

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION

TO THE OPINIONS OF THE

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

PLENARY SESSION OF MARCH 2024¹

¹ Including the follow-up to one opinion adopted during the October 2023 Plenary session, two during the January 2024, one during the February 2024 and one during the December 2023 Plenary session.

N°	Title	References
HERA		
1 Assoc DG SANTE/G ROW/ SG	Communication on availability of medicines Rapporteur: Danko RELIĆ (HR-III) Co-rapporteur: Thomas STUDENT (DE-cat.2)	CCMI/221 COM(2023) 672 final EESC-2023-05446-00-00-AC
ENV		
2	Chemicals – ‘One Substance, One Assessment’ Rapporteur: John COMER (IE-III)	NAT/911 COM(2023) 779 final COM(2023) 781 final COM(2023) 783 final EESC-2023-05710-00-00-AC
3	EU forests – new EU Framework for Forest Monitoring and Strategic Plans Rapporteur: Florian MARIN (RO-II)	NAT/898 COM(2023) 727 final COM(2023) 728 final EESC-2023-02733-00-00-AC
MOVE		
4	Review of the passengers’ rights framework Rapporteur: Ileana IZVERNICEANU DE LA IGLESIAS (ES-III)	TEN/825 COM(2023) 752 final COM(2023) 753 final EESC-2023-05130-00-00-AC
ENER		
5	Wind Power Package Rapporteur: Thomas KATTNIG (AT-II)	TEN/827 COM(2023) 668 final COM(2023) 669 final EESC-2023-05073-00-02-AC
SANTE		
6	Medical devices/Eudamed Rapporteur-general: Danko RELIĆ (HR-III)	INT/1060 COM(2024) 43 final EESC-2024-00746-00-01-AC
7	Regulation on the welfare of dogs and cats and their traceability Rapporteur: Maciej Dawid KUNYSZ (PL-III)	NAT/922 COM(2023) 769 final EESC-2024-00532-00-00-AC

EMPL			
8 Assoc DG ECFIN/ REFORM	<p>Boosting long-term inclusive growth through reforms and investment (exploratory opinion requested by the Belgian Presidency of the Council of the EU)</p> <p>Rapporteurs: Wautier ROBYNS (BE-I), Javier DOZ ORRIT (ES-II), Luca JAHIER (IT-III)</p>	ECO/630 EESC-2023-04451-00-00-AC	
*** OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSIONS ***			
AGRI			
9 Opinion adopted during the Plenary session of January 2024	<p>Promoting autonomous and sustainable food production: strategies for the Common Agricultural Policy post-2027 (exploratory opinion requested by the Belgian Presidency of the Council of the EU)</p> <p>Rapporteur: Stoyan TCHOUKANOV (BG-III)</p>	NAT/913 EESC-2023-03963-00-00-AC	
CNECT			
10 Opinion adopted during the Plenary session of October 2023	<p>A way forward for the deepening of the Single Market through digitalisation (Own-initiative opinion)</p> <p>Rapporteur: Mira-Maria DANISMAN (FI-I)</p>	INT/1019 EESC-2023-02058-00-00-AC	
ENV			
11 Opinion adopted during the Plenary session of February 2024	<p>Preventing plastic pellet losses to reduce microplastics pollution</p> <p>Rapporteur: András EDELÉNYI (HU-I) Co-rapporteur: Maria NIKOLOPOULOU (ES-II)</p>	NAT/894 COM(2023) 645 final EESC-2023-04923-00-00-AC	
12 Opinion adopted during the Plenary session of December 2023	<p>Regulation on circularity requirements for vehicle design and end-of life vehicle (ELV) management</p> <p>Rapporteur: Bruno CHOIX (FR-I)</p>	NAT/880 COM(2023) 451 final EESC-2023-03741-00-00-AC	
CNECT			
13 Opinion adopted during the Plenary session of December 2023	<p>Initiative on virtual worlds</p> <p>Rapporteur: Andrea MONE (IT-II) Co-rapporteur: Patrice CHAZERAND (FR-Cat. 1)</p>	CCMI/216 COM(2023) 442 final EESC-2023-03581-00-00-AC	

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Opinion adopted during
the Plenary session of
January 2024

[**Cross-border energy infrastructure planning
\(exploratory opinion requested by the Belgian
Presidency of the Council of the EU\)**](#)
Rapporteur: Thomas KATTNIG (AT-II)

TEN/823
EESC-2023-03641-00-00-AC

Nº1 **Communication on availability of medicines**

COM(2023) 672 final

EESC 2023-05446 – CCM/221

586th Plenary Session – March 2024

Rapporteur: Danko RELIĆ (HR-III)

Co-rapporteur: Thomas STUDENT (DE-cat.2)

DG HERA – Commissioner KYRIAKIDES

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.3. It is important to make a strategic shift towards self-reliance in producing Active Pharmaceutical Ingredients (APIs) and finished medicines, aiming to reduce dependency on external sources and bolster the EU's pharmaceutical independence. The EU needs to secure funding and financial mechanisms to maintain its large-scale production capabilities for pharmaceutical products, eliminating bureaucratic obstacles and avoiding unnecessary increase in administrative burden.</p> <p>1.5. Enhancing dialogue between the EU's institutions, the pharmaceutical industry, social partners and civil society organisations with a special focus on production capabilities and supply chain challenges is a key priority. This improved communication is vital for navigating potential disruptions and optimising the pharmaceutical sector's efficiency and responsiveness across Europe.</p> <p>2.9. The Commission must promote the relocation of value chains to the European Union. Possible measures include prioritising domestic producers in emergency stockpiling, and linking research funding to a mandatory share of domestic production</p>	<p>The Commission welcomes the Committee's commitment to increasing the EU's strategic autonomy in medicine production.</p> <p>The proposed reform of the EU pharmaceutical legislation¹¹, currently in the co-legislation process, puts forward a set of measures to prevent and mitigate shortages and strengthen security of supply of critical medicinal products. As part of these measures, the Medicines Shortages Steering Group (MSSG) may issue recommendations to address vulnerabilities in the supply chain of critical medicines and the Commission may adopt implementing acts to strengthen their supply security². Given the complexity of pharmaceutical supply chains, as the Committee's opinion states (notably in 1.3., 2.9., and 6.2.) reinforcing EU manufacturing and diversification are both important to reduce supply chain vulnerabilities resulting from dependencies. This is a task which requires the contribution of many different stakeholders, as the Committee identifies in point 1.5. of its opinion. Therefore, the Commission has set up a Critical Medicines Alliance, a public-private partnership which will bring</p>

² https://health.ec.europa.eu/medicinal-products/pharmaceutical-strategy-europe/reform-eu-pharmaceutical-legislation_en

<p>3.1. This initiative directs significant effort towards increasing understanding of the critical medicine vulnerabilities in the supply chain. The emphasis is on developing a mutual investment plan between the industry and the EU, aiming to reinvest in Europe to reduce these vulnerabilities and maintain critical production capacities.</p> <p>6.2. The EESC encourages EU pharmaceutical companies to diversify their supplier base and explore alternative sources of raw materials. Developing manufacturing capabilities in various geographical locations enhances supply chain resilience.</p>	<p>together a wide range of relevant stakeholders from the health and industrial ecosystem and in which the Committee could take a role as observer. The Alliance is the industrial pillar of the European Health Union, working to enhance security of supply for medicines.</p> <p>Based on an analysis of the supply chain vulnerabilities of a selected sample of critical medicines, provided by the Commission, the Alliance will identify options for strengthening EU manufacturing capacity.</p> <p>The Alliance will also look at how strengthening international partnerships and cooperation could further diversify the supply chain.</p> <p>The Alliance will then provide recommendations on the most appropriate actions and instruments to tackle vulnerabilities to be put forward by the end of 2024. The recommendations of the Alliance can draw on a set of tools such as better leveraging of national and EU funding to promote innovative manufacturing projects, joint procurement or capacity reservation contracts like EU FAB.</p> <p>The Commission Communication of 23 October 2023 on Addressing medicines shortages in the EU³ stated that ‘the EU needs a strategic and coordinated industrial approach to enhance security of supply of the most critical medicines’ and that this ‘may require new legislation’. The Commission has therefore launched a study to see whether a legislative initiative could further enhance the EU’s security of supply. Results of this study are expected in early 2025.</p>
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https://commission.europa.eu/document/da376df1-c70e-48ba-8844-3024f25746b6_en

	<p>The Communication also suggests that a ‘new Important Project of Common European Interest (‘IPCEI’) could focus on developing innovative and sustainable manufacturing and production technologies and processes for generic medicines. This would both enable to increase innovative domestic production and foster environmental standards. It would also be an opportunity for the EU to lead in the greening of generic medicines production.’ On 28 May 2024, the Commission has adopted, under EU State aid rules, the ‘IPCEI Med4Cure’, to support research, innovation and the first industrial deployment of healthcare products, as well as innovative production processes of pharmaceuticals.</p>
<p>2.8. The EU must create an attractive and innovative environment for the research, development, and production of medicines. This involves supporting the EU’s research and production capacities and enhancing collaboration between science and industry, maintaining large-scale production capacity and technical capability to respond to crises identified by the Health Emergency Preparedness and Response Authority (HERA), and addressing needs.</p>	<p>In April 2023, the Commission adopted a proposal to revise the EU 20-year old pharmaceutical legislation. The reform of the EU pharmaceutical legislation aims to promote accessibility and affordability of medicines across the EU, whilst assuring the competitiveness of the European pharmaceutical industry. The reform introduces (i) modulated incentives that specifically reward innovation and supply in all Member States, (ii) cheaper medicines, through earlier availability of generics and biosimilars and (iii) faster procedures and simplification.</p> <p>The Commission’s Health Emergency Preparedness and Response Authority (HERA) has been established to improve Europe’s ability to rapidly respond to health emergencies, amongst others by addressing vulnerabilities and strategic dependencies within the Union related to the development, production, procurement, stockpiling and distribution of medical counter-measures.</p>

	<p>HERA supports Europe's research and development and manufacturing capacities through various measures.</p> <p>EU4Health funding is being used by the Commission to fund a range of grants on innovation in fields related to pandemic response, including innovative manufacturing of medical countermeasures.</p> <p>Under the Horizon Europe Cluster, 1 'Health' the EU also provides funding to support research and innovation with the aim, among others, of improving and protecting the health of citizens by generating new knowledge and developing innovative solutions to prevent, diagnose, monitor, treat and cure diseases⁴.</p> <p>The EU FAB project maintains manufacturing capabilities in mRNA, viral vector and protein-based vaccines that can be activated quickly during a public health emergency. In May 2024, the Commission has also launched a call for proposals to support innovative manufacturing technologies and processes in the Union for medicines production.</p> <p>The HERA INVEST mechanism is designed to attract and leverage private and public investments in innovative technologies related to medical countermeasures.</p> <p>The Commission intends to reinforce its horizon scanning and foresight capacities to proactively identify emerging innovations and technologies in order to contribute to a rapid adaptation and response.</p>
2.7. For the EU to be recognised as a leading hub for the pharmaceutical industry, it is vital	The Commission is supporting a large-scale skills Partnership for the European Health

⁴ Further aims include developing health technologies, mitigating health risks, protecting populations and promoting good health and well-being in general and at work. This cluster also aims to make public health systems more cost-effective, equitable and sustainable, prevent and tackle poverty-related diseases.

<p>to establish a stable and future-proof regulatory environment and ensure fair reimbursement practices for the industry. Transparency in production costs and the availability of well-trained professionals are critical factors.</p>	<p>Industry coordinated by European Institute of Innovation and Technology (EIT) Health that brings together stakeholders from the healthcare sector, including from the pharmaceutical industry and universities. The health partnership will focus on improving the sector's skills intelligence and monitoring new training programmes aligned with the industry's skills requirements. It will also help to draft a skills strategy for the European health industry.</p> <p>In view of the prices of medical products the Commission notes that Member States are primarily competent for medicine pricing and reimbursement.</p>
<p>2.6. While investment in new manufacturing efforts in Europe will contribute to greater resilience, there is a need for new approaches to access and procurement. These approaches should create the right financial incentives to invest in manufacturing within Europe and maintain large-scale production of critical/essential medicine.</p> <p>5.9. Urgent reform of EU procurement rules is essential, integrating security of supply criteria and is anticipated in future Commission guidance. This reform, crucial for a resilient pharmaceutical sector, should include a streamlined approach to the joint procurement of medicines. The Critical Medicines Act[1], aiming to strengthen EU capabilities in medicine production, aligns with the EESC's objectives of enhancing medicine supply security and reducing dependency on external sources.</p> <p>6.6. Regarding competitiveness, the EESC encourages promoting transparent fair-trade practices, responsible sourcing and eco-friendly manufacturing processes within the</p>	<p>Regarding point 2.6. of the Committee's opinion, still in 2024, the Commission intends to issue EU guidance on procuring medicinal products, with the aim of contributing to procurement practices that effectively integrate the need for supply security.</p> <p>Further use of procurement at EU level (including joint procurement) might be an option for improving resilience. Aggregating volumes in this way could enhance demand signalling and provide incentives for long-term investment in more resilient supply chains in the EU. The Commission will explore, with Member States, different options to improve access and availability of medical countermeasures in this way.</p>

<p>global pharmaceutical industry, to build a more sustainable and ethical supply chain.</p>	
<p>6.1. The EESC recommends engaging in bilateral and multilateral agreements focused on trade in medicines, joint research initiatives, and shared manufacturing projects. These collaborations are essential for balancing global medicine distribution and mitigating the risks associated with single-source dependency. With a strong pharmaceutical industry, the EU can contribute to a more equitable and diversified global pharmaceutical landscape.</p>	<p>Given the complexity of pharmaceutical supply chains, diversification is essential to reduce supply chain vulnerabilities. Through trade policy and partnerships, the Commission is committed both to opening new markets and diversifying sources of supply and attaining greater harmonisation and regulatory convergence at global level.</p>

N°2 Chemicals – ‘One Substance, One Assessment’
COM(2023) 779
COM (2023) 781
COM (2023) 783
EESC 2023-05710 – NAT/911
586th Plenary Session – March 2024
Rapporteur: John Comer (IE-III)
DG ENV – Commissioner SINKEVICIUS

Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.1. and 1.2. The EESC welcomes the one substance, one assessment package and the establishment of the common data platform on chemicals	The Commission appreciates the Committee’s support to the initiative aiming to improve the effectiveness, efficiency, coherence and transparency of scientific and technical work on chemicals and to establish a one-stop-shop platform on chemicals bringing together data on chemicals held by relevant EU agencies and the Commission.
1.3. The ECHA will take over tasks that have so far been carried out by the Commission, supported by ad hoc committees and external consultants. The failure to publish the new regulation on reorganising the ECHA means that it is not possible to make a full assessment of the role of the ECHA in the OSOA system. This role is critical for the OSOA approach to functioning successfully.	The role and tasks of the European Chemicals Agency (ECHA) are clearly described in the three proposals covered by the One Substance, One Assessment (OSOA) package ⁵ . Proposed provisions allow Member States to nominate experts to support the work of ECHA’s existing committees with additional expertise and allow ECHA to remunerate the work of rapporteurs. Ad hoc solutions are being put in place by ECHA to enhance the efficiency of its scientific committees. Finally, the accompanying legislative financial statement allocates (with relevant substantiation) additional resources to ECHA to be able to manage the increased workload deriving from the OSOA package. With these provisions the Commission is confident that the role of ECHA is clear and ECHA can

⁵ proposals on reattribution of tasks - COM(2023) 781 and COM(2023) 783 - and proposal for a regulation on the common data platform - COM(2023) 779

	manage the new tasks even if a new regulation on organisation of the ECHA has not yet been proposed.
1.4. The ECHA may commission scientific studies, on its own initiative or at the Commission's request, when results cannot be obtained through existing legal provisions or processes under EU legislation. It is not clear whether business operators will be compelled to cooperate in the conducting of these scientific studies or whether they will be able to appeal against an ECHA request.	The business operators will not be compelled to cooperate on the studies and therefore there is no need for a possibility for business operators to appeal against it.
1.5. The confidential provisions in the Common Data Platform must be clearly defined so that industry operators have full confidence in the system. In this regard it is very positive that access to confidential information can be audited. In addition, greater clarity on sharing and reusing chemicals data must be provided when the Commission publishes the common data platform governance scheme.	When providing data to the common data platform, the agencies and the Commission will need to indicate which information is confidential. Such confidentiality marking is done according to the confidentiality rules that apply under the legislation under which the chemicals data is generated. As such, there is no change in the confidentiality regime of data made available via the common data platform as compared to today. When authorities use the data contained in the platform, they will easily see which data is confidential and which not. Authorities need to respect the confidentiality marking. Rules on data sharing and re-use are clearly laid out in the proposal. Authorities are allowed to use the data contained in the platform for the implementation of chemicals legislation and for the development of chemicals policy. The proposal clearly states that authorities shall not re-use data from the platform to fulfil somebody's legal duties, e.g. they cannot use the data to compile an applicant's dossier, as this would shift the burden of proof. The burden of proof should remain on the original duty holders at all times.

<p>1.6. In the case of commissioned studies, there is a lack of clarity as to how disagreements will be resolved.</p>	<p>The data generation mechanism is proposed to complement the existing mechanisms for provision of data and not to duplicate it. The data generation mechanism will therefore generate the complementary studies to those provided by existing mechanisms. Therefore, there should not be disagreements among the studies. All studies will be then considered in the assessment using a weight of evidence approach, as is the case today. As with any other case, different assessors may arrive at different conclusions on the same weight of evidence case, which may include study results from commissioned studies. Such differences or disagreements should be resolved like any other case under respective legislative pieces. The proposal to strengthen provisions on solving divergent scientific opinions among the EU agencies (proposed as part of the re-attribution of tasks regulation) will further help in this respect.</p> <p>As regards the decisions on which studies to commission, the legal text is clear that it is up to ECHA or up to the Commission to ask ECHA to commission studies.</p>
<p>1.7. The notification of studies will add to the administrative burden on businesses. It will need to be carefully monitored, depending on the governance rules applying to the ECHA.</p>	<p>The notification of studies will increase the administrative burden only slightly. It is estimated that it will take approximately 30 minutes to prepare and submit a study notification. It is the intention to follow the already existing practice in the food sector and where no significant administrative burden was encountered. Nevertheless, the Commission will monitor the implementation in line with the better regulation principles.</p>
<p>1.8. These proposals are complex and will have an overarching impact on the regulatory framework for chemicals in the EU. The fact that no scientific work has been taken away from existing agencies has the potential to</p>	<p>The suitability and impact of allocation of certain tasks to ECHA was carefully assessed in the accompanying staff working</p>

<p>cause uncertainty as to whether the ECHA will be able to manage the system in such a way as to achieve maximum synergies and cooperation.</p>	<p>document⁶. The tasks were only assigned to ECHA if they fit its mandate and synergies with existing work could be identified. The legislative financial statement proposes to allocate additional resources to ECHA which are adequate to the work attributed. Where relevant, provisions were included in the proposed amendments allowing Member States to reinforce ECHA's committees by nominating additional experts and allowing ECHA to reimburse work of rapporteurs. Based on this, the Commission is confident that ECHA will be able to manage the system.</p>
<p>1.9. The new proposals must ensure the widest possible access to documents containing chemical data and it is essential that strict rules apply in this regard.</p>	<p>All data available in the common data platform will be made publicly available, except for confidential data which will only be accessible to the authorities (Member State competent authorities, EU agencies and the Commission). The centralisation of all chemicals data in one platform that will be easily accessible and the actions taken under the proposal to increase findability and interoperability will indirectly lead to an increased transparency of the chemicals data.</p>
<p>1.10. The EESC observes that the package currently falls short on ensuring that the data is reliable and fully exploits the valuable insights from independent research such as peer-reviewed academic studies, which are relevant for regulatory purposes.</p> <p>1.11. A mechanism is needed that promotes the uptake of independent academic data in the early warning and action system, as well in the general context of environmental and health assessments.</p>	<p>The reliability of data is a responsibility of the data submitters and those who accept them (i.e. the EU agencies or the Commission). The reliability is routinely assessed, also as part of the assessment of chemicals.</p> <p>The Commission shares the Committee's view on the value of data from independent research. The proposal requires research data from human biomonitoring co-financed by the EU budget to be made available to the European Environment Agency. The Commission is also entitled to request an appropriate agency to host data originating</p>

⁶ https://environment.ec.europa.eu/system/files/2023-12/SWD_2023_850_1_EN_autre_document_travail_service_part1_v2.pdf

	<p>from research projects if found valuable and appropriate. Finally, the early warning and action system will include academic literature reviews.</p> <p>The Commission considers these provisions, in combination with the work initiated by the Commission at the Organisation for Economic Co-operation and Development (OECD) level to improve documentation of scientific studies to be suitable for regulatory assessments, to be an adequate way on how to improve uptake of academic data in the regulatory assessments.</p>
1.12. In the event of failure to resolve differing scientific opinions it is essential that the precautionary principle apply in order to protect public health and the environment.	The Commission agrees.

N°3 EU forests – new EU Framework for Forest Monitoring and Strategic Plans
COM(2023) 727
COM(2023) 728
EESC 2023-02733 – NAT/898
586th Plenary Session – March 2024
Rapporteur: Florian Marin (RO- II)
DG CLIMA – Commissioner HOEKSTRA
DG ENV – Commissioner SINKEVICIUS

Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.1. [...] The proposed forest monitoring framework should be treated as a statistical and not an oversight tool, given that forest management is mostly a national responsibility. [...] Any data collected should be used in a manner that respects the rights and interests of forest owners and forest managers;	<p>The proposed forest monitoring framework will provide the data that underpin evidence-based policy making including in the fields of climate, environment and agriculture, supporting forest owners and managers. The EU has a variety of competences shared with Member States that address forests, including in these fields. The Court of Justice of the EU has confirmed since 1999 that forest protection falls under the EU environmental legal basis. The Union has exercised its competences respecting the principle of subsidiarity. This does not mean that the proposal will regulate forest management choices which are typically taken at local level.</p> <p>The proposal requires Member States and the Commission, in line with existing EU legislation on open data and access to environmental information, to make the data publicly accessible. This will improve the transparency of the data and promote its reuse for the purposes of improving knowledge on the European forests. The Commission is fully aware that some data might be confidential or sensitive. The Commission will establish, jointly with Member State</p>

	<p>experts, confidentiality safeguards for data related to the explicit location of monitoring sites in Member States. Having in mind the rights and interest of forest owners and managers confidential or sensitive data will not be published.</p>
<p>1.2. [...] More clarity is needed in the regulation concerning destination, usage and validation of data, which should be taken into account for future secondary legislation;</p>	<p>Member States and the Commission will remain owners of the forest data they will collect and share under the Forest Monitoring Framework. The data gathered will be put to the best possible use and benefit for a wide range of stakeholders, for forest policy making and to enhance the Forest Information System for Europe (FISE) to become the corner stone for harmonised forest data in Europe. Data will be collected and made available for example to support Union policymaking and implementation in relation to climate-change adaptation and mitigation, biodiversity conservation and disaster risk prevention and management as well as National Forest management and integrated long-term planning by the Member States.</p> <p>The proposal foresees for the Commission to adopt secondary legislation in close consultation with Member States including rules for quality assessment of data.</p>
<p>1.5. [...] suggests that the role of the Standing Forestry Committee should be strengthened, including with regard to future work on forest monitoring; relevant civil society stakeholders should be part of it, taking into account the prominent role of forests for society</p>	<p>The Commission proposal for amending the Council Decision setting up a Standing Forestry Committee⁷ aims to strengthen the Committee, extending its tasks and broadening its membership. Transforming the Committee into the Forest and Forestry Expert Group through a more inclusive membership - to ensure that all Member States' authorities that are competent for the different policy</p>

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0727>

	<p>objectives pertaining to forests - will reinforce cooperation and multidisciplinary exchange between the Commission and the Member States.</p> <p>As part of this mandate, the expert group will provide the framework for cooperation and coordination between the Commission and the Member States/other experts in the implementation of the Forest Monitoring Regulation.</p> <p>Close engagement with relevant civil society stakeholders is ensured through the forest and forestry stakeholder platform that has been established in 2023.</p>
1.8. [...] calls for dedicated training resources for forest managers, owners and workers to ensure a comprehensive and successful approach to implementing the EU forest monitoring framework.	<p>In the EU forest Strategy for 2030⁸ the Commission announced that it will encourage forest and forestry stakeholders to establish a skills partnership under the Pact for Skills and make use of the European Social Fund Plus to work together to increase the number of upskilling and reskilling opportunities in forestry. The Commission is currently doing preparatory work on this deliverable and will take monitoring aspects into account.</p>
3.4. Concerns about [...] the cost-benefit balance of new regulations must be adequately addressed to ensure that they support, rather than hinder, the effective management of forests in each Member State.	<p>The impact assessment underpinning the development of the proposal includes a dedicated cost-benefit analysis. The analysis showed that the proposal can deliver economic benefits to a wide range of stakeholders while costs are limited to the EU institutions and public administration, proportionate to actual needs for aligning National monitoring systems in place. Costs can be partly counterbalanced by better use of satellite</p>

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https://commission.europa.eu/document/cf3294e1-8358-4c93-8de4-3e1503b95201_en

	imagery that the Commission will offer with Copernicus free of charge.
3.10. Dedicated funds or the possibility of using existing funds to develop and implement long-term forest plans or to update the existing plans should be assured. [...] specific subsidies should be made available for gathering, generating, managing and monitoring the data up to a certain level of data.	<p>Member States might seek financial support through relevant EU funds such as Horizon Europe, LIFE or Cohesion policy funds.</p> <p>The Commission is fully aware that dedicated efforts should be made to support countries, which face challenges in accessing EU funds due to their low participation rates. The Commission will therefore support Member States through different means such as technical guidance if requested by the Member States and use of Copernicus services free of charge.</p> <p>Furthermore, the call for action grant under the Digital Europe Programme encourages proposals to promote the use of Earth Observation and digital progress in forest monitoring. The topic was published on 13 February 2024 and open for submissions 29th February – 31 May 2024. The session is now closed for submissions. Updates about the call and the evaluation process will be published at the EU Funding & Tenders Portal. The evaluation will be carried out in June and the granting process will start afterwards.</p>
3.13. [...] more clarity is needed on the role of the Commission in coordinating the forest data collection process and collaboration between Member States should be possible when forests span several Member States or extend to third countries.	The proposal provides for a dedicated integrated governance framework which specifies that Member States shall cooperate among each other and coordinate their action in relation to data management, as well as providing for the Commission and the Member States to use existing international cooperation and monitoring mechanisms and networks.

<p>3.14. Forest data should be collected alongside data on interlinked areas such as rural development, circular economy, science or digitalisation. [...] Ensuring the dynamic nature of the forest data collection system by adding new sets of data should be constantly evaluated.</p>	<p>The Monitoring framework concerns forest data. Synergies with data collected under other monitoring instruments on interlinked areas can be exploited when feasible. The Commission will adopt Delegated Acts to amend the technical specifications of forest data to adapt them to technical and scientific progress when necessary. An amendment of the list of indicators will be possible by amending the Regulation.</p>
<p>4.2. [...] exploring whether biodiversity data included in the regulation should cover relevant variables other than birds, taking into account the complexity of the forest ecosystem and the distribution of species.</p>	<p>The proposal provides for the collection of several data including deadwood, stand structure and tree species composition and richness that facilitate the estimation of biodiversity trends. In addition, it foresees the development of further biodiversity indicators such as forest structure, forest naturalness classes, diversity of non-tree vegetation and threatened species to strengthen biodiversity monitoring further.</p>
<p>4.3. [...] EU Member States which benefit from forests to have a long-term forest plan, while respecting existing national long-term forest plans, and Article 13 should be modified in this regard.</p>	<p>Planning has been designed as voluntary element in response to subsidiarity concerns raised within the sub-group to the Standing Forestry Committee that contributed to the preparation of the proposal.</p>
<p>4.4. [...] Sufficient time and guidance should be provided to the Member States to implement the forest monitoring framework, given that a deadline of 30 months following the entry into force of this regulation is ambitious.</p>	<p>The proposal builds on existing monitoring systems in the Member States and many of the indicators are already collected, for example via existing National Forest Inventories. Member States shall share the latest available forest data specified under Annex II of the proposal while additional data that will require further development laid down in Annex III is to be collected following a stepwise approach. The timeline for such a stepwise approach</p>

will be specified in an Implementing Act that the Commission will adopt following consultation with Member State experts.

N°4 Review of passengers' rights framework
COM(2023) 752 final
COM(2023) 753 final
EESC 2023-05130 – TEN 825
586th Plenary Session – March 2024
Rapporteur: Ileana IZVERNICEANU DE LA IGLESIAS (ES-III)
DG MOVE – Commissioner VALEAN

Points of the European Economic and Social Committee opinion considered essential	European Commission position
Conclusions and recommendations	
1.3. The EESC is concerned about citizens' general lack of awareness when it comes to their rights and about problems they encounter trying to exercise these rights, and therefore believes information to be the most useful and effective tool available to travellers so that they know their rights and can exercise them if they are breached. The EESC therefore recommends that the Commission ensure that tourism service providers provide extensive, quality information directly to travellers, even if this information is also available elsewhere, for example online.	The Commission agrees that the lack of passenger awareness and the problems encountered by passengers trying to exercise their rights requires adequate information to be made available to travellers. The proposals oblige to inform passengers digitally by default; this would then enable the passengers to exercise their rights quickly and effectively. The Commission takes note of the recommendation that tourism service providers should inform extensively travellers on their rights by all available means.
1.4. The EESC calls on the Commission to make efforts to improve the information that is available to travellers before booking trips – especially if there are any changes or interruptions – and to ensure that the information is understandable to all users. The Committee suggests strengthening outreach through information campaigns.	The Commission takes note of the Committee's comments and would underline that Article 5 of the proposal on passenger rights in the context of multimodal journeys ⁹ aims to improve the delivery of travel information to passengers both before and during the journey on disruptions and delays, amongst others. In addition, the Commission undertakes annually passenger rights online campaigns in all Member States to raise awareness of passengers about their rights under EU law.

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0752>

<p>1.5. The EESC greatly appreciates the improved protection for passengers with disabilities and reduced mobility (PRMs) and recommends that the Commission extend this improved protection to passengers travelling with children, as it is clear that they often face many difficulties.</p>	<p>The Commission considers that improving the barrier-free access to collective transport could also help passengers with children. Taking into consideration the principle of subsidiarity, relevant legislation was already adopted to make railways (both trains and railway stations), certain buses and certain maritime ships accessible. The revised TEN-T Guidelines will help to enhance the accessibility of the relevant urban transport hubs. The EU also supports financially via various funds (Connecting Europe Facility (CEF), Cohesion Funds) projects to make transport more accessible.</p>
<p>1.7. The EESC calls for the regulation to be truly effective and enforced and, to this end, that the reports that companies need to submit every two years be monitored, with penalties imposed for non-compliance.</p>	<p>The Commission takes note of the Committee's comments that the proposed reporting from companies (e.g., either on their service quality standards or through direct sharing of information to national enforcement bodies) should be subject to proper supervision of national enforcement bodies and draws the Committee's attention to the already existing possibility for Member States to impose effective, proportionate and dissuasive financial sanctions as appropriate.</p>
<p>General comments</p>	
<p>3.4. However, the EESC considers the Commission's proposal to be unambitious, seeking only to reform the shortcomings in the implementation and enforcement of existing passenger rights identified through various studies and EU bodies, and not explicitly establishing any new rights for passengers. It is primarily aimed at striking a balance between passenger protection and the obligations of carriers and infrastructure managers, which until now has been lacking. The proposal also fails to recognise the vital role of workers in the</p>	<p>The Commission takes note of the Committee's comments and underlines that the European Court of Auditors, in audits performed in 2018 and 2021 as well as the public consultation performed in the context of the impact study supporting these proposals, identified the enforcement of passenger rights as the main concern to be addressed urgently by the Commission. The Commission recalls that its proposal on multimodal passenger rights will establish new rights for the benefit of</p>

<p>sector, who need to be well-trained and well-treated.</p>	<p>passengers. It also clarifies and enhances existing rights which support easier enforcement.</p> <p>Passenger rights Regulations do not include working conditions of transport workers in their scope. The Commission dealt with these in other contexts (i.e. the proposals for minimum wages, platform work etc).</p>
<p>3.5. The EESC is concerned about citizens' general lack of awareness when it comes to their rights and about problems they encounter trying to exercise these rights. A special 2019 Eurobarometer survey concluded that less than half of all EU citizens know that passengers have rights. Only one third know their travel rights. This is a recurring problem that distances citizens from the EU's objectives to build an economy that works for the people. The EESC believes that the Commission proposal should help to improve the situation of public transport users within the European Union.</p>	<p>The Commission shares the Committee's concerns on the low awareness of citizens of their rights. On top of measures undertaken by the Commission such as passenger rights awareness campaigns, a number of other measures have been proposed to remedy the current situation, such as the establishment of service quality standards, common forms for requests for compensation and reimbursement, the transfer of information to passengers by electronic means or the stringent supervision of carriers and terminal operators by national enforcement bodies (including on the information on passenger rights).</p>
<p>3.7. The EESC believes that the legislative proposal must be carried out in a harmonised way and be consistent with the revision of Directive (EU) 2015/2302 on package travel and linked travel arrangements, as even though these services are of a different legal nature, it is difficult for consumers to differentiate between them when contracting a service. The EESC recommends that both proposals harmonise consumer protection in the interest of avoiding differences that would affect</p>	<p>The Commission underlines that the rules of the Directive on package travel¹⁰ and the proposal to revise it¹¹ are also consistent with the proposal on passenger rights in the context of multimodal journeys.¹² Whilst both deal with travel, they concern two separate markets. Whereas this proposal – in line with the existing legislation on passenger rights and the proposal to amend it¹³ – exclusively deals with passenger transport services (e.g. a combination of a rail and bus service), the rules on package</p>

¹⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2302>

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A905%3AFIN>

¹² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0752>

¹³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0753>

<p>competition between the various market players.</p>	<p>travel cover a combination of different travel services offered by an organiser (e.g. a package combining a flight and hotel accommodation). This proposal also clarifies that where a right to reimbursement arises under Directive (EU) 2015/2302, it should apply instead of this Regulation with regard to single multimodal contracts. Moreover, it specifies that this Directive should apply where an organiser combines transport services for the purpose of a multimodal journey as part of a package.</p>
<p>3.8. The failure to enforce consumer protection legislation is a problem that has not been solved by the tools available to consumers. Undertaking collective legal action is very difficult in practice. Taking conflicts from such a massive sector to court leads to problems, additional costs and inefficiencies for all those involved. The EESC believes that public mechanisms that are quick, effective and that ensure the compliance of all forms of transport procurement options available to consumers (directly with the provider or through physical, digital or intermodal intermediaries) should be promoted so as to ensure equality between all market players. It therefore recommends that travel documents include: 1) where to submit complaints to the travel service operator; and 2) to which alternative dispute resolution systems the consumer can resort if they do not receive a satisfactory response.</p>	<p>The Commission takes note of the Committee's comments and recalls that there are already measures in force obliging operators to inform passengers where to submit complaints and that its new proposal provides for national enforcement bodies to inform passengers, where necessary, about their right to seek individual redress using alternative dispute resolution bodies.</p> <p>In addition, the Commission proposed to amend the ADR (alternative dispute resolution) Directive to modernise and simplify rules on out-of-court dispute resolution to adapt them to digital markets.¹⁴ To make this option more accessible to consumers, designated bodies such as the European Consumer Centres Network will assist consumers in understanding and accessing alternative dispute resolution procedures. The goal of the proposal is also to expedite the procedures.¹⁵</p> <p>In addition, the Consumer Protection Cooperation Regulation supports enforcement, too. For example, following</p>

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52023PC0649>

¹⁵ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5049

	<p>dialogues with the Commission and national consumer authorities during 2021, 16 major airlines made far-reaching commitments to bring their practices back in line with EU consumer and passenger rights law with regard to flight cancellations.¹⁶</p>
<p>3.9. The EESC calls for greater efforts to make cross-border dispute resolution mechanisms more effective, as a substantial proportion of trips and travel arrangements are made in a country other than that of the contracting party. In this regard, the EESC wishes to highlight TRAVEL-NET, a network which focuses on facilitating cross-border dispute resolution, and recommends that the Commission take its observations into account in this legislative proposal.</p>	<p>The Commission notes the Committee's comments and recalls that passengers have many options to seek redress in travel cases including European Consumer Centres (travel disputes is their top issue), the National Enforcement Bodies for passenger rights, consumer organisations or Alternative Dispute Resolution (ARD) bodies. The passenger rights Regulations as well as the proposals of 2013 and 2023 promote the use of ADR redress for all modes of transport.</p> <p>Besides, consumers are able to protect their collective interests in the EU via representative actions, the legal actions brought by representative entities (so called qualified entities). The Representative Actions Directive ¹⁷ provides that all EU countries have in place a mechanism of representative actions. The Directive improves consumers' access to justice, while it also contains appropriate safeguards to avoid abusive litigation.</p>
<p>3.11. Despite the improved protection mentioned above, the bankruptcies of airlines and operators and, above all, the impact of COVID-19 have demonstrated that the various operators involved in any one trip have differing and unequal obligations to take out insolvency insurance or guarantee funds. Although the Commission has proposed to look</p>	<p>The Commission underlines that EU-registered airlines are subject to financial oversight by the enforcement authorities of Regulation (EC) No 1008/2008, whereas package travel organisers are not subject to such a strong enforcement regime. Measures to improve the financial fitness and resilience of air carriers, with the aim</p>

¹⁶ https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions/air-travel_en

¹⁷ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.409.01.0001.01.ENG

<p>into the matter in future legislative acts, the EESC believes it necessary to create solid insolvency regimes applicable to all actors and operators involved in each trip, regardless of their size (SMEs and large companies), so that similar rules are applied for similar risks.</p>	<p>to further pre-empt situations of bankruptcy or liquidity crisis, are being considered in the context of the possible revision of the Air Services Regulation¹⁸ where work remains ongoing.</p>
<p>Specific comments</p>	
<p>4.1. The EESC believes that the Commission's proposal to clearly regulate the right to reimbursement – in money and where tickets were booked through an intermediary – is appropriate. The option for the carrier to decide, with the agreement of the intermediary, which of the two parties receives the request from the consumer is appropriate, as it tells the consumer, from the time of booking, to whom they should address a claim for compensation or reimbursement if problems arise. However, the EESC believes that the regulation specifically applicable to intermediaries in air travel should be extended to other means of transport to ensure harmony and equality between the various means of transport.</p>	<p>The Commission welcomes the support of the Committee.</p> <p>The Commission has not proposed to extend these rules to the other modes because the consultations and studies preparing the impact assessment did not show sufficient evidence of a problem in the other modes of transport.</p>
<p>4.6. The NEBs, which should have the same duties in all Member States, should be</p>	<p>The Commission agrees that monitoring by the Network Equipment-Building System</p>

¹⁸

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32008R1008>

<p>responsible for monitoring individual operators' compliance with the provisions of the regulations. At the same time, the Commission should still play an active role, particularly when it comes to practices that are put in place across various EU Member States. The EESC believes it necessary to extend the Commission's scope for action in investigating and sanctioning practices suspected of going against the regulations. The proposed text includes the possibility to request information, without detailing possibilities for action. In addition, this possibility is restricted to road, rail and maritime transport. The exclusion of air transport is not adequately justified, and therefore differences in treatment between the various transport alternatives should be avoided.</p>	<p>(NEBs) should be more harmonised throughout the Union and that it is its role to be vigilant about suspected practices of non-compliance with passenger rights regulations. However, the Commission would like to recall that it has proposed that NEBs in all modes of transport including air (see article 1(6) and specifically Article 16bb Sharing of information with national enforcement bodies) could request relevant documents and information from operators. Moreover, air transport has not been excluded from the possibility for NEBs to investigate suspected practices at the request of the Commission, because this proposal was already made for air in the proposal COM(2013)130 final to amend Regulation (EC) No 261/2004 (see article 1(15) Cooperation between Member States and the Commission).</p>
<p>4.10. Although the initiative is a positive one, the EESC believes that the protection offered to travellers by the proposed regulation is limited. It should be improved for single multimodal contracts. In the EESC's view, care and assistance obligations need to be more clearly defined, so that those obliged to provide these services are not able to easily circumvent them. Unless the terms for assistance are more clearly defined, there is a risk of leaving the responsibility entirely in the hands of the carrier, who could in practice fail to provide assistance, causing harm to the passenger which is very difficult to repair. In the same vein, the EESC finds it unfortunate that the proposal does not provide for compensation for fully integrated tickets.</p>	<p>The Commission takes note of the Committee's comments on multimodal journeys and would like to point out that the proposed rules on assistance under Article 9 are similar to those in Article 20 of the Regulation on rail passengers' rights and obligations¹⁹. With regard to compensation, the Commission would like to clarify that the rules on compensation under the existing passenger rights rules continue to apply to the transport services under the multimodal journey, albeit considered per mode of transport.</p>
<p>4.12. Similarly, although not the subject of this opinion, the EESC considers it necessary to draw attention to a serious problem: the</p>	<p>The Commission agrees on the importance of a positive travel experience for passengers, including through sufficient</p>

¹⁹

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0782>

distortion of competition caused by the lack of a specific regulation on hand luggage and its inclusion in ticket prices. The EESC highlights the CJEU's ruling in case C-487/12²⁰, according to which hand luggage should not be subject to a price supplement, and therefore points out that the scope and specific requirements for the weight and dimensions of hand luggage need to be defined as soon as possible. In line with previous opinions, the EESC believes that the *acquis* of the Court of Justice of the Union in this area should be incorporated into legislation on consumer protection.

and transparent information on airlines' baggage policies and the prices for different ticket options, and takes note of the Committee's concerns in this regard.

To support transparency and comparability of air ticket prices, Regulation 1008/2008 already contains rules designed to ensure that passengers have clear information about the price of air tickets, including for ancillary services. Under Article 22, air carriers are free to set air fares and air rates for EU air services. This has enabled the unbundling of certain services allowing airlines to offer genuinely lower prices to customers who do not want to use those supplementary services. This Regulation also requires that all unavoidable and foreseeable price elements should be included in the price displayed to the consumer, and that any additional price supplements should be clearly communicated at the start of any booking process.

The Commission recalls that in case Vueling C-487/12, the Court of Justice of the European Union (CJEU) considered that the carriage of hand baggage cannot be made subject to a price supplement, on condition that such hand baggage meets reasonable requirements in terms of its weight and dimensions and complies with the applicable security requirements (which should be understood, in the context of that judgment, as safety requirements). However, the CJEU did not define what would constitute 'reasonable requirements'. In order to define what is 'reasonable' it would be important to consider several factors, including the passenger's needs in the performance of

²⁰ [Judgment of the Court \(Fifth Chamber\) of 18 September 2014. Vueling Airlines SA v Instituto Galego de Consumo de la Xunta de Galicia, C-487/12, ECLI:EU:C:2014:2232.](#)

the basic contract of carriage, which may encompass as a minimum an allowance of luggage permitting an overnight stay, the dimensions of hand luggage as defined by the carriers themselves and depending on the configuration of the aircraft and the degree to which seats are taken, the fact that it may not be possible for all passengers to bring into the cabin the carry-on hand luggage.

The Commission is monitoring the situation and is aware of the many different policies applied by airlines in respect of dimensions and weight of carry-on luggage. It understands that those varying policies can sometimes create inconvenience and/or confusion for passengers. The work done so far as part of the Commission's ongoing review of Regulation (EC) No 1008/2008, including via an Open Public Consultation conducted in spring 2022, has looked at possible measures to address passengers' difficulties in comparing flight offers. Due to the complexity of the file, including ongoing changes in market dynamics, further analysis is needed. Although final decisions on concrete policy measures are outstanding and would now be for the next Commission, the Commission can confirm that hand luggage pricing policies are among the topics being looked at in this context.

In the meantime, the Commission proposal of 2013 to amend Regulation (EU) No 261/2004 and Regulation (EC) No 2027/97 already partly addresses related concerns by requiring air carriers to inform passengers of the baggage allowance applicable to their respective bookings. Further, the passenger rights proposal adopted on 29 November 2023, followed

by an open letter on 6 December 2023 from Commissioner Vălean, calls for the airline industry to engage fully with other relevant stakeholders to agree on common industry standards and on the weight and dimensions of hand luggage. Therefore, the Commission aims to hold a stakeholder workshop at end of June or early July 2024 in order to take stock of progress. If no solution can be found among stakeholders, the Commission may need to carefully assess possible regulatory options.

N°5 Wind Power Package
COM(2023) 668 final
COM(2023) 669 final
EESC 2023-05073 – TEN/827
586th Plenary Session – March 2024
Rapporteur: Thomas KATTNIG (AT-II)
DG ENER – Commissioner SIMSON

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1. The EESC points out that the Communication is aimed exclusively at large companies. It must be remembered that the energy transition will only be a success if citizens and organised civil society are invited to become active drivers of it. Therefore, the EESC calls for effective citizen participation as the 7th pillar of the Wind Power Action Plan (WPAP). Without that, social acceptance of the transition, and especially wind power, is at risk. Energy communities, energy cooperatives, and energy sharing as a form of extended prosumption are important vehicles to boost the dissemination of wind power.</p>	<p>The Commission agrees that citizen participation is a key success factor for the energy transition. The Clean Energy Package has provided new possibilities in this regard, which were reinforced through the Fit for 55 package and the implementation of the REPowerEU plan. The Wind Power Action Plan does not address only large companies, but the entire wind supply chain. This includes a multitude of companies operating across different segments of the supply chain, distributed across many Member States and including also small and medium enterprises. Some of the actions proposed under the Wind Power Action Plan – for instance those on accelerated permitting or on auction visibility – will benefit in particular small and medium enterprises which have more limited resources to deal with administrative procedures compared to larger companies.</p>
<p>1.3. In the coming years, there will be a huge need for workers in the wind power sector in general and skilled workers in particular. This need can only be met if massive investment is made at national and EU level in training and retraining programmes. In close cooperation with the social partners at all levels, it must be ensured that the new jobs created in the wind</p>	<p>The Commission fully shares this view. The fifth pillar of the Wind Power Action Plan focuses on skills and the need to up-skill and re-skill workers to meet the challenges of ramping up wind manufacturing and installations. The Wind Power Action Plan invites the large-scale skills partnerships for</p>

<p>energy sector offer high-quality working conditions and secure, long-term prospects for employees.</p>	<p>renewable energy to design projects that support skills development for the renewable energy sector, including wind. It also mentions that the Net-Zero Industry Act will facilitate the launch of European net-zero industry skills academies.</p>
<p>1.4. The EESC is convinced that, if the problem of land scarcity – faced by at least some Member States – is not resolved, there is a risk that the objectives of the Renewable Energy Directive (RED III) will not be achieved.</p>	<p>The revised Renewable Energy Directive (RED)²¹ calls on Member States to favour multiple uses of areas, combining the production of renewable energy with other uses of land and the sea, for example, food production or nature protection or restoration, as long as these activities are compatible with one another and can co-exist. Multiple use can alleviate the concerns identified and needs to be steered by comprehensive spatial planning to identify potential synergies.</p>
<p>1.6. The EESC regrets that the Wind Power Action Plan (WPAP) does not recognise energy communities, energy cooperatives, and energy sharing as a form of extended prosumption despite their importance in social, economic and energy efficiency terms. Once again, the EESC must point out that the Commission does not fulfil the promises made in the Strategic Framework for the Energy Union and the Clean Energy Package to place citizens at the centre of the energy system and promote energy communities.</p>	<p>The objective of the Wind Power Action Plan is to support EU companies in the wind sector and improve their competitiveness to ensure that the EU wind industry can continue to play a key role in the green transition. The Commission actively supports Member States in the implementation of the provisions of the Clean Energy Package on citizen energy communities and renewable energy communities, thereby contributing to the vision of the Strategic Framework for the Energy Union. Here, citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, participate actively in the market, and where vulnerable consumers are protected. The Commission is providing such support e.g. through the Concerted Action CA-</p>

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023L2413&qid=1699364355105>

	<p>RES, the annual Citizens' Energy Forum, the upcoming Energy Communities Facility and Citizen Energy Advisory Hub. Energy communities are also supported through various EU funding instruments, including Horizon Europe, LIFE, cohesion funds and Next Generation EU. Moreover, energy sharing is further reinforced and widened through the provisions of the revised Electricity Market Design, based on the Commission's proposals to further expand the possibilities for citizens to actively engage in the energy transition.</p>
<p>1.7. The EESC notes that purely price-based auctions promote a race to the bottom that harms the environment, workers and disadvantages companies that are eager to contribute, e.g. through investments in environmental and biodiversity protection, because they fail to consider high environmental, labour and social standards. Therefore, high pre-qualification criteria should be applied to auctions to ensure that all bidders comply with security, occupational safety, collective bargaining and environmental requirements such as the need to promote a circular economy.</p>	<p>Action 4 of the Wind Power Action Plan invites Member States to include in their auctions objective, transparent and non-discriminatory qualitative criteria and measures to maximise the execution rate of the projects. For this purpose, the Commission launched a dialogue with Member States and stakeholders to improve, simplify and provide consistency in the design of renewable energy auctions in order to address shortcomings resulting in project delays or abandoning. This dialogue focused, among other things, on the opportunity to include in auctions pre-qualification and/or award criteria that promote wider social values such as cybersecurity, responsible business conduct, environmental sustainability, innovation, energy system integration and the resilience of the supply chain. On the basis of this dialogue, the Commission will soon adopt a recommendation and guidance that aims to provide suggested standard elements to auctions, in full complementarity with the Net-Zero Industry Act, as well as making auction design more uniform and efficient.</p>

	<p>Furthermore, in the context of the Wind Power Action Plans, the Commission committed to support the co-legislators in introducing in the Net-Zero Industry Act provisions related to objective, transparent and non-discriminatory pre-qualification criteria for auctions and strengthening the use of the non-price award criteria, including notably considerations related to business conduct, cybersecurity and data security as well as ability to deliver the project fully and on time.</p>
<p>1.9. Wind power should be seen as critical infrastructure, with all corresponding privileges and due diligence obligations. The EESC calls for a comprehensive reflection incorporating the AI Act and the implementation of the Critical Entities Resilience Directive and the Revised Directive on Security of Network and Information Systems (NIS 2 Directive).</p>	<p>The Commission's recommendation and guidance on auctions will include elements related to cybersecurity. In addition, based on the Wind Power Action Plan, the Commission supported the introduction of a cybersecurity pre-qualification criterion during the negotiations for the Net-Zero Industry Act.</p> <p>Action 5 of the Wind Power Action Plan provides that the Commission will identify cybersecurity risks relevant to wind energy installations and related infrastructure, including data protection aspects, in view of assessing whether these could be exploited to damage economic security or the security of electricity supply in the EU. This identification and assessment will be carried out in the context of the risk evaluation exercise currently led by the Commission with the High Representative and the Network and Information Systems (NIS) Cooperation Group, as referred to in the Council Recommendation of 8 December 2022 on a Union-wide coordinated approach to</p>

strengthen the resilience of critical infrastructure.²²

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023H0120%2801%29>

N°6 Medical devices/Eudamed
COM(2024) 43 final
EESC-2024-00746 – INT/1060
586th Plenary Session – March 2024
Rapporteur-general: Danko RELIĆ (HR-III)
DG SANTE – Commissioner KYRIAKIDES

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1. The European Economic and Social Committee (EESC) calls for the transitional periods for certain high-risk in vitro diagnostic medical devices (IVDs) to be extended. This is important because of the need to prevent shortages and maintain essential healthcare services, particularly in areas such as blood or organ donations and life-threatening infectious diseases.</p>	<p>The Commission thanks the Committee for its positive opinion regarding the Commission proposal.</p>
<p>1.2. The EESC calls for a pragmatic, consistent framework to provide advance warning about supply disruptions and foster collaboration among manufacturers, independent conformity assessment bodies ('notified bodies') and regulatory authorities; this will ensure a high level of transparency and preparedness across the EU.</p>	
<p>1.4. The EESC is in favour of a gradual roll-out of the European database on medical devices (Eudamed): this will enhance transparency and monitoring and ensure that devices meet the highest safety and efficacy standards without first waiting for all modules to be completed.</p>	
<p>1.3. The EESC stresses the need to involve healthcare professionals in reporting shortages, and calls for a system that includes reports from both manufacturers and</p>	<p>The Commission considers that health institutions and healthcare professionals should rather be the receivers of information from manufacturers about</p>

<p>healthcare professionals in order to improve the timeliness and accuracy of shortage notifications.</p> <p>4.6. The EESC suggests that reporting obligations on shortages include healthcare professionals and not solely manufacturers. Reports from several sources can make notifying shortages significantly more effective. Engaging healthcare professionals in this reporting mechanism could greatly improve the timeliness and accuracy of the information received, thereby enhancing the market's ability to respond swiftly and effectively to any supply issues.</p>	<p>anticipated interruptions or discontinuation of the supply of certain medical devices or in vitro diagnostics if the interruption or discontinuation can result in serious harm to patient safety or public health. The Commission considers that introducing an obligation of healthcare professionals to report shortages would go beyond the scope of Regulations (EU) 2017/745 and 746²³.</p>
<p>1.5. The EESC emphasises the need for comprehensive training programmes for all stakeholders in the medical device sector, including 'train-the-trainer' programmes; this will ensure widespread dissemination of regulatory and technical competencies.</p> <p>5.1. The EESC emphasises the critical need for comprehensive training programmes for all stakeholders involved in the medical device sector, including SMEs, larger enterprises and regulatory bodies. It urges the European Commission to initiate and facilitate 'train-the-trainer' programmes to ensure that essential regulatory and technical competencies are adopted throughout the industry. This initiative is seen as a vital step in ensuring that all entities, regardless of size, are equally prepared and equipped to comply with the evolving regulatory requirements; this will keep up the EU's high standards of healthcare and patient safety.</p>	<p>The Commission has taken a series of measures to support the implementation of Regulations (EU) 2017/745 and 746, including to assist SME manufacturers. For example, in the framework of the EU4Health Programme, actions are being developed to support preparedness of manufacturers (e.g. trainings, webinars) and facilitating access to notified bodies, especially for the small and medium-sized enterprises SMEs (matchmaking platform). Targeted support to small and medium enterprises (SMEs) is also provided through the Enterprise Europe Network²⁴.</p> <p>In addition, the European Medicines Agency, which, on behalf of the Commission, provides the technical secretariat for the experts panels designated under the Medical Devices Regulations, has launched a pilot project to provide scientific advice on the intended clinical development strategy</p>

²³ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017R0745> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R0746>

²⁴ <https://een.ec.europa.eu/>

	<p>and proposals for clinical investigation for certain high-risk medical devices. Scientific advice is currently free of charge and priority is given to SMEs. Furthermore, with respect to the European database on medical devices (Eudamed), the user's onboarding strategy that the Commission is in the process to develop, which includes trainings, webinars and technical documentation, based on the 'train-the-trainer' principle, will contribute to and enhance the preparedness of all actors to the mandatory use of Eudamed ensuring a smoother transition to the Regulations.</p>
<p>1.6. The EESC highlights the importance of SMEs in the medical device sector due to their dynamic and adaptable nature, and calls for support mechanisms such as subsidies and simplified compliance pathways to enhance their innovative capabilities and competitive edge.</p> <p>4.2. The EESC recognises the proposal's potential to drive innovation in the medical device industry by establishing rigorous safety and efficacy standards which will boost both consumer confidence and competitiveness in the global market. It highlights the crucial role of SMEs due to their agility and adaptability which enables them swiftly to address potential shortages of medical devices and IVDs. However, as SMEs can find it difficult to cope with stringent requirements, the EESC calls for support mechanisms such as subsidies and simplified compliance pathways. It also recommends fostering dialogue between manufacturers, regulatory bodies and stakeholders in order to smooth the transition to the new regulatory framework, thereby enhancing SMEs' innovative capabilities and competitive position.</p>	<p>The Commission acknowledges the importance of SMEs in the medical device sector. Besides existing actions aimed to support SMEs, the Commission, together with national authorities, further explores means to provide targeted support to micro-enterprises and other SMEs to comply with regulatory requirements and enable innovation.</p>

<p>1.7. The EESC suggests that an EU-wide platform be set up to facilitate dialogue between stakeholders, including SMEs, healthcare professionals, manufacturers and regulatory bodies; this will make it possible to address challenges and share best practices in medical device innovation and regulation.</p> <p>1.9. The EESC considers that it is crucial to involve civil society organisations in the regulatory process, particularly those representing patients and relevant associations of manufacturers and distributors; this will ensure comprehensive and patient-centric regulations.</p> <p>5.6. The EESC highlights the need for a supportive environment that allows healthcare professionals to voice concerns and suggestions regarding medical device usage and safety, and ensures that their invaluable frontline insights are built into regulatory discussions and decision making.</p> <p>5.7. The EESC attaches great importance to involving civil society organisations, particularly those representing patients and relevant associations of manufacturers and distributors, in the regulatory process for medical devices. These organisations must have a voice in shaping regulations that have a direct impact on patient care and safety.</p> <p>5.8. The Committee calls for greater transparency and inclusiveness, ensuring that patient representatives are actively involved in discussions on device safety, efficacy and accessibility. To facilitate this, the EESC recommends establishing formal mechanisms for patient advocacy groups; this will enable them to contribute to policy development and review processes and ensure that the patient perspective is consistently integrated into decision making.</p>	<p>In accordance with Regulations (EU) 2017/745 and 746, the Commission has set up the Medical Device Coordination Group (MDCG). Its members are representatives of national competent authorities. European level associations representing various stakeholders (e.g. industry, notified bodies, healthcare professionals and patients) participate in the MDCG as observers. The Commission would welcome participation of more patient organisations in the MDCG.</p> <p>The Commission attaches utmost importance to involving healthcare professionals and patients in discussions related to the implementation of the Regulations. In accordance with Regulation 2017/745, the Commission has set up expert panels whose members are experts in their respective medical field. Their tasks are to provide the Commission, Member States, notified bodies and manufactures with scientific and technical advice, contribute to guidance and other relevant documents, and to identify emerging issues of concern regarding medical devices and in vitro diagnostic medical devices.</p>
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<p>4.7. The EESC encourages the European Commission and the Member States to foster cooperation between manufacturers, independent conformity assessment bodies and regulatory authorities; this will make it possible to establish a pragmatic and consistent framework for providing advance warning, ensuring a high level of transparency and preparedness across the EU. Additionally, it emphasises the importance of supporting the development of national agencies in charge of medical devices. This approach aims to strengthen the overall healthcare infrastructure, ensuring that local situations and needs are addressed properly and aligning healthcare infrastructure with EU-wide standards of safety and efficacy.</p>	<p>Within the MDCG, notified bodies, manufacturers and authorities exchange views and cooperate with a view to supporting the implementation of Regulations (EU) 2017/45 and 746.</p>
<p>5.2. The EESC emphasises the critical importance of addressing the impact of regulatory changes on workers and labour conditions within the medical device sector. It highlights concerns regarding job security, the need for reskilling given new technological and regulatory requirements, and the potential for increased work-related stress. The EESC calls for proactive measures to ensure that workers' rights and working conditions are not adversely affected.</p> <p>5.3. With a view to mitigating these challenges, the EESC recommends engaging in constructive dialogue with trade unions and worker representatives to develop training programmes, support systems and transitional measures that safeguard employment and promote a healthy work environment.</p>	<p>While acknowledging that regulatory changes regarding a specific product sector may have implications on individuals working in that sector, the Commission does not consider that Regulations (EU) 2017/745 and 746 have any direct impact on workers in the medical device industry nor on their rights or working conditions. The EU Occupational Safety and Health (OSH) legislation applies to all workers independently of the product sector involved. The Framework Directive on the introduction of measures to encourage improvements in the safety and health of workers at home ²⁵and related directives – such as, for example, the Work Equipment Directive²⁶, set minimum requirements allowing Member States to set higher standards of workers' protection. According to the Framework Directive, the employers have the obligation to ensure the safety</p>

²⁵ 89/391/EEC <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A01989L0391-20081211>

²⁶ (Directive 2009/104/EC) <https://eur-lex.europa.eu/eli/dir/2009/104/oj>

and health of workers in every aspect related to work and the directive therefore covers all risks, including those with a psycho-social nature, such as stress, as well as those stemming from new technologies. It provides for various obligations on the employer including, for example, the obligation to ensure that the planning and introduction of new technologies are the subject of consultation with the workers and/or their representatives, as regards the consequences of the choice of equipment, the working conditions and the working environment for the safety and health of workers. It also contains provisions on training which is obligatory in the event of the introduction of any new technology.

N°7

Regulation on the welfare of dogs and cats and their traceability

COM(2023) 769 final

EESC 2024 – NAT/922

586th Plenary Session – March 2024

Rapporteur: Maciej Dawid KUNYSZ (PL-III)

DG SANTE – Commissioner KYRIAKIDES

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.2. The Committee points out that developing identification and registration systems is key to improving the welfare of dogs and cats, as it makes it easier to trace animals' origin and health history. The introduction of uniform requirements in this area in each country will help fight the illegal trade and help improve monitoring of animal movements between EU countries. In the EESC's view, different identification methods should be considered, including microchips and pet passports, which will ensure easy access to information about the animal and its health status.</p>	<p>The Commission agrees that developing identification and registration systems is key to improving the welfare of dogs and cats. Article 17 of the proposal for a Regulation on the welfare of dogs and cats and their traceability²⁷ complements the existing rules on the traceability of movements of dogs and cats within the EU and from non-EU countries provided under the animal health legislation. It introduces mandatory identification by means of microchipping for all dogs and cats kept in establishments and placed on the market in the Union. Additionally, it requires all dogs and cats identified to be registered in a national database.</p>
<p>1.3. The EESC points out that this regulation has a significant impact on the pet market, as it will potentially increase costs for breeders and dealers, who will have to adapt to the new requirements. The European Commission should make every effort to ensure that these additional costs are seen as an investment in greater animal safety and welfare and consumer protection.</p>	<p>As identified in the Staff Working Document summarising evidence supporting the legislative proposal on the welfare of dogs and cats and their traceability²⁸ the measures improving the welfare of dogs and cats and their traceability will inherently contribute to improving consumer protection. The measures ensure that animals are reared in conditions that reduce the risks of health or behavioural issues occurring, while at the same time allowing consumers, operators and competent</p>

²⁷

COM(2023) 769 final, hereafter referred to as the Commission 'proposal for a Regulation'.

²⁸

SWD(2024) 88 final

	<p>authorities to trace the animal back to its establishment of origin when an issue is detected.</p>
<p>1.5. The unregulated trade in dogs and cats leads to numerous problems, including issues relating to animal welfare, human health risks and ensuring competitiveness in the EU's internal market. The proposed regulation must aim to limit the illegal trade by introducing strict requirements for breeders and dealers, including requirements for licensing, registration and compliance with specific welfare standards, including mandatory neutering, which is the only durable solution for curbing the phenomenon of stray pets. In addition, improving transparency and tracing the origin of animals must aim to protect consumers from unintentionally purchasing animals from illegal sources. The EESC calls for minimum rules on penalties for infringement of the regulation.</p>	<p>The Commission cannot require that breeders and dealers do the neutering themselves because they often sell the dogs and cats before those are old enough to be neutered. Member States who have adopted mandatory neutering (e.g. Belgium for cats) require this from pet owners. The Union has no competence to impose obligations on pet owners who keep dogs and cats for companionship without placing dogs and cats on the market. In particular, it cannot require that all pet owners neuter their dogs or cats.</p> <p>The Commission proposal for a Regulation contains rules for registration and approval of establishments regarding animal welfare and aims to strengthen the transparency and tracing of the origin of dogs and cats placed on the market.</p> <p>Regarding penalties, as stated in recital 56 and Article 27 of the proposal for a Regulation, Member States must lay down effective, proportionate and dissuasive rules on penalties applicable to infringements of the Regulation and ensure that they are implemented.</p>
<p>1.6. When implementing the new legislation, the Committee recommends that particular attention be paid to support and education for breeders and dealers to help them adapt to the new requirements.</p>	<p>Article 18 of the proposal for a Regulation requires the competent authorities to ensure that training courses for animal caretakers are available, and to approve the content of such courses. Transitional periods are provided for, which are proportionate to the nature of the changes in the activities of the establishments.</p>

<p>3.2. Stray dogs pose a serious problem in several areas of Southern and Eastern Europe and a serious threat to public health, increasing the risk of aggression against humans and livestock and transmission of rabies. The only sustainable approach to decreasing the number of stray dogs is the introduction or, as the case may be, the enforcement of mandatory neutering policies for animals in shelters and for non-purebred animals with identifiable owners.</p>	<p>The Commission agrees with the problems identified. By introducing mandatory requirements as regards to identification and registration of dogs and cats, the proposal is expected to have a positive impact on the management of stray dog population.</p> <p>The Union has no competence to impose obligations on pet owners who keep dogs and cats for companionship without placing dogs and cats on the market. Only Member States are well placed to identify the root causes of stray dog populations and have the competence to take appropriate action, including neutering policies.</p> <p>Protection against rabies is ensured by the Union animal health legislation.</p>
<p>3.3. A major area of concern for animal welfare is the breeding of dog and cat breeds with a brachycephalic (shortened, flattened) head structure, which also raises ethical questions due to related health problems.</p>	<p>The Commission agrees with the comment of the Committee. Article 6 of the proposal for a Regulation requires for operators to ensure that breeding strategies do not result in genotypes and phenotypes that have detrimental effects on the welfare of the dogs and cats, or of their descendants. It also provides for an empowerment for the Commission to lay down more specific rules in this regard.</p>
<p>3.7. The EESC points to the need to develop financial and advisory support programmes for small-scale breeders in order to enable them to adapt to the new rules without jeopardising their activities. These programmes should include grants, tax breaks and access to training and educational resources.</p>	<p>Article 4 of the proposal for a Regulation exempts operators of establishments keeping or breeding a small number of dogs and cats from the more economically burdensome requirements.</p>

3.9. It is essential to make digital sales platforms more accountable, to put in place rules and oversight mechanisms that oblige these platforms to verify the identity of sellers, the origin of the animals being sold and compliance with existing national legislation on animal welfare, such as neutering legislation. Platforms should also ensure that sales notices comply with statutory animal welfare and traceability requirements. Platforms could be required to remove illegal notices and cooperate with law enforcement authorities to combat the illegal trade in animals. Such actions can make a significant contribution to improving animal protection and increasing the safety and reliability of online transactions.

The Digital Service Act²⁹ (Regulation (EU) 2022/2065) sets out a number of due diligence obligations that apply to online intermediary services, including obligations applicable to online marketplaces that are relevant for the trade of dogs and cats. Additionally, Article 17 of the proposal for a Regulation, in line with Article 31 of the Digital Services Act, requires online platforms to design and organise their interfaces in a way that allows the suppliers providing the sale or the donation of dogs or cats to provide proof of the identification and registration of the dogs and cats intended for sale or donation. The Digital Services Act sets out meaningful obligations on the traceability of traders that apply to all traders selling or providing services through online marketplaces, including the sale and donation of dogs and cats. In particular, online marketplaces are obliged to suspend contractual relationships with traders providing inaccurate or incomplete information. In addition, the Commission will develop a system, available to the public free of charge, allowing to verify the authenticity of the identification and registration in a database of a dog or a cat. Finally, the Digital Services Act provides with an obligation for online platforms to put in place a notice and action mechanism to tackle any information that individuals or entities may consider to be illegal content. The Digital Services Act does not define what is illegal or what is not so, i.e. whatever activity or content is

²⁹ 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), *OJ L* 277, 27.10.2022, p. 1–102.

defined as illegal under national or EU law will be considered as such under the Act. Finally, even though the Digital Services Act includes a prohibition of general monitoring obligation for online platforms to monitor or to actively seek illegal activities (as also previously enshrined in the e-Commerce Directive, and confirmed by long-standing and well established case-law), injunctive relief is always possible in line with national legislations under the conditions set out the Digital Services Act itself.

<p>N°8 Boosting long-term inclusive growth through reforms and investment (exploratory opinion requested by the Belgian Presidency of the Council of the EU) EESC 2023-04451 – ECO/630 586th Plenary Session – March 2024 Rapporteur: Javier DOZ ORRIT (ES-II) Luca JAHIER (IT-III) Wautier ROBYNS DE SCHNEIDAUER (BE-I) DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.8. The EESC recommends further strengthening the monitoring of the EPSR implementation in the European Semester, as the Semester is one of the main mechanisms for overseeing broad economic, fiscal and social policy-making. The Semester should be used for better coordination and for monitoring progress across the full spectrum of EU objectives. EU funding rules could be made more flexible in order to support meeting these targets.</p>	<p>The implementation of the European Pillar of Social Rights (EPSR) remains a policy priority to promote upward social convergence in the EU. The Joint Employment Report (JER) by the Commission and the Council, a key element of the European Semester Autumn Package, monitors the employment situation in the EU and the implementation of the Employment Guidelines. To provide a more systematic analysis of employment and social developments in the Member States, the 2024 JER³⁰ includes a stronger country-specific focus based on the features of the Social Convergence Framework, relying on existing tools. Moreover, the European Semester Country Reports include a comprehensive overview of employment, skills and social challenges related to the implementation of the EPSR.</p>
<p>2.3. [...] the EESC considers it crucial that the reform of fiscal rules take into account national specificities and give Member States that need to improve their debt or deficit ratio – through smart and credible reforms – more means for social</p>	<p>The new economic governance framework that entered into force on 30 April carefully balances the achievement of sound and sustainable public finances with the need for sustainable and inclusive growth and resilience and provides more tools for</p>

³⁰ <https://op.europa.eu/en/publication-detail/-/publication/93b9c730-8da5-11ee-8aa6-01aa75ed71a1/language-en>

<p>investment, with these reforms helping to lower borrowing costs.</p>	<p>Member States to manage their own adjustment path to increase the resilience of their public finances. The new framework allows Member States for a longer fiscal adjustment period (from four years to up to seven years) provided that they propose a medium-term fiscal structural plan underpinned by a sufficiently detailed, front-loaded, time-bound and verifiable set of reforms and investments that are growth and resilience-enhancing, support fiscal sustainability and address common EU priorities. Those common EU priorities explicitly include the implementation of the EPSR.</p>
<p>2.4. [...] the EESC reiterates its call to ensure that the implementation of the new rules, once definitively approved by co-legislators, in addition to guaranteeing the medium and long-term sustainability of Member States' public debts, preserve the conditions for sustainable growth of the EU economies, and in particular, the capacity to make the necessary social investments and the investments needed for the twin double transitions.</p>	<p>As noted in the previous reply, the implementation of the European Pillar of Social Rights (EPSR) is among the EU policy priorities that Member States are to address under their fiscal-structural plans. Reforms and investments to implement the EPSR would need to comply with the general criteria (outlined in reply to the previous question and applicable to all investments and reforms) to enable the Member State to benefit from a longer adjustment path, if they are part of the set of reforms and investment underpinning the extension.</p> <p>The Commission concurs with the Committee that the reforms and investments, including those contributing to the implementation of the EPSR and the achievement of a fair green and digital transition, will play an important role in the new economic governance framework as a key component of the medium-term plans.</p>
<p>2.5. [...] Strengthening social and territorial cohesion through the fight against poverty and inequalities and the effective implementation of the EPSR action plan, as well as boosting investment</p>	<p>The Commission concurs on the importance of strengthening social and territorial cohesion, combating poverty and reducing inequalities in the EU. The EU has set a headline target to reduce the number of persons at risk of poverty or social exclusion</p>

<p>in social infrastructure, must be among the EU's political priorities.</p>	<p>by at least 15 million by 2030, out of which at least 5 million should be children, in comparison to 2019. All Member States have set national targets³¹ to contribute to this common ambition. The EU supports efforts of Member States to achieve their targets with key initiatives such as the Council Recommendations on establishing a European Child Guarantee³², on adequate minimum income to ensure active inclusion³³, and on access to high-quality affordable long-term care³⁴, as well as the Directive on adequate minimum wages³⁵. Several EU funding instruments including cohesion funds (e.g. European Regional Development Fund, Just Transition Fund), the Recovery and Resilience Facility (RRF, including also support for reform efforts) and Invest EU are boosting investments in social infrastructure. Also, the Common Agriculture Policy (CAP) 2023-2027 provides Member States with the opportunity to invest into the development of basic services in rural areas, which contributes to the strengthening of territorial cohesion.</p>
<p>3.17. The use of EU funds in the field of social policy should carefully follow existing policy coordination frameworks such as the country-specific recommendations (CSRs) issued as part of the European Semester and the national RRP.</p>	<p>The country-specific recommendations (CSRs) proposed by the Commission seek to provide guidance to Member States on tackling key economic and social challenges (including, where relevant challenges related to the implementation of the EPSR and the 2030 targets on employment, skills and poverty reduction). Based on Article 22 of the Commons Provisions Regulation, the relevant CSRs are one of the bases for the identification of challenges to be tackled by cohesion policy programmes. Moreover, in</p>

³¹ <https://ec.europa.eu/social/BlobServlet?docId=25728&langId=en>

³² <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32021H1004>

³³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023H0203%2801%29>

³⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022DC0441&qid=1663313657917&from=EN>

³⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022L2041>

	<p>2019 and 2020, the country reports also included an Annex D, which provided more detailed and tailored investment guidance for cohesion policy funding in 2021-2027 (in 2019) and for the Just Transition Fund (in 2020), for each Member State. The Commission used these as a basis for the dialogue with Member States in the establishment of 2021-2027 programmes.</p> <p>As outlined in the Annual Sustainable Growth Survey (ASGS) 2024³⁶, the implementation of Recovery and Resilience Plans (RRPs) and complementarity with other EU funding instruments frames the European Semester in 2024. Based on Article 18 of the Common Provisions Regulation, the new challenges identified in 2024 CSRs are a reference point for the mid-term review of cohesion policy programmes due by March 2025. The Commission also aims to give orientations for the mid-term review in the framework of the analysis undertaken in 2024 European Semester process. Furthermore, the programming of cohesion policy funds, including the preparation of the territorial just transition plans (TJTP), has fully taken into account the guidance provided in the CSRs (i.e. Annex D).</p>
<p>3.18. The EESC considers it vital to facilitate and promote private investments. To this end, the Banking Union and the Capital Markets Union must be completed as a matter of urgency; public-private partnerships must be boosted through the EIB and other instruments, in particular venture capital. Solvency requirements should be reviewed to free up capital for productive long-term investments, which might be</p>	<p>The Commission concurs with the Committee that it is vital to facilitate and promote private investments. To this end, the Commission has taken significant steps to further the development and integration of EU capital markets. It has now delivered on all 16 actions of the second Capital Markets Union (CMU) Action Plan of 2020³⁷. Amongst others, the Commission reviewed the solvency requirements for banks and insurance companies with the aim of</p>

³⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023DC0901>

³⁷ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/capital-markets-union/capital-markets-union-2020-action-plan_en

discouraged if priority were given to a short-term view of these assets. The EU and its Member States need to address aggressive and unfair tax planning and promote a level playing field between Member States. The EESC welcomes the OECD proposals in this area to ensure that international tax rules are coherent.

ensuring that banks and insurance companies are not unduly constrained in their long-term investments by EU prudential rules. In particular, as regards insurance, the political agreement on the revision of prudential rules (Solvency II) introduces a dedicated preferential treatment on long-term equity investments, which will make it significantly less costly for insurers to invest in equities with a long-term perspective.

Nevertheless, the Commission agrees that the CMU is not yet complete, and it considers that further progress must be swiftly made. The Commission therefore welcomes the increased political focus on CMU over the past year, including the Statement of the Eurogroup in inclusive format on the future of CMU of 11 March 2024 and the conclusions of the European Council of 17-18 April 2024. The Commission urges the co-legislators to quickly find agreement on the still pending proposals, notably with regard to retail investment, and corporate insolvency.

Furthermore, the Commission welcomes the reference to the public private partnerships, among other financial instruments and budgetary guarantees used by the European Investment Bank (EIB) Group and other implementing partners of the Commission indirect management programmes.

The EU is placing the fight against aggressive tax planning high on its agenda. The EU has, through the European Semester, pushed Member States to act against aggressive tax planning. New withholding taxes on outbound payments to zero tax countries have been introduced by some Member States, as well as non-deductibility of interest and royalty payments to zero-tax countries or countries of the EU tax list of non-cooperative jurisdictions. Some citizenship

	<p>by investment regimes have also been abolished or amended. Since 2021, within the Resilience and Recovery Facility process, Member States have also committed to act against aggressive tax planning. Some of these commitments have already been fulfilled, with the widening of the scope of withholding taxes on outbound payments from the EU tax list of non-cooperative tax jurisdictions to zero or low tax countries.</p> <p>On 22 December 2021, the Commission presented a key initiative to fight against the misuse of shell entities for improper tax purposes.³⁸ The Unshell proposal should ensure that entities in the European Union that have no or minimal economic activity are unable to benefit from any tax advantages. After more than two years of negotiations in the Council, the Commission regrets that Member States have not yet found an agreement on the file and encourages them to approve the proposal, to protect the level playing field for the vast majority of European businesses and to ensure that taxpayers do not suffer additional taxes due to those that try to avoid paying their fair share.</p> <p>Furthermore, the EU has been supporting research, knowledge dissemination and inclusive debate on this topic through the financing of the EU Tax Observatory.</p>
<p>3.20. The review of EU economic governance is therefore a crucial opportunity to ‘future-proof’ the fiscal framework, to address the significant challenges that have emerged over the last decade and to strengthen European integration and strategic autonomy. It should establish the credibility of the</p>	<p>The Commission concurs with the Committee’s call for credible fiscal trajectories that put Member States’ debt burden on a sustainable downward path. To this end, as noted earlier in these replies, the new economic governance framework introduces risk-based surveillance which takes account of Member States’ individual</p>

³⁸ https://taxation-customs.ec.europa.eu/document/download/6fe0336b-d0f0-4bb8-9b97-6b8a567a10f7_en

<p>Member States' fiscal trajectories, as financial markets could sanction irresponsible or vague commitments. At the same time, the sustainability of public debt in the medium and long term should be made compatible with maintaining levels of investment that guarantee growth and the achievement of just transitions, notably through national FSPs.</p>	<p>situations, while establishing a strengthened enforcement regime to ensure Member States deliver on their commitments. At the same time, the revised framework will encourage Member States to undertake reforms and investments to ensure fiscal sustainability as well as sustainable and inclusive growth.</p>
<p>3.21. The rules of the Stability and Growth Pact (SGP) regarding social investment and infrastructure need to evolve towards long-term investments, and financial instruments need to become less fragmented and more blended and bundled.</p>	<p>Regarding social investments, the Commission welcomed the efforts made by the Spanish and Belgian Presidencies to promote a shared understanding of the potential of high-quality investments and reforms in the employment and social area for economic growth and fiscal sustainability. The ongoing work in the Economic and Financial Affairs (ECOFIN) and the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council configurations can further improve the contribution of high-quality employment and social policies to sustainable public finances and economic growth and to enhancing the competitiveness and resilience of the EU. The Commission concurs with the Committee that those reforms and investment should have a long-term orientation.</p> <p>As regards the Committee's call for financial instruments to become less fragmented and more blended and bundled, the Commission has contributed to this effort by federating 13 pre-existing financial instruments under the umbrella of InvestEU. This has favoured aggregation and bundling, both at the level of financial product and at project level. Project bundling is one of the activities foreseen under the InvestEU Advisory Hub. The InvestEU Fund allows for the smooth, seamless and efficient blending of grants, financial instruments or both, funded by the Union budget or by other funds, such as the</p>

	<p>EU Emissions Trading System (ETS) Innovation Fund with the EU guarantee in situations, where this is necessary to best underpin investments to address particular market failures or suboptimal investment situations.</p>
<p>3.22. [...] As a lesson learnt from the past, a reformed European Semester must prioritise social outcomes, alongside public finance and administration reforms. Monitoring this would need a fully integrated scoreboard integrating economic, social and environmental outcome indicators, meaning also a reform of accounting for return of investment, prioritising longer-term social infrastructure investments and crowding in private investments.</p>	<p>See answer to 1.8.</p>
<p>3.23. [...] The EESC considers it very important that the obligations and rights of complementary systems be regulated through social dialogue and collective bargaining. As regards self-employed people and workers with a low level of complementary benefits, measures are recommended to facilitate individual efforts to improve their level of protection, with guaranteed health benefits even after retirement age.</p>	<p>The Commission acknowledges the importance to regulate complementary system obligations and rights through social dialogue and collective bargaining. The Council Recommendation on strengthening social dialogue in the EU³⁹ advises Member States to ensure an enabling environment for bipartite and tripartite social dialogue, including collective bargaining, in the public and private sectors. As regards access to social protection, including health benefits, for the self-employed, the Council Recommendation on access to social protection for workers and the self-employed⁴⁰ recommends Member States to ensure access to adequate insurance-based social protection, including health benefits, for all.</p>
<p>3.24. We also need to consider and encourage the growing role of the social economy and social services of general</p>	<p>The Commission acknowledges the importance of the social economy and social services of general interest (SSGI) in</p>

³⁹

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202301389

⁴⁰

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019H1115%2801%29>

<p>interest (SSGI) that can also deliver effective responses to social demands and as a key catalyst for social innovation and creating new jobs and opportunities for sustainable growth⁴¹.</p>	<p>addressing social demands and fostering social innovation. The Council recommendation on developing social economy framework conditions⁴² recommends Member States to explore which services provided by social economy entities could be defined and financed as services of general economic interest, for example, in the field of work integration of vulnerable persons, social housing or health and social services. In 2023, as part of the implementation of the Social Economy Action Plan, the Commission organised a series of mutual learning workshops for public officials on the use of State aid rules to support the social economy. A special focus was given to the rules on services of general economic interest⁴³. Improving access to quality social services is also a key dimension of the European Care Strategy⁴⁴. Moreover, the Council Recommendation on adequate minimum income ensuring active inclusion invites Member States to ensure effective and equal access to services.</p>
<p>4.1. The EESC reiterates its call to the European institutions to deepen the debate on creating 'own fiscal capacity' and increasing budgetary resources beyond the current 1.1% of GDP, in order to boost investment in social areas and social infrastructure, to foster an inclusive economic growth and to strengthen the objectives of the digital and green</p>	<p>The Commission acknowledges the Committee's call to deepen the debate on increasing the EU's own fiscal capacity and budgetary resources beyond the current 1.1% of GDP. This matter is subject to political and legislative negotiations, which require the unanimity of Member States and the priorities in the next multiannual financial framework (MFF) will have to take into account existing, evolving and also emerging</p>

⁴¹ EESC opinions INT/1037 on the Social economy package, and the ongoing exploratory opinions for the BE Presidency, OJ C, C/2024/882, 6.2.2024, ELI: <http://data.europa.eu/eli/C/2024/882/oj>, INT/1044 on [Combatting poverty and social exclusion: harnessing the power of the social economy and socio-economic innovations](#) (not yet published in the Official Journal), and INT/1043 on [Developing a new European strategy for the Internal Market: helping our businesses to meet technological, social, environmental and competition challenges](#) (not yet published in the Official Journal).

⁴² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:202301344>

⁴³ Learning materials are available in the Social Economy Gateway: https://social-economy-gateway.ec.europa.eu/topics-focus/state-aid-social-economy_en

⁴⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022DC0440>

<p>transitions, as has been well conceptualised in the last three ASGSs.</p>	<p>new priorities and challenges of the Union. The Commission remains committed to addressing existing and emerging challenges head-on to ensure the continued prosperity of the EU. The adoption of the Commission proposals on new own resources⁴⁵ would be helpful in this respect.</p>
<p>4.4. Given that the cost for social protection should essentially remain in the remit of the EU Member States' budget, when supported by adequate means in the implementation of the revised EU economic governance framework, we should reflect on the creation of new forms of European support for the necessary investments in crucial social infrastructures, which are essential for the success of the transitions and can be considered EPGs.</p>	<p>High-quality investments and reforms in the employment and social area can support sustainable economic growth, social and territorial cohesion, and the sustainability of public finances, while also helping to address competitiveness challenges such as labour and skill shortages.</p>
<p>4.7. [...] In order to strengthen the social dimension of the European Semester, in line with the objectives of the EU's economic and fiscal policy, we need organised civil society participation, the effective use of appropriate social indicators, greater involvement of representatives of national and European political institutions and close coordination between the Commission, EPSCO and ECOFIN, and to conclude the work on the social convergence framework proposed by the Spanish and Belgian presidencies of the Council.</p>	<p>The Commission has a well-established practice of consulting social partners and civil society every year at different stages of the Semester process. The Commission is committed to ensuring close coordination with the Council to maintain a strong social dimension within the European Semester and, in this context, had welcomed the organisation of the Council session with the ECOFIN and EPSCO Ministers held on 12 March 2024 to discuss the relevance of social investment for economic growth. The JER by the Commission and the Council, a key element of the European Semester Autumn Package, monitors the employment situation in the EU and the implementation of the Employment Guidelines.</p>
<p>4.8. The 2025 review of the EPSR action plan provides an opportunity to more clearly and concretely define the outcomes</p>	<p>The objective of the European Semester, and the related legal basis (Art. 121 and Art. 148 TFEU), is to ensure the coordination of</p>

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https://commission.europa.eu/system/files/2023-06/COM_2023_330_1_EN_ACT_part1_v5.pdf

<p>of the reform, to review existing funds, to streamline social investment and to reinforce the monitoring of the EPSR implementation within the European Semester [...]. The European Semester should be used for better coordination and for monitoring progress across the full spectrum of EU objectives. EU funding rules could be made more flexible in order to support achieving these objectives. This would also ensure policy coherence. [...] The EESC therefore believes that the most appropriate incentive is to link the implementation of CSRs to the EU budget and to receive part of the funds from it, along the same lines as the RRF. Given that a significant part of the investment and management of social protection systems (and implementation of their reforms) takes place at local and regional level, the Committee stresses the importance of involving their democratic institutions in drafting future national fiscal and structural plans and in the main European Semester processes.</p>	<p>economic and employment policies of Member States.</p> <p>The Commission regularly assesses compliance with the CSRs. This assessment is published in particular as part of the annual Country Reports published as part of the Spring package. As outlined in the Common Provisions Regulation, Member States are encouraged to take into account relevant country-specific recommendations in the preparation of programming documents for cohesion funds. During the mid-term review of the Cohesion Funds, Member States should, among other elements, consider the need for programme modifications to accommodate new challenges identified in relevant country-specific recommendations adopted or modified since the start of the programming period. To implement CSRs, Member States also have the opportunity to obtain tailored expertise through the Technical Support Instrument.</p> <p>In full respect of national processes to organise consultation at the national level, the new economic governance framework requires that Member States include in their medium-term fiscal-structural plans information on the consultations of national parliaments and other relevant stakeholders.</p>
<p>4.9. Achieving the EU's social objectives and those of the twin and just transitions, and financing other EPGs requires the most effective use of limited financial resources. The EESC therefore proposes:</p> <p>a) reviewing the Structural and Cohesion Funds and coordinating their objectives, projects and flows with those of the last phase of NRP implementation;</p> <p>b) re-aligning the financial and policy instruments for social policy towards reform, reducing the fragmentation of</p>	<p>The cohesion policy funds, including the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund and the Just Transition Fund, will undergo a mid-term review according to Art. 18 of the Common Provisions Regulation. The review will result in the definitive allocation of 50% of the 2026-2027 funds (the flexibility amount), previously unavailable to cohesion policy programmes. The review will consider new challenges identified in country-specific recommendations, progress in implementing</p>

<p>existing instruments, and so increasing absorption rates;</p> <p>c) finalising financial incentives attached to reforms and identifying clear targets and a multiannual scope, with due regard to country ownership and specificity;</p> <p>d) studying the possibility of using ESM funds to finance investment programmes;</p> <p>e) strengthening and optimising existing public-private investment partnership instruments, in particular those of the EIB and InvestEU; and</p> <p>f) facilitating and attracting private investment with social value.</p>	<p>the EPSR and the socioeconomic situation of Member States or regions. The Member States will carry out the mid-term review at the level of each programme and submit to the Commission an assessment of the outcomes by 31 March 2025, together, if necessary, with a proposal to amend the programme. Commission services have begun preparatory work for the review.</p> <p>The Commission stands ready to continue supporting Member States in undertaking reforms, facilitating EU fund absorption, including with the help of the Technical Support Instrument.</p>
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N°9

**Towards the Common Agricultural Policy (CAP) post-2027
exploratory opinion requested by the Belgian Presidency of the Council of
the EU**
EESC 2023/03963 – NAT/913
584th Plenary Session – January 2024
Rapporteur: Stoyan TCHOUKANOV (BG-III)
DG AGRI – Commissioner Janusz Wojciechowski

Points of the European Economic and Social Committee opinion considered essential	European Commission position
Conclusions and recommendations 1.1. The EESC considers that the Common Agricultural Policy post-2027 must provide a stable long-term policy framework geared to sustainable food production and open strategic autonomy for the European Union, while protecting the diversity of types of farming in the EU and responding to societal and ecological needs ("public money for public goods"), alongside ensuring rural development.	<p>The Commission welcomes the inputs provided by the Committee on the long-term evolution of the Common Agricultural Policy (CAP).</p> <p>In the meantime, the Commission would like to highlight that President von der Leyen has launched in January 2024 a Strategic Dialogue on the future of EU agriculture, bringing together a number of stakeholders representing different actors of the food system, including European farmers. Conclusions of this dialogue are expected by September 2024 which will feed into the follow-up work of the Commission on the future of EU agriculture and food system.</p> <p>At the same time, while waiting for the new College to be in place, a series of technical workshops are being organised together with Member States and experts of the Civil Dialogue Group to map current problems and needs of EU agriculture and rural areas that will have to be addressed by the new CAP. The Committee has been also invited to join the discussions.</p>
1.2. The next CAP must be a wake-up call shining a spotlight on the need to adequately support farmers through the transition. Environmental and climate policies should not	The Commission remains committed to accompanying the farming sector in a just and fair sustainability transition, leaving no one behind. The current CAP 2023-

<p>be seen as a burden in the recovery from the current crisis, but rather as part of long-term solutions and guidelines for decision making in the future. The decline in the EU's textile and steel industries should serve to warn all policy makers that insufficient or inadequate support can trigger sudden and unintended transformation in sectors.</p>	<p>2027 has committed 32% of total public CAP funding dedicated to deliver environment/climate benefit and to encourage practices that go beyond the conditionality. At the same time, income support is subject to conditionality related to environment and climate. In addition, thanks to the small farmers payment and the complementary redistributive income support for sustainability, Member States have the opportunity to better target direct payments to the beneficiaries mostly in need. The Commission is closely monitoring the implementation across Member States and further improvements can be considered if needed.</p>
<p>1.3.4. In order to stop the further drop in the number of farms in the EU due to the lack of generational renewal, action needs to be taken on increasing average earnings from farming, access to land (through investment grants, preferential credit, national legislation regarding land transfer), favourable investment conditions under the second pillar (bringing additional private money), upskilling (of farmers, farm workers and advisors), empowerment of women, good labour conditions, improvement of long-term prospects for farmers (pensions, etc.) as well as the overall attractiveness of rural areas.</p>	<p>The Commission shares the view of the Committee. Access to land and capital are indeed among the main barriers for entering the farming sector.</p> <p>The last evaluation of CAP on generational renewal finds that the impact of CAP generational-renewal measures on the number of young farmers is mostly positive. The current CAP Strategic Plans (CSPs) support about 377 000 young farmers in setting up agricultural activities. This represents an increase, compared to the previous programming period, in most Member States. Setting-up grants and dedicated income support are also two key tools complemented in many CSPs by higher investment intensity rates. More tangible improvements can nevertheless be found in the targeting of resources and better use of financial instruments.</p> <p>Facilitating access to land and capital also requires changes of national legal, social and fiscal policies, which are under</p>

	the responsibility of Member States, to improve the coherence with CAP generational renewal goals.
1.3.5. The CAP must preserve the access to and sustainable use of agricultural land across the whole of the EU by avoiding land abandonment and promoting the sustainable exploitation of marginal land for extensive livestock breeding through targeted annual payments (e.g. payments for areas with natural or other area- specific constraints) as well as specific investment support targeting new entrants. Preserving sustainable agricultural production throughout the EU is a principle that should be included in the common agricultural policy in the future.	<p>There is a pattern across the EU to supplement income support for farming in areas with natural and other constraints (ANC). By compensating higher costs of producing food and feed in these areas, the support counters the risk of land abandonment and thus helps sustain certain environmental conditions.</p> <p>Regarding support for new entrants, about a third of CSPs provide set-up support to new farmers to facilitate access for new entrants in general.</p>
1.3.6. The CAP must contribute to promote consumer demand in the EU for healthier and more sustainable diets, decrease food waste and regulate food markets to address the financialisation of the food sector that drives severe speculation, as huge profits are being made while Europeans are struggling to deal with rising food prices.	<p>The current CAP explicitly tackles food and health issues in line with the key ambitions of the European Green Deal, aiming at increasing the sustainability of food systems through the Farm to Fork Strategy at all levels. Some CSPs give attention to reducing food waste, at times combined with efforts at preserving the value of resources - through investments, sectoral programmes and cooperation. Some plans also identify needs related to consumers' awareness regarding sustainable, healthy, and balanced diets. However, these issues are mainly considered as to be tackled outside the Plans, either within other EU or national relevant initiatives.</p>
1.3.7. Despite the fact that the share of the EU budget going to the CAP has fallen constantly over the past 40 years, from 65.5% in 1980 to just under 25% in 2021, while requirements for participating farmers have become ever more extensive and costly, the EESC strongly believes that CAP funding must be commensurate with its ambition to support a	<p>The share of the different policy areas is determined in the Multiannual Financial Framework (MFF). As more money is allocated to different policy areas, the share of the CAP has been subject to some reductions over the years.</p>

<p>just transition⁴⁶. In comparison, the share of the EU budget for functioning has increased by 36% between 1980 and 2021⁴⁷. Every euro devoted to effectively ensuring the EU's food security, food quality, protecting the natural environment and preserving rural areas and landscapes is money well spent.</p>	<p>However, the nominal amounts have remained stable.</p> <p>It is, however, important to highlight that in order to support the increasing number of tasks and policy areas, the Heads of State have allocated 6.8% of the funds to the Heading 7 administration in the current MFF.</p>
<p>1.3.8. Hikes in energy prices and risks of disruption in the supply of energy and fertilisers are part of the new normal, and the CAP should consider including counter-cyclical components and provide investment support schemes dedicated to improving the production and distribution of renewable energy at farm and local level in rural areas.</p>	<p>The Commission and Member States have reacted rapidly to energy price and supply challenges, e.g. through the measures outlined in the RePower EU communication⁴⁸ and the Commission Staff Working Document implementing the RePower EU action plan⁴⁹. This includes measures to increase biomethane production financed through the CAP. Support to renewable energy will with great certainty also part of future EU policies. Furthermore, the Communication 'Ensuring availability and affordability of fertilisers'⁵⁰ has outlined measures to ensure availability and affordability of fertilizers. The situation will be further monitored and further actions can be considered if needed.</p> <p>Moreover, the Social Climate Fund was created alongside the Emission Trading System^{2⁵¹}. It provides Member States with dedicated funding so that the most affected vulnerable groups, including people living in rural areas, such as households in energy or transport</p>

⁴⁶ EESC opinion on [Advancing the EU's just transition policy framework: what measures are necessary](#) (not yet published in the Official Journal).

⁴⁷ https://commission.europa.eu/system/files/2019-01/fin_report_08_en.pdf; https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282021%29690547.

⁴⁸ COM(2022) 230 final.

⁴⁹ SWD(2022) 230 final.

⁵⁰ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022DC0590\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022DC0590(01))

⁵¹ [ETS2 : buildings, road transport and additional sectors - European Commission \(europa.eu\)](#)

	poverty, are directly supported, and not left behind during the green transition.
1.3.9. The EESC suggests that the Commission consider reinforcing public/private partnership insurance schemes – voluntary in the individual Member State – in the CAP instruments after 2027 in response to the consequences of extreme climate conditions (droughts, freezing, floods, etc.).	The current CAP is already providing support to risk management and insurance with different levels of uptake in the different Member States. Further reinforcement might be considered, and lessons learned might be shared between Member States in implementing risk management instruments.
1.3.10. Digital technologies that demonstrably contribute to the reduction of natural and environmental impacts, improvement of animal welfare or working conditions should be further developed and implemented. When considering possible CAP investment support for these technologies from public European or national funds, the focus should be given on contributing positively to employment policies and national/regional development policies in accordance to the strategic plans.	The Commission shares the Committee's views that digital technologies are key to enable a wide range of objectives encompassing all dimensions of sustainability (economic, environmental and social). Policy support for digitalisation needs to recognise the diversity of EU farming systems allowing all farmers to benefit from a diverse array of digital solutions. Future policy proposals will build on the experience gained by the Commission and the EU Member States in developing digital strategies as part of the current CAP plans.
1.3.11. The process of designing and adapting the strategic plans should be reviewed to allow for stakeholder involvement, more flexibility for Member States and faster adaptations after their initial approval.	The Commission shares the need to ensure fast adaptations of the Strategic Plans when needed. The Commission has so far implemented the assessment of the revised plans in a very limited time to allow Member States a timely implementation. The Commission is also exploring further adjustments as part of the current simplification exercise.
General comments 3.1. The EESC was the first EU institution to call for a comprehensive food policy in the EU, with the aim of nurturing healthy diets by	The Farm to Fork Strategy ⁵⁵ has been strengthening the coherence and ambition of a number of policy initiatives, including the current CAP,

⁵⁵ COM(2020) 381 final.

<p>means of sustainable food systems, linking agriculture to nutrition and ecosystem services, and ensuring supply chains that safeguard public health for all sections of European society⁵². More generally, the EESC calls for action to foster the systemic change and wellbeing economy we need for the successful implementation of the European Green and Social Deal and the Sustainable Development Goals to secure a just transition, contributing, among other things, to more sustainable and fairer agri-food systems and thriving rural areas while respecting planetary boundaries⁵³. The EESC notes that European agriculture should be working towards agroecology: farming is dependent on natural resources and those resources must be preserved to ensure future prospects for the sector⁵⁴.</p>	<p>with the aim of accelerating the sustainability transition of the EU food system as whole.</p>
<p>3.2. The EESC has proposed a definition of open strategic autonomy applied to food systems based on food production, workforce and fair trade, with the overarching aim of ensuring food security and sustainability for all Europeans through fair, healthy, sustainable and resilient food supply⁵⁶.</p>	<p>Following the mandate of the European Council (Granada Declaration, October 2023⁵⁷), the European Union will need to be able to maintain sufficient productive capacity for a sustainable agriculture. In this respect, the Commission is committed to advance the work initiated under the Spanish Presidency. Further inputs of the Committee will be highly valuable.</p>
<p>3.7. An assessment of the current CAP shows that 20% of farms receive approximately 80% of agricultural support money⁵⁸, which might reflect the volumes of agricultural products produced on these farms, but not necessarily social needs or ecological services. In order to support a transition towards more sustainable</p>	<p>The Commission would like to highlight that thanks to the latest CAP reform 2023-2027, the direct income support is now less concentrated than before.</p> <p>The concentration of agricultural income support is driven by the concentration of land, as the majority of direct payments</p>

⁵² [OJ C 129, 11.4.2018, p.18](https://eur-lex.europa.eu/eli/journal/2018/129/11/2018-04-18/pt/0).

⁵³ [NAT work programme 2023-2025](https://ec.europa.eu/info/eu/2023-2025-work-programme_en).

⁵⁴ [OJ C 353, 18.10.2019, p. 65](https://eur-lex.europa.eu/eli/journal/2019/353/18/2019-10-18/pt/0).

⁵⁶ [OJ C 105, 4.3.2022, p. 56](https://eur-lex.europa.eu/eli/journal/2022/105/04/2022-03-16/pt/0).

⁵⁷ [The Granada declaration - Consilium \(europa.eu\)](https://ec.europa.eu/info/strategy/policies-in-focus/2023-2027-eu-strategy/declaration/declaration-2023-2027_en)

⁵⁸ https://agriculture.ec.europa.eu/system/files/2023-03/direct-aid-report-2021_en.pdf.

<p>production, the current basic income support could be further developed towards a system of targeted sustainability payments (including a significant incentive payment) linked to concrete actions benefitting climate, biodiversity and the environment. Small and medium-sized family farms should have the opportunity to choose to maintain an income support based on historic payments. During the transition period, the CAP should provide redistributive mechanisms and degressive payments or mandatory capping for all Member States.</p>	<p>are area-based payments granted per eligible hectare of land.</p> <p>At EU level, very small farms (below 5 ha) receive more direct payments (5,8%) proportionally to the land they farm (4,9%) whereas it is the opposite for biggest farm (beyond 250 ha).</p> <p>The last evaluation of the CAP measures indicate that internal convergence is generally effective in reducing disparities between farmers within Member States, but its implementation, along with the reduction of payments (degressivity), has been limited and has not always led to a noticeable improvement in a more equitable distribution of direct income support overall. However, the redistributive payment has been effective in targeting small farms. In the current CAP, the convergence of income support levels within Member States that still use 'historical' payment levels has been strengthened. At the same time, the higher level of resources allocated to the complementary redistributive income support for sustainability (CRISS) reinforces income support that goes directly to smaller and medium-sized farms.</p>
<p>3.9. In 2020, with only 6.5% of farm managers under the age of 35⁵⁹, there is a challenge on which everyone can agree: generational renewal in agriculture. The CAP is an instrument that must make this a priority. As good ideas at European level are not always taken up by Member States, a more ambitious budget for this objective with further harmonisation and an instrument for the uptake of young farmers would be positive.</p>	<p>The Commission supports the Committee's assessment that the ageing of EU farmers is one of the key challenges faced by rural areas. The Commission's evaluation of the CAP's impact on generational renewal⁶⁰ is mostly positive but recognises that the CAP on its own is not sufficient to address main entry barriers into farming, including access to land and access to</p>

⁵⁹ [Eurostat regional yearbook 2023](#).

⁶⁰ [The impact of the common agricultural policy on generational renewal, local development and jobs in rural areas - European Commission \(europa.eu\)](#)

<p>Generational renewal is an integral part of the horizontal, multi-level issues of access to land, access to investment (capital intensive sector), position in the value chain, development of knowledge and skills, and the attractiveness of rural areas.</p>	<p>capital. While the CAP 2023-2027 provides the framework for delivering more integrated approaches, there is further scope for Member States to optimise the interplay with national policies, given the significant role of other policies in fostering generational renewal and addressing needs in rural areas⁶¹</p>
<p>4.1.2. The EESC emphasises the need for improved policy coherence to pick up the pace of the green and fair transition. Decarbonisation and non-fossil-based energies must be accorded greater importance in agricultural and rural policies, and other sectoral policies need to take greater account of these objectives.</p>	<p>To achieve the carbon neutrality objective in 2050, major efforts are required in all sectors of the EU economy, including the energy sector. In this respect, the CAP provides support for the use of agri-photovoltaics and investment in biomethane production. The implementation so far, however, shows that the CAP only complements measures outside the CAP (e.g. RepowerEU).</p>
<p>4.1.3. The new CAP should promote sustainable water management⁶², with a focus on supply management, optimising efficiency, reducing losses, prioritising uses, eliminating illegal uses, adopting measures to ensure the sustainability of the whole system and, lastly, adopting a set of approaches in line with the objective of strategic food autonomy and security. Subsidies should be based on water efficiency rather than the surface irrigated, depending on water availability in the individual Member State.</p>	<p>With regard to water scarcity and droughts - which are an increasing problem in many regions in the EU - the CSPs tend to focus, for the time being, on investment in water storage and irrigation. 4.5% of EU farmland is targeted for improving the water balance through land-based practices. Some Member States with greater needs in this area address them outside their CSPs. Approaches to adapt to the decrease of available water and ensure long-term resilience (through nature-based solutions, water retention in the landscape, less water-intensive crops, water reuse) will have to be reinforced and better integrated with long-term strategic planning on the adaptation and resilience of agriculture. Actions outside</p>

⁶¹ Report from the Commission to the European Parliament and the Council: "Summary of the CAP Strategic Plans for 2023-27: joint effort and collective ambition" - [SWD\(2023\)7070](https://ec.europa.eu/info/sites/default/files/2023-09/summary-of-the-cap-strategic-plans-for-2023-27_en.pdf).

⁶² [OJ C 349, 29.9.2023, p. 80.](https://eur-lex.europa.eu/eli/journal/2023/349/oj)

	the CAP via plans on river basin management, drought and adaptation will also be important in this regard.4.3
4.1.5. To ensure fair competition with EU farmers, trade agreements have to set health, work and environmental standards for imports that are at least equivalent to those required in the EU.	<p>The Commission remains committed to support the global transition to sustainable agri-food systems through its external policies, including international cooperation and establishment of green alliances with our trading partners.</p> <p>Moreover, a specific sustainability chapter is being introduced in all existing bilateral trade agreements.</p>
Ways to enable the social sustainability of EU food production	<p>4.2.1. Sustainable food production needs farmers and workers. Compliance with human and labour rights, ensuring decent living conditions, pension rights and minimum wages comparable to other sectors are the best stimulus for making the sector attractive, and prerequisites for ensuring the future of the EU farming sector.</p>
4.2.3. Short supply chains should be supported as a priority, as they generate community activity and social links in rural areas. More emphasis on local supply chains is needed, along with a special approach for small and subsistence farms. The legislators should establish appropriate accompanying measures to ensure that local and/or organic products are	<p>The Commission welcomes further inputs of the Committee on these aspects and would like to highlight that the new social conditionality introduced with the CAP 2023-2027 provides a safeguard for decent employment conditions and also contributes to social inclusion. CAP payments can be reduced if beneficiaries do not comply with certain rules on transparent and predictable working conditions and occupational health and safety. A few Member States are already applying this element of conditionality in 2023 and it will become mandatory for all in 2025.</p>
	<p>As envisaged in the Commission's non-paper on the position of farmers in the food supply chain⁶⁴, the Commission will explore possibilities to develop minimum sustainability criteria at EU level on public procurement as this can play a key role to boost the uptake of more sustainable practices also at farm level.</p>

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<https://www.bing.com/ck/a?!&&p=bcdd801c715152cfJmltdHM9MTcxNTA0MDAwMCZpZ3VpZD0yMGQxMjhkYy1hOWQyLTY5NWMtMTliMS0zY2Y5YTg2YjY4OWUmaW5zaWQ9NTIwMw&ptn=3&ver=2&hsh=3&fclid=20d128dc-a9d2-695c-19b1-3cf9a86b689e&psq=Commission%e2%80%99s+non-paper+on+the+position+of+farmers+in+the+food+supply+chain&u=a1aHR0cHM6Ly93d3cudHdlZWRIa2FtZXIubmwvZG93bmrvYWRzL2RvY3VtZW50P2lkPTIwMjREMTAzMTY&ntb=1>

<p>accessible to socially vulnerable groups and that the public sector (local, city, regional and federal authorities) makes greater use of local and regional organic food products in public procurement (e.g., in canteens)⁶³.</p>	<p>Further inputs in this domain are welcome.</p>
<p>Ways to enable the economic sustainability of EU food production</p> <p>4.3.1. Food prices are the primary source of income for farmers, topped up by subsidies intended to ensure a decent standard of living, and so the CAP should endeavour to ensure that farmgate prices stay above the cost of production.</p>	<p>Since 1992, the CAP shifted from product support through prices to producer support through income-supporting measures. The new CAP further strengthens the position of farmers in the food supply chain. The new CAP also maintains the overall market orientation from the previous reforms, aligning supply from EU farms with demand in Europe and beyond.</p>
<p>4.3.2. The concentration of bargaining power in different players of the supply chain has led to an abuse of dominant position which transfers economic risk from the consumer market up the supply chain and has a particularly damaging impact on farmers. Besides a needed ban on all unfair trading practices, the CAP should support cooperation between farmers and/or groups of farmers in cooperatives in order to increase their bargaining power. The CAP should further promote regional cooperation across all food supply chain actors; for instance, public catering and local/regional food policy councils could be a stable market outlet for farmers. The farmer is not only a price taker, but also a risk taker. This is why the risks should be shared in the value chain, going beyond price alone.</p>	<p>The directive on unfair trading practices in business-to-business relationships in the agricultural and food supply chain⁶⁵ establishes a minimum list of prohibited unfair trading practices in relations between buyers and suppliers in the agricultural and food supply chain. An evaluation of the Directive has just started and is ongoing. This evaluation feeds into a report to be presented by the Commission to the European Parliament and to the Council, as well as to both Consultative Committees by 1 November 2025, accompanied, if needed, by legislative proposals.</p> <p>At the same time, to reply to farmers' protests across Member States, the Commission has presented to the AGRI-FISH Council of 26 March 2024 a non-paper⁶⁶ detailing a number of possibilities that can be explored to further strengthen farmers' position in</p>

⁶³ [OJ C 517, 22.12.2021, p. 114](https://data.consilium.europa.eu/doc/document/ST-7731-2024-INIT/en/pdf).

⁶⁵ Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain; OJ L 111, 25.4.2019, p. 59–72.

⁶⁶ <https://data.consilium.europa.eu/doc/document/ST-7731-2024-INIT/en/pdf>

	<p>the food supply chain and exchange views with Member States. As immediate measures, for example, the Commission is proposing the creation of an observatory of production costs, margins and trading practices in the agri-food supply chain involving the Commission, the Member States and the Stakeholders with the aim to increase market transparency. More on the shorter-long term, instead, the Commission is exploring targeted changes to the Common Market Organisation (CMO) and other Cap-related basic acts, that can contribute to reducing the transaction costs and correcting imbalances in the value chain, while preserving the fundamental principle of market orientation.</p> <p>As part of the current CAP, around 760 000 farms (8% of all farms) will be benefiting from a specific support concerning the setting up of producer groups, producer organisations, interbranch organisations, local markets, short supply chains and quality schemes. For most Member States this represents an increase but could be further increased in the future.</p>
<p>4.3.6. The EESC suggests that the Commission consider including counter-cyclical elements in the CAP instruments after 2027 to react to the great pressure that the agricultural sector is experiencing from the markets, often through low or strongly fluctuating prices. As an option at Member State level, the CAP should also support tools for revenue support (such as insurance or risk management tools, including income stabilisation tools).</p>	<p>All but one of the CSPs allocate less than 2% of their total CAP spending to risk management tools. Compared with the past, the share of holdings with supported risk management tools will increase. However, this covers only 14% of all EU farms concentrated in a small number of Member States.</p> <p>The increasing occurrence of extreme weather events and global geopolitical uncertainties calls for reinforcement of risk management tools and their increased uptake across the Union</p>

	<p>through EU or national schemes, which should be accompanied by proactive measures to address underlying causes and to increase farm resilience in the medium term. At the same time, a stronger focus on farms' profitability, on innovation, technology and digitalisation as well as on training, advice and access to knowledge will be crucial.</p>
<p>Ways to enable the sustainable rural-urban development of the EU in line with food production</p> <p>4.4.1. The EESC points out that the future and prosperity of rural areas is paramount for Europe's food security, strategic autonomy and resilience, as well as for a sustainable energy mix contributing to the EU's energy independence (including for the agricultural sector). The CAP therefore needs to foster more resilient rural areas and develop their potential to produce green energy (biogas, solar and wind energy as well as biomass (wood, straw, husk, etc.), in line with the long-term vision for EU rural areas. More funds – not only in CAP but first of all in cohesion policy – for local action are needed to ensure complementarity with urban development.</p>	<p>Local development strategies (LDS) implemented through LEADER are a key (and usually the only) tool used in the CSPs to respond to the multiple needs of rural areas in fields such as employment, social inclusion, rural services, and rural economies' innovation and competitiveness. Support for 'smart villages' within and outside LEADER is expected to unlock the potential of digital, social and technological innovation in rural areas. A higher share of rural development funds has been dedicated to territorial strategies, but the absolute amounts assigned to LEADER have fallen while the overall ambition in terms of coverage of rural population has risen. LEADER is expected to do more with less.</p> <p>Moreover, still as part of the CSPs, Member States can make available opportunities to co-finance investments and cooperation activities being implemented in rural areas. At the same time, the Commission shares the view that additional efforts are nevertheless needed to complement CAP's efforts in rural areas. In this respect, synergies and complementarities are also sought with other EU funds such as the EU Cohesion Policy and the Recovery and Resiliency Facility, as well national funding.</p>

<p>4.4.2. The next CAP should focus more on job creation by contributing to a more diversified rural economy in rural areas; it should encourage people to settle in rural areas and promote the generational renewal of farmers, the empowerment of woman, and the arrival of people with new projects such as food processing activities or tourism⁶⁷.</p>	<p>The Commission shares the Committee's assessment of the importance of creating job opportunities in agriculture, forestry and other rural economy domains, boosting entrepreneurship, generational renewal and equal opportunities. Beyond the support to the setting up of new farmers, the current CAP already devotes resources to creating employment in other sectors via national CAP plans (e.g. tourism, bioeconomy, social services). However, the overall contribution to job growth is rather limited⁶⁸, pointing towards the need to further mobilise other EU and national funds to complement CAP action in this regard.</p>
<p>Ways to foster societal support for sustainable food systems</p> <p>4.5.1. Food prices must reflect the true cost of production for the environment and society. The EESC reiterates the importance of investing in education on sustainable diets from an early age to help young people appreciate the “value of food”.</p>	<p>While recognising education on sustainable diets from an early age to help young people appreciate the value of food' is a competence of Member States, the Commission, via the school scheme programme, is providing opportunities to invest more in education on sustainable diets of pupils across Member States. A revision of the programme is ongoing.</p>
<p>4.5.2. Information and education measures in combination with transparent food labelling practices should empower consumers to opt for healthier and more sustainable choices. The EESC recalls that a framework for sustainable food systems should be developed to address the challenges of food systems, in a timely manner.</p>	<p>The Commission remains committed to advance with current work on sustainable food systems. A number of initiatives have already been adopted both as part of the Farm to Fork and Biodiversity Strategies which support the sustainability transition at different stages of the value chain. For example, the proposal for Regulation on plants obtained by certain new genomic techniques⁶⁹, as well as the proposals for amendment of the Waste Framework</p>

⁶⁷ EESC opinion on [The role of youth in rural development](#) (not yet published in the Official Journal).

⁶⁸ Report from the Commission to the European Parliament and the Council: "Summary of the CAP Strategic Plans for 2023-27: joint effort and collective ambition" - [SWD\(2023\)7070](#)

⁶⁹ https://food.ec.europa.eu/plants/genetically-modified-organisms/new-techniques-biotechnology_en

	<p>Directive to address food waste⁷⁰, and for the revision of EU rules on the protection of animals during transport⁷¹.</p>
<p>Youth involvement in the CAP</p> <p>4.6.1. As a general approach, the EESC considers that it is vital to promote interactive pathways for generational renewal and for a more inclusive and multi-stakeholder governance model. These pathways must involve youth organisations, organised civil society and policy makers and recognise the new ways in which young people engage through technology and social media⁷². The active involvement of young people in policymaking can ensure that future policies consider the aspirations and concerns of younger generations who will inherit and shape the future of agriculture. Supporting youth involvement encompasses the provision of essential funding to bolster young farmers organisations, individual young farmers and agricultural education.</p>	<p>The Commission concurs in recognising the importance of the youth involvement in the CAP, and in the EU agricultural and rural policies in general.</p> <p>Younger generations are key in the EU policy-making process. In agriculture, the farming population is ageing, with an average of 57 years old. Generational renewal, and particularly young farmers, are enablers of EU's food sustainability and security. The Commission has recently published a Communication of the European Year of Youth 2022⁷³. It issues guidelines to introduce a 'Youth test' into EU impact assessments and will designate 'youth correspondents' across DGs⁷⁴. Those initiatives, linked with the ones introduced by the Long-Term Vision for Rural Areas (LTVRA) such as the rural proofing⁷⁵ and the Rural Pact⁷⁶, can be beneficial to involve young people in designing future policy proposals.</p> <p>Lastly, the Commission would like to highlight that CEJA (European Council of young farmers) and Rural Youth Europe are also members of the Strategic Dialogue on the future of EU agriculture launched by President von der Leyen.</p>

⁷⁰ https://environment.ec.europa.eu/publications/proposal-targeted-revision-waste-framework-directive_en

⁷¹ https://food.ec.europa.eu/animals/animal-welfare/animal-welfare-practice/animal-welfare-during-transport_en

⁷² <https://www.eesc.europa.eu/en/initiatives/youth-engagement-eesc>.

⁷³ SWD(2024) 1 final.

⁷⁴ <https://youth.europa.eu/d8/sites/default/files/inline-files/Communication%20on%20the%20European%20Year%20of%20Youth%202022.pdf>

⁷⁵ [Rural proofing - European Union \(europa.eu\)](#)

⁷⁶ [Inforegio - Rural Pact: European momentum to support the EU's rural areas \(europa.eu\)](#)

N°10

A way forward for the deepening of the Single Market through digitalisation

(Own-initiative opinion)

COM(2017) 753 final

EESC-2023-02058 – INT/1019

582th 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
1.2. Digitalisation in transport and logistics are key in enhancing the free movement of goods. This highlights the need for proper investment in a future-proof transport infrastructure. The EESC also calls on the Member States to step up their efforts to facilitate the use of transport-related electronic documents.	<p>Digitalisation is a cornerstone of the future sustainable transport and mobility, and it is a central pillar of Commission's 'Smart and Sustainable' Transport Strategy. In this context, due attention should be paid to important initiatives supporting digitalisation efforts at EU level. In freight transport and logistics, the Commission is currently finalising the implementation of two regulations that will lay the basis for the fully digital exchange of information on any goods that travel in, within, or out of the EU, in business-to-authorities and business-to-business interactions:</p> <ul style="list-style-type: none">• the Regulation on the European Maritime Single Window environment (EMSWe)⁷⁷ includes a set of measures to achieve harmonisation and simplification in maritime reporting. It will create a single entry point per Member State and will minimise duplicate reporting requests for static data by appropriate data re-use mechanisms in the maritime sector;

⁷⁷ Regulation (EU) 2019/1239 of the European Parliament and of the Council of 20 June 2019 establishing a European Maritime Single Window environment and repealing Directive 2010/65/EU; OJ L 198, 25.7.2019, p. 64–87.

	<ul style="list-style-type: none"> the Regulation on the electronic freight transport information (eFTI)⁷⁸ establishes the obligation for Member States' authorities to accept information shared electronically by operators to prove compliance with applicable legal requirements, when transporting goods in the EU hinterland by road, rail, inland waterways and air. While the focus is on business-to-authorities exchanges, the implementation specifications of the regulation establish multimodal standards for electronic data exchange that are also expected to significantly facilitate the shift to digital in business-to-business relations, and in particular the use of electronic transport documents. <p>In addition, the Digital Transport and Logistics Forum (DTLF) provides a platform for structural dialogue, technical expertise, cooperation and coordination between the Commission, Member States and the transport and logistic sector. The DTLF supports the development and implementation of the Union's relevant activities and programmes, aiming at digital interoperability in the logistics chain, and contributing to setting up the European Mobility Data Space (EMDS), one of key initiatives under the European Data Strategy⁷⁹.</p>
1.4. E-commerce offers businesses significant opportunities to reach customers in other Member States, and provides consumers with more choice and easier access to goods and services. The EESC calls for action to	The first short-term evaluation of the Geo-Blocking Regulation (GBR) carried out in 2020 showed improvements in cross-border access to websites, while indicating the need to further monitor the

⁷⁸ Regulation (EU) 2020/1056 of the European Parliament and of the Council of 15 July 2020 on electronic freight transport information; OJ L 249, 31.7.2020, p. 33–48.

⁷⁹ COM(2020) 66 final.

overcome existing barriers to e-commerce in the single market, e.g. through enforcing the EU's rules on geoblocking.

implementation by Member States. Within this context, the Commission has supported the enforcement of the regulation by the competent authorities in the Member States in several ways.

In particular, it provided guidance on the enforcement of the GBR in a 2018 'Q&A document'⁸⁰, which is still a source of reference to address most enquiries directly addressed to the Commission. Its publication was acknowledged as helpful by both industry associations and consumer centres, taking into account that amicable solution of individual disputes is the most common outcome following intervention of European Consumer Centres.

At the same time, the Commission has actively coordinated and fostered action within the Consumer Protection Cooperation Network (CPC) to address more systematic issues, in particular those linked to the geo-blocking practices of appstores. That led to a clear common position adopted by the CPC network in 2023, whose implementation is now for Member States.

Moreover, the strengthening of consumer protection cooperation, including its role vis-à-vis possible pan-EU infringements, was also the subject of a specific public consultation.

The Commission is currently finalising an interim stock-taking exercise on the GBR, which includes a new study looking into barriers to cross-border e-commerce post-COVID. The results of the exercise are expected to be published in the second quarter of 2024.

<p>1.7. The EESC calls for the development and scaling up of initiatives in the sphere of digitalisation of social security and labour mobility and encourages the introduction of initiatives such as the European Social Security Pass.</p>	<p>In its Communication on ‘Digitalisation in social security coordination: facilitating free movement in the Single Market’⁸¹, the Commission presented existing and planned digital initiatives in social security coordination and labour mobility. It also set out short- and long-term objectives towards more digitally integrated social security systems, and called on Member States to step up their efforts. As part of the European Social Security Pass (ESSPASS) initiative, two consortia of Member States institutions are further piloting a digital solution for the issuance and cross-border verification of two social security entitlement documents (the portable document A1 and the European Health Insurance Card). Based on the assessment of the results of these pilot activities, the Commission will decide on the next steps, including the opportunity to deploy an ESSPASS solution in all Member States, and whether this would require a legislative framework.</p>
<p>1.8. Digitalisation plays a central role in the free movement of capital in the single market and the cross-border activity of financial services. To boost FinTech applications, the European Union (EU) should further harmonise the regulation of digital financial services and increase innovation funding for digital solutions.</p>	<p>The Commission proposed a regulation establishing the digital euro⁸², a central bank digital currency which may be issued by the European Central Bank. The digital euro would be a public payments scheme that, depending on its design, could support the deployment of innovative use cases across the EU, such as offline payments, and conditional payments supporting smart contracts.</p> <p>The Digital Markets Act⁸³ will lead to fairer and more contestable markets,</p>

⁸¹ COM(2023) 501 final.

⁸² COM(2023) 369 final.

⁸³ Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act); OJ L 265, 12.10.2022, p. 1–66.

including for FinTech startups and other provider of innovative services. For example, when it comes to the provision of alternative payment services to the ones of the gatekeepers through interoperability provisions.

The playing field between banks and non-banks has been further levelled by the revision of the Payments Service Directive⁸⁴ and the establishment of a Payment Service Regulation.⁸⁵ Furthermore, the Instant Payments Regulation⁸⁶, amending the Single Euro Payments Area Regulation, will speed up the market adoption of instant credit transfer in euro, while ensuring they are universally available, affordable, secure, and processed without hindrance across the EU.

Following up on the digital finance strategy, the Commission has issued a number of legislative proposals to support technology applications in financial services, whilst mitigating the associated risks. The Market in Crypto Assets Regulation (MiCA)⁸⁷ introduces a harmonised framework for crypto-assets service providers, providing legal certainty and introducing one authorization system to be used by all EU countries. The Digital Operational Resilience Act (DORA)⁸⁸ focuses on managing the risks stemming from the financial sector's reliance on software

⁸⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023PC0366>

⁸⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023PC0367>

⁸⁶ Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro; OJ L, 2024/886, 19.3.2024.

⁸⁷ 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; OJ L 150, 9.6.2023, p. 40–205.

⁸⁸ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011. OJ L 333, 27.12.2022, p. 1–79.

	<p>and digital processes. It specifies criteria for critical information and communications technology (ICT) third-party service providers, whilst strengthening their oversight at EU-level by empowering the European Supervisory Authorities. The legislative proposal for Financial Data Access⁸⁹ creates a new framework for secure and open access to customer data across a wider range of financial services.</p>
<p>1.11. The EESC stresses the need for digitalisation to take place in an economically, socially and environmentally sustainable way. Due attention must be paid to the prevention of harmful environmental impacts of digitalisation and the digital divides regarding access to infrastructure and skills.</p>	<p>The Digital Decade Policy Programme (DDPP)⁹⁰ in 2022 sets out targets in the digital domain for the EU to achieve by 2030. Furthermore, in 2023, a Declaration on European Digital Rights and Principles⁹¹ was proclaimed by the Parliament, the Council and the Commission. The DDPP provides a monitoring mechanism that looks at how Member States are implementing the principles of the Declaration, for example in terms of sustainability, connectivity, solidarity, human-centricity, safety, and freedom of choice for all online. Particular attention is paid to addressing the digital divide, including with skills and better access; bringing digitalisation closer to the people's needs; the impact of technologies like artificial intelligence (including on health); improving the understanding and monitoring of the impact of digital technologies on the environment and better stimulate the role of technologies to support the green transition.</p>
<p>1.12. The EESC calls for a supportive regulatory framework and effective</p>	<p>The EU Digital Identity Wallet⁹² will provide citizens and business with a safe,</p>

⁸⁹ COM(2023) 360 final.

⁹⁰ [Digital Decade Policy Programme 2030 | Shaping Europe's digital future \(europa.eu\)](https://ec.europa.eu/digital-single-market/en/digital-decade-policy-programme-2030-shaping-europes-digital-future)

⁹¹ [Declaration on European Digital Rights and Principles | Shaping Europe's digital future \(europa.eu\)](https://ec.europa.eu/digital-single-market/en/declaration-european-digital-rights-and-principles-shaping-europes-digital-future).

⁹² [EU Digital Identity Wallet Home - EU Digital Identity Wallet - \(europa.eu\)](https://eu-digital-identity-wallet.ec.europa.eu/)

<p>enforcement of common EU rules by the Member States. Moreover, the digitalisation of public governance (e-governance) is crucial to make it easier, quicker and cheaper for individuals and businesses to operate in the single market, for example with respect to public procurement, taxation, registrations and other administrative obligations.</p>	<p>secure and privacy friendly solution to establish trust in online transactions, including digital public services. It will open-up a convenient solution to digitalise electronic attestation as issued and asked for not only by public bodies, thus substantially reducing the administrative burden, but also in the private sector.</p>
<p>3.2.2. Digital platforms enable businesses to supply, and citizens to acquire, a wide variety of services in the single market. While the EU has worked to support the European platform economy, the regulatory framework should be properly implemented, monitored and regularly reviewed to ensure that it keeps pace with the evolving digital landscape and does not create unnecessary barriers to market entry and innovation.</p>	<p>The Commission has started the enforcement of the Digital Services Act⁹³ and Digital Markets Act⁹⁴. Both are crucial instruments in establishing a level playing field for businesses and to create a safer digital space where the fundamental rights of citizens are respected.</p>
<p>3.5.3. Ensuring harmonised data protection rules is important to build trust to secure data flows within the single market. Considering that more people are entrusting their data to cloud services, the principles of data privacy and security deserve further attention. The EESC calls for the upcoming revision of the General Data Protection Regulation (GDPR) to address the shortcomings in enforcement as well as to simplify the applicable rules especially for MSMEs.</p>	<p>The Commission takes note of the Committee's suggestions.</p> <p>In July 2023, the Commission adopted a proposal for a regulation laying down additional procedural rules relating to the enforcement of the GDPR in cross-border cases⁹⁵. The proposal aims to support the timely completion of cross-border investigations and the delivery of a swift remedy for the data subject.</p> <p>In mid-2024, the Commission will publish its second report on the application of the GDPR. The Commission would like to clarify that this exercise does not concern a 'revision' of the GDPR.</p>

⁹³ 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); OJ L 277, 27.10.2022, p. 1–102

⁹⁴ Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act); OJ L 265, 12.10.2022, p. 1–66.

⁹⁵ COM(2023) 348 final.

3.5.5. In order to fully foster the benefits of digitalisation in the single market, all regions, including rural and remote areas, should have access to digital infrastructure such as broadband networks and eventually 5G and 6G networks. Further investments in data centres and cloud computing infrastructure are also needed to support the moving, processing and storage of data in the single market.

The DDPP includes digital infrastructure and business digital transformation targets. In particular, by 2030 100% of populated areas should be covered by at least one 5G network, 75% of companies should take up cloud services, and 10,000 cloud-edge nodes should be deployed. To this end, on 27 September 2023, the Commission published the first annual report on the State of the Digital Decade⁹⁶, and the Member States have submitted their respective national roadmaps for the first time. The Commission is reviewing the 5G and cloud aspects of these roadmaps and may issue recommendations as appropriate.

⁹⁶ [2023 Report on the state of the Digital Decade | Shaping Europe's digital future \(europa.eu\)](https://ec.europa.eu/commission/presscorner/detail/en/23_1000)

N°11 Preventing plastic pellet losses to reduce microplastics pollution
COM(2023) 645 final
EESC 2023-04923 – NAT/894
585th Plenary Session – February 2024
Rapporteur: András EDELÉNYI (HU-I)
Co-rapporteur: Maria NIKOLOPOULOU (ES-II)
DG ENV – SINKEVICIUS

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.3. recommends extending the scope of the regulation to carriers, with lighter requirements only for the micro companies.</p> <p>1.3. & 3.9. Also, the EU should align with the International Maritime Organization (IMO) legislation process. If the IMO does not provide any rules by mid-2026, the Commission should consider provisions to implement for intra-EU maritime transport, with strongly precautionary technical conditions on the carrying, handling, and packaging methods.</p> <p>1.8. points out that the international aspects of the regulation should be taken into consideration to ensure a level playing field in the competitive environment between EU operators that are complying with the regulation and third-country operators;</p> <p>1.3. (...) as well as laying the groundwork for tackling the secondary microplastics issue of tyres, paints, textiles, geotextiles and detergent capsules;</p>	<p>Carriers transporting plastic pellets in the Union by using road vehicles, rail wagons or inland waterway vessels fall under the scope of the proposed Regulation as stated in Article 1.2(b). Due to the characteristics of their activity, they are required to undertake tangible measures (see Annex III).</p> <p>Maritime transport is international in nature. The Commission is determined to help speed up the relevant work that is currently carried out in the International Maritime Organization (IMO) on both voluntary and mandatory measures as to three aspects i.e. transport information, quality packaging and safe stowage.</p> <p>In addition, the Commission stands ready to assist the co-legislators in addressing maritime transport of plastic pellets in the Regulation, while preserving the competitiveness of the EU industry.</p> <p>EU and non-EU carriers are required to adhere to the same rules unless compliance checks are deemed not feasible. For example, non-EU carriers are not mandated to train their personnel because enforcement authorities may find it challenging to verify compliance.</p> <p>Measures tackling microplastics from tyres have already been included in the</p>

	<p>EURO 7 Regulation. As regards paints, synthetic textiles, detergent capsules and geotextiles, a preliminary analysis carried out by the Commission, concluded that further assessment of their emission profiles and suitable alternatives is needed to identify the most effective and efficient measures addressing those sources. For example, the new Ecodesign for Sustainable Products Regulation (ESPR), which is soon due to enter into force and which will establish a framework for laying down ecodesign requirements for products, will enable relevant action in this area to be taken, where and as appropriate.</p>
<p>1.4. suggests, with regard to environmental and human protection aspects, paying attention in the regulation to the geographical areas – as potential intervention points for mitigating/reducing pollution – that are most exposed to microplastics emissions (..);</p>	<p>The Commission is aware that pellet losses can be concentrated at some specific areas (ports for instance are hotspots for plastic pellets). At the same time, they are also extremely mobile and can be easily dispersed by surface water, sea currents and through the air up to areas that are quite far from manufacturing or other sites. Information on pellet pathways could be provided as part of the assistance under Article 12.</p>
<p>1.2. points to the urgent need to develop the standardised methodology for tracking and properly estimating microplastic pellet losses along the whole supply chain.</p> <p>1.5. stresses the need to increase the frequency of compliance verification and introduce a mid-term revision of the legislation to assess its efficiency and to review and, if necessary, fine-tune the volume limit for pellet operations laid down in the lightened regulatory requirements.</p> <p>1.9. emphasises that, due to the lack of robust, evidence-based data, science and research</p>	<p>The Commission takes note of the view of the Committee on the need to re-assess the situation, if necessary. In this context, it is extremely important to increase the accuracy of the available information. The development of a standardised methodology required under Article 13 to estimate pellet losses, aims at increasing such accuracy. All relevant stakeholders will have to contribute to such development. At the same time, more accurate information as to the quantities released, will be made available under</p>

<p>activities have to be stepped up, mainly with a view to understanding the harmful effects on human and ecological health of microplastic pellet pollution, material flows and emissions along the whole chain and of secondary, unintentionally released microplastics, both concentrated and scattered, which could provide a basis for tailored pieces of legislation;</p> <p>3.4. the deviations of estimated volumes, ratios of emissions and accumulations, and the complex integrated socio-economic costs/benefits (or investments/yields) of mitigation efforts are extremely scattered.</p> <p>3.5. It is essential to develop a standardised pellet-loss estimation methodology (...).</p>	<p>REACH⁹⁷, which requires economic operators to report annually on pellets lost.</p> <p>Information must increase also regarding the impacts of such releases on the environment and potentially human health, possibly including their quantification and monetisation. While impacts on the environment are generally already well understood, potential impacts on human health require extensive further research.</p>
<p>1.7. notes that (..) awareness and training levels have to be increased across the workforce. Moreover, occupational health and safety aspects should be reinforced in both new operations and recycling operations. It is vital that the Commission provide specific, tailored methodological and financial support;</p>	<p>Preventing pellets losses requires the full cooperation of everyone. The Commission agrees that there is a need to raise awareness across the entire supply chain and properly train staff as to the use of relevant equipment and procedures. Article 12 requires both the Commission and the Member States to provide such assistance. The Commission is determined to develop the needed material and understanding in collaboration with all the relevant stakeholders.</p>
<p>1.10. points out that the guidelines provided to the economic operators on the equipment to be used and the processes, so as to establish the required risk assessments are rather general, and suggests reviewing the Best Available Techniques (BAT) to include pellets and reconsidering the alignment of the requirements for carriers to those of economic operators no later than the mid-term review of the regulation.</p>	<p>The Commission is of the view that some degree of flexibility is needed to take account of specificities of all relevant economic operators and stages of the supply chain.</p> <p>When checking compliance of larger installations, competent authorities will be supported by accredited certifiers.</p>

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1907-20221217>

<p>4.3. the pellet measures seem to be based on size, technology and on Member States' criteria, which are rather flexible and therefore confer a higher level of responsibility on the relevant authorities. (..)The review and updating of the BAT legislation for both manufacturing and transportation is an urgent need.</p>	<p>The Commission takes note of the view of the Committee on the need to re-assess the situation, if necessary, including the review and development of Best Available Techniques (BAT) applicable to installations in the whole supply chain. Due to important differences in enforcement and compliance checks, however, aligning requirements for carriers with those for economic operators might not be the best option.</p>
<p>3.3. efforts and investment should be increased to accelerate research and build a comprehensive, quantitative knowledge base on the lifecycles, generation, paths and accumulations of other secondary, unintentionally released degraded microplastics fragments, including biodegradable ones. After impact assessments have been carried out on the matter, specifying the best prevention and mitigation points, a decision should be made as to which policy instruments and legislation types are best suited to further tackling this microplastic emission problem.</p>	<p>The Commission published a brochure on the state of play of five other major sources of microplastics pollution from the unintentional releases⁹⁸ (paints, tyres, textiles, geotextiles and to a lesser extent detergent capsules). The brochure provides an overview of EU policies and initiatives to combat microplastic pollution, promote research and innovation, and ensure integrated monitoring of microplastics.</p> <p>The Commission addressed the release of microplastics from tyres in the proposal for EURO 7 Regulation⁹⁹. As regards paints, synthetic textiles, detergent capsules and geotextiles, a preliminary analysis carried out by the Commission¹⁰⁰ concluded that further assessment of their emission profiles and suitable alternatives is needed to identify the most effective and efficient measures addressing those sources.</p>
<p>3.6. material flow analysis (MFA) is a most promising model – also used by the European Commission's Joint Research Centre – describing and estimating the full life destiny of polluting components. (..) It is advisable to</p>	<p>Innovation should continue to be guided by life-cycle assessments to ensure that suitable alternatives or mitigating measures are developed.</p>

⁹⁸ https://environment.ec.europa.eu/publications/brochure-eu-action-against-microplastic-pollution_en

⁹⁹ COM(2022) 586 final

¹⁰⁰ SWD(2023)332

<p>set a volume-of-losses target, ideally equal to zero or as low as possible, alongside the SME criteria to justify adhering to the lighter regulatory requirements.</p>	<p>Regarding pellet losses, the Commission assessed in its Impact Assessment the setting of a target as a policy option. It concluded that this option, while having potentially high environmental benefits, would be difficult to apply and enforce, also because of the lack of exact information on pellet losses.</p> <p>However, once more information on pellet losses would be available (after the development and application of a standardised methodology), this information could be built in the material flow analysis (MFA) to improve knowledge and possible policy making.</p>
<p>3.7. the EESC warns that, according to the most recent scientific evidence, pollutant accumulation is highest in soils, followed by continental waters and then by marine areas, even though public attention has so far been reversed. It recommends focusing on all these areas equally.</p>	<p>The Commission shares the view of the Committee that soil contamination is an increasing public concern. The Pellet proposal does not make any differentiation on the area (soil, water, marine) of pollution.</p>
<p>4.2.2. as per the lighter requirements for SMEs, and since self-reporting and self-assessments are less efficient than external and independent controls, it is advisable for all Member State authorities to increase the frequency of environmental inspections. The EESC underlines that it is vital to strengthen external controls and carry out a mid-term revision of this legislation in order to take on board potential new scientific findings and implementation gaps.</p>	<p>The proposed Regulation requires the competent authorities of the Member States to check compliance of all installations and carriers that fall under its scope, by means of environmental inspections and other verification measures, following a risk-based approach.</p> <p>The Commission takes note of the view of the Committee on the need to re-assess the situation, if necessary, including as to the effectiveness of the compliance system vis-à-vis all installations and carriers that fall under the scope of the Regulation.</p>
<p>4.4. economic operators are required to establish their risk assessment plans according to the annexes to the Commission's proposal,</p>	<p>The Commission is of the view that some degree of flexibility is needed to take account of specificities of all relevant</p>

but the guidelines provided are too general. Furthermore, carriers, except for micro-ones, should be included in the scope of the requirement to perform risk assessments. Moreover, safety measures should be included when workers handle pellet spills and clean-ups.

operators and stages of the supply chain. Therefore, Annex I provides this flexibility.

Carriers are not required to establish risk assessment plans but under Annex III, they are required to undertake the listed, tangible measures, as it is currently the case concerning, for instance, the transport of dangerous goods. These measures should be enforced by the competent authorities, primarily during the transport process.

Safety measures for workers handling pellets could be part of the awareness raising action under Article 12.

N°12 Regulation on circularity requirements for vehicle design and end-of life vehicle (ELV) management
COM(2023) 451 final
EESC 2023-03741 – NAT/880
583rd Plenary Session – December 2023
Rapporteur: Bruno CHOIX (FR-I)
DG ENV – Commissioner SINKEVICIUS
DG GROW – Commissioner BRETON

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1. and 2.3. The proposal for a regulation on the subject of vehicles, presented by the European Commission on 13 July 2023 (COM(2023) 451 final), is a major legislative proposal in the drive to increase the sustainability and circularity of vehicles placed on the market in Europe. The EESC warmly welcomes this proposed regulation and believes that there is scope for even greater ambition in vehicle design legislation aimed at ensuring vehicle circularity.</p> <p>2.3. "... In a context of rapid change across all types of vehicles, the EESC recommends building in the option to extend the scope to innovative vehicles not listed in the Regulation (excluding security vehicles and emergency vehicles)."</p>	<p>The Commission welcomes the overall support of the Committee on the proposal for the Regulation on the end-of-life vehicles.</p> <p>The impact assessment for this proposal found that the most cost-efficient option for the extension of the scope of the legislation was to include requirements on collection and end-of-life treatment for vehicles belonging to the categories L3e-L7e, M₂, M₃, N₂, N₃ and O (resp. motorcycles, buses, trucks and lorries). This is in line with the contributions received during the public consultation, by small and medium-sized enterprises (SMEs) in particular.</p> <p>A full application of the design requirements, which now apply to M₁ (passenger) and N₁ (light-commercial) vehicles to other vehicles was assessed as currently not desirable, due to lack of information, expected low costs-benefits and high reporting burden on SMEs. However, the review clause in Article 55(2)(a) includes a specific requirement for the Commission to assess, 8 years after the entry into force of the Regulation, whether additional vehicle categories should be subject to the measures on circularity requirements for the design and production stages.</p>
1.2. and 2.4. With regard to recycled content requirements, the EESC fully supports the	The Commission welcomes the Committee's support for the proposed

<p>requirement for at least 25% of the plastic used in a vehicle to come from recycling and recommends that equivalent measures be introduced to galvanise the recycling of other materials used in vehicles, where the environmental benefit has not been sufficiently harnessed.</p>	<p>measure on plastics recycled content. For materials other than plastics, the proposed Article 6(3) for steel and Article 6(4) for aluminium and Critical raw materials (CRMs) empower the Commission to adopt measures on recycled content. Any future provision for these materials needs to be based on feasibility studies, which should take into account specific elements mentioned in the Article to clarify remaining uncertainties and allow setting well-designed and well-defined target levels that improve the uptake of secondary raw materials, encourage high quality recycling and incentivise decarbonisation.</p>
<p>1.3. and 2.5. The provisions obliging manufacturers, when designing a vehicle, to enable the removal and replacement of certain parts and components of the vehicle in a simple and non-destructive manner are essential for developing the market for re-use of vehicle parts and components in Europe. In order to develop this activity during the use and scrapping phases of vehicles, it must be ensured that authorised treatment facilities and repair and maintenance operators have access to vehicle parts and components, including electric vehicle batteries and e-drive motors. The EESC recommends prohibiting contractual clauses aimed at only allowing the manufacturers to market the recyclable and recycled vehicle parts, within their network, particularly as regards batteries.</p>	<p>The Commission's proposal aims to establish comprehensive and consistent circularity requirements from the design and production of a vehicle until the final treatment at the end of its life. Articles 7 and 11 and Annex V of the proposal include dedicated provisions to ensure cooperation between the manufacturers and other operators, such as unrestricted, standardised and non-discriminatory access to the information enabling removal and replacement of the parts and components, including batteries and e-drive motors.</p> <p>The provisions include all necessary elements to increase circularity of spare parts within own service organisations or independent repair and maintenance organisations. The proposed Regulation however does not intend to regulate the specifics of contractual arrangements between economic operators.</p> <p>See also point 1.7. below.</p>
<p>1.4. and 2.9. The EESC supports the measures to strengthen the provision of information and labelling by manufacturers, and recommends</p>	<p>The Commission fully agrees that information and labelling are essential to facilitate maintenance, repair, reuse and</p>

<p>ensuring that manufacturers make available at no extra cost to independent operators, and in particular very small enterprises, information and the serialisation of parts, so that they can be reprogrammed and reinserted into new vehicles.</p> <p>2.9. “... it should be ensured that manufacturers make available at no extra cost to independent operators, and in particular very small enterprises, information and the serialisation of parts, so that they can be reprogrammed and reinserted into new vehicles”.</p>	<p>remanufacturing or recycling. The impact assessment identified various shortcomings in the completeness of the information in existing platforms and an increasing use of digitally coded parts that prevent repair and maintenance. These problems are addressed in Article 11 and Annex V of the proposal. The aim of these provisions is to streamline how the information should be made available in cost-efficient manners to all treatment and maintenance operators, including very small enterprises.</p> <p>The Commission notes the proposed recommendation by the Committee relating to the information on the serialisation of parts and is ready to closely examine this issue in the context of the upcoming interinstitutional negotiations.</p>
<p>2.6. The EESC regrets the fact that the Commission proposal and impact assessment fail to include an article on the upskilling and reskilling of workers and on the role of social dialogue. Given the changes resulting from the vehicle circularity obligations, the EESC emphasises that it is important for the legislator to assess the new skills that workers will need in order to respond to the evolving automotive sector. The EESC recommends that technical skills training be organised, accessible to all workers, to enable them to upskill and ensure their safety and well-being at work.</p>	<p>The proposal has taken into account the fact that the SMEs in the dismantling sector face important challenges linked to electric vehicles, notably due to new training and investment needs. The Commission expects the proposal to foster a modernisation of dismantlers, further innovation to improve sorting, treatment and recycling of waste from end-of-life vehicles, leading to higher quality outputs. The impact assessment estimates 22,100 additional jobs, most of them in SMEs active in the waste management and recycling sector. Recital 33 and Article 15(2) specify that the authorised treatment facilities (ATFs) need to arrange for the necessary capacity to dismantle End-of-Life Vehicles (ELVs) according to the proposed Regulation, which implies arranging for sufficient qualified staff.</p>
<p>1.5. and 2.10. The introduction of EPR systems in the Member States must provide for fair</p>	<p>Circularity in the automotive sector can only be improved when there is a level</p>

<p>representation of vehicle treatment operators in the governing bodies of these organisations. Where producers choose to fulfil their extended producer responsibility obligations individually, the EESC calls for effective guarantees to be put in place equivalent to those applying to collective responsibility, in particular as regards the financial responsibility, and recommends that contracts with private operators be better regulated, in particular as regards pre-contractual information and the prohibition of a producer's obligation being fulfilled free of charge by operators that are outside the repair, reuse and recycling sector.</p>	<p>playing field and increased cooperation between the economic operators involved.</p> <p>To ensure that the interests of all economic operators are properly taken into consideration and to avoid that waste management operators are placed at a disadvantage, the proposed Regulation requires that there is a fair representation of producers and waste management operators in the governing bodies of producer responsibility organisations in Article 18(4).</p> <p>The provisions on the level of financial contributions of producers are equally applicable in the case of individual or collective approaches to producer responsibility. These provisions aim at avoiding unfair competition due to lack of reward of treatment quality for depollution and the treatment of cost-negative fractions. Article 20(4) contains specific provisions applying to individual schemes, including a requirement that, in such cases, the producers provide a dedicated guarantee to ensure that they can finance the contributions required as part of their responsibilities.</p> <p>In addition, under Article 20(2), competent authorities shall monitor the average costs of collection, recycling and treatment operations as well as the level of financial contributions paid by the producers to ensure a fair and proportionate allocation of costs.</p> <p>As indicated already above, the proposal does not intend to regulate contractual arrangements between economic operators. It is however clear that such arrangements cannot include clauses which would be in breach of the provisions in the proposed Regulation.</p>
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<p>1.6. and 2.11. In view of the significant lack of traceability of vehicles in Europe, the EESC warmly welcomes the measures to improve the traceability and collection of vehicles, in particular by requiring a certificate of destruction issued by an authorised treatment facility to be presented in order to deregister a vehicle.</p>	<p>The Commission proposal indeed seeks to reduce the current 3.5 million ‘missing vehicles’ and ensure that ELVs do not escape the official route of treatment. As part of the requirements, the Commission reiterates the explicit obligation in Article 24(1) and Article 26 that all end-of-life vehicles are solely delivered to ATFs for depollution, dismantling and recycling.</p>
<p>1.7. and 2.12. The EESC recommends adopting more stringent rules when it comes to the measures to be taken by the Member States to spur on the market for reuse, remanufacturing and refurbishment, thus facilitating the creation of local jobs in Europe. In this regard, end-of-life vehicle parts must be able to be resold by end-of-life vehicle treatment centres for reuse. The EESC recommends prohibiting contractual clauses between a manufacturer and a company that oblige the treatment facility (<i>we assume this is meant instead of ‘manufacturer’</i>) to return the vehicle parts to the manufacturer.</p>	<p>The proposed Regulation contains a set of measures aimed to incentivise the secondary market for used spare parts, including provisions encouraging Member States to promote the reuse, refurbishment and remanufacturing of parts and components, both when they are removed during the use of a vehicle and at its end-of-life phase.</p> <p>Parts and components retrieved from ELVs are handled by ATFs, which shall in principle be in a position to decide how they should be further processed, following a technical assessment whether the removed parts and components are fit for reuse, remanufacturing or refurbishment as specified in Annex VII - Part D.</p> <p>Contracts between individual producers, PROs and ATFs have to be in accordance with the provisions in Article 27 – 36 and with general EU and national provisions on competition law.</p>
<p>1.8. and 2.13. With regard to the dismantling obligations for recycling, the EESC points out that the current European post-shredding technology already enables recycled plastics to be produced with a view to their incorporation in new vehicles. The EESC recommends that the proposed dismantling obligations be reassessed, in the light of the principle of technological neutrality, their usefulness, and</p>	<p>The evaluation of the Directive on end-of-life vehicles identified that while substantial progress has been made since 2000 to reach the 85% recycling/re-use and 95% of reuse/recovery targets, vehicles are not treated in an optimal way. The impact assessment identified the need to increase the volume of removed parts for re-use and improve the quality of recycling fractions. Therefore,</p>

the established economic efficiency of the existing processes, such as post-shredding.

2.13. With regard to the recovery of refrigerants from the air-conditioning systems of end-of-life vehicles, the EESC recommends that discussions be launched with the Member States aimed at setting realistic rates in relation to the materials and sectors in place, and ensuring that the costs involved are borne by the producers.

the proposed Regulation contains a series of measures, including the mandatory removal of parts and components from ELVs prior to shredding, as set out in Article 30 and Annex VII (Part C). The list is based on the definition of 'removal', which includes both 'non-destructive' removal of parts and components with a reuse value by means of 'manual dismantling' and potentially 'destructive' removal for those without a reuse potential by means of '(semi-)automated' approaches (Article 3(12)). The Annex VII treatment guidance is constructed in a technology neutral manner and aims to advance innovations both 'pre-shredder' and by 'post-shredder technology' (PST) to retain more value of both components and materials. The removal prior to shredding of the entries 1-12 of Annex VII – Part C is mandatory, even in case there is no reuse potential. Improved segregation of components and materials improves the quality of recycling fractions. Available treatment capacity in the EU varies significantly from high degrees of manual dismantling to full-scale post-shredder technology approaches. Therefore, Art 30(2) provides an exemption mechanism for the 'prior to shredding' for the entries 13-19 (Annex VII – Part G) to remain technology neutral, while allowing further innovations in the sorting technologies for materials like steel, copper and aluminium. It should be noted that the recycled content and recycling efficiency provision for plastics are an additional push for upscaling such mechanical recycling capacities. Finally, the fate of depolluted items is specified in Annex VII – Part B

	<p>and part F (incl. the requested clarity on the fate of refrigerants under Regulation 517/2014).</p> <p>The Commission will pay particular attention to the discussions in the context of the interinstitutional negotiations on the elements listed in Annex VII – Part C and Part G, with a view to ensuring a proper costs/benefits balance that fosters further innovations in recycling technologies.</p>
<p>1.9. and 2.14. The EESC stresses the importance of the rules on combating illegal vehicle treatment. Entrusting the private sector with the task of establishing – by means of commercial contracts concluded with the manufacturers – the conditions under which this activity can be carried out would be detrimental to the legal ELV processing sector. The authorisation issued by the competent authorities is essential in verifying that the operators have the necessary technical, financial and organisational capacity to treat end-of-life vehicles.</p>	<p>Article 47 of the proposed Regulation requires Member States to tackle illegal treatment of end-of-life vehicles at national level, ensure enforcement cooperation and conduct minimum numbers of inspections are specified in Article 46. The enforcement control is needed to prevent damages to the environment or human health due to such activities. Any establishment or undertaking in breach would be subject to penalties as specified in Article 48. Other measures, such as withdrawing the permit or revoking of authorisation are provided for under the Articles 15 and 19(5).</p>

N°13 Initiative on virtual worlds
COM(2023) 442 final
EESC 2023-03581 – CCMI/216
583rd Plenary Session – December 2023
Rapporteur: Andrea MONE (IT-II)
Co-rapporteur: Patrice CHAZERAND (FR-Cat. 1)DG CNECT –
Commissioner BRETON

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1. The European Economic and Social Committee (EESC) supports the Commission's objective of investigating a sector whose benefits and, especially, its risks, still need to be clarified and which will profoundly affect the near future and, above all, future generations. There is therefore an urgent need to examine whether existing legislation is sufficient and adaptable to be able to face this challenge, or whether new legislation is needed.</p>	<p>The Commission thanks the Committee for its support and acknowledges that the development of virtual worlds will bring both opportunities and risks that need to be carefully monitored and addressed. The Commission considers that the EU already has in place a strong regulatory framework covering virtual worlds ((e.g. General Data Protection Regulation (GDPR), Digital Services Act (DSA), Digital Markets Act (DMA), intellectual property)) but it will carefully follow future developments. The Commission will closely work with Member States to anticipate and address future challenges, for example within the Virtual World Steering Group (Action 8 of COM(2023) 442 final¹⁰¹) set up in January 2024 (C(2024) 149 final)¹⁰² and other existing relevant EU fora.</p>
<p>1.2. The EESC supports the four pillars laid out in the Communication. Yet, the social dimension of virtual worlds, crucial for each and every pillar, deserves more attention, especially regarding how virtual worlds impact the working conditions, health and</p>	<p>The Commission recognises the transversal aspects and crucial role of the social dimension of the virtual worlds, and its potential impact and risks on employment and working conditions or society at large. The Citizens Panel¹⁰³</p>

¹⁰¹ [An EU initiative on virtual worlds: a head start in the next technological transition | Shaping Europe's digital future \(europa.eu\)](https://ec.europa.eu/commission/presscorner/detail/en/23_1000)

¹⁰² Commission Decision of 17.1.2024 setting up the group of experts on the transition to Web 4.0 and Virtual worlds ("Virtual Worlds Steering Group")

¹⁰³ https://citizens.ec.europa.eu/virtual-worlds-panel_en

<p>safety of those using or working in them, as well as vulnerable people.</p>	<p>mentioned as Guiding Principles 6 and 8¹⁰⁴ the safety and security, as well as inclusion, as fundamental pillars for the use of Virtual Worlds. In addition, recommendations 1 and 2 of the staff working document (2023) 250¹⁰⁵ stress the necessary harmonisation of labour market legislation and harmonisation of training and upskilling for European workers. These values and principles have been transcribed throughout the EU initiative on Web 4.0 and virtual worlds.¹⁰⁶ These values and principles steer the current and future work of the Commission in the domain of Virtual Worlds.</p>
<p>1.3. Furthermore, the EESC deems important to:</p> <ul style="list-style-type: none"> - foster the development of global industry standards and interoperability protocol standards: all stakeholders should contribute to this vital component of a responsible environment, in a collaborative effort to complement legislation aimed to enable the seamless integration of European businesses and technologies within virtual worlds; - foster public-private cooperation to grow industrial virtual worlds while ensuring compliance with ethical and regulatory standards; 	<p>The Commission agrees and aims for a Web 4.0 that is powered by open and highly distributed technologies and standards that enable interoperability between platforms and networks and freedom of choice for users, and where sustainability, inclusion and accessibility are at the core of technological developments. Strong support from technical multi-stakeholder governance process is key to address essential aspects of virtual worlds and Web 4.0 that are beyond the remit of existing internet governance institutions (Action 9 of the proposal).</p> <p>The Commission agrees that public and private cooperation will foster a supportive business environment and growth industrial virtual worlds. Started with the VR/AR industrial coalition</p>

¹⁰⁴ [Staff Working Document: Citizens' panel report on virtual worlds | Shaping Europe's digital future \(europa.eu\)](#)

¹⁰⁵ <https://data.consilium.europa.eu/doc/document/ST-12092-2023-ADD-2/en/pdf>

¹⁰⁶ COM(2023) 442 final, notably in §3.4.2 ("European social partners will also be invited to give their views on the impact of virtual worlds on workers and businesses.").

- fund research and innovation projects dedicated to virtual worlds, with specific support to start-ups and SMEs, as well as new digital literacy programs targeting people, young or adult, and skills development and training initiatives intended to meet the requirements of businesses operating in virtual world environments;

announced in December 2022, the Commission continues exploring, in consultation with Member States, the candidate European Partnership on Virtual Worlds¹⁰⁷ for key stakeholders to develop the technological building blocks for useful, inclusive, sustainable and trustworthy virtual worlds systems and applications (Action 4 of the proposal).

The Commission agrees on the specific support to start-ups and small and medium-sized enterprises (SMEs) in virtual worlds and Web 4.0 and welcomes SMEs' participation in its Horizon Europe calls and will continue in the future. The 2024 Work Programme of the European Innovation Council details an Accelerator Challenges funding scheme call 'Enabling virtual worlds and augmented interaction in high-impact applications to support the realisation of Industry 5.0', specifically targeting startups and small and medium enterprises. The amended Digital Europe Programme work programme 2024 aims at supporting the excellence of EU education and training institutions in digital areas though dedicated calls. The call of 2024 on Advanced digital skills will support the development and deployment of key digital skills in selected digital areas such as virtual worlds. The Council Recommendation on improving the provision of digital skills in education and training, approved by the Council on 23 November 2023, calls on Member States to support Vocational education and training (VET) students in acquiring digital skills required to use immersive technologies

¹⁰⁷

Identified for the second Horizon Europe strategic plan (2025-2027).

<ul style="list-style-type: none"> - enforce all relevant existing legislation (such as competition, data protection, intellectual property), as well as further digitalise public administration, and enhance accessibility as preconditions for the sustainable construction of virtual worlds; - assess concrete measures to develop sustainable virtual worlds, e.g., carbon neutrality criteria for Web 4.0 applications and a Charter of Values alongside the legislative process to keep up with rapid technological change. 	<p>such as virtual reality, augmented reality, simulation and gaming.</p> <p>The European Social Fund Plus (ESF+) will fund programmes in digital skills for various groups during the programming period 2021-2027, amounting to a total of EUR 2 billion exclusively for the support to the development of digital skills, beyond other more general measures that may also involve the development of digital skills through, for example, the modernisation of education and training systems.</p> <p>The Commission considers that the EU already has in place a strong regulatory framework but will carefully follow future legislative developments. The work of the Innovation Friendly Regulations Advisory Group, will inform future actions on delivering public services in virtual worlds. In line with the Strategy for the Rights of Persons with Disabilities 2021-2030¹⁰⁸, the Commission aims for a Web 4.0 and virtual Worlds where sustainability, inclusion and accessibility are at the core of technological developments.</p> <p>The Commission agrees on the importance of sustainable virtual worlds and the need to study potential environmental impact. The Commission will carefully analyse and consider the concept for a Charter of Values and its possible added value in relation with the Digital Decade rights and principles.</p>
<p>2.2. The EESC welcomes this Communication that reflects the thrust of its opinion on this</p>	<p>The Commission recognises the impact the virtual worlds can have on labour and</p>

<p>topic. However, virtual worlds resulting from fast moving technological development hold heavy implications for labour and society, i.e., for the daily life of future generations of Europeans: our virtual environment and its governing rules must be constructed in a responsible manner if the Commission's aim of ensuring "virtual worlds that reflect EU values and principles and fundamental rights" is to be met.</p>	<p>society. In the Communication on 'An EU initiative on Web 4.0 and virtual worlds: a head start in the next technological transition',¹⁰⁹ the Commission states that it aims for a "Web 4.0 and virtual worlds that reflect EU values and principles and fundamental rights, where people can be safe, confident and empowered, where people's rights as users, consumers, workers or creators are respected, and where European businesses can develop world-leading applications, scale up and grow." The Communication further lays out specific action points to address the stated challenges, including on awareness, access to trustworthy information and digital skills. In its Communication, the Commission further notes that as the virtual worlds become more mainstream, it will continue to monitor its impact on people and to 'identify and respond to challenges emerging from the use of virtual worlds especially in relation to ethics, societal well-being, fundamental rights, important objectives of general public interest in a democratic society and consumer protection.'</p>
<p>2.7. However, the social dimension of virtual worlds is crucial across all pillars: it deserves more attention to increase awareness and integration of the related issues. As highlighted in its exploratory opinion on the initiative on virtual worlds, such as the metaverse, the EESC asserts that virtual worlds will deeply impact the well-being, health and safety of those engaged in, or working within them. It is therefore essential to implement appropriate measures, including social dialogue and collective bargaining, to</p>	<p>The Commission is fully aware and agrees as regards risks relating to the social dimension of the virtual worlds. In its Communication, the Commission refers to the risks of attempts to circumvent EU social standards and underlines that persons in the EU who will work in virtual worlds should be able to rely on the EU's labour standards, including the rules for health and safety at work, and social security systems. It underlines the importance of effective</p>

¹⁰⁹

COM(2023) 442/final.

<p>enhance working conditions, ensure easy access to pertinent information, prioritise worker safety and offer training to develop competencies and skills. More generally, the EU must ensure that established real-world regulations are upheld within those virtual worlds that replicate real-world constraints. Proper regulatory steps should be taken to address the requirements specific to various categories of virtual worlds. A thorough evaluation of existing legislation shall identify areas where current regulations apply to the physical world as well as to the virtual worlds concerned; otherwise, new legal frameworks will be needed.</p>	<p>enforcement mechanisms in this regard. Further, it explicitly states that European social partners will also be invited to give their views on the impact of virtual worlds on workers and businesses. The Commission will, as announced, continue to monitor the situation as the virtual worlds evolve, and take action if required.</p>
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**N°14 Cross-border energy infrastructure planning
(exploratory opinion requested by the Belgian Presidency of the Council
of the EU)**
EESC 2023-03641 – TEN/823
584th Plenary Session – January 2024
Rapporteur: Thomas KATTNIG (AT-II)
DG ENER – Commissioner SIMSON

Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>3.2. [...] The EESC is convinced that particular attention should be paid to defining grid development as an overriding public interest, including climate protection as a regulatory objective and, more generally, synchronising the planning of renewable energies and the electricity grid more effectively. There is an urgent need for specific provisions under EU law.</p>	<p>The Commission overall agrees with the recommendation of the Committee. This is why, the TEN-E Regulation¹¹⁰ recognises the EU's climate targets and the 2050 climate neutrality objective in the scope of the Regulation. Article 7 of the TEN-E Regulation is providing Member States authorities with the necessary framework for granting priority status to projects of common interest (PCI) and projects of mutual interest (PMI), including the possibility to consider such projects as having an overriding public interest. The new legislation regarding permitting of grids related to renewable energy deployment¹¹¹ provides for a presumption of overriding public interest in the case of such grids, together with renewable energy projects.</p> <p>European level planning for infrastructure development is also becoming increasingly aligned with the planning of the renewable energy installations through a series of tools. Cross-border transmission infrastructure development builds on a decade of experience in pan-European</p>

¹¹⁰ Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013

¹¹¹ Council Regulation (EU) 2022/2577 of 22 December 2022 laying down a framework to accelerate the deployment of renewable energy, OJ L 335, 29.12.2022, p. 36–44, and the revised Renewable Energy Directive.

network planning through the ten-year network development plans (TYNDP). The TEN-E Regulation makes the long-term direction set by Member States on regional offshore renewable ambitions to 2050 (with intermediary steps in 2030 and 2040) the starting point for the offshore network planning exercise, closing the gap between renewable development goals and grid development. In line with the Grids Action Plan¹¹², this strategic long-term logic currently implemented in the first offshore network development plans (ONDPS) published in January 2024 will be expanded to the onshore European network. EU level grid infrastructure planning is based on EU level scenarios and infrastructure gaps analysis through the ENTSO-E TYNDP taking into account the national energy and climate plans and EU energy and climate targets. Moreover, under the Renewable Energy Directive, Member States can define renewable acceleration areas and grid acceleration areas.

All this said, the Commission reminds that alongside climate neutrality, the European Green Deal also aims to tackle biodiversity loss and pollution, which are the two other parts of the triple interdependent environmental crisis. It is essential that renewable energy infrastructure and associated grids are based on sound planning, including solutions to minimise negative, and promote positive, impacts on biodiversity, land, oceans and their uses. The EU Biodiversity Strategy for 2030 stresses that ‘more sustainably sourced renewable energy will be essential to fight climate change and biodiversity loss’ and aims to prioritise win-win renewable energy

¹¹²

[Actions to accelerate the roll-out of electricity grids \(europa.eu\)](http://europa.eu)

	<p>solutions that also integrate benefits for biodiversity.</p>
3.4. The EESC recommends that synergies with other energy policies, such as the new EU industrial strategy, be given greater consideration in the context of governance and management.	<p>The Commission agrees with the Committee and several pieces of legislation and actions will address the synergies between the energy policy and the EU's industrial strategy also as regards infrastructure projects.</p> <p>The Critical Raw Materials Act will help to ensure that grid developers have access to the necessary raw materials, including through the circular economy, domestic production and strategic partnerships, while protecting the environment by improving circularity and sustainability of critical raw materials. The Commission is working on securing access to critical and strategic raw materials, in the most sustainable and socially responsible manner. Free trade and other bilateral agreements, covering energy, raw materials and clean technology supply chains, and the Global Gateway strategy, will also contribute to this end. The needs for sustainable, resilient and effective grid manufacturing supply chains have been addressed in the proposal for a Net-Zero Industry Act (grid technologies are proposed among the strategic net-zero technologies and Net-Zero Academies address skill challenges). The European Wind Power Action Plan supports not only the wind sector, but also the grid supply chain by increasing demand certainty through the establishment of an EU digital platform for wind power auction planning and national pledges. A swift adoption and implementation of the Net-Zero Industry Act will allow supporting a resilient grid supply chain notably through faster permitting for new manufacturing capacity, increased skilled workforce and through appropriately designed public tenders and</p>

	<p>auctions. Other Commission enforcement tools are available to EU industry, to promote a level playing field, counter unfair trade practices or to remedy asymmetries between EU and third countries in market openness in the public procurement sectors (International Procurement Instrument). Furthermore, the EU's targeted action in the Grid Action Plan will support, amongst others, further improvements in the grids supply chains by taking action on demand visibility and procurement streamlining, including through the development of common technology specifications. The EU industry is a global leader in the manufacturing of components for power systems, such as on high voltage direct current cables and substations, which are key technologies to deliver on the EU's offshore ambitions. Efforts in aligning product designs across the EU would enable suppliers to focus on delivering quantity, instead of utilising time and human resources in tailored design and manufacturing. Whilst allowing more access of suppliers to the internal market, such alignments would also increase competition, lower costs, and increase manufacturing output with the same manufacturing capacities. Standardisation supports rapid deployment efforts whilst at the same time carefully considers other needs such as enabling innovation in the sector.</p>
<p>3.6. The EESC recommends increasing investments in establishing higher energy network capacities as well as redimensioning gas grid connections in particular. Decentralised energy production and switching to hydrogen-driven industrial processes need the right infrastructure in due time and in the right</p>	<p>The Commission agrees with the Committee on the need to increase investments in expanding necessary grid capacity for meeting our energy and climate ambitions. With the adoption of the revised TEN-E Regulation and the first PCI/PMI list, the Commission strengthened the focus on electrification and designed a framework</p>

place, considering the energy transition and the related structural changes.

that enable and fasten offshore grid deployment, helping Member States reach their non-binding offshore renewable capacity goals concluded in January 2023, namely 111 gigawatts (GW) by 2030 and more than 300 GW in 2050.

However, subsequent energy crisis and resulting cost overruns, inflation, high public debts and rising interest rates have translated into delays in project implementation. By placing a stronger focus on transmission and distribution grids in its Grid Action Plan, the Commission aims to help unlock EUR 584 billion in necessary investments to double the cross-border transmission capacity by 2030.

Over the last ten years, the resilience and robustness of the European gas network has significantly improved thanks to key PCIs being commissioned with the help of the TEN-E policy. Once the ongoing PCI projects are implemented, all EU countries will have access to liquefied natural gas (LNG) and – in the overwhelming majority of cases – to at least three gas supply sources. Building on the ambitions of the Fit-For-55 package and climate neutrality commitments, the REPowerEU Plan announced measures to accelerate Europe's clean transition, including through the increase in the share of renewable and low-carbon gases. Several legislative initiatives aim to enable a hydrogen economy by supporting the production, supply and infrastructure deployment of renewable hydrogen at EU level with the aim to allow major industries to decarbonise and remain competitive. The expected increased penetration of renewable and low-carbon gases in gas transmission and distribution systems impacts the use of the existing gas grids, either through the repurposing of

	<p>natural gas pipelines into dedicated hydrogen assets or decommissioning in view of responding to the renewable gases production and supply flows. Whilst the TEN-E Regulation sets the conditions for which repurposed natural gas infrastructure can become dedicated hydrogen assets, the recently agreed Hydrogen and decarbonised gas market package¹¹³ creates a regulatory framework for decommissioning of such assets.</p>
<p>3.13. There is a need for more binding measures for TSOs, DSOs but also energy producers, in order to better coordinate their actions and enable the grid to benefit from digitalisation. Instead of just monitoring and voluntary cooperation, especially in cross-border exchanges, there is a need for more compulsory measures. ACER should therefore be equipped with competencies that enable it to speed up measures for an overall European benefit.</p>	<p>The Commission agrees with the Committee that better coordination between Transmission System Operator (TSO) and Distribution System Operator (DSOs) allow for a swifter digital transformation of our electricity grids.</p> <p>In this sense, the Commission streamlined in TEN-E the existing provisions on smart electricity grids, catering for wider possibilities of cross-border cooperation between the transmission and distribution networks. The TEN-E also gives the appropriate competences to the European Union Agency for the Cooperation of Energy Regulators (ACER) by ensuring that, where the relevant national regulatory authorities do not reach an agreement on an investment request within six months, or upon joint request by such authorities, the Agency shall take a decision within three months.</p> <p>Furthermore, the Grid Action Plan puts forward targeted actions encouraging cooperation at EU level between ENTSO-E and EU DSO Entity of digitalising grid connection requests, promoting the uptake of smart grid, network efficiency and innovative technologies, investigate best practices in relation to the promotion of</p>

¹¹³

[Deal to decarbonise EU gas markets and promote hydrogen \(europa.eu\)](#)

	<p>smart grids and network efficiency technologies through tariff design and bring further visibility to available EU funding for smart grid projects.</p>
3.14. [...] The Committee calls for coordinated development plans by the MS and for solidarity-based funding for network development, including connecting ports and railways, as is already the case for cross-border transport.	<p>The Commission agrees with the Committee that coordinated long-term EU network planning between Member States will help the EU achieve its energy and climate objectives at lowest cost. Interconnected infrastructure is the best guarantee of security of supply, essential for integrating renewable energy sources and therefore key for keeping prices at check.</p> <p>The TEN-E Regulation puts in place a framework for Member States and relevant stakeholders to work together to identify relevant infrastructure gaps and bottlenecks, and projects and measures to remove these. It lays down the criteria and the process to select Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) which are part of ten-year network plans developed at EU level and which consider sectorial integration and synergies with other sectors as part of their scenarios.</p> <p>The costs of network development should be, in principle, borne by users of those networks. As such, the TEN-E Regulation puts forward several regulatory tools and incentives allowing for the allocation of costs in line with benefits thus reflecting the regulatory nature of infrastructure assets and their impact on end-user tariffs.</p> <p>Under specific conditions, projects holding the PCI or PMI status can apply for funding under the Connecting Europe Facility (CEF). CEF is an important tool to finance projects that lie in the common EU interest and would not be realised through national financing.</p>

3.20. The EESC recognises the need for a massive increase in investment in electricity networks given the growing demands at all levels. Investment in transmission networks alone would have to increase by at least EUR 2 billion per year. In distribution networks, similar levels of investment are likely to be needed in order to reliably integrate high-performance applications such as heat pumps, electric cars and PV systems. This offers the opportunity to create added value for the European economy and to maintain and create high-quality (green) jobs.

The Commission agrees with the Committee that the needed modernisation, expansion and smartening of our electricity networks will require major investments.

The Commission estimates that overall, around EUR 584 billion in investments are necessary for electricity grids this decade alone. This represents a significant part of the overall investment needed for the clean transition in the electricity sector. The majority of these investments are required in distribution grids to make them digital, monitored in real-time, remotely controllable and cybersecure. Around 40% of Europe's distribution grids are over 40 years old and need to be modernised. Industry estimates that around EUR 375-425 billion of investment in distribution grids is necessary by 2030.

Crucially, investments in grids will generate important benefits, including reducing energy costs for consumers and emissions. For instance, cross-border projects can decrease generation costs by EUR 9 billion annually until 2040, while investments needed in cross-border capacity and storage amount to EUR 6 billion annually. Investing in cross-border grid projects will allow the integration and transport of large amounts of newly generated renewable electricity across Europe where it is most needed, avoid renewable generation to be curtailed, and reduce gas utilisation, thus cutting greenhouse gas emissions.

Initiatives such as the first PCI/PMI list under the revised TEN-E Regulation and the accompanying Grid Action Plan, provide the necessary signals to the market to redirect and unblock funding in electricity networks.

3.22. Preparations are already underway to transport hydrogen within the EU by converting existing natural gas pipelines and by using newly built hydrogen pipelines. Keeping in mind transportation distances between supply and demand, energy efficiency has to be considered in infrastructure planning. This entails significant costs and is reflected in gas customers' network charges. The EESC therefore calls for a broad funding base, along the lines of the electricity sector, not only based on network charges or taxes, but also other sources (e.g. ETS revenues, specific tax revenues, RepowerEU, RRF, cohesion funds, etc.). Otherwise, the consequences will be much higher costs for final customers and therefore lower levels of public approval for the long-term development of renewable energies.

The Commission agrees with the Committee that energy efficiency is essential to network planning. The energy efficiency first principle is introduced by the TEN-E Regulation as a compulsory method in considering infrastructure gaps in network planning. Moreover, as considering the nascent nature of the hydrogen infrastructure and the data uncertainties as regards demand and supply, the regional groups under the TEN-E Regulation carried out a very strict assessment process of all candidate hydrogen projects received on the basis of multi-source data on demand and supply and needs prioritisation. This resulted in the selection of only those pipelines allowing for the cross-border flow of renewable hydrogen from Member States with export potential.

With the adoption of the Hydrogen and decarbonised gas market package, the EU establishes a market for hydrogen, creating the right environment for investment, and enabling the development of dedicated infrastructure, including for trade with third countries. The market rules will be applied in two phases, before and after 2030, and notably cover access to hydrogen infrastructures, separation of hydrogen production and transport activities, and tariff setting.

In 2022, the European Commission established the European Hydrogen Bank as a financing instrument aiming to unlock private investments in hydrogen value chains, both within the EU and globally, by connecting renewable energy supply to EU demand and addressing the initial investment challenges.

The Hydrogen Public Funding Compass¹¹⁴ provides an overview of EU level funding programmes and funds financed by the 2021-2027 long-term EU budget and NextGenerationEU, as well as national funding programmes and funds.

¹¹⁴

[Funding guide - European Commission \(europa.eu\)](https://ec.europa.eu/eropa/programmes/hydrogen-public-funding-compass_en)