



## Propozycje reform i inwestycji oraz ich wdrażanie w państwach członkowskich – jaka jest opinia zorganizowanego społeczeństwa obywatelskiego?

24 stycznia od 14:30 do 17:00

Aleja Wyzwolenia 3/5, 00-572 Warszawa, Polska (Galeria Apteka Sztuki)

### Report

#### Organiser of this round table

- The European Economic and Social Committee (EESC)

#### Description

*This round table was organised as part of the consultation carried out by the EESC's European Semester Group ([ESG](#)) for the preparation of an own-initiative opinion entitled "Reform and investment proposals and their implementation in the Member States: the views of organised civil society (2023-2024 cycle of the European Semester)" ([ECO/631](#)). With this opinion, the ESG is now continuing the work begun in 2021: consulting national economic and social councils, the social partners and civil society organisations in the EU Member States on a key subject of the European Semester. This consultation focuses firstly on the reform and investment measures in the Member States, in particular those based on the [2023 country-specific recommendations](#), and on their implementation, in order to assess the effectiveness of these measures and the possibilities for better targeting of proposals, improved implementation and monitoring, and the involvement of organised civil society in the procedures. Secondly, it is also focusing on issues relating to the ongoing [review of the EU's economic governance rules](#), the central objective of which is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reform and investment. Lastly, the EESC intends to continue previous consultation exercises by examining the state of implementation of the reforms and investments provided for in the national recovery and resilience plans and which are financially supported by the [Recovery and Resilience Facility](#) funds. The results of this consultation will be summarised in an EESC opinion, also set out in an annex, in which the Committee continues to promote a more participatory European Semester and economic governance framework, with greater ownership at national level and closer involvement of organised civil society. This round table addressed the following questions (taken from the questionnaire on which this consultation is based):*

- *The reform and investment measures in the Member States, in particular those based on the country-specific recommendations 2023<sup>1</sup>, and their implementation;*
- *The reform of the EU's economic governance rules;*
- *The implementation of the reforms and investments provided for in the national recovery and resilience plans.*

<sup>1</sup> For a quick overview of the CSRs for your Member State, please consult the [country-specific recommendations database](#) established by the European Commission Recovery and Resilience Plans in the 2023 European Semester (europa.eu).  
ECO/631 – EESC-2023-04860-06-00-TCD-TRA (PL) 1/9

## **A. OPINION OF ORGANISED CIVIL SOCIETY (SOCIAL PARTNERS AND CIVIL SOCIETY ORGANISATIONS) IN POLAND**

### **1. The reform and investment measures in the Member States, in particular those based on the country-specific recommendations 2023, and their implementation;**

#### **1.1 General comments:**

- New country-specific recommendations come out every year, sometimes they are the same for many years. Some of the recommendations are complex and imply many minor ones. There are no tools to assess the state of implementation of recommendations, as assessing the content of the recommendations and the process of implementing them are two different things. Participants pointed out that separate consultations should be carried out on implementation.
- As part of the European Semester, the National Reform Programme (NRP) should complement and correlate to the National Recovery and Resilience Plan (NRRP) and cohesion policy should correlate to the NRRP. Yet there are no synergies between them, which is particularly evident in the NRP and NRRP.
- Unfortunately, the NRP is, to a large extent, declaratory in that it focuses, for example, on the adoption of a specific act without paying attention to the implementation level or whether the situation is actually changing. Reforms are not ambitious enough given the complexity of social, economic, environmental and global challenges.
- The consultation of organised civil society so far has merely consisted of listening to possible comments because the level of consideration given to the proposals made in the final form of the document is low. There is a European Semester Group in Poland, but the time it is given to consult specific documents, including the NRP, is extremely short (e.g. a few days), which makes proper consultations with different social groups impossible.
- Documents that are part of the European Semester are adopted very quickly and are strategic for the country. Throughout the whole European Semester cycle, dialogue should be organised between the European Commission, government, social partners and civil society organisations, so that organised civil society is able to express its opinions in a binding manner in dialogue with the European Commission.
- Consultations should be conducted with as broad a group as possible and take various forms, both open public consultations in which documents are discussed and in the consultative and advisory bodies that have been set up.
- The recommendations should stress the need for local and regional authorities to be independent, particularly from a financial point of view. Most of the investments or activities are carried out by local and regional authorities, whose financial stability should be guaranteed. This will make it possible to implement further policies, actions and investments identified as priorities, e.g. in the field of public transport.

#### **1.2 Assessment of the effectiveness of the reforms and investments proposed by the European Commission in the country-specific recommendations for Poland:**

- The Commission's recommendation is to phase out national fiscal policies that protect households and firms from energy price shock. It was indicated that the savings from this would be used to reduce the deficit. However, the possibility of once again implementing support measures aimed at protecting vulnerable households and firms was mentioned.
- There is a high degree of uncertainty and risk associated with the ongoing war in Ukraine and its impact on the global economy and therefore returning to a rule on stabilising state budget expenditure should be approached with great caution, given the need to prolong aid to both citizens and businesses.
- There is a risk of Poland being placed under the excessive debt procedure at the end of this year.
- One significant challenge for the Polish economy is the low level of investment. The investment rate in Poland remains one of the lowest in the EU. It stood at 18% of GDP in 2022. This is alarmingly low given, on the one hand, demographic challenges (human work increasingly being replaced by machines due to lack of staff, which is increasingly supported by machine learning and artificial intelligence) and, on the other hand, challenges of the energy transition. Long-term investment is a key driver of economic growth. Structural funds and the NRRP are insufficient to achieve a high level of investment, including in social infrastructure. A solid injection of

private investment is also needed. This priority in the recommendations is succinct and focuses quite rightly but too narrowly on the judiciary.

- Legal predictability is important for deciding to start an investment, as well as for preparing the whole process effectively. Improving the investment climate and increasing investment would help:
  - Bring calm to the ‘regulatory front’. Recent years have been marked by frequent, substantial changes to legislation and taxation, for which there was insufficient consultation and no proper impact assessment. It is necessary to bring back sound consultation on proposals for legislative amendments, a multi-faceted impact assessment of regulations and to allow sufficient time for both the consultation itself and subsequent preparation of entities for the changes awaiting them (*vacatio legis*). A scenario in which surprise changes in the law could make the investment process more difficult or even interrupt it should not be allowed;
  - Review the most burdensome and unclear regulations, with a view to clarifying them or removing them from the legal system;
  - Review existing tax and legal regulations to boost investment;
  - Besides the numerous negative trends in national economic legislation, positives should also be noted. These include regulations that encourage investment, such as reductions for automation and robotisation, tax relief for R&D, the IP Box, ‘Estonian tax’, etc. Such regulations should be monitored periodically to check whether they continue to fulfil their tasks and whether they need to be adapted to new circumstances (‘ex-post impact assessment’).
- As regards the judiciary, currently the main focus of public opinion is on systemic problems, leaving aside long standing issues related to the excessive length of proceedings. While eliminating constitutional doubts as to the status of the National Council of the Judiciary and judges should be the legislator’s primary objective, steps should also be taken to speed up court proceedings, both in the legislative and organisational areas of the Polish judiciary.
- Reform of the pension system, which is necessary for sustainability, should first and foremost be based on balanced and adequate participation of all workers, regardless of the type of contract under which the work is carried out. At present, the limit on the amount of insurance contributions for people working under civil law contracts means that this group of beneficiaries receives the lowest benefits. In order to raise the effective retirement age in Poland, measures are needed to increase the health expectancy of the working population.
- Public spending on social benefits (income-dependent) needs to be made more efficient in order to better combat poverty. Correlations should be made, e.g. between parental benefits with benefits for carers and the family 800+ programme.
- We encourage the development of professional activity, including for people aged 50 and over, by supporting citizens in their care obligations, not only for young children, but also school-age children, older people, people with disabilities and other dependants, for whom proper organisation of tasks would relieve the burden for parents and grandparents. In Poland as many as 60% of women and 20% of men – more than twice the EU average – indicate that care obligations are the main reason for professional inactivity. It also doesn’t consider the phenomenon of feminisation of care responsibilities, which results in women experiencing double limitations in taking up or performing professional roles.
- The National Energy and Climate Plan is not coordinated with the NRP. Coordination with the National Energy and Climate Plan (NECP) should be improved. At present, the implications of implementing the NRP for the implementation of the NECP reforms and, more broadly (and more importantly), the impact of implementing (or abandoning) the NRP reforms on achieving climate objectives and the energy transition cannot be seen.
- Accelerating the transition away from fossil fuels in the Polish energy mix must not come at the economic and social cost of workers in the energy and mining sector or of companies/employees providing services to this sector. This process is ongoing and is expected to lead to a higher share of affordable nuclear and renewable energy in the long term. Energy modernisation will not only reduce energy poverty, but should also help create good jobs and make the economy more competitive. However, the systemic actions undertaken seem to be too slow, there is no open dialogue with the public on changes and reforms and innovation is not being transferred to Poland to deploy new technologies for the green transition.

- The very long delays in the implementation of the NRRP and the lack of real public oversight over reforms and investments mean that the implementation of the recommendations on phasing-out fossil fuels and deploying renewable energy continues to be delayed. The NGO community, including those dealing with the green and just transitions, has not been consulted enough on the legal pathways for Citizen Energy Communities. However, the aim of these communities is to ensure that citizens have the right to cheaper energy regardless of where they live.
- In environment- and climate-related priorities, the recommendations focus mainly on energy. There are no discussions on mitigating the problems of the biodiversity and climate crises (e.g. supporting ecological corridors, reducing the risk of drought). Questions are not put forward on the just transition of regions with high natural value, e.g. people previously employed in the wood industry should be able to find work in other sectors.
- Just as important as energy poverty is transport exclusion, which affects Poland as a whole. Investment in low- and zero-emission transport needs to be increased.
- We note with concern that around 1/3 of public investment expenditure in Poland did not produce results in terms of a higher level of or better infrastructure. Public spending should improve the quality and accessibility of public services. Well-designed and implemented public services close the income gap and have an impact on quality of life.

### 1.3 Recommendations for new country-specific recommendations in future European Semester cycles:

- Poland ranks only 24th among EU countries in the Digital Economy and Society Index (DESI). This means that Poland is faced with a significant challenge not only from the green transition, but also the digital transition. However, this topic has so far not been properly developed in terms of socio-economic impact, with regard to both reforms and recommendations for Poland.
- There are labour shortages both in the jobs of the future (related to digitalisation) and in the social assistance field. There are no recommendations for Poland or major reforms financed, e.g., by the NRRP on these issues.

## 2. The reform of the EU's economic governance rules

- Positive aspects of the European Semester introduced after the Member States' debt crisis in 2010 relate to coordinating certain aspects of growth-friendly policies in the EU. The EU institutions have a less stringent approach towards Poland's compliance with individual recommendations, as it is not part of the euro area. In cases which do not fall within the EU's remit, the Polish authorities are usually able to properly justify not implementing some recommendations/reforms, which does not incur any sanctions. However, non-compliance with the Maastricht criteria and the Stability and Growth Pact requirements for reducing excessive levels of government deficit and debt are subject to sanctions.
- It is necessary to restore the social balance within the European Semester and to specify that one of its goals is to achieve the objectives of the European Pillar of Social Rights in the Member States.
- It would be appropriate to determine what kind of expenditure should not be cut to reduce deficit and debt levels. This should include areas important to the public (to be decided between the European Commission, Member States and organised civil society), or military spending (currently increasing due to the geopolitical context), which should not be counted in the EU's calculation of debt and deficit levels.
- It is necessary to reform the EU institutions, with a view to improving their social legitimacy, in order to avoid social upheaval in the face of increasingly difficult-to-understand, technocratic decisions with multi-directional social impacts.
- **We approve of the proposal to make fiscal assessments conditional on (potential) future GDP, depending on factors such as the scale and effectiveness of capital expenditure and innovation.** The drawback of this solution is that the impact of current policies on potential GDP is very arbitrary. In this context, private investment is seen as important first and foremost, but so is public spending, ideally as investments that build social capital in education, health, civil society and institutional support. In a negative scenario, public spending stimulates consumption with a short-term electoral perspective. Therefore, even in the case of fiscal and economic reforms, oversight mechanisms should be put in place by organised civil society.
- Restoring numerical debt reduction indicators can be detrimental as experience shows that one-size-fits-all solutions have not worked. Pursuing deficit reduction, with the specific objective of setting the debt-to-GDP

ratio on a downward path, could reduce sources of investment and social expenditure at a time when both are absolutely necessary.

- We look forward to a **medium-term fiscal-structural plan**, which should take an approach tailored to the specific macroeconomic situation of Poland. After all, it is very difficult to reconcile the need for long-term strategic planning for policies and investments with short-term electoral perspectives, business boards, consumption and access to public services. It is crucial to raise awareness of the role of long-term plans and actions on a micro level. This problem is more prevalent in post-communist countries than in the EU's founding countries.
- The EU has been supporting investment and innovation for years with grants and preferential loans, without a corresponding globally competitive growth rate for the European economy. Poland is an exception due to its very strong entrepreneurial culture, level of education and the determination of entrepreneurs, as well as recent memory of the devastating impact of a centrally planned economy. The EU should do more to foster a business-friendly environment and motivate companies to invest and innovate. The business approach of entrepreneurs would help increase growth potential while also reducing fiscal tensions. Increasing the role of the state, including the EU level, eliminating market forces, overregulation, intra-EU protectionism, blocking the full development of the single market in the EU and vulnerability to protectionism from other economic blocs are ways to maintain the development position of an outsider.
- In light of the experience of implementing the NRRP, **the medium-term fiscal-structural plans** to be implemented should be subject to multi-faceted consultation. The government should make every effort to ensure that consultations on the plan include as many national dialogue bodies as possible, such as: the Social Dialogue Council (SDC), the Public Benefit Works Council (PBWC), the European Semester follow-up group, the NRRP follow-up committee when the plan overlaps with the NRRP, and the Committee for the Partnership Agreement. Social partners and federations of non-governmental organisations should also be invited for consultation in a dedicated manner. In addition, the consultation process should be open to every citizen in an accessible and staggered manner to collect as many comments as possible.
- In order to monitor the **implementation of the plan**, an annual report analysing deviations, including relating to social aspects, and proposals for corrections should be drawn up. The possible effects of implementing the plan to address social tensions should be widely discussed and in the event of emergencies (war, natural disasters, pandemics, etc.) it should be possible to quickly adjust plans to avoid exposing at-risk groups to secondary exclusion.

### 3. The implementation of the reforms and investments provided for in the national recovery and resilience plans

- Obstacles that prevent the full implementation of the National Recovery and Resilience Plan in Poland (hereafter: NRRP) should be removed. This is a task for both Poland and the European Commission.
- The NRRP in Poland is a project that has been excessively delayed. Many necessary, viable but long-term projects are unlikely to be implemented under the NRRP due to delays, uncertainties and overlapping policy issues. The Commission should consider the possibility of implementing NRRP projects in Poland that are more long-term but will have a real impact on economic potential with a spending timeline up to 2033, e.g. the Lubiatów nuclear power plant, rather than creating pressure to spend EUR 59 billion in two years, when EUR 1 billion was spent in the first three years under the Polish NRRP. This also poses a significant challenge in terms of monitoring this expenditure.
- Implementing cohesion policy programmes and the recovery and resilience plan effectively in the face of ongoing uncertainty in implementing the NRRP, including its revision, makes it much harder to achieve the planned goals.
- Complementarity and synergies between cohesion policy and the NRRP are very important for strategic development and strengthening the country's economic and social resilience. However, problems occur not only in the implementation of the NRRP, but also in cohesion policy. The turmoil in both funding blocs has a political and legislative basis and the impact of non-implementation is increasingly apparent. Further delays will foster growing social and economic inequalities, which could lead to an increase in anti-EU sentiment when citizens will be responsible for choosing the direction Europe will take in the Parliament elections.



- The necessary reforms on the labour market, housing, long-term care and the pension system are included in the NRRP, but they are not translated into reality. Thematic subcommittees have been set up within the NRRP follow-up committee, but, for example, the subcommittee on labour market reform has never met even though legal changes are being made in this area.
- Climate education is very important, as many people question the existence of climate change. Within the NRRP there are concrete reforms and investments to be made which will be very difficult to implement if decision-makers and recipients of NRRP funds are not convinced that the investment is in line with the ‘do no significant harm’ principle and treat it superficially. It may then turn out that NRRP investments will exacerbate problems rather than solve them.
- The NRRP should also take accessibility into consideration. The needs of persons with disabilities, for example, are not well addressed here.
- Public bodies prefer, for example, two or three large investments over many smaller ones. Unfortunately, this excludes many small players, which would very often be better able to carry out a task, and would also help boost competitiveness.
- The disparity in the NRRP between its loan and grant parts is worrying. However, at Member State level both of these elements are loans and at a lower interest rate than a Member State borrowing independently. At the same time, both elements at beneficiary level could be grants, which would be preferable for civil society representatives.
- In the programming of the NRRP in 2021 non-governmental organisations convinced the Committee for the Partnership Agreement’s sub-committee on Partnership Development to support the organisation of public hearings on the NRRP. Any interested person or legal entity could participate in the hearings. NGOs participated in and helped organise hearings using their own resources. The hearings were not conducted on behalf of the government, but in cooperation with it, as it was clear that the comments were addressed to the government itself. Unfortunately, the level of acceptance of comments was low and many departments proposed reforms and investments in their own area without consultation and without participating in hearings. Currently the NRRP Follow-up Committee has been set up and has met only once. There are also six thematic sub-committees, most of which have never met. Therefore, at this point in time there are no structured control and monitoring tools for the reforms and investments set out in the NRRP.

#### **4. Strengthening the role of social partners and civil society organisations in the European Semester cycle – assessing the quality of the dialogue**

- Consultation on the topics and documents covered by the meeting seems to be too rare and in too few fora. Although this opinion is expressed in terms of non-binding consultations and not as part of mandatory and formalised dialogue conducted by, for example, the SDC or the PBWC, which are collective bodies appointed by law as bodies for public consultation in Poland.
- With regard to the consultation of the government’s positions in the framework of the European Semester cycle, the main problem is that the deadlines for submitting comments are too short. These usually last several days and concern extensive legal acts, thus making it impossible to carry out sound consultations, all the more so since representative organisations should first conduct internal consultations before taking part in consultations on government positions.
- Public consultation is an important part of the legislative process. This process must not be superficial or fragmented, as that leads to constant legal changes and instability to the detriment of investment and long-term growth prospects. We request that the length of the public consultation be appropriate, depending on the importance of the legislation being processed and that the legal deadlines (30 or 21 days) for the consultation be respected. All draft laws should be subject to mandatory public consultation. Amendments tabled in the course of the legislative process should include a statement of reasons and an impact assessment. The voice of partners outside the administration is rarely taken into account properly.
- Members of the European Semester group in Poland expect active government cooperation in this group, moving important initiatives to a higher and more representative level. We would also expect a clear timetable for work that would make it possible to plan activities including environmental consultation well in advance.

- If comments on European Semester cycle documents are submitted, organised civil society is not generally informed of the extent to which the comments are taken into account in the government's position. There are also no formal channels for exchanging information between the European Commission and organised civil society in a specific country. This means that so far there have not been any ways to include citizens in the coordination of national and European policies.
- In order to strengthen the role of the social partners, civil society organisations and local and regional authorities in implementing and monitoring the NRRP, a formal, permanent and structured consultation process should be put in place in which the national government works closely with authorities at all levels, in partnership with trade unions, employers, NGOs and other responsible authorities throughout the whole cycle of activities covering preparation, implementation, monitoring and assessment.
- Every year, all Member States should publish regular reports on the consultation process, transmit them to the European Commission and national parliaments and make them publicly available.

## **B. STATEMENT FROM A REPRESENTATIVE OF THE MINISTRY OF DEVELOPMENT FUNDS AND REGIONAL POLICY CONCERNING THE NRRP AND A REPRESENTATIVE OF THE MINISTRY OF ECONOMIC DEVELOPMENT AND TECHNOLOGY CONCERNING THE EUROPEAN SEMESTER**

- The ministry stressed that it was always open to public dialogue and consultation. Consultative meetings of thematic teams, including the European Semester group, are again being organised. Government departments have taken steps to set up the various subcommittees relating to the NRRP.
- Government departments are often overwhelmed by the number of questions, topics and expectations from organised civil society, as the staff of the ministries at such meetings cannot make binding declarations.
- The European Commission gives Polish ministries very little time to send their proposals, which may be taken into account when formulating its recommendations as part of the European Semester. This results in short deadlines for partners outside the administration on this topic.
- Cooperation with the Commission takes into account only minor changes in its recommendations as a result of the Member State's proposals, but there are not really any fundamental changes in the content of the recommendations. It is a unilateral message from the European Commission.
- In the context of the reform of the Stability and Growth Pact and the European Semester, the NRP as we know it will cease to exist. Submitting medium-term fiscal-structural plans will exclude and marginalise the NRP in this form. It will already be challenging this year to structure the NRP because a very large number of topics have been incorporated into the NRRP. It will therefore be a big problem to take real reforms into account in the NRP. Ministries have an obligation to synchronise the NRP with the NRRP (there is still a REPowerEU component here).
- One of the REPowerEU investments is dedicated to climate and green education.
- The ministry has observed that beneficiaries are not only interested in grants but also loans from the NRRP. The pace of spending all funds from the NRRP will be very rapid.

## **PARTICIPANT LIST**

### **Members of the European Economic and Social Committee:**

- Justyna Kalina Ochędzan – representative of the Civil Society Organisations' Group
- Marcin Zieleniecki – representative of the Workers' Group
- Krzysztof Ostrowski – representative of the Employers' Group

### **Social partners and civil society organisations:**

- Łucja Kucmin-Węglarczyk, Przestrzeń do Życia [Living Space] Foundation
- Justyna Chorś, Polish National Society for the Protection of Birds
- Jakub Pietrzak, Employers of Poland
- Zygmunt Mierzejewski, All-Poland Alliance of Trade Unions (OPZZ)
- Jacek Podgórski, Union of Entrepreneurs and Employers Poland (ZPP)
- Piotr Frączak, National Federation of Polish NGOs (OFOP)

- Katarzyna Zimmer-Drabczyk, Solidarity Independent Trade Union
- Andrzej Rudka, Polish Confederation Lewiatan
- Prof. Ryszard Szarfenberg, Polish Committee of the European Anti-Poverty Network
- Bartłomiej Głuszak, Working Community of Associations of Social Organisations (WRZOS)
- Adam Zawisny, Independent Life Institute, Polish Disability Forum (PFON)
- Alina Prochasek, Polish Council of Youth Organisations (PROM)

**Representatives of local and regional authorities:**

- Adrian Pokrywczyński, Association of Polish Districts

**Ministries:**

- Michał Steć, Ministry of Economic Development and Technology, EU Economic Governance Department, Economic Analysis Department
- Magdalena Dziubak-Grudzińska, Ministry of Development Funds and Regional Policy, Department for Coordination of European Funds, Department of Strategy

**Staff of the European Economic and Social Committee:**

- Adam Dorywalski

**APPENDICES:**

**ROUND TABLE AGENDA, 24 January 2024, Warsaw**

**14:30-14:40 Opening of the meeting and presentation of the consultation methodology by EESC members:**

- Krzysztof Ostrowski – Employers’ Group, Business Centre Club
- Marcin Zieleniecki – Workers’ Group, Solidarity Independent Trade Union
- Justyna Kalina Ochędzan – Civil Society Organisations’ Group, Working Community of Associations of Social Organisations

**14:40-14:50 Introduction to the European Semester and the NRRP**

- Prof. Ryszard Szarfenberg, Justyna K. Ochędzan

**14:50-16:45 Debate with participants**

- *Block 1: Reform and investment measures in the Member States, in particular those based on the country-specific recommendations for 2023, and their implementation – Debate entitled National Reform Programme 2023/2024 – discussion on questions 1-3 of the questionnaire*
- *Block 2: The implementation of the reforms and investments provided for in the national recovery and resilience plans – Discussion on questions 8-12 of the questionnaire*

**16:45-17:00 Conclusions and summary of the meeting**

**COUNTRY-SPECIFIC RECOMMENDATIONS FOR POLAND 2023/2024**

COUNCIL RECOMMENDATION ON THE 2023 NATIONAL REFORM PROGRAMME FOR POLAND AND DELIVERING A COUNCIL OPINION ON THE 2023 CONVERGENCE PROGRAMME OF POLAND  
2023 European Semester: Country Specific Recommendations / Commission Recommendation – Poland, 24 MAY 2023

*HEREBY RECOMMENDS that Poland take action in 2023 and 2024 to:*

*1. Wind down the energy support measures in force by the end of 2023, using the related savings to reduce the government deficit. Should renewed energy price increases necessitate support measures, ensure that these are targeted at **protecting vulnerable households and firms**, fiscally affordable, and preserve incentives for energy savings.*

*Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 7.8%.*

*Preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions.*



*For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, to achieve a prudent medium-term fiscal position.*

*Improve the efficiency of public spending, including through **better targeting of social benefits**.*

***Ensure the adequacy of future pension benefits and the sustainability of the pension system** by taking measures to increase the effective retirement age and **reforming preferential pension schemes**.*

*2. Urgently fulfil **the required milestones and targets** related to the protection of the financial interests of the Union in order to allow for a swift and steady implementation of its recovery and resilience plan. Swiftly finalise the REPowerEU chapter with a view to rapidly starting its implementation. **Proceed with the speedy implementation of cohesion policy programmes, in CLOSE COMPLEMENTARITY AND SYNERGY with the recovery and resilience plan.***

*3. Enhance the investment climate, including by safeguarding **judicial independence**.*

*4. Accelerate the **phase-out of fossil fuels** and the deployment of **renewable energy**. Reform the legal framework for grid connection permitting and for renewable energy sources, including **energy communities**, biomethane and renewable hydrogen. Implement measures to promote energy savings and **gas demand reductions**. Scale up investment in **energy efficiency for buildings and decarbonise the heat supply** in district heating to address energy poverty. Further promote sustainable **public transport** modes. Step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition, including for building renovation. (...)*

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