) on the contribution made by the various water uses to the recovery of the costs of water services.

Note also that a fitness check on the application of the polluter pays principle is ongoing.

Article 11 of the Water Framework Directive requires that Member States set the requirements for the controls of controls over the abstraction of fresh surface water and groundwater, and impoundment of fresh surface water, including a register or registers of water abstractions and a requirement of prior authorisation for abstraction and impoundment.

The recast Drinking Water Directive (DWD) introduces an obligation to undertake a systematic analyse of the



*Member States*). Drinking water resources must be protected from anthropological contamination. To achieve this, the EU Zero Pollution Action Plan must be rigorously implemented by applying the principles of precaution and control at source, consistent with the Polluter Pays Principle, to all substances of concern that may enter drinking water resources.

*1.5.2.5. Moving towards circular water (implemented by the EU, the Member States and water operators)*. Water efficiency can be increased by reusing water. On the one hand, private households should be encouraged to collect rainwater whenever possible, and use it for appropriate purposes, including garden watering and cleaning). On the other hand, effective control-at-source measures must be taken to ensure that the wastewater produced by households does not contain contaminants that could jeopardise the reuse of treated wastewater for irrigation and other purposes.

risks, covering the whole supply chain from the catchment area, abstraction, treatment, storage and distribution to the point of compliance (articles 7 and 8). This should be done in full synergy with the actions carried out under the Water Framework Directive.

Article 7 as well as other provisions of the Water Framework Directive require that Member States designate the areas for the abstraction of drinking water and apply strict monitoring and control mechanisms.

Existing EU legislation requires acting at source to prevent the release in the environment of dangerous substances. The proposal for the revision of the Urban Waste Water Treatment Directive strengthens the protection of water against micropollutants coming from households (priority to treatment at source).

It also promotes a wider reuse of sludge and treated urban wastewater whenever appropriate.

The Regulation of the reuse of water just entered into application in June 2023. This will enhance the circularity of water management, in particular for irrigation in agriculture, and can play an important role in limiting freshwater abstraction from surface and groundwater bodies.

Adequate supply of clean water also depends on the existing ecosystems that purify water and hold it in store – hence the Commission proposals as the Nature

<p>1.5.2.6. <i>Climate change adaptation (implemented by the Member States, municipalities, wastewater operators).</i> Regions are affected differently by climate change. It is important to adjust measures to local conditions. Generally, urban planning will need to be re-thought by transforming towns into "sponge cities"<sup>161</sup>.</p> <p>1.5.2.8. <i>Public authorities as frontrunners (implemented by the Member States, municipalities).</i> Being responsible for designing and implementing both policy measures and practical arrangements, public authorities, including European institutions, should assume a frontrunner role in reducing their water footprint.</p>	<p>Restoration Law and the Soil Monitoring and Resilience are also important.</p> <p>The EU Adaptation Strategy recognises that the effects of climate change will vary across the EU and across sectors and encourages Member States to establish National Adaptation Strategies that will take into account local specificities. As part of the efforts on adaptation, the use of nature-based solutions that will increase the water retention capacity of terrestrial ecosystems (ie soil, forests, wetlands) are very much fostered. As mentioned above, the eco-design Directive (and future ESPR), the recent Water Reuse regulation as well as the measures in follow-up of the EU Circular Economy Action Plan will enhance the efficient use of water.</p> <p>Note also the planned Communication Towards a managed approach to physical climate risks (PLAN/2023/919).</p>
<p>2.7. The EESC calls for swift implementation of the comprehensive EU legislation currently in place. (...)</p> <p>As water is a common good, the EESC calls for drinking water to be made freely available to all EU citizens via accessible water fountains and sources in public places in line with Directive (EU) 2020/2184. In the case of mineral water concessions, an effort should be made to provide a tap source available to the public.</p>	<p>The Commission works intensively with Member States to ensure full implementation of EU water legislation. This is done in the context of the Common Implementation Strategy where guidance documents are developed, and exchanges of good practices are carried out. As a mean of last resort, the Commission also opts for launching legal proceedings when breaches of legislation occur. A number of infringements cases are ongoing.</p> <p>The Drinking Water Directive, applicable since January 2023 introduces in its new Article 16 obligations concerning access to water intended to</p>

<sup>161</sup> "Sponge cities' are urban areas with abundant natural areas such as trees, lakes and parks – or other good designs intended to absorb rain and prevent flooding." <https://climatechampions.unfccc.int/what-are-sponge-cities-and-how-can-they-prevent-floods/>, consulted on 7 June 2023.

	<p>human consumption for all citizens and in particular for vulnerable and marginalised people. In order to promote the use of tap water, Member States shall ensure that outdoor and indoor equipment is set up in public spaces, where technically feasible, in a manner that is proportionate to the need for such measures and taking into account specific local conditions, such as climate and geography.</p>
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<p><b>N°37 The economics of an "EU Blue Deal"</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/679 – ECO/611</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteur: Florian MARIN (RO-II)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The EESC is calling for:</p> <ul style="list-style-type: none"> <li>- a shift in the current economic model towards a more sustainable one that taxes overconsumption and is fully consistent with the Sustainable Development Goals (SDGs);</li> <li>- water prices across Member States to be evaluated in accordance with the 'polluter pays principle';</li> <li>- adapting basic economic concepts such as market rules, economic viability or productivity to take into account the multilateral values of water;</li> <li>- coherent legislation in all Member States on an EU mechanism for storing water during wet periods;</li> <li>- a long-term strategy to increase resilience against water scarcity;</li> <li>- the Extended Producer Responsibility (EPR) to be extended to residual water management;</li> <li>- addressing the issue of non-revenue water (NRW)<sup>164</sup> by prioritising ongoing maintenance; initiatives aimed at significantly reducing water leakages and research for new technologies for leakage detection;</li> <li>- thorough and immediate evaluation of the underground sewer systems in all Member</li> </ul>	<p>In the Letter of Intent, the Commission announced as one of its key priorities for 2024 an Initiative on Water Resilience.</p> <p>Article 9 (1) of the Water Framework Directive requires that Member States take account of the principle of recovery of the costs of water services, including environmental and resource costs, having regard to the economic analysis conducted according to Annex III (which has to be based on long-term forecasts of water supply and demand), and in accordance in particular with the polluter pays principle. One of this article's provisions specifically requires water-pricing policies to provide adequate incentives for users to use water resources efficiently. However, the law allows for a considerable discretion in applying this article in order to take account of the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions, as long as the overall environmental objective of achieving and maintaining good status of the water bodies is not jeopardised.</p>

<sup>164</sup> Non-revenue water (NRW) is water which is lost in the water distribution system, never reaching its final destination. This means water not used or paid for, which affects local economies as well as available local resources.

<p>States, including centralising data at EU level;</p> <ul style="list-style-type: none"> <li>- adaptation of the state aid rules to the characteristics of water investment;</li> <li>- prices that take long-term water security into account;</li> <li>- investments in working conditions, quality jobs and training and specific activities in this field, especially targeting the younger generation.</li> </ul>	<p>Water abstractions, impoundment and storage are all considered water services under the Water Framework Directive, and thus the article 9 (1) provisions apply. The Directive already includes provisions that regulate the storage and abstraction of water during the different seasons of the year to ensure the good chemical and ecological status of the water bodies.</p> <p>The Commission proposed an application of the Extended Producer Responsibility (EPR) for cosmetics and pharmaceuticals in the context of the revised Urban Wastewater Directive for the additional treatment needed to remove micro-pollutants from urban wastewaters. The proposal is now in discussion in the Co-decision.</p> <p>The Commission concurs with the importance of reducing water supply leakages in the Member States, in particular with regard to addressing water scarcity and drought challenges. In accordance with Article 4(3) of the recast Drinking Water Directive (DWD), Member States shall ensure that an assessment of water leakage levels within their territory and of the potential for improvements in water leakage reduction is performed and the results are communicated to Commission by 2026. Subsequently, the Commission will establish a maximum threshold for leakage rates in Member States. Member States having a leakage rate exceeding this threshold shall present an action plan to the Commission laying down measures to be taken in order to reduce their leakage rates.</p> <p>Water networks are typically natural monopolies that are not in competition with similar networks. They therefore</p>
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	<p>normally do not constitute State aid. However, where funding for such networks- infrastructures is provided for an economic activity, State aid control rules may apply. State aid for water investments may be provided under the General Block Exemption Regulation, for instance under its Article 14 (regional aid) or Article 56 (local infrastructures). State funding of certain water services may be allowed under State aid rules for Services of General Economic Interest.</p>
<p>1.7. The EESC is proposing:</p> <ul style="list-style-type: none"> <li>- to develop an EU Blue Deal and an EU Water Agenda in close synergy with the EU Urban Agenda<sup>165</sup>, the Ljubljana Agreement<sup>166</sup> and the Long-Term Vision for Rural Areas<sup>167</sup>;</li> <li>- a rationalisation of water consumption through the implementation of the following measures: <ul style="list-style-type: none"> <li>- price differentiation between consumption for domestic use and essential public services, and consumption for productive use;</li> <li>- a pricing system that effectively discourages unsustainable consumption while incentivising consumption for productive purposes;</li> <li>- that the design of the price include a minimum requirement of free water to ensure human rights;</li> <li>- to ensure full transparency of the costs and price of water towards all stakeholders;</li> <li>- public planning exclusively at a river basin level (including underground water) in such a way that the EU general interest is protected and ensuring that the required ecological water flow is maintained at the originating body of water;</li> </ul> </li> </ul>	<p>Calling on the provisions of Article 9 (1) of the Water Framework Directive as outlined above, several Member States when applying this article have made a price differentiation between different uses and categories.</p> <p>The Water Framework Directive requires that the planning is done at the scale of the river basin. However, it encourages coordination between the authorities, such as through national water strategies. In addition, pollution abatement policy measures often have a wider geographical scope than a river basin.</p> <p>In relation to the bullet ‘exchange of significant water-related innovations among Member States and encouraging bottom-up experimentation taking into account the specificity and complexity of water’, the following can be noted:</p> <p>A new KIC (Knowledge and Innovation Community of the European Institute of Technology (EIT)) in the field of Water, Marine and Maritime Sectors and Ecosystems (WMM) is proposed to be launched in 2026. The WMM KIC is intended to address, among others, water</p>

<sup>165</sup> [Urban Agenda for the EU.](#)

<sup>166</sup> [Ljubljana Agreement and Multiannual Working Programme – Renewing the Urban Agenda for the EU.](#)

<sup>167</sup> [Long-term vision for rural areas: for stronger, connected, resilient, prosperous EU rural areas.](#)

<ul style="list-style-type: none"> <li>- to adopt and strengthen regulatory frameworks on water concession agreements to manage water as a public good, more than as a commodity that can be traded. Prices for the population should reflect that water is a public good;</li> <li>- to dedicate specific attention and financing to cross-border water projects;</li> <li>- exchange of significant water-related innovations among Member States and encouraging bottom-up experimentation taking into account the specificity and complexity of water.</li> </ul>	<p>scarcity, droughts and floods challenges. It is expected that this KIC will make a real contribution to strengthening innovation ecosystems and stimulating cooperation across the knowledge triangle, in order to accelerate the uptake of new technologies and approaches and boost the development of more sustainable products and methods including in relation to safe, clean and quality water.</p> <p>The EU Mission’s ‘Restore our Oceans and Waters by 2030’ goal is to reconcile the protection and restoration of marine and freshwater ecosystems with the increasing pressures on aquatic resources. The Mission directly contributes to making the EU a front-runner in the transition to a sustainable and circular blue economy and to drive the new wave of innovations this transition requires to implement the Green Deal, and notably in relation to restoring freshwaters ecosystems and preventing and eliminating water pollution. Mission Ocean and Waters has already made an important progress in achieving its goals, as highlighted in the Commission Communication ‘EU Missions two years on: assessment of progress and way forward’<sup>168</sup>, and will continue to do so in the coming years by promoting experimentation, coordinating and scaling up deployment of solutions and playing a pivotal role in necessary societal transitions in relation to safe, clean and quality water.</p>
<p>1.8. The Committee considers EU funds vital for sustainable transition of water and is calling for:</p>	<p>According to the figures gathered in the context of the impact assessment on the revision of the Urban Wastewater Treatment Directive, Member States are</p>

<sup>168</sup> COM(2023) 457 final.

<ul style="list-style-type: none"> <li>- Member States to treat water investment as a high priority in reallocations within the various programmes;</li> <li>- increased complementarity between European Structural and Investment Funds (ESIF)<sup>169</sup>, the Recovery and Resilience Facility, InvestEU, Interreg Europe and other funds;</li> <li>- a dedicated call for proposals and guidelines that take the complexity and specificity of water into account;</li> <li>- a dedicated operational programme for water and for Integrated Territorial Investments (ITI) for the blue economy;</li> <li>- water sectors to be recognised as a strategic priority in the 2028-2034 programming period and, where relevant, a dedicated operational programme for water;</li> <li>- a Blue Transition Fund;</li> <li>- assuring technical assistance for Member States to implement water projects.</li> </ul>	<p>using around 2 billion per year from EU funds to finance their water infrastructures.</p> <p>The Cohesion Fund is the primary EU source of investment in water infrastructure to meet the specific needs of benefiting Member States. In doing so, it helps meet their basic water needs and supports the compliance with the EU environmental acquis in the field of water. Cohesion Policy also invests in infrastructure providing basic water services to citizens. Under the programming period 2021-2027 for Cohesion Policy, Member States have allocated EUR 12 billion of EU funds to the specific objective on sustainable water, which supports investments in water infrastructure development. The managing authorities are responsible for the project selection according to the shared management rules. The Commission recognises the importance of the water sector, however given that there are available sources of funding for this sector under Cohesion Funds, the RRF and the Common Agricultural Policy and that the needs might vary in different European regions, creating a new Blue Transition Fund might provide for less flexible and efficient use of funding than it is the case now.</p>
<p>4.1. The EESC believes that the current economic model that encourages water consumption through taxes and incentives should be reversed to become a more sustainable one that is fully consistent with the SDGs. Water use should not only be sustainable, but also contribute to restoring nature in the short and long term. <b>The EESC is asking for a global fiscal deal for</b></p>	<p>The Commission takes note of the idea of a global fiscal deal for financing the climate efforts and water investments, aware of the fact that it would require important efforts at international level.</p> <p>The Commission points out the UN efforts on the reform of the international financial architecture for the support and mobilization of financing for investments</p>

<sup>169</sup> [2014-2020 European structural and investment funds.](#)



<p><b>financing the climate efforts and water investments.</b></p>	<p>needed to combat the climate crisis and achieve the Sustainable Development Goals<sup>170</sup>.</p>
<p>4.2. Clear and efficient coherence between various taxes imposed on water at local, national and European level should be facilitated. The EESC is calling for:</p> <ul style="list-style-type: none"> <li>- the development of a water tax system for ground and surface water based on deductions for facilitating access to water for every person and industrial actor;</li> <li>- water prices across Member States to be evaluated in accordance with the 'polluter pays principle';</li> <li>- imposing taxes and surcharges for unsustainable water use, while incentivising sustainable use of water;</li> <li>- a revision of the EU Industrial Emissions Directive<sup>171</sup> as regards impact on the EU water ecosystem.</li> </ul>	<p>The Commission supports the application and strengthening of the polluter pays principle through targeted tax measures, in full coherence with the water tariff and charges systems in place, while ensuring a social justice/access to water for all. We refer to the text on WFD article 9(1) in our replies above.</p> <p>At present there is no harmonised tax system at EU level for water.</p> <p>The possible internalisation of environmental costs, including as regards water pollution and water scarcity, has been analysed in a recent study of 2021 financed by the Commission (“Green taxation and other economic instruments - Internalising environmental costs to make the polluter pay”, September 2021, ISBN 978-92-76-20411-4) and the reflections continue in this regard. A fitness check on the application of the polluter pays principle is ongoing. Meanwhile, the Commission takes good note of the recommendations.</p> <p>Finally, the Commission has just proposed a revision of the Industrial Emissions Directive that is undergoing the co-decision process.</p>
<p>4.4. The EESC demands coherent legislation in all Member States on an EU mechanism for storing water during wet periods, namely through construction of storage tanks and underground aquifer recharge systems. <b>The EESC is asking for a long-term strategy to</b></p>	<p>The Commission is currently performing the assessment of different water-related laws and evaluating the planning tools adopted by Member States to manage water. On the basis of the results of this very significant evaluation exercise, the</p>

<sup>170</sup> our-common-agenda-policy-brief-international-finance-architecture-en.pdf (un.org)

<sup>171</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions, [OJ L 334, 17.12.2010, p. 17](#).

<p><b>increase resilience against water scarcity, taking into account the regional climatic specificities and industrial characteristics.</b></p>	<p>Commission will ascertain what further measures might be needed to achieve water resilience in the EU.</p>
<p>4.7. The EESC notes that the impact of pollution and overexploitation of groundwater aquifers places a disproportionately high burden on poor and socially vulnerable people. Water tariffs must be evaluated with great attention, as they can have distortive effects, generate water poverty and create social distress among the population. <b>The EESC is asking that constructive discussion at EU level on a fair water price design be started.</b> The design of the price should include a minimum requirement of free water to ensure human rights. The structure of the prices should take into account current and future societal, climate and industrial challenges. The EESC is suggesting that the price design transversally take into account long-term water security.</p>	<p>The Commission would like to refer to the text on WFD Article 9 (1) in its replies above.</p> <p>The Commission welcomes the Committee’s call for a constructive discussion at EU level on the various water pricing dimensions. This discussion has had a start already with the series of joint Organisation for Economic Co-operation and Development and Commission workshops (2022) to support the economic aspects of implementing the EU Water Framework Directive (WFD) [and Floods Directive (FD)]. The ‘Common Implementation Strategy’ of the Water Framework Directive provides a good platform to take these discussions further, such in its Working Group ‘Economics’ and the Ad-hoc Task Group ‘Water Scarcity and Drought.’ Affordability issues and the challenges to adapt to climate change were addressed amongst other topics, along with ways to address them.</p>
<p>4.10. The Committee [...] <b>demands a thorough and immediate evaluation, including centralising data at EU level.</b> The cost of not intervening is far greater than the cost of repairs in sewer networks.</p>	<p>The Urban Waste Water Directive<sup>172</sup>, currently in application, regulates the collection, treatment and discharge of urban wastewater. Member States are required to monitor and report the pollution load generated in the agglomerations above 2000 population equivalents, but also the collection rate and the pollution load effectively treated in the wastewater treatment plants. They remain responsible for the maintenance and replacement of infrastructures and the investments are eligible for EU funding.</p>

<sup>172</sup> Directive 91/271/EEC.

<p>5.7. The EESC recommends that the EU adopt and strengthen regulatory frameworks <b>on water concession agreements to manage water as a public good, beyond and more than as a commodity that can be traded. Prices for the population should also reflect that water is a public good with full respect of Article 14 of TFEU and Protocol 26 annexed to TEU and TFEU. The EESC is calling for restrictive rules in order to protect the water resources of the EU from being used in the interest of non-EU stakeholders.</b></p>	<p>Article 12 of the Concessions Directive<sup>173</sup> excludes concessions in the field of water from its scope of application. According to recital 40 of the Directive, the reason for excluding the field of water is that the concessions in the water sector are often subject to specific and complex arrangements which require a particular consideration given the importance of water as a public good of fundamental value to all Union citizens.</p>
<p>6.1. The EESC is asking for more synergy at the level of the <b>call for proposals and operational programmes to tackle the specificities of water investments and maximise the quality absorption of the EU funds dedicated to water and the blue economy.</b></p>	<p>See previous replies.</p>
<p>6.3. The EESC notes that Community-Led Local Developments, Fisheries Local Action Groups and Integrated Territorial Investments (ITI) are instruments which only partially cover water investment needs. The EESC calls for a dedicated operational programme for water and for an ITI for the blue economy, a correlation between different calls for proposals and an impact assessment of investment financed by EU funds which are targeted at water infrastructure. The EESC suggests that a Blue Transition Fund should be established by either ensuring a thematic concentration of the existing funds, or adding new funds. The fund should be dedicated to water-poor regions and should cover the transition towards sustainable water management, avoiding inequalities concerning water access and to support the EU 2050 targets</p>	<p>In line with Article 21 of the Multiannual Financial Framework (MFF) Regulation 2021-2027, the Commission will present its proposal for the new MFF before 1 July 2025. The Commission is not in a position at this stage to prejudge the content and scope of this proposal.</p>

<sup>173</sup> Directive 2014/23/EU.

<p>being in full complementarity with the Just Transition Fund.</p> <p>6.4. The EESC concludes that water <b>sectors should be recognised as strategic in the 2028-2034 programming period of the next MFF</b>, and, given its recognised role as the voice of EU organised civil society, the EESC should be involved in the Smart Specialisation Platform for Sustainable Blue Economy<sup>174</sup>. The EESC is proposing to add a mandatory ex-ante conditionality for the 2028-2034 programming period.</p>	
<p>7.2. The EESC believes that water-related sustainable investments should be enhanced by using sustainable financing instruments like green bonds, social bonds and green loans, accompanied by consistent definitions of sustainability across various jurisdictions and greater level of standardisation and transparency in data. The EESC is proposing the regulation of blue bonds for water investments at EU level, along with tailored investment instruments for water dedicated to SMEs (e.g. via seasonal credits). The EESC is also asking Eurostat to provide a dedicated chapter and statistics for water economy data.</p>	<p>The EU Taxonomy<sup>175</sup>, a classification system for sustainable investments, includes the sustainable use and protection of water and marine resources as one of its environmental objectives. Technical screening criteria for several activities such as water conservation, leakage reduction, sustainable water supply and drainage solutions, and drought and flood prevention tools have been developed in Commission delegated acts, most recently in June 2023. The Taxonomy criteria constitute a common language for investors and for the developments of investment products such as EU Green Bonds.</p>
<p>8.5. The Commission must encourage the use of all relevant EU funds and partnership opportunities through social partners and civil society organisation networks to reach all stakeholders, with particular emphasis on SMEs. Blended finance can play an important role due to the low return of water infrastructure projects, nevertheless water service companies are still a good investment vehicle.</p>	<p>The Commission encourages the use of the EU funds on the basis of the priorities set in the Regulations establishing those funds.</p>

<sup>174</sup> <https://s3platform.jrc.ec.europa.eu/blue-growth>.

<sup>175</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

<p><b>N°38 Water poverty</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/1665 – SOC/763</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteurs: Kinga JOÓ (HU-III)</b>  <b>Carlos Manuel TRINDADE (PT-II)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.4. The EESC calls on the Commission to promote a common approach to understanding water poverty at EU level and develop a comprehensive definition of water poverty that allows for a tangible and shared understanding of water poverty<sup>176</sup>, and within which each Member State can develop its own context-dependent definition, in accordance with the European one.</p>	<p>While there is definition of energy poverty in the recently adopted Directive on Energy efficiency, there is no such common definition for water poverty. The share of the household expenditure on water is considerably lower than for energy and there is not a transboundary EU single market for the distribution of water as there is for electricity and gas. The Commission takes note of the Committee’s suggestion to develop such a concept at EU level.</p>
<p>1.5. The EESC calls on the Commission to develop common guidelines to monitor access to quality and affordable WSS<sup>177</sup> and their spatial, social and gender disparities at Member State and EU level, as well as to map the state of play and regularly monitor developments. Data should be reliable, valid and publicly available. This is also necessary in order to comply with Article 16(a) of the Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (recast) (called hereafter</p>	<p>Article 18 of the Drinking Water Directive (DWD) provides that Member States shall set up by 12 January 2029, and updated every six years thereafter, a data set. This dataset will contain information on measures taken to improve access to water in accordance with Article 16, and on the share of their population that has access to water intended for human consumption. The Commission may adopt implementing acts specifying the format and modalities for presenting of this information, including detailed requirements</p>

<sup>176</sup> See also EESC opinion on *Tackling energy poverty and the EU's resilience: challenges from an economic and social perspective*, . [OJ C 486, 21.12.2022, p. 88](#).

<sup>177</sup> Complementing the monitoring set in the Drinking Water Directive (Directive (EU) 2020/2184).

<p>the Drinking Water Directive (DWD))<sup>178</sup>, and the EESC expects that the European Commission proposal for the Recast of the Urban Wastewater Treatment Directive (UWWTD)<sup>179</sup>, introducing an Article 19 on Access to Sanitation, will be adopted</p>	<p>regarding the indicators, the Union-wide overview maps and the Member State overview reports referred to in paragraph 3 of article 18.</p> <p>Data on access of households to public water supply and to sanitation are also collected and published by Eurostat<sup>180</sup>.</p> <p>Based on principle 20 of the European Pillar of Social Rights, the Commission released in June 2023 the first Report on Access to Essential Services in the EU<sup>181</sup> which includes a chapter dedicated to access to water and sanitation, with information on the barriers to access and the main groups affected as well as an outline of the main measures available at EU and Member State level to support access.</p>
<p>1.6. The EESC proposes to the Commission that the forthcoming review of the DWD should include the guarantee of universal access to WSS, as set out in UN SDG 6. The EESC advises the Commission to adopt common guidelines for the pricing of water and sanitation, within which the Member States can develop their context-dependent regulatory frameworks. Such guidelines should respect the human right to water and the principle of non-degradation, similar to that recommended by the UN on human rights and access to drinking water and sanitation.</p>	<p>The Drinking Water Directive, applicable since January 2023 introduces in its new Article 16 obligations concerning access to water intended to human consumption for all citizens and in particular for vulnerable and marginalised people. In full synergy with these provisions, the Commission proposed provisions in the recast of the Urban Waste Water Treatment Directive (UWWTP) to improve access to sanitation for vulnerable and marginalised people. Article 19 of the DWD provides that in the context of the evaluation of the Directive to be carried out by 2035, the Commission shall pay particular attention to different aspects,</p>

<sup>178</sup> "Identify people without access, or with limited access, to water intended for human consumption, including vulnerable and marginalised groups, and reasons for such lack of access", <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020L2184>.

<sup>179</sup> [COM\(2022\) 541 final](#), 2022/0345 (COD), *Proposal for a Directive of the European Parliament and of the Council concerning urban wastewater treatment (recast)*.

<sup>180</sup> [Population connected to public water supply](#) (Eurostat)

<sup>181</sup> (SWD(2023) 213 final/2), <https://data.consilium.europa.eu/doc/document/ST-10678-2023-REV-1/en/pdf>

	<p>including the provisions on access to water (Article 16).</p> <p>To implement the provisions on water pricing included in Article 9 of the Water Framework Directive, the Commission has established a Working Group with water economic experts to discuss inter alia the matter of water pricing. Yet, this is a very sensitive issue for Member States. For the moment there has not been sufficient support to develop guidelines on water pricing.</p>
<p>1.7. The EESC emphasises that paying for WSS services should not compromise the fulfilment of other social needs. Therefore, the EESC calls on the Commission to make an overview of measures applied in all Member States concerning affordability and specifically on vulnerable consumers. On the basis of this overview, we call on the Commission to develop common guidelines for Member States to identify households with affordability problems, and more specifically vulnerable consumers, and measures to address them. Such guidelines should ensure that no users in a situation of vulnerability have their water supply disconnected.<sup>182</sup> Measures should be based on a holistic view of affected households' situations and should apply social policy instruments, housing policy measures, and specific measures concerning WSS services in a context-specific manner.</p>	<p>The Commission Report on Access to Essential Services in the EU<sup>183</sup> includes an outline of the types of measures used at national and local level to support access to water and sanitation, in particular for people at risk of poverty and social exclusion. The Commission takes note of the request to further advance work in this area and will consider bringing the matter of the development of guidelines on affordability and vulnerability to the Member States and the stakeholders integrated in the Common Implementation Strategy.</p>
<p>1.10. The EESC believes that the EU and all Member States should adopt an environmental vision and develop programmes to fund water distributors to achieve a reduction of leaks and losses, one of the greatest scourges of water</p>	<p>There are a number of EU funds that can already be used to reduce water losses during irrigation or the distribution of drinking water. Moreover, the EU is equipped with a Regulation on the reuse</p>

<sup>182</sup> See also: <https://www.aquapublica.eu/article/news/access-water-and-sanitation-must-be-priority-commission-action-plan-implement-pillar>.

<sup>183</sup> SWD(2023) 213 final/2.

<p>resource management. The EESC calls on the Commission and the Member States to consider and support new and innovative technical solutions to tackle water scarcity, such as increased use of grey water and treated wastewater, and decentralised, small-scale waste water treatment facilities.</p>	<p>of waste water in agriculture which entered into application in June 2023.</p> <p>The recent proposal for a Recast UWWTD promotes a wider reuse of treated urban wastewater whenever appropriate. It also includes the possibility - when justified - to use decentralised facilities for the treatment of urban wastewaters.</p>
<p>1.11. The EESC calls on the Commission and the Member States to provide public funding for infrastructure development, with specific regard to resource-poor property owners and socially deprived urban and rural neighbourhoods with prolonged infrastructure renovation needs. Development of water and sanitation infrastructure related to the Renovation Wave should be considered.</p>	<p>Member States can already use regional funds to develop the necessary public water distribution infrastructure. According to the impact assessment achieved in the context of the revision of the UWWTD, around EUR 2 billion from the EU funds are used each year by the Member States to finance their water infrastructures. Under the programming period 2021-2027 for Cohesion Policy, Member States have allocated EUR 12 billion of EU funds to the specific objective on sustainable water, which supports investments in water infrastructure development. The managing authorities are responsible for the project selection according to the shared management rules.</p>
<p>1.13. The EESC recommends that the Commission:</p> <ul style="list-style-type: none"> <li>- Regulate super-water-intensive agricultural and industrial projects in relation to downstream environmental and social problems and, in some cases, develop a phase-out stage for these projects, finding solutions for the businesses, workers and territories involved, and allocating the necessary funds to achieve a balance in the solution found;</li> <li>- develop legislation to ensure a minimum flow that reaches the sea;</li> </ul>	<p>The WFD requires that the good ecological and chemical status of surface water bodies and good quantitative status and chemical status of ground water bodies are reached in 2015. This deadline can be postponed to 2027 at the latest if certain exemptions foreseen by the WFD are invoked. Ecological good status is related to a minimum environmental or ecological flow (e-flow) as the water related ecology needs a minimum flow and inevitable pollution needs a minimum dilution that permits the</p>



<p>- ensure that the EU adopts emergency plans prioritising access to water for human consumption in a scarcity crisis.</p>	<p>ecosystem to function. This protects downstream uses too.</p> <p>The respect of minimum ecological flows will become ever more important in the future to achieve water resilience as economic pressures on using scarce water resources are increasing.</p> <p>Thus, ecological flow is a crucial part of the discussion on water availability for different sectors. Under the Common Implementation Strategy, work is ongoing on the estimation of the minimum environmental flow (e-flow)</p> <p>Emergency plans should be programmed only after all water savings methods have been put in place.</p>
<p>1.15. The EESC calls on the Commission and Member States to take measures to improve the awareness of EU residents on the value of water, the importance of access to water and sanitation for all.</p>	<p>The Commission will launch a communication campaign in 2024 to inter alia raise the awareness of the importance and the value of water for humans but also for nature.</p>
<p>2.7. The DWD establishes an obligation for Member States to take all measures necessary to ensure access to drinking water for vulnerable and marginalised groups. However, it fails to recognise the universal right of access to safe drinking water and sanitation, as included in the SDGs. The EESC calls on the EC to include this recognition in the next revision of the DWD.</p>	<p>The issue of universal access will be re assessed in the evaluation of the DWD in the light of the respect of the subsidiarity principle.</p>
<p>3.11. The Commission should maintain exemptions for water and wastewater in the Concessions Directive (2014/23/EU) granted as a result of the successful European Citizens' Initiative on the "Right2Water". The EESC recommends that the Commission exempt water services from the rules of the single market.</p>	<p>Article 12 of the Concessions Directive<sup>184</sup> excludes concessions in the field of water from its scope of application. According to recital 40 of the Directive, the reason for excluding the field of water is that the concessions in the water sector are often subject to specific and complex arrangements</p>

<sup>184</sup> Directive 2014/23/EU.

	<p>which require a particular consideration given the importance of water as a public good of fundamental value to all Union citizens.</p>
<p>6.3. International rivers and water bodies can be a source of tensions and ultimately conflicts between states, even inside the EU. The EESC considers and proposes that the EU should become involved in the segment of river basin governance in which several Member States are involved, defining general principles, tangible objectives and qualified monitoring, as the best way to contribute to water management in times of scarcity, which provoke crises of various kinds.</p>	<p>A river basin covering the territory of more than one Member State is assigned to an international river basin district. According to WFD where a river basin district extends beyond the territory of the Community, the Member State or Member States concerned shall endeavour to establish appropriate coordination with the relevant non-member States, with the aim of achieving the objectives of this Directive throughout the river basin district.</p> <p>In its recent proposal for an integrated water management, the Commission has proposed to strengthen the provisions related to the cooperation between Member States for transboundary cooperation and has reinforced the role of the Commission in such dialogue.</p> <p>However, the responsibility to achieve the environmental objectives in those river basins remains with the Member States.</p>
<p>6.4. The EESC proposes to the Commission that there should be a river basin governance framework with political and technical bodies at river-basin level to ensure, with maximum efficiency, general political guidance and technical management, as well as the involvement of all stakeholders through effective participation mechanisms.</p>	<p>A robust legal framework and appropriate and effective multi-level governance structures are essential prerequisites for successful integrated river basin management. The WFD sets out the suitable framework for this aspect and specifies that Member States shall ensure the appropriate administrative arrangements for the application of the rules of the Directive within each river basin district, including active involvement of all interested parties (public and stakeholders). At European level, there is the Common</p>

	Implementation Strategy mentioned in other replies of the Commission to the Blue Deal.
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<p><b>N°39 Sustainable and resilient water infrastructures and distribution networks (Own-initiative opinion)</b>  <b>EESC 2023/442 – TEN/804</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteur: Thomas KATTNIG (AT-II)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.4./1.9./3.1./3.5. - The EESC calls on the EU institutions to start prioritising the issue of water and to develop an EU "Blue Deal" to raise awareness of this vital resource.</p> <p>The EU "Blue Deal" should pay attention to the availability and distribution of water in the future, as well as to strengthen research and innovation.</p> <p>The EESC proposes to the European Commission the launch of a Europe-wide public consultation process, which, by assessing European water needs, will serve as the foundation of the future interventions of the "EU Blue Deal".</p>	<p>The Commission concurs with the assessment of the Committee on the importance of water resilience and that is why actions are already taken and envisaged. At the UN Water Conference held in March 2023, the EU proposed a vision for 2050 Water Resilience. In view of the Commission's priorities with regard to water policy, this vision will be further supported by stepping up the implementation efforts and by strengthening the knowledge base, e.g. on assessing the pressures on water quantity. An initiative on Water Resilience was announced in the Letter of Intent as one of the key priorities for 2024. This is also reflected in the Commission Work Programme 2024.</p> <p>In agriculture, a knowledge-based approach, as well as both high tech and nature-based solutions are necessary to ensure a sustainable use of water. Member States can support precision farming via national Common Agricultural Policy Strategic Plans.</p> <p>The CAP includes compulsory practices for beneficiaries to increase soil water retention in arable land by:</p> <ul style="list-style-type: none"> <li>- Reducing the risk of soil erosion (GAEC 5)</li> <li>- Increasing soil cover (GAEC 6)</li> </ul>

	<p>- Increasing the area laying fallow (GAEC 8)</p> <p>In irrigated agriculture, the CAP payments to farmers are conditional to the respect of specific provisions of the Water Framework Directive.</p> <p>Under the CAP, the conditions for investments in irrigation are aligned with the objectives of the Water Framework Directive and the increment of irrigated areas is not possible in water bodies in bad quantitative status.</p> <p>Also under the CAP, Member States can plan voluntary measures for a more efficient and reduced use of water. Several Member States identified sustainable water management within their needs partially addressed in their CAP strategic plans. Good examples of measures programmed in the plans include:</p> <ul style="list-style-type: none"> <li>- a plan for irrigation water management based on professional advice;</li> <li>- Precision farming including smart and efficient irrigation systems</li> <li>- the use of new technologies like sensors and satellites for irrigation advice;</li> <li>- support for the reuse of water;</li> <li>- selection of crop varieties with short growing periods, drought resistant variety to reduce the use of water.</li> </ul> <p>An additional element of the CAP are the payments to beneficiaries for costs and income foregone resulting from requirements of the Water Framework Directive and potential support to promote risk management tools which help active farmers to manage production and income risks related to their agricultural activity.</p>
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	<p>The European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) has an important role in speeding up innovation on the ground through its unique interactive innovation model. This model makes the best use of complementary types of knowledge in view of co-creation and dissemination of solutions ready to implement in practice. In the current period, the CAP financed more than 300 EIP Operational group projects dealing specifically with water management.</p>
<p>1.1./3.3. - The EESC proposes to promote a common approach to understanding water poverty at EU level and to develop a comprehensive definition of water poverty, with each Member State being able to develop its own contextual definition in line with the European definition.</p> <p>The EESC calls on the Commission and the Member States to apply a rights-based approach to all water policies. and to address water poverty, thereby also aligning with the EPSR</p>	<p>Principle 20 of the European Pillar of Social Rights states: <i>‘Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.’</i></p> <p>The Commission released in June 2023 the first Report on Access to Essential Services in the EU<sup>185</sup> which includes a chapter dedicated to access to water and sanitation, with information on the barriers to access and the main groups affected as well as an outline of the main measures available at EU and Member State level to support access.</p> <p>Difficulty with access to water and sanitation is not a widespread issue in the EU, but challenges remain in specific areas and for specific groups, notably people at risk of poverty and social exclusion, marginalized communities (such as Roma) and groups suffering of severe material and social deprivation</p>

<sup>185</sup> (SWD(2023) 213 final/2) <https://data.consilium.europa.eu/doc/document/ST-10678-2023-REV-1/en/pdf>

(such as the homeless), which indicates a strong link between limited access to water/basic sanitary facilities and poverty. Important differences exist between and within Member States, both at aggregate level and when comparing the situations of people above and below the at-risk-of-poverty (AROP) threshold.

The 1991 Urban Waste Water Treatment Directive regulates the collection, treatment, and discharge of domestic and certain industrial urban wastewater in the EU. On 26 October 2022, the Commission proposed the recast of the Directive in line with the results of an evaluation and based on an extensive impact assessment, which confirmed that access to sanitation remains an issue preventing the EU from fully implementing SDG 6.

The Drinking Water Directive is the cornerstone of the EU water policy regulating drinking water supply. Originally from 1980, it was recast in 2020 and introduced measures to ensure better access to water, particularly for disadvantaged and marginalised groups. Member States now have an obligation to identify people without access, or with limited access, to water intended for human consumption, to assess the reasons for such lack of access and the possibilities of improving the situation, and to take appropriate measures to ensure access for all.

The Commission targets to improve the access of all EU residents to WASH (water and sanitation) facilities, in particular in addressing the needs of those in the most vulnerable situations. The adoption in 2020 of the recast Drinking Water Directive, introduces in

	<p>its new Article 16 new obligations for Member States to ensure a better access to and affordability of water intended to human consumption for all citizens and in particular for vulnerable and marginalised people. In full synergy with the provisions of the recast Drinking Water Directive, the Commission proposed provisions in the recast of the Urban Waste Water Treatment Directive (UWWTD) to improve access to sanitation for vulnerable and marginalised people.</p>
<p>1.2./4.3. - The EESC once again recommends introducing a "golden rule" for investments in public infrastructure, in order to safeguard productivity and the social and ecological base for the well-being of future generations.</p>	<p>The Commission manages EU funding that supports investments and programmes that enhance access to essential services in line with Principle 20 of the European Pillar of Social Rights in Member States. EU cohesion policy – through the European Regional Development Fund (ERDF), Just Transition Fund (JTF) and European Social Fund plus (ESF+) – provides financial support for skills development programmes, training and equipment as well as for investments in green, digital and social infrastructures and services. The Recovery and Resilience Facility (RRF) can support investments and reforms that directly or indirectly enhance access to affordable essential services for vulnerable groups. Moreover, through the Just Transition Mechanism and programming, physical infrastructure development is completed by the necessary workforce development (reskilling and upskilling) and life-long learning interventions.</p>
<p>1.3./1.6./3.2./3.8. - The EESC recommends that, the EU adopt and strengthen regulatory frameworks on water concession agreements, to guarantee access to water and sewage</p>	<p>The Commission would like to recall that – in line with the subsidiarity principle - the EU legislation (Drinking Water Directive, Urban Wastewater Directive)</p>



<p>systems at an affordable price and with adequate quality standards and the restoration and protection of ecosystems and in order to ensure the necessary investments in infrastructure.</p> <p>The EESC calls on the Commission to broaden the legal room for manoeuvre, especially regarding public procurement law.</p>	<p>do not include provisions on how Member States should organise their water supply and sanitation services. The Directive on the award of concession contracts<sup>186</sup> excludes concessions for the provision or operation of networks intended to provide production, distribution or transport of water as a service to the public. All concessions regarding the supply of water to these networks are excluded.</p>
<p>3.15. The EESC considers the development and better interconnection of waterways within the EU to be key. As mentioned in opinion TEN/764187, intermodality should also be taken into account in this connection.</p>	<p>One of the objectives of the trans-European transport (TEN-T) network policy is to enable greater use of more sustainable modes of transport, including by further developing a reliable inland waterway and short-sea shipping network across the Union. On 14 December 2021 the Commission adopted a proposal revising the TEN-T regulation of 2013. According to the proposal, Member States shall ensure that the inland waterway network is maintained to enable efficient, reliable and safe navigation for users by ensuring minimum waterway requirements and levels of service and by preventing the deterioration of these minimum requirements (Good Navigation Status). The proposal, which is in the process of adoption, provides for TEN-T requirements that will better take into account the specific hydro-morphology of each waterway.</p>
<p>3.20. The EESC points out that nuclear power generation requires large quantities of water for cooling purposes. The climate crisis is increasing temperatures and at the same time reducing the level of rivers. As temperatures</p>	<p>The Commission points out that the reductions of power output of nuclear plants are of temporary (short-term) nature and do not affect all kinds of plants. Typically, they concern only</p>

<sup>186</sup> Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014.

<sup>187</sup> [OJ C 75, 28.02.2023, p. 190.](#)

rise, nuclear power plants have to reduce their output due to water scarcity. In addition, discharging cooling water that is too warm increases the oxygen content of rivers, which has a negative impact on water ecology and biodiversity.

nuclear power plants discharging a part of their waste heat to river bodies. As an example, in France during the 2022 summer heatwave, only four nuclear power plants (out of 18 currently operable nuclear power plants) were affected for a cumulative period of 24 days (not always consecutive on the same site)<sup>188</sup>. The related temporary exceptions to water discharges were granted by the nuclear safety regulator (ASN) on the basis of the Environmental Code<sup>189</sup>. Over the period 2000-2019, French nuclear power plant output was reported to be reduced by approximately 12 TWh due to any heatwave curtailment, corresponding to 0.14% of total nuclear electricity generation<sup>190</sup>. Alongside nuclear power installations, the reduction of heat output during heatwaves may also concern other industrial installations discharging cooling waters to rivers, such as steel mills, chemical plants, and oil refineries. As the climate further changes, all these facilities will need to adapt measures, such as more efficient cooling technologies, optimised planning of outages, or use of treated waste water. It is also recognised that future power systems need to be designed to be more resilient and adaptable towards climate

<sup>188</sup> Rejets thermiques des centrales nucléaires: retour d'expérience de l'été 2022, ASN, 2023, accessed on 25/09/2023, <https://www.asn.fr/content/download/190652/file/Note%20technique%20-%20Rejets%20thermiques%20des%20centrales%20nucl%C3%A9aires%20-%20retour%20d%27exp%C3%A9rience%20de%20l%27%C3%A9t%C3%A9%202022.pdf>.

<sup>189</sup> Décision n° 2022-DC-0739 de l'Autorité de sûreté nucléaire du 4 août 2022 fixant, de manière temporaire, de nouvelles limites de rejets thermiques applicables aux réacteurs de la centrale nucléaire du Bugey (INB n° 78 et n°89), du Blayais (INB n° 86 et n° 110), de Saint-Alban-Saint-Maurice (INB n° 119 et n° 120), de Golfech (INB n° 135 et n° 142) et du Tricastin (INB n° 87 et n° 88), accessed on 25/09/2023, <https://www.asn.fr/content/download/184712/file/D%C3%A9cision%20n%C2%B0%202022-DC-0739.pdf>.

<sup>190</sup> Climate Change: Assessment of the Vulnerability of Nuclear Power Plants and Approaches for their Adaptation, OECD/NEA, 2021, accessed on 25/09/2023, [https://www.oecd-nea.org/upload/docs/application/pdf/2021-11/nea7207\\_climate\\_change\\_adaptation.pdf](https://www.oecd-nea.org/upload/docs/application/pdf/2021-11/nea7207_climate_change_adaptation.pdf).

	change, as this affects all of its components <sup>191</sup> .
4.1. The EESC criticises the lack of consistency between EU water policy and other EU policies, and calls on the Commission to make improvements in order to avoid conflicting policies and objectives. This is especially the case with energy policy.	The Commission agrees on the necessity to ensure coherence between EU water and other policies and would like to point out that there are no major inconsistencies between EU water policy and other EU policies. For instance, the water-energy nexus has been included in the recast UWWTD proposal with regard to energy-neutrality objectives for wastewater treatment plants.

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<sup>191</sup> van der Wiel, K., et al, Meteorological conditions leading to extreme low variable renewable energy production and extreme high energy shortfall, Renewable and Sustainable Energy Reviews, Vol. 111, September 2019, pp. 261-275, <https://doi.org/10.1016/j.rser.2019.04.065>

<p><b>N°40 Sustainable water management and climate emergency: circular and other solutions for the EU agri-food system in a future "Blue Deal" (Own-initiative opinion)</b>  <b>EESC 2023/896 – NAT/891</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteur: Josep PUXEU ROCAMORA (ES-I)</b>  <b>Co-rapporteur: John COMER (IE-III)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.4. The EESC calls for dedicated standards concerning water use in various economic sectors, for instance agriculture and industry, by building a governance structure to develop sectorial water use guidelines, which should include the EESC.</p>	<p>The allocation of water between the different sectors is often a very sensitive issue that largely falls under the competence of Member States. However, the EU can certainly promote a more sustainable and efficient use of water in the difference sectors. Some elements of reply have been provided for the Committee’s opinion on water efficiency and industry.</p> <p>When drafting the River Basin Management pursuant to the Water Framework Directive, Member States are obliged to carry out a public consultation that would allow all sectors to express their needs and contributions to a sustainable use of the resource. The Commission and the Member States have developed for decades a very inclusive governance structure called the Common Implementation Strategy which also includes stakeholders and civil society. This governance structure is often called to draft guidelines on different implementation aspects.</p>
<p>4.4. Most CAP direct payments, as well as some Pillar 2 payments, are subject to cross-compliance rules covering statutory management requirements, and to good</p>	<p>The evaluation of the European Court of Auditors (ECA) of the payments concerned the former Common Agricultural Policy. The Green Deal</p>

<p>agricultural and environmental conditions (GAEC) standards that impose sustainable agricultural practices, including integrated water management procedures for irrigation. However, most of the payments have been found to be neutral as regards irrigation<sup>192</sup>. All CAP schemes should encourage sustainable and efficient water management, incorporating indicators in each Member State in order to monitor progress in water management.</p>	<p>CAP SPR has been adjusted for 2023-2027, including Statutory Management Requirements 1 (cross-compliance Water Framework Directive (WFD)) and art 74 for irrigation.</p> <p>The new SMR 1 (water abstraction) establishes an important link with the WFD<sup>193</sup> covering controls on abstraction and impoundment, along with controls on diffuse sources of pollution.</p> <p>Investments in irrigation which are not consistent with the achievement of good status of water bodies, as laid down in article 4(1) of the WFD, are not eligible for CAP support. This also excludes the expansion of irrigation affecting water bodies whose status has been defined as less than good for quantitative reasons in the relevant River Basin Management Plan (RBMP).</p> <p>The Monitoring Framework of the CAP includes a number of indicators that can measure the progress in the targeted effort by Member States in promoting interventions that foster a better water management (Result indicators<sup>194</sup>) as well as the impacts of the CAP on water management (Impact indicators). These will allow to measure the contribution of the CAP 2023-2027 in ensuring a more efficient and sustainable water use in agriculture. The development of the Farm Sustainability Data Network may even increase the insight in impact achieved.</p>
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<sup>192</sup> ECA, [Special Report 20/2021: Sustainable water use in agriculture](#).

<sup>193</sup> WFD articles 11(3)(e) and (h)

<sup>194</sup> Among other result indicators R.23 (Sustainable water use - Share of utilised agricultural area (UAA) under supported commitments to improve water balance) and R26 (Investments related to natural resources - Share of farms benefitting from CAP productive and non-productive investment support related to care for the natural resources) are relevant in this context.

	<p>Many of the management commitments beneficial for the environment (eco-schemes and agri-environment-climate interventions) included in the CAP national strategic plans (CSPs) are dedicated to improve soil health, with positive effects on soil water retention and infiltration. Practices which help reduce crop water demand and foster adaptation to climate change (less water intensive crops or varieties) are also implemented through the CSPs.</p>
<p>4.8. The principle of European market unity is not fulfilled in the case of water. Users pay very different prices for similar services, depending on the Member State and even on the specific location of the operation within a Member State. In view of this issue, it would be beneficial to promote a EU methodology to rationalise and standardise water pricing systems<sup>195</sup>.</p>	<p>Different water prices in different Member States may be totally justified as the value and the cost recovery for water services may be very different. A full harmonisation of the price of water may not be possible. Yet, water pricing is indeed an extremely powerful tool to ensure a more efficient use of the resource. Article 9 of the Water Framework Directive includes provisions for Member States to ensure cost recovery and some elements of water pricing. However, this article leaves a considerable freedom to Member States on how to approach the cost recovery and the water pricing. In the context of the Common Implementation Strategy and in particular in the Working Group on economics, the Commission has stirred some prudent discussions on water pricing, which remains a very sensitive issue. In 2022 a joint initiative by the Organisation for Economic Co-operation and Development (OECD) and the Commission took place to support the economic aspects of implementing the WFD, including water-pricing</p>

<sup>195</sup> EESC opinions on "[Access to water: tackling water poverty and its implications for social policy](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/economics-eu-blue-deal)<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/economics-eu-blue-deal>" (see page xx in the OJ) and on "[The economics of an "EU Blue deal"](#)" (see page xx in the OJ).

	mechanisms (i.e adequate water pricing, addressing affordability, depreciation methods etc) designed to trigger efficient water uses and recover costs.
<p>5.5. In this context, it is considered necessary to further promote policies that incentivise efficiency in irrigation and water use in general, both in the sphere of the CAP and other EU funds. Progress should be made in the implementation of sustainable farming practices, in the use of technologies that allow for more efficient use of water, and in the development of crops that are more resistant to drought and floods. Without the necessary budgetary resources, it will not be possible to build resilient and sustainable agri-food systems in Europe.</p>	<p>A number of EU funds can already be used for promoting a more efficient use of water. Indeed, one of the specific objectives of the CAP is the sustainable use of water and funds are available under the first and second pillar to enhance water efficiency in irrigation. Equally, regional funds can be used to modernise the water distribution networks to reduce and prevent leakages. The LIFE program has already been used for projects fostering water savings in different economic sectors.</p> <p>The Circular Economy Action Plan indicates that the Commission will foster a more sustainable use of water as part of the efforts of sustainable production.</p> <p>As recently as in July 2023 the Commission has adopted a proposal for Regulation on plants obtained by certain new genomic techniques and their food and feed<sup>196</sup>. These techniques allow precise and efficient development of improved plant varieties that can be climate resilient, pest resistant, require less fertilisers and pesticides, or ensure higher yields.</p>

<sup>196</sup>

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM%3A2023%3A411%3AFIN>

<p><b>N°41 Water-intensive industries and water-efficient technologies</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/1154 – CCMI/208</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteur: Paul RÜBIG (AT-I)</b>  <b>Co-rapporteur: John BRYAN (IE-cat. 3)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. As part of the EU Blue Deal, the EU urgently needs to develop a new EU water policy, including a comprehensive sustainable water management policy for industry based on reducing, reusing and recycling water, decreasing water pollution and including a focus on water-intensive industries and the incremental introduction and use of water-efficient technologies. Given the energy-water-Critical Raw Materials nexus, the water policy should become one of the pillars of EU Industrial strategy.</p>	<p>The EU is equipped with a very robust set of water management laws developed since the 70’s. It is worth noting that legislation has largely focused on preventing water pollution from industry and less so on a more efficient use of water by industry. However, more recent policy developments are increasingly taking these aspects into account. Indeed, the recent Commission proposal to revise the Industrial Emissions Directive (provisional agreement November 2023) includes provisions on a more efficient use of water. Equally, the amended Directive on Drinking Water also includes provisions to considerably reduce water leakages in the distribution. Water efficiency measures should definitely be included in the implementation of the EU industrial strategy.</p> <p>Water efficiency is an integral part of the Green Deal and hence of the current industrial strategy, as is notably reflected in the Transition Pathways<sup>197</sup>. Such pathways offer a better bottom-up understanding of the scale, cost, long-term benefits and conditions of the required actions to accompany the twin transitions, leading to an actionable plan. The plans should take into account relevant inputs such as industrial technology roadmaps. Roadmaps, e.g., in construction,</p>

197

[https://single-market-economy.ec.europa.eu/industry/transition-pathways\\_en](https://single-market-economy.ec.europa.eu/industry/transition-pathways_en)



	<p>tourism or chemicals, towards the twin transitions already take into account water efficiency. This can be in terms of regulatory and administrative environment like the Urban Waste Water Treatment Directive, of moving towards circular business models or through European Resource Efficiency Knowledge Centre, that helps especially small and medium-sized enterprises.</p>
<p>1.2. The EU therefore needs a roadmap supporting industries in becoming water efficient in an incremental manner, with milestones and a sectoral approach, fully taking into account the energy-water-Critical Raw Materials nexus. This requires a revision of the EU Industrial Strategy and its transition pathway documents within the next two years. This sectoral approach should embed the water efficiency characteristics and water challenges specific to each sector and be based on a foresight approach with options, impact and risk assessment with life-cycle cost analysis.</p>	<p>Transition Pathways have just been developed or are being finalized and we are now gathering pledges for its implementation and developing a support platform. However, revision might be considered in the future keeping in mind that it is a co-creation process.</p> <p>It is worth noting that in addition to the pathways, water efficiency will also result from the circularity elements of the Critical Raw Materials Act and the proposed Regulation on eco-design for sustainable products that call for reuse and recycling of raw materials which will reduce water consumption.</p>
<p>1.3. In view of developing the emerging sector of water-efficient technologies, a field in which the EU could play a prominent role, a comprehensive EU water policy must go hand in hand with an ambitious EU funding plan to enable industry to make the essential investments in water-efficient technologies. Positive funding incentives such as tax credits, higher depreciation rates and other mechanisms should be adopted. Innovative means of financing such as crowdfunding to complement public support could be considered.</p>	<p>There are currently a number of EU funding possibilities to deploy innovative water-saving technologies. Such funds include Horizon Europe funds, the LIFE program, the Common Agricultural Policy for more efficient irrigation infrastructure and Cohesion Funds for a more efficient water distribution network. The European Investment Bank offers loans for water - saving investments. Other funding possibilities could also be considered. The possibility for a dedicated water fund to support the deployment of most innovative water-efficient technologies could be also explored.</p>

1.4. The EU needs to become the world leader in the development, manufacturing and use of water efficient technologies and establish a global reputation as a low-water-footprint production area. Water-efficient technologies constitute an industrial sector that is part of clean technologies. As such, water-efficient technologies should also be energy efficient. As clean tech constitutes an industrial eco-system on its own, the EESC suggests the creation within the next two years of a transition pathway for this ecosystem, with ambitious but realistic targets, including a plan for stewardship and skills.

While water management patents in Europe remain low compared to the total number of patents, this number has been steadily increasing for several decades. A number of innovation related funds can certainly be used to develop new water-efficiency technologies that could have a significant export potential.

Under Horizon Europe, a specific call has been dedicated to help developing water efficiency in the industrial sector (Sustainable and efficient industrial water consumption: through energy and solute recovery) under the public private partnership Process4Planet. The New European Innovation Agenda (NEIA) provides further opportunities to position Europe at the forefront of the new wave of deep tech innovation and start-ups, including water-efficient technologies.

The Mission ‘Restore our Ocean and Waters’ takes a holistic and coherent approach by looking at the water cycle as a whole with the aim to protect and restore the health of our ocean and waters through research and innovation, citizen engagement and blue investments. This is a great endeavour which will require new solutions for water use efficiency across all productive sectors.

The industrial ecosystem Transition Pathways are being developed for the 14 industrial ecosystems identified in the EU Industrial Strategy. They are meant to be an actionable plan to assist these industrial ecosystems in their twin transition and strengthen their resilience. We can find research and innovation and development of new techniques and technologies that support the ecosystems in these transitions in each transition pathway, and this includes clean tech. The Commission recalls that

	<p>these TPs are jointly developed, to answer to industries needs and their implementation is voluntary.</p>
<p>2.4. EU water policy has tended to concentrate on the legal framework for water protection and management, focusing on pollution and prevention. The main existing EU water policies impacting on industry include the Water Framework Directive, the Urban Waste Water Treatment Directive, the Industrial Emissions Directive and the Zero Pollution Action Plan as part of the EU Green Deal. However, the water dimension is barely mentioned in EU industrial transitional pathways or in the European Commission's Strategic Foresight report 2022.</p>	<p>The recently adopted 2023 Strategic Foresight report 2023<sup>198</sup> highlights the need to strive for water resilience, to use water more efficiently and restoring the water cycle.</p> <p>The Textiles TP mentions the EU Strategy for Sustainable and Circular Textiles, and the Green Transition chapter focuses on the support needed to transform and comply with sustainability requirements. The Chemicals TP mentions specifically water in the green objectives and the Industrial Emissions Directive (IED) revision. The Construction TP has various references to water and the need to be resource efficient. They all include information on relevant EU legislative initiatives and strategies for the ecosystem.</p>
<p>2.5. The EU's vision for a green and digital transition of industry and its ecosystems makes no reference to water. The European Commission's Communication on the Green Deal Industrial Plan<sup>199</sup> mentions water supply and sewerage as key sectors for the green transition in a footnote, but no further references to water are included in the document. The EU needs to address water policy with the same determination with which it has tackled the climate crisis.</p>	<p>See replies above.</p> <p>Note also that an initiative on Water Resilience is one of the key priorities for 2024 stemming from the Letter of Intent, as also reflected in the 2024 CWP.</p>
<p>3.1. Water policy and water management are operated very differently across many EU Member States, creating significant difficulties for citizens and industries. With 60% of EU</p>	<p>To a large extent, the EU body of water laws constitutes a common policy for water management in Europe, while it caters for the necessary flexibility to allow for existing differences in Member States. The need to</p>

<sup>198</sup> (COM(2023) 376 final) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A376%3AFIN>

<sup>199</sup> [COM/2023/62 final](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A62%3AFIN)

<p>surface water being cross-border, a common EU policy for water must be considered.</p>	<p>cooperate between Member States for transboundary water bodies is embedded in the Water Framework Directive. In the recent proposal<sup>200</sup> for an integrated water management, the Commission has proposed to further strengthen such provisions.</p>
<p>3.3. The EU needs to put forward a comprehensive Sustainable Water Management Policy for Industry based on reducing, recovering, reusing and recycling, including a focus on water-intensive industries and the use of water-efficient technologies. The cascading hierarchy of water must have priority.</p>	<p>In the Circular Economy Action Plan, the Commission takes the commitment to facilitate water reuse and efficiency, including in industrial processes. But indirectly, water consumption is also tackled with the promotion of product's reuse (p.e. textiles) or the promotion of the circular economy at any level of economic activity.</p> <p>The recent proposal for the revision of the Directive on Industrial Emissions includes provisions fostering resource materials, water and energy use efficiency, promoting water efficiency through the inclusion of benchmarks in a mandatory Environmental Management System and through binding performance levels for water consumption, water reuse or wastewater generation associated with the use of Best Available Techniques (BATs). These BATs may include techniques for reducing water consumption as well as for water recovering, reusing and recycling.</p> <p>The Regulation on the reuse of wastewater for irrigation in agriculture has just entered into force. Some Member States have already similar legislation for the reuse of wastewater in industry.</p> <p>Already under the Horizon 2020 programme, a lot of efforts have been put in place to explore and promote recovery and reuse of water and other material from wastewater.<sup>201</sup> A results pack has been</p>

<sup>200</sup> COM(2022) 540.

<sup>201</sup> [https://research-and-innovation.ec.europa.eu/document/download/2b228ada-8a75-4998-80b1-d313669aca39\\_en](https://research-and-innovation.ec.europa.eu/document/download/2b228ada-8a75-4998-80b1-d313669aca39_en)

	<p>published on technological solutions able to Europe's present and future water security<sup>202</sup>. Furthermore, under Horizon Europe, a specific call has been dedicated to help developing water efficiency in the industrial sector (Sustainable and efficient industrial water consumption: through energy and solute recovery) under the public private partnership Process4Planet.</p>
<p>3.5. There is a clear need for an integrated EU approach to water policies that includes better coordination of the many legislative requirements stemming from several sectors and uses, including the industrial sectors. In addition, much more political ambition is needed to improve water efficiency and reduce water pollution and consumption within European industries, notably through the incremental introduction of water-efficient technologies. However, a sectoral approach is needed, since the possibility to become more water efficient varies a lot across sectors, depending on the existence of adapted water-efficient technologies.</p>	<p>In the 2012 final – Blueprint to Safeguard Europe's Water Resources<sup>203</sup>, the Commission already highlighted the potential of increasing water efficiency and identified several additional actions that could greatly improve quantitative water management and water efficiency in Europe.</p> <p>As regards water saving potential, in the case of urban supply, according to the Drinking Water Directive Impact Assessment, the average leakage rate of the drinking water distribution networks across Europe is estimated approximately 23 % of all water distributed. Therefore, there is indeed a need to allow for sector specific approaches.</p> <p>Large industrial installations are regulated by the Industrial Emissions Directive and have to apply BATs which are defined in sector-specific BAT Conclusions. This approach allows the identification of sector-specific water-efficient techniques.</p> <p>In addition, the Commission proposal for a revised Industrial Emissions Directive includes provisions for fostering the use of innovative techniques, including water-efficiency techniques. This will be done inter alia by the establishment of an Innovation centre for industrial information and</p>

<sup>202</sup> <https://cordis.europa.eu/article/id/401167-water-innovation-technological-solutions-ensuring-europes-present-and-future-water-security>

<sup>203</sup> [COM (2012) 673 <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0673:FIN:EN:PDF>]

	emissions (INCITE) which will collect and analyse information on these techniques.
<p>3.6. Regarding the different industrial sectors, a thorough analysis needs to be carried out at European level to establish benchmarks, guidelines and reporting systems for the future sustainable development of water cycles. It should be acknowledged that some resources addressing industrial water cycles directly or indirectly already exist at EU level, such as the 2021 study on Circular Economy Perspectives in the EU Textile Sector<sup>204</sup>, but more efforts are needed to cover the different industrial sectors concerned. The EESC calls for a revision of the industrial transitional pathways within the next two years to include the water-efficient dimension and an ambitious but realistic roadmap to incrementally become more water efficient.</p>	<p>As mentioned above, the proposal for the Industrial Emissions Directive will foster a more efficient water use through the use of benchmarks and binding performance levels. The Commission’s proposal for a Regulation on reporting of environmental data from industrial installations and establishing an Industrial Emissions Portal includes provisions for reporting of water use by the industrial installations in the scope of the Regulation. This will allow monitoring of progress towards a circular, highly resource-efficient economy.</p> <p>The resource efficiency is one of the key solutions in the EU's transition to the climate-neutrality. The EU's energy intensive industries consider circularity and resource efficiency among the key solutions for their successful transition to climate neutrality by 2050.</p> <p>For example, a priority for the transition of the pulp and paper industry (which is one of the energy-intensive industries) is to increase recycling of process water and use of wastewater treatment sludge for soil improvement.</p>
<p>4.5. Building on the EU strategy for sustainable textiles, the regulatory framework of water-relevant aspects of the circular economy should be developed in more detail at an early stage. The strategy states the need to develop a circular economy but does not explicitly address the need for water resources. However, there is no doubt that applying the circular economy principles in the textile industry will require high amounts of water. The identification of</p>	<p>The Commission, as part of the Zero Pollution Action Plan, has tabled a number of proposals to combat water pollution from industrial and non-industrial sources. The Circular Economy Action Plan, by promoting circularity will also lead to a more efficient use of water. The aim to ensure that water discharges into the environment do not deteriorate the status of the water bodies has been a bug thrust of all the existing and</p>

204

<p>needs for R&amp;D and education related to the water cycle, along with respective government funding is crucial. Targets and limits also need to be defined for freshwater demand, which should be minimised with process optimisation (recycling). Furthermore, the EU should consider establishing a roadmap to incrementally move towards a zero discharge target, at least addressing the range of potential pollution contents.</p>	<p>recently proposed legislation. A zero discharge target would not always be possible.</p> <p>Concerning the textiles industry, the recently published BAT Conclusions for this sector list BATs to optimise the water efficiency of the processes.</p> <p>Past and ongoing EU funded projects demonstrated the benefits of applying circular economy and bioeconomy principles to water systems and provided interesting case studies on various circular water management approaches and business models in various water use sectors, including industry. For instance, the Horizon 2020 ECWRTI project<sup>205</sup> have developed a concept based on electro coagulation and membrane technologies to remove pollutants of wastewater from textile industry allowing a recovery rate between 75 and 95%. This technology reduces significantly the water footprint of the textile industry and has been tested in 5 European countries.</p> <p>In the remaining calls of Horizon Europe there is a need to support more large-scale implementation of circular systems for water to boost their uptake.</p>
<p>4.8. In a similar move to the climate and energy challenge initiated in most EU countries involving insulation and retrofitting requirements for buildings, a policy on the collection and reuse of water in all new buildings should be introduced. For industry, a policy on the use of grey water for non-potable use must be developed. For instance, the Joint Research Centre (JRC) has developed technical guidelines for the application of key risk management principles for the assessment and management of health and environmental risks</p>	<p>The new proposal for a new Ecodesign for sustainable products regulation its aim is to improve products' circularity and other environmental sustainability aspects by promoting durability, reusability, upgradability and reparability; energy and resource efficiency; recycling; environmental footprints and information, including a Digital Product Passport. This will also include products for water use in buildings.</p>

205

<https://cordis.europa.eu/project/id/642494>

<p>linked to a water reuse system<sup>206</sup>. However, more systematic applications of existing and new technologies are needed and should be implemented considering the full cycle of water.</p>	
<p>4.9. Investment in research and development and water industry stewardship and skills will be essential. New professions and trained workers specialised in water will be required to support know-how and implementation of new water-use technologies, including the use of AI in this field. The EU can lead in blue production and in the industrial water treatment market focusing on creating new highly skilled jobs in Europe. Know-how related to water-saving processes will be a core competence and a key performance indicator (KPI) for industry in the future. Water-efficient technologies constitute an industrial sector that is part of clean technologies. As clean tech constitutes an ecosystem on its own, the EESC suggests the creation of a transition pathway for this ecosystem in the next two years, with ambitious but realistic targets, including a plan for skills.</p>	<p>As mentioned previously, the Transition Pathways are currently being developed for the 14 industrial ecosystems identified in the EU industrial strategy with the aim of supporting these ecosystems to be more green, digital and resilient. In this context, they all include a skills dimension, as it is important to ensure we have the right skills to enable this transition.</p>

<sup>206</sup>

<https://publications.jrc.ec.europa.eu/repository/handle/JRC129596>.



<p><b>N°42 Advertising through influencers</b>  <b>(Exploratory opinion requested by the Spanish presidency)</b>  <b>EESC 2023/1658 – INT/1026</b>  <b>580<sup>th</sup> Plenary Session – July 2023</b>  <b>Rapporteur: Bernardo HERNÁNDEZ BATALLER (ES-III)</b>  <b>Co-rapporteur: Stefano PALMIERI (IT-II)</b>  <b>DG CNECT – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.6. The EESC believes that this harmonised treatment of influencers at European level should take into account, as a minimum, criteria such as:</p> <ul style="list-style-type: none"> <li>- identifying the advertising nature of their messages with a commercial purpose using indicators and clear warnings, thereby avoiding covert advertising;</li> <li>- making these messages subject to sector-specific rules, in order to protect the health and safety of consumers and users, especially minors and other vulnerable groups; (p.3)</li> </ul>	<p>On this point, the Commission wishes to recall that the relevant EU legislation already requires influencers to comply with the minimum criteria mentioned by the Committee.</p> <p>Firstly, the Unfair Commercial Practices Directive (UCPD)<sup>207</sup> lays down the general EU legal framework concerning commercial practices towards consumers, including influencer marketing. The Commission’s 2021 guidance on the interpretation and application of the UCPD clarifies how the rules apply when an influencer acts as a trader or in the name of or on behalf of a trader. Unfair commercial practices include misleading practices under Article 6 UCPD (misleading actions) or Article 7 UCPD (misleading omissions), for example if the influencer fails to properly identify the commercial intent of the practice. Furthermore, it is prohibited to pretend to act as a consumer when that is not the case (point 22 Annex I) and to fail to make it clear that a trader paid for the promotion of a product in editorial content (point 11 Annex I). Depending on the context, the commercial practices of influencers could also amount to aggressive practices, especially when directed</p>

<sup>207</sup> Unfair Commercial Practices Directive - [EUR-Lex - 02005L0029-20220528 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2005/0029/20220528/oj)

	<p>to vulnerable consumers such as children (Article 8-9 UCPD).</p> <p>Furthermore, Article 5 of the eCommerce Directive<sup>208</sup> concerning transparency rules applies also to influencers.</p> <p>Pursuant to the Audiovisual Media Services Directive (AVSMD)<sup>209</sup>, influencers who meet the relevant criteria set out in the Directive and qualify as on-demand audiovisual media service providers already have to comply with the relevant requirements concerning the transparency and fairness of their audiovisual commercial communications.</p> <p>In particular, Article 9(1) points (a) and (b) require that audiovisual commercial communications shall be readily recognisable and shall neither be surreptitious nor use subliminal techniques.</p> <p>Furthermore, Article 9(1) points (c) to (g) provide for specific rules applicable to audiovisual commercial communications aimed at protecting the health and safety of users, including minors.</p> <p>These rules include a prohibition for audiovisual commercial communications to encourage behaviour prejudicial to health and safety, a prohibition to advertise cigarettes and other tobacco products as well as electronic cigarettes, a prohibition of audiovisual commercial communications for alcoholic beverages aimed specifically at minors, and a prohibition of audiovisual commercial communications which may cause physical, mental or moral detriment to minors.</p> <p>In addition, Article 28b of the AVMSD also requires video-sharing platforms to ensure that audiovisual commercial communications</p>
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<sup>208</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), OJ L 178, 17.7.2000, p. 1–16.

<sup>209</sup> Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) in view of changing market realities, OJ L 303, 28.11.2018, p. 69–92.

	<p>available on their services, thus including also those marketed, sold or arranged by influencers, comply with the relevant abovementioned requirements set out in Article 9(1).</p> <p>Article 28b (3) also requires providers of video-sharing platforms to provide users who upload user-generated videos with a functionality enabling them to declare whether these videos contain audiovisual commercial communications. This provision allows to enhance the transparency and recognisability of advertising carried out online by influencers that do not qualify as on-demand audiovisual media service providers.</p> <p>In addition, in line with recital 72 of the recently adopted Digital Services Act (DSA)<sup>210</sup>, the ‘know your business customer’ (Article 30) provisions that apply to online marketplaces and require them to provide for clear identification of their traders also apply to influencers as this requirement should also be applicable to traders that promote messages on products or services on behalf of brands, based on underlying agreements.</p> <p>Moreover, Article 26(2) DSA includes a tool to facilitate compliance by influencers using a platform to provide content with commercial communications, by providing a functionality through which the user can declare if the service contains commercial communications and triggering specific markings in this regard.</p>
<p>1.8. The EESC proposes that this regulatory harmonisation be clarified and defined specifically, without prejudice to the complementary creation of co-regulatory frameworks. This co-regulation should involve influencers, their agents and their representative associations; the industry and advertisers; advertising self-regulatory</p>	<p>The Commission recalls that it is currently conducting a Fitness Check of EU consumer law on Digital Fairness, which covers the topic of influencers. The Fitness Check is set to conclude in mid-2024 with an assessment of whether the existing EU legal framework is sufficient from the perspective of consumer protection.</p>

<sup>210</sup> Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act) (Text with EEA relevance), OJ L 277, 27.10.2022, p. 1–102.

associations; consumer and user associations; the social partners and civil society organisations; and regulatory authorities. (p. 4)

The Commission would also like to point out that the further implementation and development of rules through co- and self-regulation is a pivotal feature of the AVMSD. Article 4a is aimed at fostering the use of co- and self-regulatory solutions in the fields coordinated by the Directive. Accordingly, regarding influencers, either as on-demand audiovisual media service providers or as users uploading user-generated videos, the possibility to further regulate their activities by resorting to co- and self-regulation is already foreseen in the Directive.

In the same vein, pursuant to Article 44 and 45 of the DSA the Commission shall either support and promote the development and implementation of voluntary standards (including on measures and obligations relating to advertising practices such as those carry out by influencers) and, along with the European Board for Digital Services, encourage and facilitate the drawing up of voluntary codes of conduct, particularly on specific challenges related to different types of illegal content and systemic risks.

<p><b>2. General comments</b></p> <p>2.1. One of the most characteristic aspects of the digital transformation seen in the audiovisual and electronic communications field over the last decade is the proliferation of "content creators" – individuals who, apparently operating in a personal capacity, disseminate messages systematically and in various formats (videos, comments, photos) via web platforms, social media and electronic messaging. When these content generators have large numbers of loyal followers, they become influencers, which in the field of advertising can be defined as "a content creator with a commercial intent, who builds trust- and authenticity-based relationships with their audience (mainly on social media platforms) and engages online with commercial actors through different business models for monetisation purposes"<sup>211</sup>.</p>	<p>The Commission would like to underline the importance to differentiate the different categories of content creators, mainly between established professional influencers with a significant following and commercial intent which are likely to be paid for their work to advertise and sell products, newer or smaller influencers who might be more willing to work for free to build their portfolios, and content creators who use their following for the purpose to inform or educate citizens on issues of general interest, e.g. climate change, sustainability etc. and uphold similar principles of accuracy, integrity, and professionalism in their content creation and interactions as a journalist.</p>
<p>3.2.1. While European legislation (the AVMSD and the Digital Services Package) requires the administrators of video-sharing platforms and social networks, on which content creators and influencers operate, to comply with the provisions on commercial communications and the protection of minors, the EESC notes that:</p> <ul style="list-style-type: none"> <li>- platform administrators have no editorial responsibility for "illegal" content created by users;</li> <li>- similarly, there is no need for content creators/influencers and platform administrators to collaborate in order to ensure actual compliance with European legislation.</li> </ul>	<p>With respect to the fact that platform providers do not have editorial responsibility for content created by users, the Commission considers it important to clarify, first and foremost, that under the AVMSD framework, the lack of editorial responsibility of video-sharing platforms as regards the content provided on their services is one of the essential elements allowing to differentiate providers that offer audiovisual media services from providers that offer video-sharing platform services.</p> <p>At the same time, the Commission takes account of the remarks of the Committee concerning the need to strengthen the regulatory framework governing the relationship between platforms and content creators in order to ensure compliance with the relevant EU rules and effectively protect users from influencers' illegal activities.</p> <p>In this regard, the Commission takes note of the relevant Committee's suggestions,</p>

<sup>211</sup> [The impact of influencers on advertising and consumer protection in the Single Market, European Parliament, 2022, p 9.](#)

<p>3.2.2. The EESC therefore calls for social network and platform administrators to:</p> <ul style="list-style-type: none"> <li>- be jointly and severally liable for illegal content published by content creators/influencers;</li> <li>- be obliged – in all cases where illegal activity by content creators/influencers is reported – to take the necessary action to neutralise the illegal online communication and report the illegal activity carried out by content creators/influencers to the competent authority;</li> <li>- platforms and administrators of social networks should require all content creators/influencers operating outside the EU to identify clear legal liability within the EU and to hold professional indemnity insurance in case of harm caused by unlawful conduct.</li> </ul> <p>(p.7)</p>	<p>including in relation to the introduction of forms of joint liability applicable to platforms and content creators for the illegal content published by the latter, in the context of possible future interventions in this field.</p> <p>The Commission would like to clarify that the DSA provides for the conditional liability regime meaning that service providers cannot be held liable for the content they host on the condition that (a) they do not have actual knowledge / are not aware of the illegal activity / content; (b) after obtaining this knowledge / awareness, they act expeditiously to remove such content.</p>
<p>3.3.2. Essentially, the ERGA points out that the activity of influencers can be regarded as an audiovisual media service within the meaning of the AVMSD, provided that a number of requirements are met simultaneously:</p> <ul style="list-style-type: none"> <li>- it must be an economic service, as defined in Articles 56 and 57 TFEU;</li> <li>- the provider must have editorial responsibility for the content offered;</li> <li>- it must be a service targeted at the general public, who select and request individually how the content is displayed, and aim to have a clear impact on a significant proportion of the public;</li> <li>- the function of the content (videos / programmes) must be primarily to inform, entertain or educate;</li> <li>- the content must be audiovisual and provided over electronic communications networks.</li> </ul> <p>3.3.3. In this regard, harmonisation at European level should be proposed that explicitly covers the regulation of content</p>	<p>The Commission would like to clarify that the possibility to regulate the activity of influencers as audiovisual media service providers stems directly from the relevant rules set out in the AVMSD and is not just the result of the interpretative efforts by the European Regulators Group for Audiovisual Media Service (ERGA).</p> <p>At the same time, the Commission takes account of the remarks made by the Committee and agrees that an explicit regulation specifically targeting influencers’ activities might be needed to ensure that the relevant Union rules effectively address the technological developments and the new market realities in the field.</p> <p>Concerning the need for further harmonisation at European level, the Commission highlights the ongoing Fitness Check of EU consumer law on Digital Fairness that will provide further insights into this question.</p>

<p>creators/influencers and their responsibility when they generate and/or disseminate commercial communications, ensuring greater transparency and accountability in the conduct of their activities. (p.8)</p>	
<p>3.4. The EESC urges both platform and social network administrators and content creators / influencers to ensure:</p> <ul style="list-style-type: none"> <li>- the technical possibility of preventing underage users of the platform and/or social network from viewing sensitive content (alcohol and energy drinks, gambling and betting activities, pornography, tobacco and tobacco products, including e-cigarettes, aesthetic surgery, etc.), which in any case must be marked "prohibited for children under 18", require age verification and allow the use of parental control.</li> </ul>	<p>As indicated above, the Commission would like to reiterate that influencers qualifying as on-demand audiovisual media service providers have to comply with the transparency and fairness requirements set out in Article 9(1) of the AVMSD with respect to audiovisual commercial communications. These requirements on the one side already demand that audiovisual commercial communications are readily recognisable as such, while on the other side already prohibit the advertising of alcoholic beverages specifically aimed at minors as well as the advertising of tobacco products, including e-cigarettes.</p> <p>In addition, pursuant to Article 6a(1) of AVMSD, influencers qualifying as on-demand audiovisual media service providers have also a specific obligation to ensure that harmful content, including pornography, is not made available to minors.</p> <p>The Commission would like to reiterate that Article 28b extends the application of the requirements set out in Articles 9(1) and 6a(1) also to content made available on video-sharing platforms. Hence, the AVMSD already provides for a tailored protection of users, including minors, from certain categories of sensitive and harmful online content. To this end, Article 28b(3) also requires video-sharing platform providers to take several measures to protect minors from content which may impair their physical, mental or moral development. These measures also include the provision of parental control systems as well as the establishment and operation of age verification systems.</p>

	<p>As explained above, these measures must also apply to audiovisual commercial communications made available on video-sharing platforms by influencers, irrespective of whether they qualify as on-demand audiovisual media service providers or users uploading user-generated videos.</p> <p>In addition, the DSA obliges providers of online platforms accessible to minors to put in place measures to ensure a high level of privacy, safety, and security of minors, and also enables the Commission, after consulting the European Board for Digital Services, to issue guidelines with the aim of assisting providers of online platforms on protection of minors-related measures (Article 28). Furthermore, the DSA includes specific rules for, and imposes further obligations on, very large online platforms and very large online search engines with the aim of empowering and protecting users online, including minors, by requiring those designated services to assess and mitigate their systemic risks and to provide enhanced content moderation tools.</p>
<p>3.5. Special attention should also be paid to the use of dark patterns, the improper or disparaging use of trade marks, the promotion of unauthorised financial products, and identity theft or fake influencers using the images of well-known people without their knowledge, which are increasingly common, particularly in relation to financial investments and cryptocurrencies. This unlawful conduct is becoming increasingly sophisticated and widespread with the use of AI and must be tackled effectively.</p>	<p>The Commission takes note of the Committee’s suggestion on the importance of taking into account the potential risks related to the promotion of unauthorised financial products, and to identify theft frauds in relation to financial investments and cryptocurrencies. Authentication via the EU Digital Identity Wallets, once the proposal on the European Digital Identity Regulation<sup>212</sup> – eIDAS – will be formally adopted (provisional agreement between the European Parliament and the Council in November 2023) could substantially contribute to prevent identity theft or impersonation due to the highest level of confidence under eIDAS provided in</p>

<sup>212</sup> Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity, COM/2021/281 final. The co-legislators reached a provisional political agreement on the key elements of the proposal on 28 June 2023.



	<p>relation to a natural or legal person claiming a certain identity.</p> <p>The Markets in Crypto-assets Regulation (MiCA)<sup>213</sup>, once implemented, will provide a regulatory framework for crypto-assets in the European Union, addressing risks related to consumer protection. It will introduce rules to prevent market abuse of crypto markets, such as market manipulation, also bringing crypto-asset service providers into the scope of anti-money laundering rules. Under MiCA, crypto-asset service providers that serve EU customers will have to be established in the EU. They will also be authorised and supervised by national supervisory authorities. Furthermore, the recast of the Transfer of Funds Regulation will require all crypto-asset service providers recognised under MiCA to include information about the sender and beneficiary with crypto-asset transfers.</p> <p>Moreover, according to the political agreement on the forthcoming Artificial Intelligence Act<sup>214</sup>, deployers of an Artificial Intelligence system that generates or manipulates image, audio or video content constituting a deep fake, shall disclose that the content has been artificially generated or manipulated. Limited exceptions apply for the use of deepfakes in the investigation of crimes or if the content forms part of an evidently artistic, creative, satirical, fictional analogous work or programme.</p>
<p>3.7. For the EESC, a number of questions remain relating to the activity of content creators / influencers, such as their place in labour law, matters concerning income tax and VAT, and the specific activity carried out by influencers who are children, which we</p>	<p>EU labour law applies to persons qualifying as workers. If an influencer is deemed to be a worker, then s/he is entitled to the rights guaranteed under EU labour law. In its case law, the Court of Justice of the European Union has established criteria for determining</p>

<sup>213</sup> Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Text with EEA relevance), OJ L 150, 9.6.2023, p. 40–205.

<sup>214</sup> Proposal for a Regulation of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (Artificial Intelligence Act) and amending certain union legislative acts, COM/2021/206 final.

<p>believe should be carefully analysed at EU level.</p>	<p>the status of a worker<sup>215</sup>. The protection offered to workers includes but is not limited to the rights guaranteed by the Directive on Transparent and Predictable working conditions<sup>216</sup>, the Working Time Directive<sup>217</sup> and the directives on part time<sup>218</sup> and fixed term work<sup>219</sup>. If the worker is under 18 years of age, the Directive on the Protection of Young People at Work<sup>220</sup> also applies. This Directive requires stricter regulation on working time and health and safety for young workers.</p> <p>The Commission carefully analyses new forms of work and the impact of digitization and the use of algorithms on the future of work. For this reason, it has commissioned a large-scale exploratory study on the use of algorithmic management at the workplace, and will keep an eye on the potential future need to regulate the use of algorithms in the wider world of work.</p> <p>It has also released a proposal for a Directive on improving working conditions in platform work, which is currently negotiated by the co-legislators. The proposal establishes a new set of rights on algorithmic management for those working on digital labour platforms.</p>
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<sup>215</sup> Judgments of the Court of Justice of 3 July 1986, *Deborah Lawrie-Blum v Land Baden-Württemberg*, C-66/85, ECLI:EU:C:1986:284; 14 October 2010, *Union Syndicale Solidaires Isère v Premier ministre and Others*, C-428/09, ECLI:EU:C:2010:612; 9 July 2015, *Ender Balkaya v Kiesel Abbruch- und Recycling Technik GmbH*, C-229/14, ECLI:EU:C:2015:455; 4 December 2014, *FNV Kunsten Informatie en Media v Staat der Nederlanden*, C-413/13, ECLI:EU:C:2014:2411; and 17 November 2016, *Betriebsrat der Ruhrlandklinik gGmbH v Ruhrlandklinik gGmbH*, C-216/15, ECLI:EU:C:2016:883; Order of 22 April 2020, *B v Yodel Delivery Network Ltd*, C-692/19, ECLI:EU:C:2020:288.

<sup>216</sup> Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union, OJ L 186, 11.7.2019, p. 105–121.

<sup>217</sup> Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time, OJ L 299, 18.11.2003, p. 9–19.

<sup>218</sup> Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC - Annex : Framework agreement on part-time work, OJ L 14, 20.1.1998, p. 9–14.

<sup>219</sup> Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP, OJ L 175, 10.7.1999, p. 43–48.

<sup>220</sup> Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work, OJ L 216, 20.8.1994, p. 12–20.

<p><b>N°43 For a resilient, sustainable and responsible European Union supply chain of critical raw materials</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/879 – INT/1021</b>  <b>581<sup>st</sup> Plenary Session – September 2023</b>  <b>Rapporteur: Cinzia DEL RIO (IT-II)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
	<p>The Commission welcomes the interest of the Committee in the topic of critical raw materials, particularly its focus on aspects of sustainability and good working conditions. These aspects are key to the Commission work on critical raw materials (CRM), including its proposal for a Critical Raw Materials Act. The Act contains several measures to improve the sustainability and circularity of the CRM in the European market. For the selection of Strategic Projects, in the Union and third countries, good working conditions and sustainability criteria play an important role.</p>
<p>1.6. (...) “involve the European Parliament, and not simply as an observer, in the European Critical Raw Materials Board. We expect the board to consult EU social partners and CSOs on all proposals, ensuring inclusive decisions and a level playing field for EU countries;”</p>	<p>The Commission’s proposal foresees an observer role for the European Parliament in the Board. The Parliament itself has accepted this proposal in its negotiating mandate and it was taken over in the final agreement between co-legislators.</p> <p>Involving social partners and civil society for relevant activities is clearly in the spirit of the proposal and the Act provides the legal basis for this with the possibility for the Board to invite them where appropriate.</p>
<p>1.7. (...) “take into account medium- to long-term objectives in <b>diversifying supply sources</b> to: a) reduce critical raw material (CRM) demand and consumption and invest in recycling and reuse; b) increase, with regular monitoring, the use of</p>	<p>a) One part of the solution to reduce dependencies for CRM lies in the reduction of their demand. The Act recognises this objective but it should also be acknowledged that CRM remain crucial for the success of the green and digital transition as well as for</p>

<p>renewable materials; c) invest in resilient, sustainable and responsible mining and production practices, including in third countries, in order to raise social and environmental standards; d) increase supply from partners that are considered "reliable", in terms of both commercial and social and environmental safeguards;”</p>	<p>space and defence applications. Hence, their demand is still projected to increase drastically. The Commission will support recycling projects as part of the process to identify Strategic Projects if they fulfil the conditions mentioned in the Regulation.</p> <p>b) The critical raw materials list includes (at least partly) recyclable materials.</p> <p>c) A core criterion for the designation as a Strategic Project would relate to sustainability.</p> <p>d) The sustainability criteria would equally apply to projects in third countries. This would include socially responsible practices and the minimisation of environmental impacts.</p>
<p>1.7. (...) “e) negotiate new trade agreements (free trade agreements – FTAs) and adapt existing agreements by enhancing instruments for implementing the Trade and Sustainable Development Chapter effectively, based on compliance with the international labour and environmental standards and on promoting their implementation;).”</p> <p>1.10. (...) “Ensure binding compliance with all international rules and standards in trade agreements, starting with those on illicit trade in resources, including trade-related sanctions”</p>	<p>Commitments to effectively implement international labour and environmental standards are a cornerstone of EU Trade and Sustainable Development chapters. In line with the policy review concluded in 2022<sup>221</sup>, the Commission has further increased the monitoring of the implementation of the trade and sustainable development (TSD) commitments through cooperative processes. This includes close cooperation with Member States and the European Parliament, bilateral labour and environmental policy dialogues, development cooperation projects, as well as a strong role for civil society (Domestic Advisory Groups).</p> <p>The Commission implements and enforces the trade rules in the EU and with its trading partners in various ways, for instance through bilateral and multilateral dispute settlement proceedings, the trade defence instruments, the Enforcement Regulation, the Trade Barriers Regulation and tools to manage investment disputes. In addition, EU companies, trade organisations or non-</p>

<sup>221</sup> *The power of trade partnerships: together for green and just economic growth, COM(2022) 409 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0409>*

	<p>governmental organisations can submit complaints through the Single Entry Point when facing potential trade barriers in third countries. The Chief Trade Enforcement Officer oversees the implementation and enforcement work.</p>
<p>1.8. (...) “to develop <b>strategic projects</b> throughout the supply and subcontracting chain, including in third countries, ensuring that the Organisation for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises, the ILO Tripartite Declaration of principles concerning multinational enterprises and social policy, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas are applied, <b>in order to disengage from those countries in a responsible manner. Fast track</b> procedures for strategic projects should not allow social and environmental standards to be exceeded.</p>	<p>The Commission welcomes the importance placed by the Committee on sustainability and ensuring good working conditions. According to the Commission proposal, the listed documents would be taken into account to assess the compliance of a potential Strategic Project with the sustainability criterion.</p> <p>The permitting timelines set out in the Act do not undermine environmental standards.</p>
<p>1.14. (...) ensure that an environmental impact assessment is carried out before strategic projects are implemented, extending the current 30-day limit and involving the social partners and local communities in order to facilitate consensus among all stakeholders and avoid the risk of projects being implemented in protected areas. Ensure that the potential of these initiatives to create quality jobs is fully exploited.</p>	<p>The Environmental Impact Assessment Directive (EIAD) requires Member States to make projects likely to have significant effects on the environment, because of their nature, size or location, subject to consent and an assessment by a competent national authority (i.e. a permit).</p> <p>Given the nature of the Strategic Projects in the scope of the CRM Act, many of them are likely to be subject to an Environmental Impact Assessment (EIA) or dependent on the assessment of the Member State.</p> <p>As outlined in the EIAD the timeframe for consulting the public ‘shall not be shorter than 30 days.’ The text agreed by co-legislators keeps this minimum timeline.</p>
<p>1.15. (...) set a 30% target for projects involving secondary raw materials acquired from landfills,</p>	<p>The Act does not include specific targets for projects involving secondary raw materials</p>

recycling facilities, or by re-extracting waste, for example. It will be equally important to assess the companies involved, based on past performance, ensuring a transparent and democratic selection process involving all the EU institutions and stakeholders in the decision-making process, and not just the Commission's new Regulatory Scrutiny Board.

acquired from landfills, recycling facilities, or by re-extracting waste. The selection process for a Strategic Project will involve both the Commission and the CRM Board. It is important to note that the Strategic Projects would not be selected solely by the Commission but in consultation with the Member States and after assessing that fulfilment of the set criteria. The Commission's Regulatory Scrutiny Board will not have a role in the selection of individual Strategic Projects. The assessment would also take into account information on the project owners which has to be provided in the application.

<p><b>N°44</b></p> <p><b>The EU Maritime Security Strategy and its Action Plan</b></p> <p><b>JOIN(2023) 8 final</b></p> <p><b>EESC 2023/2550 – REX/576</b></p> <p><b>581<sup>st</sup> Plenary Session – September 2023</b></p> <p><b>Rapporteur: Anastasis YIAPANIS (CY-III)</b></p> <p><b>Co-rapporteur: Mateusz SZYMAŃSKI (PL-II)</b></p> <p><b>DG MARE – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The Committee notes a lack of an executive dimension within the joint communication and calls for the concrete identification of decision-makers and responsibilities at all levels.</p> <p>The execution of the proposed strategy has to continuously adapt to ensure its relevance and effectiveness remain fit-for-purpose.</p>	<p>The executive dimension is covered through the specified implementing entities, in line with the integrated approach.</p> <p>The action plan specifies the entities responsible for the implementation of the various actions therein.</p> <p>The Commission and the European External Action Service (EEAS) will present a joint progress report 3 years after the Council endorses the updated EU Maritime Security Strategy (EUMSS). On the basis of this report, adaptations could be considered to ensure the continued relevance and effectiveness of the EUMSS. Additionally, implementation will be discussed on a regular basis at the Council Working Party on Maritime issues - EUMSS, which meets several times per semester.</p>
<p>1.3. The EESC emphasises the importance of matching funds to meet the expectations in the communication, since a strong EU maritime security presence necessitates increased investment by the EU Member States (MS) and a commitment to maximising naval capabilities. More extensive use of pooling and sharing among MS is needed to ensure synergies between fragmented EU military capabilities and identify priority areas for operational and joint procurement endeavours.</p>	<p>Chapter V of the Joint Communication<sup>222</sup> on tools and instruments presents the available maritime funding. The actions should be implemented in the spirit of the integrated approach to maximise synergies and bring in complementary EU tools and instruments.</p>

222

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52023JC0008>

<p>1.4. The EESC recognises that Russia's military aggression, its unpredictable behaviour, and its use of hybrid strategies pose a substantial menace to international maritime security. EU-NATO cooperation is essential and must be enhanced through better sharing of maritime situational awareness and more effective coordination in different areas of common interest, including protection of critical infrastructure</p>	<p>New and enhanced actions to face growing threats are included in the action plan, such as those in chapter IV on managing risks and threats, including actions on the protection of critical maritime infrastructure, and in chapter II on cooperating with partners, actions enhancing cooperation with the North Atlantic Treaty Organization (NATO) as well as other international organizations and like-minded countries.</p>
<p>1.5. The EU needs to intensify engagement with international partners to collectively tackle shared concerns, including people smuggling and human trafficking. Efforts should be made to include maritime security cooperation in future EU trade agreements</p>	<p>The EUMSS contains actions to tackle smuggling of migrants and trafficking in human beings, including enhancing cooperation with other countries. Under Strategic Objective 1, relevant actions include among others:</p> <ul style="list-style-type: none"> <li>- Strengthening border controls and combating cross-border criminal activities such as smuggling migrants or goods, and trafficking in human beings, with emphasis on parts of the EU which are particularly affected by migration pressure;</li> <li>- Developing a coherent and robust response to counter the instrumentalisation of migration by sea and to deter, dismantle and prosecute criminal networks smuggling migrants and trafficking human beings.</li> </ul> <p>The possibility of including maritime security cooperation in future EU trade agreements could be explored where relevant.</p>
<p>1.7. The Committee raises concerns regarding the EU's existing strategic reliance on China, particularly the growing presence of Chinese operations in ports across various EU nations, deeming such influence in critical EU infrastructure unacceptable.</p>	<p>In the face of evolving threats, it is in the EU's fundamental interest to eliminate risks that arise from foreign direct investments. The EUMSS contains measures to minimize/eliminate the influence of external actors, in particular targeting foreign direct investment, for example the action to assess the potential security impacts of foreign direct investment in maritime infrastructure</p>



	by non-EU entities in the context of the EU cooperation mechanism on the basis of Regulation (EU) 2019/452 <sup>223</sup> .
<p>1.9. The Committee emphasises the utmost importance of providing seafarers with access to reskilling and upskilling programmes to acquaint themselves with automated systems and emerging technologies, while acquiring the necessary skills to combat cyber threats and address various security incidents.</p>	<p>A high level of specialised education, skills and training is indispensable for the EU to be equipped to tackle present and future maritime security challenges. One of the six strategic objectives of the EUMSS is education and training, comprising various actions to provide opportunities for seafarers and others to acquire new or improve existing skills, in view of the latest technological developments, including cyber qualifications for the maritime domain, enhancing the participation of women, more exchange and training activities.</p>
<p>1.10. The Committee calls for the immediate development of a centralised surveillance hub at EU level capable of meeting the requirements of both civil and military actors. It also calls for the integration and coordination of existing platforms and information technology systems to facilitate EU-wide information sharing in the maritime sector, and is looking forward to the Common Information Sharing Environment (CISE) programme becoming operational in 2024. Furthermore, the EU should advocate for its vision of cyber security centred around a rules-based cyberspace and address cybersecurity threats at International Maritime Organisation (IMO) level.</p> <p>9.7. The EESC urges for the integration and coordination of current platforms and information technology systems that enable information-sharing at EU level in the maritime sector. In this regard, the EESC is looking forward to the CISE program becoming operational in 2024 and considers it an extremely important step forward in maritime surveillance, building on real-time collaboration between different entities, while</p>	<p>Sound maritime domain awareness is vital to ensuring that competent authorities can swiftly detect the growing and evolving threats affecting the EU and respond to them effectively. The EU will lead in maritime domain awareness by enhancing information collection and exchange among different maritime sectors, and facilitating information sharing between Member States.</p> <p>CISE, the Common Information Sharing Environment for the maritime domain will play this role, linking all EU Member State authorities carrying out operations at sea, allowing them to exchange information securely and in real time. It will become fully operational in 2024.</p> <p>CISE is a voluntary initiative, consisting of a platform whose objective is to facilitate the information exchange between different authorities of EU Member States and the European Economic Area (EEA) countries involved in maritime surveillance (maritime safety, environment, fishery control, border</p>

223

<https://eur-lex.europa.eu/eli/reg/2019/452/oj>

<p>ensuring the effectiveness and cost-efficiency of maritime surveillance activities. The Committee points out that such a complex real-time system needs to have in place a strong top-level cyber-security defence system across all entities and contact points within the system.</p>	<p>control, customs, law enforcement, defence) in an automatic and secure way, in order to provide a better maritime situational picture and more effective capacity while conducting operations at sea.</p> <p>CISE aims to:</p> <ul style="list-style-type: none"> <li>• make existing EU and EEA member state surveillance systems interoperable;</li> <li>• bring added value and complementarity to existing maritime data systems, services and sharing processes, while avoiding duplication.</li> <li>• enhance classified/unclassified information sharing among public authorities from different sectors, through a voluntary and decentralised network;</li> <li>• foster cooperation and create synergies among stakeholders, including civil-military cooperation.</li> </ul> <p>CISE is planned to be connected to MARSUR, the platform used by EU Member States' navies. It could also be linked, under certain conditions, to other appropriate systems provided the CISE stakeholder group agrees. The CISE software employs a high level of cyber security; a protocol for exchanging classified information will be implemented.</p>
<p>1.11. The EESC considers that continuous collaboration and constructive discussions on maritime security development must involve actively EU organised civil society and is disappointed that the role of civil society is inexistent in the joint communication. One of the basic principles of action should be cross-sectoral cooperation.</p> <p>9.3. Surprisingly, the proposal for a strategy does not mention the role of civil society even once (not even voluntary associations who took part in search and rescue operations at sea at their own</p>	<p>A broad public consultation was carried out as part of the updated of the EUMSS. The consultation was addressed to the entire spectrum of maritime and blue economy stakeholders, including through the Maritime Forum managed by the Directorate-General for Maritime Affairs and Fisheries (DG MARE), which includes several thousand stakeholders, including civil society actors. The role of private actors and private/public cooperation will be of particular relevance</p>

<p>expense and risk). The EESC considers that continuous collaboration and constructive discussions must involve EU civil society, in order to ensure public support for the EC's proposal and future planned actions, with the involvement of social partners, NGOs, think-tanks and academia.</p>	<p>for the implementation of the EUMSS and its action plan.</p>
<p>6.4. The proposal to establish a comprehensive framework for addressing the hazards presented by unexploded ordnance, active weapons and chemical weapons at sea is extremely important and urgent. It is crucial to employ innovative technologies for monitoring and safely removing these threats while minimising the environmental impact.</p>	<p>The revised EUMSS recognizes the significant challenges posed by large quantities of unexploded ordnance (UXO) and chemical ammunitions lying in sea basins around the EU. The type, location and quantity of this ordnance are poorly documented in some sea basins, which poses risks to the safeguarding of individuals, to maritime safety and security, to national critical infrastructure, to the environment (due to possible release of chemicals) and to blue economy activities (e.g. the construction of offshore renewable energy sites or fishing activities).</p> <p>Specific actions to tackle UXO include:</p> <ul style="list-style-type: none"> <li>- Developing a coherent framework with regional organisations, including concrete actions and funding, to address the threats posed by UXO, active weapons and chemical weapons at sea, active and efficient monitoring and removal with innovative technologies and at a minimal environmental impact;</li> <li>- Set up a mechanism involving the Commission, the Council of Baltic Sea States (CBSS) and the Baltic Marine Environment Protection Commission (HELCOM) to coordinate scientific actions, operations, and data sharing to implement a plan of action for tackling UXO in the Baltic Sea and possible oil spills from shipwrecks;</li> <li>- Develop and scale up technologies to tackle UXO, also involving civilian entities, and promoting links with industry;</li> </ul>

	<ul style="list-style-type: none"> <li>- Further step-up efforts, including by setting up a regular campaign aiming at cleaning the Baltic Sea Region of dumped munitions as part of an EU comprehensive response to UXO, to protect human life and the marine environment, ensure security of sea lanes and facilitate the development of maritime economic activities;</li> <li>- Building on UXO-related pilot activities carried out in the Baltic Sea, draw up a comprehensive plan for sea basins around the EU to map the type, location and quantity of UXO from military activities, as part of the effort to minimise their environmental impact, ensure security of sea lanes and facilitate the development of maritime economic activities. At the same time, identify existing and necessary EU capabilities and appropriate funding mechanisms to tackle UXO in the sea basins around the EU.</li> </ul>
<p>9.6. The EESC considers that the strategy and action plan should have addressed in more detail the issue of competition for maritime space, which has the potential to give rise to safety hazards and even cause conflicts among different sea-based industrial sectors</p>	<p>These issues are thoroughly addressed in the context of the Directive on Maritime Spatial Planning (MSP) and its implementation. In addition, there are complementary actions in the EUMSS/action plan e.g. to facilitate the co-existence of military activities with other activities in the maritime domain.</p>

<p><b>N°45</b></p> <p><b>Water Politics: Between Desertification and Securitization - Time for a Blue Diplomacy</b>  <b>(Own-initiative opinion)</b>  <b>EESC 2023/858 – REX/570</b>  <b>581<sup>st</sup> Plenary Session – September 2023</b>  <b>Rapporteur: Ioannis VARDAKASTANIS (EL-III)</b>  <b>Co-rapporteur: Milena ANGELOVA (BG-I)</b>  <b>DG ENV – Commissioner SINKEVIČIUS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. Due to increasing global water scarcity, water is understood as a strategic security asset, which provides advanced positions to those states that are in control of it. To this end, <b>the EU should focus increasing efforts on blue diplomacy and streamline it in its foreign policy and external relations, including neighbourhood, trade, and development policies.</b> The World Economic Forum Global Risks Report identifies water scarcity among the most probable and impactful threats. Nevertheless, water could become an instrument of peace and development. <b>Determined blue diplomacy action is thus needed.</b></p>	<p>The Commission recalls the Council Conclusions on Water Diplomacy of 19 November 2018<sup>224</sup>, the Council Conclusions on Water in the EU's external action of 19 November 2021<sup>225</sup> and the latest Joint Communication on climate security and environmental degradation of 28 June 2023<sup>226</sup>. All these documents promote water cooperation as a tool for peace building and security.</p>
<p>1.4. Water is not a mere commodity but a public good crucial to human life. <b>The EU should support easy and uninterrupted access to affordable water for everyone throughout the world and facilitate sustainable water and wastewater management through cooperation in the fields of infrastructure, technologies and expertise as part of economic partnerships and development cooperation.</b> The Global Gateway is an excellent tool in that respect also considering the objectives of the European Economic Security Strategy and particularly its priority regarding</p>	<p>The EU is committed to support the implementation of the Sustainable Development Goal (SDG) 6 globally, with a number of actions already ongoing – see the EU commitments to the Water Action Agenda<sup>227</sup>.</p>

<sup>224</sup> <https://data.consilium.europa.eu/doc/document/ST-13991-2018-INIT/en/pdf>

<sup>225</sup> <https://data.consilium.europa.eu/doc/document/ST-14108-2021-INIT/en/pdf>

<sup>226</sup> [https://www.eeas.europa.eu/sites/default/files/documents/2023/JOIN\\_2023\\_19\\_1\\_EN\\_ACT\\_part1\\_v7.pdf](https://www.eeas.europa.eu/sites/default/files/documents/2023/JOIN_2023_19_1_EN_ACT_part1_v7.pdf)

<sup>227</sup> <https://data.consilium.europa.eu/doc/document/ST-7443-2023-INIT/en/pdf>

<p>partnering and further strengthening cooperation with countries worldwide.</p>	
<p>1.5. Allocating the right funding- public and private -to the improvement of existing facilities and infrastructure, and the construction of new ones, is a fundamental condition for internationally ensuring fair access to clean water and sanitation for the entire global population. <b>Improving water management requires investment in research, innovation and knowledge sharing, as well as in the deployment of new and advanced technologies, including digital water solutions. It also necessitates improving infrastructure for flood control and water conservation.</b> More attention also needs to be paid to international measures ensuring critical infrastructure security, including cybersecurity and security against natural disasters and physical attacks, as recent conflicts have shown.</p>	<p>Horizon Europe and specifically Cluster 6 has dedicated EUR 206.5 million to Research and Innovation with specific calls addressing digital transformation of the water sector and the protection of water resource from diffuse pollution in urban runoff. Under the partnership Water4All, the first Joint Transnational Call addressed ‘Management of water resources for increased resilience, adaptation and mitigation to hydroclimatic extreme events’ with EUR 34.1 million (EUR 6.1 million of European Commission co-fund) involving 29 countries.</p>
<p>1.6. The EU should raise awareness of water's crucial role and greater understanding of the interconnections between the various roles of water and the mutual dependencies of the different actors. <b>A European Water Centre should be set up</b> in order to help both Member States and other countries in need in the European neighbourhood and beyond.</p>	<p>The Commission takes note of the proposal by the Committee to establish a European Water Centre. Nevertheless, it the Commission is already providing extensive support both to Member States and third countries for addressing water challenges. As regards the implementation of the EU water legislation, the Common Implementation Strategy (CIS)<sup>228</sup> for the Water Framework Directive and Floods Directive aims to ensure the coherent and harmonious implementation of the Water Framework Directive (WFD) and raising the importance of water across sectors. The Mission ‘Restore our Ocean and Waters’ is also investing resources in integrated water management through applicable demonstrators. Furthermore, the UN Water Convention is the global instrument for</p>

<sup>228</sup> <https://circabc.europa.eu/ui/group/9ab5926d-bed4-4322-9aa7-9964bbe8312d/library/dd9b4484-2935-4ee8-b3ce-72f844f3644c>

	<p>promoting transboundary cooperation on water. The EU is providing significant financial and technical support for encouraging third countries to adhere to and implement the Convention. EU R&amp;I funds are also supporting international cooperation on water, e.g. through the partnerships Water4All and PRIMA. Moreover, the Commission is committed to adopt a Water Resilience Initiative in 2024, which will among other address also the international dimension.</p>
<p>1.7. The European Water Centre should highlight cases where collaboration between EU Member States sharing rivers and lakes is exemplary, and where it lies below the desired level and recommend policy tools for the promotion of Blue Deal policy objectives.</p>	<p>In line with the WFD, the Commission carries out an assessment of MS River Basin Management Plans<sup>229</sup> (prepared every 6 years) and presents the progress with implementation, the key challenges and policy recommendations to Member States. The report is presented to the Council and the European Parliament and also highlights success stories, including within transboundary context (e.g. a multiplicity of arrangements to promote management of transboundary water courses, both in Europe (e.g. Rhine, Danube, etc.) and in other regions.).</p>
<p>1.8. The EU should also enhance and facilitate blue diplomacy networks, considering that blue diplomacy requires cooperation between various actors: government representatives, water authorities and agencies, academia and research institutions, private sector, social partners and civil society organisations.</p>	<p>The Commission recalls the Green Diplomacy Network (GDN) that coordinates the EU's external action and promotes the integration of environment objectives, including water into the EU's external relations. The GDN works at European level in Brussels and around the world where EU Delegations and Member State embassies work in a coordinated way to implement EU priorities and/or organize outreach<sup>230</sup>.</p>

<sup>229</sup> [https://environment.ec.europa.eu/topics/water/water-framework-directive\\_en#state-of-play-of-3rd-rbmp-adoption-in-eu-27](https://environment.ec.europa.eu/topics/water/water-framework-directive_en#state-of-play-of-3rd-rbmp-adoption-in-eu-27)

<sup>230</sup> [Climate Action | EEAS \(europa.eu\)](#)

<p>1.9. The EU should develop special instruments to promote cooperation and joint water management policies in transboundary lake and river basins, within and beyond the EU borders.</p>	<p>The Water Framework Directive already promotes transboundary river basin management, namely its Art. 13. In addition, concerned countries have developed a multiplicity of arrangements to promote management of transboundary water courses, both in Europe (e.g. Rhine, Danube, etc.) and in other regions. The UN Water Convention is the global instrument for promoting transboundary cooperation on water.</p>
<p>1.10. The EU should consider the protection of wetlands and biodiversity as an essential part of blue diplomacy, and the EESC calls for their integration into blue diplomacy strategic priorities.</p>	<p>The protection of wetlands and biodiversity is subject of the EU Biodiversity Strategy, the EU Nature Directives and the Nature Restoration Law. Furthermore, the WFD already requires MS to protect all aquatic and terrestrial ecosystems and wetlands directly depending on the aquatic ecosystems. The Commission also recalls the Green Diplomacy Network (see also the response to point 1.8.).</p>
<p>1.11. The sustainable management of southeastern European transboundary rivers, lakes and wetlands should acquire priority, given their high significance or the protection of European biodiversity.</p>	<p>The WFD requires all Member States to achieve good ecological status of all their water bodies, including transboundary ones by the given deadlines. The Nature Restoration Law (NRL) further strengthens the WFD objectives in this regard.</p>
<p>1.12. The EESC supports that one of the key strategic aims of blue diplomacy should be <b>to upgrade the UN treaty framework related to water-related issues</b>, in light of recent international developments, the climate and water crisis.</p>	<p>The UN Water Convention and the UN Watercourses Convention are the global instruments for promoting transboundary cooperation on water. The EU aims at strengthening the role of water in relevant UN processes.</p>
<p>1.13. While the primary objective of blue diplomacy is to prevent water-related tensions and conflicts, there is <b>evident need for the EU to simultaneously contribute to conflict resolution</b>. Not only does <b>the EU have the opportunity to act as a mediator</b> between the parties involved in conflicts, but it could also have</p>	<p>The Commission recalls the Council Conclusions on Water Diplomacy of 19 November 2018, and the Council Conclusions on Water in the EU's external action of 19 November 2021. Furthermore, the Joint Communication on climate security and environmental degradation</p>



<p>a significant role to play in cooperation for conflict recovery.</p> <p>1.14. The EESC recommends that <b>additional measures should be taken to prevent the weaponisation of water</b>, which has been observed again in recent conflicts – the most severe being the Nova Kakhovka crisis, the detrimental social, economic and environmental effects of which are yet to be analysed.</p>	<p>includes concrete actions to address potential conflicts.</p>
<p>1.15. The EESC underlines <b>the need that the EU actively use its potential to bring peace and sustainability, and be a driver of innovation and change in the Mediterranean and MENA regions</b>, where transboundary waters are often subject to disputes, further aggravating climate change and desertification. To that end, the UfM and its Water Expert Group work should be praised and closer cooperation and synergies developed.</p>	<p>The Commission recalls the EU-UNEP (UN Environment Programme) partnership on climate change and security. Moving from its pilot phase to scaling up at the regional level, the partnership will aim to address emerging climate and environment-related risks in three priority regions: the Horn of Africa, the Middle East and North Africa (MENA), and West Africa and the Sahel. The Union for the Mediterranean (UfM) is an important forum for all Mediterranean countries to exchange on key issues and as such it undertakes a valuable role in sharing good practice and facilitating cooperation, including in relation to sustainable water management.</p>
<p><b>1.18. Blue diplomacy should develop strategic priorities in regions where water stress and water-related conflicts abound</b>, such as the Mediterranean and the MENA region, where both EU and non-EU Member States face unprecedented challenges related to water. <b>It is essential that the Blue Deal develops a clear Mediterranean dimension</b> and puts water-related focus on the MENA region, given the acute nature of water stress.</p>	<p>The EU is already actively supporting environmental initiatives in the Mediterranean region, including in non-EU countries, for example through the regional support programme of the Water and Environment Support initiative (WES Home - WES-MED.EU<sup>231</sup>). The PRIMA partnership is also a successful and effective instrument for Research and Innovation collaboration in the Mediterranean region, and an important science diplomacy tool in the region. Furthermore, the upcoming Water Resilience Initiative will also address</p>

	the challenge of achieving global water resilience.
<p>1.19. Blue diplomacy should also pay special attention to the situation in <b>sub-Saharan Africa</b>, particularly in the neighbouring regions of <b>Sahel, the Horn of Africa, the Nile, Niger and Congo transboundary river basins, the Great Lakes and Lake Chad</b> transboundary lake basins, and develop proactive tools for preventing a water-crisis related increase in migration flows towards the European Union.</p>	<p>The EU actively supports the implementation of the United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Transboundary Watercourses and International Lakes (The Water Convention)<sup>232</sup> and further accession to the Convention. The Commission supports water diplomacy in Sub-Saharan Africa and recalls the Team Europe Initiative (TEI) on ‘Transboundary Water Management in Africa’ that will come in support to the 35 countries in the region to enhance development and regional integration. The TEI aims to reinforce coordination and cooperation between countries on river, lake or aquifers basin planning, thereby, strengthening integrated transboundary water resource management, water diplomacy and regional integration.</p>
<p>2.9. Climate change is also increasing the frequency, intensity, extent, and duration of droughts in many parts of the world. According to forecasts, droughts may affect over three-quarters of the world's population by 2050<sup>233</sup>. Various UN reports estimate that by 2050, a combination of water and climate-related problems and conflicts will force approximately a billion people to migrate. In the global south in particular, access to water is heavily restricted. This will further encourage displacement and migration towards the global north. <b>The EESC, therefore, calls for the root causes (including water scarcity) to be tackled, rather than taking action against the refugees themselves, in order to curb these developments.</b></p>	<p>The Commission agrees with the importance of addressing root causes of migration. The Commission recognises climate change as a threat multiplier and a source of instability, in particular affecting those in the most fragile and vulnerable situations, reinforcing environmental pressures and disaster risks, and thus contributing to the loss of livelihoods and displacement. However, an analysis of past migration patterns and climate trends by the Commission’s Joint Research Centre suggests that climate-related displacement is strongly linked to demographic trends and other drivers of migration, as well as local conditions and geographical/geopolitical context. The EU is and will continue to be</p>

<sup>232</sup>

[Introduction | UNECE](#)

<sup>233</sup>

<https://www.un.org/en/observances/desertification-day>.

	<p>active in providing support and targeted relief to prevent the negative impacts of climate change and to foster adaptation strategies in the most affected regions through a humanitarian-development nexus approach.</p>
<p>2.10. Conflicts are often linked to diversion for irrigation or the industry, management of scarcity and floods, pollution, or navigation. However, water stress caused by extreme events and growing water scarcity have already led to conflicts over access to and control of water resources across the globe. The climate crisis will exacerbate this situation. In many cases, as transboundary waters account for 60% of the world's freshwater flows and 153 countries have territory within at least one transboundary river, and lake basins, conflicts or disputes involve two or more countries. <b>The EESC, therefore, calls for tools to tackle water scarcity globally and to prevent conflicts.</b></p>	<p>The Commission agrees on the importance of the entire UN system and development banks giving increased attention to the water crisis and welcoming therefore the development of the UN system-wide strategy on water, as requested by the UN General Assembly resolution of 1 September.</p>
<p>3.3. Water related challenges highlight the importance of international governance structures in managing water resources and preventing water related tensions. The recent UN 2023 Water Conference<sup>234</sup> was as a rare occasion to mobilise all parties involved and to share information on the best practices and actions already undertaken, as well as on voluntary commitment to further action<sup>235</sup>. <b>The EESC finds it important to ensure continued global cooperation on this topic and the proper implementation of the objectives and targets set so far.</b> Special attention should also be paid to the development of regional governance structures focusing on transboundary river and lake basins.</p>	<p>The EU aims at enhancing the global cooperation on water, with the aim to accelerate the implementation of SDG 6 and other SDGs. In this regard, the implementation of the WAA is of utmost importance, as well as the finalisation and implementation of the upcoming UN system-wide strategy on water.</p>

<sup>234</sup> <https://sdgs.un.org/conferences/water2023>.

<sup>235</sup> <https://data.consilium.europa.eu/doc/document/ST-7443-2023-INIT/en/pdf>.

<p>3.6. Prevention of water related problems and tensions should be considered as the most important blue diplomacy action. To this end, <b>the EU should contribute to the sustainable management of water resources on a global scale.</b> Water governance and the role of Integrated Water Resource Management (IWRM) are recognised as key processes for the coordinated development and sustainable management of water, land and related resources</p>	<p>The EU is actively engaged in enhancing the global water agenda, see the relevant website<sup>236</sup>.</p>
<p>3.14. The EU should also raise awareness of water's crucial role in creating economically, socially and environmentally sustainable development. <b>In particular, a greater understanding of the interconnections between the various roles of water and the mutual dependencies of the different actors is needed.</b> The <b>water-energy-food nexus</b> is a typical linkage that should be evaluated in its entirety. On the other hand, the EU could help identify water related risks, as well as tensions between various actors.</p>	<p>The upcoming EU Water Resilience Initiative, foreseen for adoption in Quarter 1 of 2024, to be published together with the EU climate risk assessment communication, will address the cross-cutting nature of water for sustainable development, including the WEFE nexus, and will also address the challenge of achieving water resilience in the EU and globally.</p> <p>The Commission is also committed to strengthening the synergies between SDGs 14, 2 and 6, interlinking marine, water and food security aspects.</p>
<p>3.15. In addition to awareness raising, <b>the EU can support training and improving the technical and managerial capacities of organisations working in the water sector and water governance in general.</b> The EU could also play a more active role in enhancing and facilitating blue diplomacy networks, considering that it requires cooperation between various actors: government representatives, water authorities and agencies, academia and research institutions, private sector and civil society organisations, also seizing the potential of female actors.</p>	<p>The Common Implementation Strategy (CIS) for the Water Framework Directive and Floods Directive represents a platform for an exchange of information on the implementation of the water acquis between the Commission, Member States, and a broad range of stakeholders. Furthermore, the CIS supports the coherent and harmonious implementation of the water law, through a number of guidelines, workshops and strengthening the governance. The EU is financing a number of capacity building projects in partner countries, in particular instruments like TAIEX (Technical Assistance and Information Exchange) and TWINNING<sup>237</sup></p>

<sup>236</sup>

[EU efforts on the global water agenda – Beyond UN 2023 Water Conference \(europa.eu\)](https://neighbourhood-enlargement.ec.europa.eu/funding-and-technical-assistance/twinning_en)

<sup>237</sup>

[https://neighbourhood-enlargement.ec.europa.eu/funding-and-technical-assistance/twinning\\_en](https://neighbourhood-enlargement.ec.europa.eu/funding-and-technical-assistance/twinning_en)

	<p>contribute to externalise EU’s expertise and experience in water governance and management. Furthermore, water related projects funded under Horizon Europe train and improve technical capacities of young water professional. In the context of Water4All partnership, dedicated calls for early-career researchers are in place and specific trainings are developing for water professionals.</p>
<p>3.18. The EESC points out that water is a public good and should therefore be accessible for everyone at an affordable price. As the scarcity of water resources rises, a trade approach is applied towards water. While such an approach could offer certain advantages in re-distributing the scarce resource, <b>measures should be taken to ensure self-sufficiency of all regions – making use of trade agreements and negotiations</b>, and taking into account the fact that water is a public good and not a mere commodity and where necessary adopting regulations in consultation with the relevant stakeholders</p>	<p>The TSD chapters of EU trade agreements include provisions to ensure sustainability. Among other commitments, these chapters require the EU and its trade partners to effectively implement international environmental agreements, to effectively enforce their environmental laws, not to deviate from environmental laws to encourage trade or investment, to sustainably trade natural resources, and to cooperate for a shift to a circular and resource-efficient economy.</p>
<p>3.20. Transboundary rivers in Europe raise a number of issues for water pollution and water-sharing, which need to be addressed. As the cases of the Danube Commission, the Central Commission for the Navigation of the Rhine (CCNR), the International Sava River Basin Commission and the Mosel Commission proved, there is <b>a rich collection of European river-related experiences that could be used in the EU's blue diplomacy activities.</b></p>	<p>Building on the EU and its Member States broad experience, the EU is well positioned to support diplomacy through transboundary water cooperation, while making best use of its own rich expertise.</p> <p>The Mission Restore our Ocean and Waters specifically addresses the protection and restoration of the Danube River basin as well as other European rivers, providing opportunities for transnational cooperation through research and innovation projects.</p>
<p>3.21. With a view to the European water and sanitation related experience, scientific knowledge and resources – as part of the active blue diplomacy efforts of the EU – <b>a European Water Centre reporting directly to DG ENV and EEAS should be set up</b> to help both Member</p>	<p>See comment related to point 1.6. above.</p>

<p>States and other countries to address water-related issues in the European neighbourhood and beyond</p>	
<p><b>3.22. Sharing information on the blue diplomacy practices and experiences of Member States is an important way for the EU to strengthen its influence.</b> For example, Finland has launched a project on "Water cooperation and peace – Finnish water way"<sup>238</sup>, which aims to strengthen Finnish water diplomacy collaboration internationally, enhance international transboundary agreements and their implementation, identify and respond to water diplomacy training and competence-building needs, and deepen cooperation between experts in foreign and security policy, peace mediation and the water sector.</p>	<p>The Council Conclusions on water diplomacy, the EU engagement in the UN 2023 Water Conference, as well as the Joint Communication on climate security and environmental degradation define the key EU actions when it comes to the links between water and peace building and security. Furthermore, the upcoming EU Water Resilience Initiative will also address the challenge of achieving global water resilience.</p>

<sup>238</sup> <https://sdgs.un.org/partnerships/water-cooperation-and-peace-finnish-water-way-water-diplomacy-project>.

**N°46 Revision of the EU pollinators initiative – A new deal for pollinators**  
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**Rapporteur: Jarmila DUBRAVSKÁ (CZ-III)**  
**Co-rapporteur: Veselin MITOV (BG-II)**  
**DG ENV – Commissioner SINKEVIČIUS**

**Points of the European Economic and Social Committee opinion considered essential**

**European Commission position**

1.1. The EESC supports the Commission's ambitious Communication, which responds to the trend of declining wild pollinators in the EU. Nevertheless, it considers that insufficient progress has been made five years after the original initiative, particularly in terms of obtaining the requisite data that would drive policy action forward. The EESC notes a lack of a clear governance on the implementation of the proposed actions [...].

The Commission reported on the implementation of the 2018 Pollinator Initiative<sup>239</sup>. In the Commission proposal for a regulation on nature restoration<sup>240</sup>, the Commission proposes a mandatory target to reverse the decline of pollinators by 2030, as well as a pollinator monitoring scheme, which will provide key insights for policy action once adopted and implemented. The governance scheme for the implementation of initiative includes a pollinator expert group under the EU Biodiversity Platform (which met 5 times since mid-2022), as well as mainstreaming of pollinator activities in other fora, such as groups related to the Common Agricultural Policy, pesticides, and research and innovation.

1.4.<sup>241</sup> The Committee strongly calls for significant funding for R&D&I to amass essential scientific data and undertake appropriate initiatives to reverse the decrease in pollinator populations, including within the Horizon Europe programme.

EU-level coordination is essential for ensuring that national data is consolidated and analysed via a dedicated EU platform for pollinators, which allows open access to data.

The Commission is strongly committed to obtaining scientific data and designing initiatives to halt and revert wild pollinators decline. From 2021 to 2023, 11 projects with important pollinators outcomes for EUR 72.9 million were financed within Horizon Europe, of which three specifically focused on pollinators. For 2024, three different topics (EUR 24 million) are expected to fund three new projects.

<sup>239</sup> COM(2021) 261 final.

<sup>240</sup> COM(2022) 304 final.

<sup>241</sup> Overlaps with points 3.4 and 3.5

	<p>Supported by the Commission, the projects STING<sup>242</sup> (EUR 1.3 million), SPRING<sup>243</sup> (EUR 5 million), EMBAL<sup>244</sup> (EUR 2 million) and INSIGNIA<sup>245</sup> (EUR 5 million) are also relevant.</p> <p>The Commission has set up the EU Pollinator Information Hive<sup>246</sup> as a central platform to share knowledge on pollinator science and policy.</p>
<p>1.5. The EESC advocates the creation of a programme and strategy for pollinator-friendly urban areas, augmenting land-use management practices to foster diversity among pollinators and conserve natural habitats in urban and peri-urban regions.</p>	<p>The Commission agrees that urban areas are important for pollinator conservation and encourages cities to implement the guide for pollinator-friendly cities, and it suggests that European cities should take into account pollinator conservation requirements when developing Urban Greening Plans (actions 7.1. and 7.2. of the revised pollinator initiative).</p>
<p>1.6<sup>247</sup>. To reach significant progress, the EU and the Member States must rapidly share knowledge and concentrate research on sustainable agriculture practices and effective methods of integrated pest management (IPM).</p>	<p>Agroecology, sustainable use of pesticides and integrated pest management have been subjects of numerous research projects<sup>248</sup> under Horizon 2020 and Horizon Europe. The Commission, EU Member States and countries associated with Horizon Europe, have co-created the foundation for a future Horizon Europe partnership on ‘Accelerating farming systems transition: agroecology living labs and research infrastructures’<sup>249</sup>, with an indicative budget of EUR 150 million (EU contribution of EUR 60 million), to be tentatively launched in 2024.</p>

<sup>242</sup> [https://knowledge4policy.ec.europa.eu/participatory-democracy/science-technology-pollinating-insects-sting\\_en](https://knowledge4policy.ec.europa.eu/participatory-democracy/science-technology-pollinating-insects-sting_en)

<sup>243</sup> <https://wikis.ec.europa.eu/display/EUPKH/SPRING+project>

<sup>244</sup> European Monitoring of Biodiversity in Agricultural Landscapes

<sup>245</sup> <https://www.insignia-bee.eu/>

<sup>246</sup> <https://wikis.ec.europa.eu/display/EUPKH/EU+Pollinator+Information+Hive>

<sup>247</sup> overlaps with point 4.5

<sup>248</sup> <https://cordis.europa.eu/article/id/442635-agroecology-research-for-resilient-sustainable-climate-ecosystem-and-social-friendly-farming>

<sup>249</sup> [https://research-and-innovation.ec.europa.eu/research-area/agriculture-forestry-and-rural-areas/ecological-approaches-and-organic-farming/partnership-agroecology\\_en](https://research-and-innovation.ec.europa.eu/research-area/agriculture-forestry-and-rural-areas/ecological-approaches-and-organic-farming/partnership-agroecology_en)



	<p>The Commission has made available as a result of a study in February 2023 a public database (the ' '), which gathers more than 1300 IPM good practices in use or in development as well as the crop-specific guidelines developed by Member States to implement the SUD. In the future the Commission will support the Member States in further developing their crop-specific guidelines for IPM through a call<sup>250</sup> under the LIFE programme.</p>
<p>1.7. The EESC calls for appropriate education for farmers regarding environmental measures through national and regional farm advisory systems, encompassing the use of low-risk pesticides that pose no harm to pollinators and IPM. Training programmes that aim to increase knowledge about pollinator ecology, identification, and habitat restoration are also needed.</p> <p>4.7. The EESC calls for appropriate education for farmers on environmental measures through national and regional farm advisory systems, including the use of low-risk pesticides and IPM.</p>	<p>Under the Common Agricultural Policy, the CAP network will help share best practices and coordinate activities to facilitate the design and uptake of instruments that benefit pollinators, including improved implementation of the integrated pest management (IPM). The CAP Farm Advisory Services can play a crucial role for transferring the knowledge by advising farmers and to increase the uptake of pollinator-friendly farming practices.</p> <p>The Commission proposal on the sustainable use of plant protection products envisages mandatory training and use of advisory services by farmers and other professional pesticide users, including on the implementation of IPM and alternatives to chemical pesticides.</p>
<p>1.8. The Committee calls for an EU study aimed at providing accurate data on the impact of electromagnetic radiation emitted by telecommunication antennas on wild pollinators in their natural habitats and on the necessary policy measures to ensure effective pollinator protection.</p>	<p>Results from recent research<sup>251</sup> and an expert workshop<sup>252</sup> on the impact of pollutants on pollinators indicate that the impacts of electromagnetic radiation on wild pollinators in their natural habitats is still unclear. At the moment, it is not considered a major threat or a significant driver of the decline of wild pollinators. The Commission agrees that this</p>

<sup>250</sup> [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/life/wp-call/2021-2024/call-fiche\\_life-2023-plp\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/life/wp-call/2021-2024/call-fiche_life-2023-plp_en.pdf)

<sup>251</sup> <https://www.sciencedirect.com/science/article/pii/S0048969720384461>

<sup>252</sup> [https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/25886d57-757e-4327-86e4-a03b3f58f004?p=1&n=25&sort=name\\_ASC](https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/25886d57-757e-4327-86e4-a03b3f58f004?p=1&n=25&sort=name_ASC)

	topic requires further research, with a view to better understand those impacts and support potential. policy actions.
1.9. The EESC stresses the need to create a metric for light pollution across the EU, using satellite data, in order to evaluate and observe the regional and local effects on pollinators.	The Commission acknowledges light pollution as a driver for biodiversity loss and it considers that the absence of a metric for light pollution is not a barrier for policy actions. Indeed, light pollution is in the scope of the zero pollution ambition under the 8 <sup>th</sup> Environment Action Plan and the Zero Pollution Action Plan and can be addressed through several existing policies.
1.12. The implementation of strong measures is essential to safeguard wild pollinators during the pesticide risk assessment process and usage phase. The EESC calls for greater transparency regarding pesticide use within the EU and in third countries.  6.3. Improved safeguards are necessary to protect wild pollinators during both the pesticide risk assessment process and the usage phase of pesticides. Failing to adopt a daring strategy to tackle pesticide use puts the future of bees and other pollinators, our entire ecosystem, and the food security of EU residents in jeopardy. Greater transparency regarding the actual use of pesticides within the EU is necessary.	The European Food Safety Authority published its updated guidance on the risk assessment of plant protection products on bees ( <i>Apis mellifera</i> , <i>Bombus</i> spp. and solitary bees) on 11 May 2023. This updated guidance document covers not only the risks to honeybees but also the risks to wild bees, i.e., bumblebees and solitary bees.  The Commission has started without delay the procedure to get this updated guidance document endorsed and implemented.  Improved pesticide use data will become available under the Regulation on statistics on agricultural input and output <sup>253</sup> adopted in December 2022. To facilitate the collection of harmonised use data, the Commission adopted on 10 March 2023 an Implementing Regulation <sup>254</sup> under the Plant Protection Products Regulation to set common rules on the records that professional pesticide users must keep.
1.13. The most effective solution is to reach a worldwide agreement to reduce the use of synthetic pesticides, ensuring universal commitment and fair competition. Although this appears to be a difficult task, a holistic approach	The Global Biodiversity Framework adopted at COP15 under the Convention on Biological Diversity includes a global target to reduce the risk of pesticides by 50%.

<sup>253</sup>

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52021PC0037>

<sup>254</sup>

[https://eur-lex.europa.eu/eli/reg\\_impl/2023/564/oj](https://eur-lex.europa.eu/eli/reg_impl/2023/564/oj)

<p>is needed and more efforts need to be put into international negotiations. This includes a serious discussion about an export-ban of pesticides, which are already banned for use in the EU.</p> <p>6.4. The Committee believes that the most effective approach and ideal solution is to achieve a worldwide agreement to decrease the use of synthetic pesticides, guaranteeing universal commitment and fair economic competition. Although this seems indeed like a long shot, a holistic approach is necessary and efforts in international negotiations must be intensified. [...]</p>	<p>Under the Strategic Approach to International Chemicals Management, highly hazardous pesticides have been identified as an issue of concern and action is taken at international level to reduce their use. The EU and its Member States are striving for strengthened action under the beyond 2020 framework on chemicals and waste management.</p> <p>The Chemicals Strategy for Sustainability commits to ban the production for export of hazardous chemicals that are banned in the Union. The groundwork is in the making to fulfil this commitment.</p>
<p>2.4. The EESC appreciates the ambitious plans set out in this communication, but notes that it is a long list of future projects that will need sufficient timeframes. The EESC would have expected, due to time pressure, clear short-term measures and actions that would build on the lessons learnt so far, based on the report on the original pollinators initiative.</p>	<p>The timeframe of the actions included in the revised pollinator initiative are adapted to the state of knowledge and conditions for their implementation. All proposed actions build on the 2018 pollinator initiative and its progress as reported in the EU Pollinators Initiative<sup>255</sup>.</p>
<p>2.6.2. [...] Emergency authorisations of pesticide use by Member States are an example of the problems in practice of how to manage plant protection efficiently and ensure the quality and quantity of production. The European Food Safety Authority determined that alternatives were available for approximately only one third of the exceptions to emergency derogations regarding the use of these neonicotinoids. The EESC recalls the European Court of Justice decision of 19 January 2023 in Case C-162/21 according to which Member States cannot grant any further emergency authorisations for products containing neonicotinoids.</p>	<p>The Commission considers that the findings by the European Food Safety Agency (EFSA) for the limited number of emergency authorisations concerned by the first mandate cannot be extrapolated to all emergency authorisations granted by Member States.</p> <p>While for the first mandate concerning 24 authorisations, EFSA found that about one third were not justified, it found that all 17 authorisations concerned by the second mandate were justified.</p> <p>For further information, please see the Commission website<sup>256</sup>.</p> <p>With regard to the European Court of Justice decision of 19 January 2023 (Case C-</p>

<sup>255</sup> COM(2021) 261 final.

<sup>256</sup> [https://food.ec.europa.eu/plants/pesticides/approval-active-substances/renewal-approval/neonicotinoids\\_en](https://food.ec.europa.eu/plants/pesticides/approval-active-substances/renewal-approval/neonicotinoids_en)

	<p>162/21), the Commission would like to note that it concerns only outdoor uses.</p>
<p>3.3. The EESC notes that in addition to the decrease in pollinator populations, there is also a shortage of human experts in the field. National efforts to ensure data collection must be coordinated at EU level, including data gathering and analysis, within an EU platform dedicated to pollinators that facilitates open access to data. [...]</p>	<p>The Commission agrees that human expertise on pollinators is to be expanded and it supports capacity raising in the framework of the SPRING<sup>257</sup>, Orbit<sup>258</sup> and Taxofly<sup>259</sup> projects.</p>
<p>4.6. The EESC recommends implementing a transparent control system to enforce the same maximum residue levels for pesticides in imported food products as those set for food produced in the Union. The Committee has already called for the Commission to rapidly implement reciprocity of standards in order to limit distortions of competition for European farmers. Consumers should be protected and quality products should be offered at fair prices.</p>	<p>All food placed on the EU market must be safe for consumers. The EU has a thorough system for risk assessment of pesticides, where maximum residue levels (MRLs) can only be established if the European Food Safety Authority (EFSA) has confirmed that they are safe for consumers. The main objective of the EU MRL Regulation is consumer protection. MRLs apply equally to all foods, whether produced domestically or imported.</p> <p>Imported products must comply with EU legislation at the moment of import, which is the placing on the market in the EU.</p>

<sup>257</sup> <https://wikis.ec.europa.eu/display/EUPKH/SPRING+project>

<sup>258</sup> <https://orbit-project.eu/>

<sup>259</sup> <https://www.luomus.fi/en/taxo-fly>

	Member States monitor compliance with MRLs – for domestic products and imports – as set out in national programmes and in an EU coordinated programme. EFSA publishes annual reports on the results on its website <sup>260</sup> .
4.8. Indicators of pollinator population status need to be developed by 2024 so that the indicators can be assessed within the CAP. An essential step is to carry out a comprehensive evaluation of the impact of the CAP in preventing the decline of pollinators and to encourage practices that reverse this decline.	The Commission intends to develop a farmland wild pollinator indicator with a view to include it into the performance, monitoring and evaluation framework (PMEF) of the CAP. However, this is only possible once the EU pollinator monitoring scheme (EU PoMS) is sufficiently implemented.
4.9. Flowering strips are a good reservoir for different pollinator species and will undoubtedly contribute to the protection of pollinators. However, they could be a risk to bees and other pollinators if these strips are sown near groundwater and the pesticides in question are still in the soil. To this end, funds would be needed to research and develop a clear methodology for flowering strips.	Furthermore, the updated Bee Guidance Document, published by EFSA on 11 May 2023, assesses the risks to bees also in field margins, adjacent crops and succeeding crops. The Commission has started without delay the procedure to get this updated guidance document endorsed and implemented.
5.3. The EESC acknowledges the important role of the Pollinator Coalition of the Willing, an EU-led platform comprising member nations that are dedicated to exchanging knowledge and best practices, conducting research on preserving pollinators, and offering mutual assistance and cooperation.	The Commission is actively engaged in the Pollinator Coalition of the Willing, which is a platform supported by 30 countries worldwide. The European Union is a member but not leading the initiative.

<sup>260</sup>

<https://www.efsa.europa.eu/en/news/pesticides-food-latest-report-published>