

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION
TO THE OPINIONS OF THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
PLENARY SESSION OF FEBRUARY 2024¹

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

N°	Title	References
SG.RECOVER		
1 Assoc DG ECFIN	Annual Sustainable Growth Survey 2024 Rapporteur: Elena-Alexandra CALISTRU (RO-III)	ECO/634 COM(2023) 901 final EESC-2023-05137-00-00-AC
SG.G1		
2	European economic security strategy Rapporteur: Milena ANGELOVA (BG-I)	REX/579 JOIN(2023) 20 final EESC-2023-04250-00-02-AC
MOVE		
3	Revision of the Combined Transport Directive 92/106/EEC Rapporteur: Pierre Jean COULON (FR-II)	TEN/812 COM(2023) 702 final EESC-2023-03105-00-00-AC
EMPL		
4	Digitalisation in social security Rapporteur: Krzysztof Stanislaw BALON (PL-III) Co-rapporteur: Maria del Carmen BARRERA CHAMORRO (ES-II)	SOC/781 COM(2023) 501 final EESC-2023-03875-00-00-AC
TAXUD		
5	Taxation of cross-border teleworkers globally and the impact on the EU (own-initiative opinion) Rapporteur: Krister ANDERSSON (SE-I)	ECO/613 EESC-2023-00860-00-00-AC
FISMA		
6	Improving benchmarks and reporting requirements in financial services and investment support Rapporteur: Krzysztof Stanislaw BALON (PL-III)	ECO/635 COM(2023) 593 final COM(2023) 660 final EESC-2023-05424-00-00-C
ENV		
7	Preventing plastic pellet losses to reduce microplastics pollution Rapporteur: András EDELÉNYI (HU-I) Co-rapporteur: Maria NIKOLOPOULOU (ES-II)	NAT/894 COM(2023) 645 final EESC-2023-04923-00-00-AC

JUST		
8	<u>Alternative dispute resolution</u> Rapporteur: Wautier ROBYNS (BE-I)	INT/1047 COM(2023) 647 final COM(2023) 649 final EESC-2023-04939-00-00-AC
9	<u>Strengthening civil dialogue and participatory democracy in the EU: a path forward</u> <u>(exploratory opinion requested by the Belgian Presidency of the Council of the EU)</u> Rapporteur: Pietro Vittorio BARBIERI (IT-III) Co-rapporteur: Miranda ULENS (BE-II)	SOC/782 EESC-2023-03879-00-02-AC
GROW		
10	<u>SME relief package</u> Rapporteur: Alena MASTANTUONO (CZ-I) Co-rapporteur: Angelo PAGLIARA (IT-II)	INT/1048 Com(2023) 535 final EESC-2023-05071-00-01-AC
11 Assoc ENV & AGRI	<u>Towards a comprehensive strategy for the EU wood industry</u> <u>(own-initiative opinion)</u> Rapporteur: Anastasis YIAPANIS (CY-III) Co-rapporteur: Rolf GEHRING (DE-cat. 2)	CCMI/213 EESC-2023-03538-00-00-AC
*** OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSIONS ***		
ENV		
12 Opinion adopted during the Plenary session of October 2023	<u>Umbrella opinion "A call for an EU Blue Deal"</u> <u>(Own-initiative opinion)</u> Rapporteurs: Paul RÜBIG (AT-I), Florian MARIN (RO-II), Kinga JOÓ (HU-III) Co-rapporteur: Péter OLAJOS (HU-Cat. 3)	CCMI/209 EESC-2023-01894-00-00-AC
GROW (Assoc ENER)		
13 Opinion adopted during the Plenary session of December 2023	<u>Industrial Policy as an instrument to reduce dependencies and boost an EU market for green products in the resource and energy-intensive industries (REEIs)</u> <u>(own-initiative opinion)</u> Rapporteur: Matteo Carlo BORSANI (IT-I) Co-rapporteur: Dirk JARRÉ (DE-Cat. 3)	CCMI/210 EESC-2023-01023-00-00-AC

HERA (Assoc GROW&SANTE)		
14 Opinion adopted during the Plenary session of December 2023	<u>Securing Europe's medicine supply: envisioning a Critical Medicines Act (exploratory opinion requested by the Belgian presidency of the Council of the EU)</u> Rapporteur: Lech PILAWSKI (PL-I) Co-rapporteur: Thomas STUDENT (DE-Cat. 2)	CCMI/212 EESC-2023-03800-00-01-AC
GROW		
15 Opinion adopted during the Plenary session of January 2024	<u>European cross-border associations</u> Rapporteur: Giuseppe GUERINI (IT-III)	INT/1046 COM(2023) 515 final COM(2023) 516 final EESC-2023-04411-00-00-AC

N°1 Annual Sustainable Growth Survey 2024 COM(2023) 901 final EESC 2023-05137 – ECO/634 585th Plenary Session – February 2024 Rapporteur: Elena-Alexandra CALISTRU (RO-III) SG.RECOVER – President VON DER LEYEN	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°2 European Economic Security Strategy JOIN(2023) 20 final EESC 2023-04250 – REX/579 585th Plenary Session – February 2024 Rapporteur: Milena ANGELOVA (BG-I) SG – President VON DER LEYEN</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The EESC finds the priority of promoting the EU's competitiveness crucial. It stresses that investment in innovation, skills development and industrial capacities, together with ensuring a well-functioning internal market are indispensable means of both strengthening productivity and competitiveness and decreasing critical dependencies, while at the same time preserving the EU's social market economy.</p>	<p>The Commission agrees with the opinion of the Committee. As a matter of fact, the ‘promoting’ pillar of the European Economic Security Strategy² focuses precisely on the strengthening of the Single Market and of the European industrial base. The Commission has been already implementing a number of measures in this regard and more will be adopted, when necessary, following the ongoing risk assessments as indicated in the Strategy.</p> <p>For example, one of the priorities of the June 2023 Strategy is to promote EU competitiveness by bolstering its industrial capacity. The Net-Zero Industry Act aims at scaling up the manufacturing capacity of net-zero technologies.</p> <p>The Commission also implements actions for improving Member States’ administrative effectiveness through the Technical Support Instrument enhancing the competitiveness of the EU.</p>
<p>1.7. The EESC calls on EU policymakers to enhance - through domestic policies and active diplomacy - conditions that enable, encourage and support EU businesses, including MSMEs, to manage the geoeconomic risks in</p>	<p>The Commission shares the concerns of the Committee in this regard. To facilitate the participation of the EU private sector in the implementation of the Economic Security Strategy, the</p>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023JC0020&qid=1687525961309>

<p>their operations, and to ensure that policy measures do not incur disproportionate costs or hindrances for them. The EESC thus finds it vital to involve EU businesses closely in the identification and assessment of economic security risks, opportunities and measures.</p>	<p>Commission has set up a dedicated dialogue within the Industrial Forum. In this context, stakeholders expressed their priorities and have received targeted questionnaires on some of the critical technologies (quantum and biotech). As a next step, targeted questionnaires and exchanges will follow on supply chain risks, which industry indicated as the highest priority area for the dialogue. Raising awareness, exchanging best practices and addressing the relevant and proportionate policy measures are key objectives of this continued exchange. Moreover, the implementation of the Strategy is a joint work of the EU institutions and the Member States. The latter also play a vital role in involving EU businesses closely in the identification and assessment of economic security risks, opportunities and measures.</p>
<p>2.2.2. The interlinkage of the priorities requires a cross-policy approach to the EU's external relations and internal policies. A strong Common Foreign and Security Policy, and forward-looking trade, investment, technology and industrial policies play a central role overall. However, the impacts of various policy measures appear at different timespans, which needs to be considered in planning the implementation steps.</p>	<p>The Commission fully agrees with the Committee on this point. A coordinated and coherent use of both internal and external policies and measures is needed to address challenges to our economic security in the current geopolitical context. This is reflected by the fact that the strategy was set out in a joint Commission / High Representative Communication. Such interlinkages are fully considered as the strategy is now being implemented, through continued close cooperation between all relevant services of the Commission and the European External Action Service.</p>
<p>2.2.4. The EESC agrees on the principles of proportionality and precision to be applied to any measures that ensure economic security. Moreover, the EESC suggests the principles of</p>	<p>The Commission is grateful to the Committee for the suggested improvements. Indeed, the Commission intends, in the implementation of the Strategy, to proactively operate both</p>

<p>proactivity, practicality and participation to be followed in the implementation.</p> <p>2.2.5. The principle of proactivity calls on the EU to take measures and guide developments based on its own strengths and opportunities, rather than to be defensive and respond only to the measures of other global players. Practicality requires the EU to ensure that the measures taken are feasible in practice and correspond to the realities of businesses and other actors. The participation principle refers to the need for cooperation and involvement of all relevant stakeholders in the elaboration and implementation of the strategy.</p>	<p>domestically and internationally to leverage the EU's strengths and limit its exposure to risks. It will do so in close cooperation with EU Member States and stakeholders, as illustrated by the newly established Expert Group on Outbound Investments and the White Papers published on 24 January 2024³ to encourage all stakeholders to share their views on the next steps in the implementation of the Strategy. Such close cooperation with EU Member States and stakeholders will ensure their participation in the follow-up actions as well as the practical feasibility of the actions that the Commission is taking and will take.</p>
<p>2.3.2. Moreover, the EESC draws attention to the economic risks related to the weaponisation of natural resources and the environment. This applies, for example, to the increasing tensions caused by water scarcity, and the manifold impacts of climate change which may affect the EU's economic security, at least indirectly. Environment related risks and conflicts, together with other conflicts and wars, call for proper preparedness by the EU in the context of its economic security strategy.</p>	<p>The Commission understands the Committee's concerns and points out that the EU has ongoing initiatives to address those issues. However, the European Economic Security Strategy has been specifically devised in such a way as to not duplicate existing work strands of the Commission. The Strategy is meant to be narrowly targeted to certain risks and economic sectors where vulnerabilities have been exposed by recent crisis and geopolitical tensions.</p> <p>At the same time, the Commission will continue to work to implement the European Green Deal that will ensure that appropriate mitigation and adaptation measures are taken at EU and international level to tackle environmental and climate challenges.</p>
<p>2.3.3. The EESC points out that besides external risks and threats, there are risks related to the EU's internal developments. As the Single Market is the foundation for</p>	<p>The Single Market is the EU's principal asset for ensuring the economic security of its businesses and citizens. As economic security risks have increased in</p>

³ https://ec.europa.eu/commission/presscorner/detail/en/IP_24_363

<p>external cooperation, distortions in the internal market are a fatal risk for the EU's global role too. Furthermore, domestic policies that weaken investment conditions entail risks for the EU's economic security. This highlights the need for the introduction of a proper competitiveness check in EU policymaking.</p>	<p>recent years, Europe has equipped itself with new instruments to strengthen the Single Market, such as the Internal Market Emergency and Resilience Act (IMERA).</p> <p>The Commission introduced a mandatory competitiveness check which is being applied for all impact assessments submitted to the Commission's Regulatory Scrutiny Board (RSB) as of March 2023. Moreover, the President of the Commission has decided to reinforce the RSB with two additional members and to require it to pay special attention to the impacts on competitiveness when assessing the quality of reports submitted to it.</p> <p>The Commission also supports Member States in the efforts to better regulation and reduction of administrative burdens for citizens and businesses through capacity building on policy making.</p>
<p>2.4.2. The EESC calls on the European Commission and the Member States to enhance fair competition and a level playing field in the internal market and to efficiently enforce the existing rules. It must be ensured that all market participants, including foreign ones, follow EU rules and standards in the EU's single market.</p>	<p>EU competition policy and its enforcement prevent the distortion of fair competition in the Single Market, including by foreign participants. This promotes the competitiveness of the EU economy and incentivises private investment. Specifically State aid policy provides possibilities for Member States to support sectors key to the EU's economic security without damaging the integrity of the Single Market.</p> <p>The Foreign Subsidies Regulation (FSR) entered into force in July 2023 and allows the Commission to protect the Single Market against distortive subsidies granted by third countries to companies active in the EU. This helps safeguarding the EU's economic security. Under the FSR, the Commission can investigate</p>

	<p>subsidies granted by non-EU countries to companies active in the EU (including foreign direct investments) and redress, if needed, the distortive effects of these foreign subsidies. On 16 February 2024, the Commission launched its first in-depth investigation under the Foreign Subsidies Regulation into a company participating in a public procurement procedure. Furthermore, State aid rules will continue to prevent distortions of the level playing field, while providing Member States the possibility to support industries where justified and without distorting fair competition in the Single Market.</p> <p>Furthermore, the Commission will continue to address unfair trade and restore the level playing field in the internal market in case of dumped and/or subsidised imports from third countries through the imposition of anti-dumping and/or countervailing measures where warranted pursuant to the basic Anti-Dumping Regulation⁴ and the basic Anti-Subsidy Regulation.⁵</p>
<p>2.4.3. Secure and affordable access to energy and raw materials is crucial for all industries and clearly reflects the importance of adequate domestic supply, a well-functioning internal market and reliable foreign supply chains. Secure digital systems and strong digital capacity are also ever more important for the EU's economic security, given that digitalisation affects the whole economy and society and data is intrinsically linked to the single market of goods, services, capital and people. The EU's capacity and influence in the development and use of AI and other</p>	<p>Excessive dependencies on foreign sources of strategic and critical raw materials can constitute a core economic security risk. To help mitigating this risk, the Critical Raw Materials Act⁶ aims at facilitating the extraction, processing and recycling of critical raw materials in the EU, which should reduce dependencies and increase preparedness. It also introduces a dependency benchmark.</p> <p>The Critical Raw Materials Partnerships with third countries nurture sustainable</p>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32016R1036>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32016R1037>

⁶ https://single-market-economy.ec.europa.eu/publications/european-critical-raw-materials-act_en

<p>advanced digital technologies should be particularly ensured.</p>	<p>and resilient value chains for critical raw materials with strategic partners in raw materials.</p> <p>Furthermore, the Commission’s recent Communication on Advanced Materials sets the objective to identify additional research and investments needs for the substitution of Critical Raw Materials with advanced materials, with first results expected in quarter 1 of 2025.</p> <p>REPowerEU helps the EU reducing its dependence on Russian fossil fuels by fast-forwarding the clean transition and achieving a more resilient energy system.</p> <p>The framework for security of gas supply includes cooperation between EU countries in regional risk groups to collectively assess common supply risks and develop joint preventive and emergency measures.</p>
<p>2.4.4. The completion of the Financial Union, i.e. the Capital Markets Union and the Banking Union is also essential. A well-functioning and stable EU capital market and an independent EU banking sector are necessary to ensure stable access to finance, while avoiding excessive foreign dependencies. The EESC urges national authorities and competent institutions within the EU to increase their efforts to complete both the Capital Markets Union and the Banking Union. Furthermore, the EU must remove existing obstacles and refrain from any new measures that could jeopardise access to finance, in particular for SMEs</p>	<p>The Commission welcomes the Committee’s suggestions but also points out that this issue is outside of the scope of the European Economic Security Strategy.</p> <p>The Commission remains committed to strengthening and completing the Banking Union and the Capital Markets Union, which are critical to improving the investment opportunities for investors, businesses and citizens, and promote sustainable growth and financial stability in the EU. Those are the key elements for the resilience of our economic and monetary Union and, at the same time, for the increase of the competitiveness of the Internal Market by unlocking private financing for the green, digital and security European transition.</p>

2.4.5. In addition to well-functioning capital markets, there is also need for adequate and efficiently allocated public funding, to be able to achieve the desired economic security objectives. The EESC emphasises the need for prioritising adequate investment in secure infrastructure - especially in the critical infrastructure – as well as in research and innovation, and in education and training. In this context, the EESC regrets that the EC did not propose a European Sovereignty Fund in its latest revision of the MFF.

The EU budget has been providing support to the green and digital transitions and the resilience of the Union for years.

NextGenerationEU injected EUR 800 billion of fresh money to support the resilience of the Union to future challenges. The EU has several funds and programmes on- and off-budget to provide support to deep and digital technologies, clean technologies, and biotechnologies. These instruments include in particular cohesion policy funds, the Recovery and Resilience Facility, the Innovation Fund, InvestEU, the European Defence Fund and Horizon Europe.

The objective of the Strategic Technologies for Europe Platform (STEP)⁷, which entered into force on 1 March 2024, is to provide funding for a common European industrial policy in a more coherent manner. While not a new fund, STEP will rely on available funding and existing financial instruments and ensure their full mobilisation to provide timely and targeted support in strategic sectors (digital and deep, clean and bio technologies), integrated with other sources of funding at national level or from private investors. It will help provide more seamless support from research to innovation and development, linking the support across (strands of) programmes and promoting coherence across separate competitive calls.

STEP is a pilot for an innovative approach to EU public funding aimed at supporting EU economic security. The

⁷ https://commission.europa.eu/document/download/3606579c-46fb-4868-a225-535943d95400_en?filename=OJ_L_202400795_EN_TXT.pdf

	<p>future Multiannual Financial Framework (MFF) will take into account the lessons learnt from the STEP implementation to ensure a more flexible, more policy-focused, EU-added value-driven EU budget.</p>
<p>2.4.6. The EESC also highlights that economic security should cover all segments of the economy, including macroeconomic sustainability, macrofinancial stability, and the sustainability, inclusiveness and resilience of the real economy. Encouraging conditions for economically, socially and environmentally sustainable investment are key to enhancing these objectives.</p>	<p>As explained above, the Joint Communication on the European Economic Security Strategy is meant to be targeted to a limited set of risks and technology areas that are considered as paramount for EU's economic security. The Strategy is not exhaustive and does not pre-empt the Commission from continuing its actions in other areas to strengthen the EU economy and competitiveness – which are fundamental pillars of economic security. Moreover, the Commission believes that tackling the challenges identified by the Strategy will significantly contribute to the EU macroeconomic and macro financial stability, as suggested by the Committee.</p>
<p>2.4.9. Given that the demographic change is generating labour shortages across all sectors and in various jobs and tasks, the EU must also encourage and facilitate the cross-border mobility of skilled people, both within the EU and particularly in cooperation with countries outside the EU. Specific efforts must be focused on attracting and retaining talent needed in strategic technologies and activities. The EESC highlights the importance of a comprehensive approach to boosting industrial capacities. Instead of "picking the winners", which involves the risk of politically misguided investment and reduced risk-taking by businesses, the EU should provide favourable conditions for the continuous progress and development of new solutions on a wide basis. For example, enhancing green transition by only promoting individual</p>	<p>The Commission agrees that cross-border mobility and labour migration should be one element in a strategy to maintain European competitiveness in times of labour shortages and demographic change. However, the Commission also considers that an inclusive labour market which fully uses the available employment potential is the first priority.</p> <p>The mobility of workers across Member States is facilitated by several EU actions. These include the Directive on regulated professions, the Council Recommendations on the European Qualifications Framework, the EURES network and the Europass platform. The relevance of attracting talent from third countries has become more apparent</p>

<p>sectors or technologies labelled as "green" or "clean" is not optimal, because all kinds of businesses participate in the green transition, with many "traditional" companies providing necessary raw materials and components or an innovation platform for new products and solutions.</p>	<p>recently, and the Commission has proposed the Skills and Talent Package⁸ to this purpose.</p> <p>The Commission also supports the exchange and sharing of innovation amongst public officials of the Member States while providing capacity building for upskilling and reskilling of the workforce of national administrations.</p> <p>The Commission agrees that it is important to pursue a comprehensive approach to boosting industrial capacities. Beyond clean tech, the Commission is therefore supporting the transition of all industrial ecosystems, including energy intensive ones, in particular through the co-creation of transition pathways.</p>
<p>2.4.12. Considering that economic security risks affect a wide variety of business operations, such as supply chain management, import, export, investment, and technology cooperation, the EESC finds it important to ensure that the policy measures addressing the risks do not cause disproportionate costs or hindrances for EU businesses.</p> <p>In line with the principle of practicality, the EESC calls on the Commission and Member States to help increase awareness, knowledge and capacities for coping with the economic security risks, especially by MSMEs who simultaneously struggle with the green and digital transitions.</p>	<p>The Commission is acutely aware of the detrimental effect of disproportionate administrative burden on businesses and in particular small and medium-sized enterprises. The fundamental principles for any measures on economic security flowing from the Strategy are therefore (1) proportionality to ensure that our tools are in line with the level of the risk and limit any negative unintended spill-over effects on the European and global economy, and (2) precision to define exactly which goods, sectors or core industries are targeted and ensure that measures respond to the risks themselves.</p> <p>The Commission shares the view of the Committee as regards the need to help increase Economic Security awareness among SMEs (for details see point 1.7.).</p>
<p>2.5.3. Increasing and diversifying partners improve possibilities to diversify supply</p>	<p>The Commission highlights that through the ‘partnering’ pillar of the European</p>

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https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5740

<p>chains and help to access to both critical and ordinary production resources. It also contributes to expanding the export markets, thus reducing dependencies on limited customers. To this end, it is important to make full use of relevant existing trade and investment agreements and to rapidly conclude ongoing trade negotiations, as well as to start new negotiations with potential new partners. To ensure a holistic approach, as well as the necessary public legitimacy, it is important that the critical raw material partnerships are subjected to the same level of sustainability requirements as trade agreements. This means a robust sustainable development chapter, focused monitoring and implementation, civil society monitoring and sanctions as a last resort.</p>	<p>Economic Security Strategy, the EU will continue to engage with the broadest range of third countries possible to foster mutually beneficial trade and investment relations, based on the principles of sustainable development. In practice, this means working together with partners to foster resilient and sustainable value chains, and strengthen the international rules-based economic order and multilateral institutions. It also means partnering with countries on similar de-risking paths, furthering and finalising free trade agreements, and investing in sustainable development and secure links throughout the world through Global Gateway.</p> <p>The Strategic Partnerships on raw materials negotiated by the Commission on behalf of the EU do not seek to replicate trade agreements. They rather aim at integrating raw materials value chains of both partners and diversifying EU supply through joint development of projects. Those partnerships also seek to develop cooperation on environmental, social and governance (ESG), on skills as well as on research and innovation, to align with international standards and to mobilise funding for the development of relevant infrastructure.</p>
<p>2.5.5. Research and innovation are an essential field of thematic cooperation. While technology partnerships require the EU to protect itself against abuses, they increase the possibilities for the EU to be involved in the development of strategic and critical technologies. Joint and high-level research projects, in cooperation with industries, also contribute to the development, attraction and retention of high-level talent.</p>	<p>The Commission agrees that research and innovation play a crucial role in all three pillars of the European Economic Security Strategy. The Strategy sets out a framework for a robust assessment and management of risks to economic security, while preserving and increasing the EU competitiveness in the development and deployment of strategic technologies. International cooperation in Horizon Europe is designed to be as</p>

	<p>open as possible, promoting mutual benefits with partner countries, but as closed as necessary for actions related to Union strategic assets, interests, autonomy or security. In addition, the Commission made a Proposal for a Council recommendation on Research Security⁹ to ensure information sharing and consistency of approach with regards to research security in European and national research and innovation funding programmes.</p> <p>The Commission has also advanced a proposal for a Council Recommendation on a European framework to attract and retain research, innovation and entrepreneurial talents in Europe.¹⁰</p>
<p>2.5.7. The EESC believes, in line with the strategy, that it is in the EU's interest to strengthen multilateral – and when appropriate, plurilateral – cooperation through international fora and organisations. More attention and efforts need to be focused on cooperation within the WTO and to the reform of the organisation. This would counterbalance the ongoing trend towards fragmentation of the global economy and markets. Supporting international cooperation is crucial, considering the impact of fragmentation and confrontation on the European economy, mainly on trade, technology and investment, including the payment system and the stability of the euro. Multilateral cooperation is also indispensable, for example, in addressing common environmental and health problems</p>	<p>The EU remains a staunch supporter of the international rules-based trading system with the World Trade Organisation at its centre. It continues to advocate strong reforms of the organisations to make it more efficient, representative and fit to tackle the emerging challenges of the global economy. Strengthening and protecting the WTO is not only important for rules-based trade and investment on a level playing field, but for multilateralism as such.</p> <p>Lately, the Commission was instrumental in brokering important outcomes at the 13th ministerial meeting of the WTO (MC13). EU negotiators secured important agreements on e-commerce, new rules to improve global services trade, environmental cooperation, and</p>

⁹ <https://op.europa.eu/en/publication-detail/-/publication/5b6a42a8-9da1-11ee-b164-01aa75ed71a1/language-en>

¹⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A0436%3AFIN>
<https://data.consilium.europa.eu/doc/document/ST-15135-2023-REV-1/en/pdf>

	<p>strengthening the position of developing countries in the global trading system.</p> <p>Over the past months, the EU had worked for ambitious results to revitalise the WTO at a time of rising geopolitical tensions, including a comprehensive agreement on global fisheries subsidies, agriculture reform, and meaningful progress on dispute settlement. The Commission regrets that, despite willingness by a large majority of WTO members, it was not yet possible to find the necessary compromises on these issues to reach consensus.</p>
<p>2.5.8. The EESC agrees that partnerships with developing countries contribute to the economic security of the EU, by improving access to resources and providing new markets. On top of market-based economic cooperation, the EU should facilitate an increased participation of EU enterprises and other civil society actors, including NGOs and social economy enterprises, in development cooperation projects. Capacity building, including education and skills development, should be an essential part of these partnerships</p>	<p>The Commission agrees and encourages civil society actors to actively participate in development cooperation projects. They remain key partners in devising and implementing policies and programmes that meet people's needs, reduce inequalities, and fulfil the central commitment of the 2030 Agenda to leave no one behind.</p>
<p>2.6.2. At the same time, it is important to avoid stimulating increased protectionism and by and large keep partnering as the first choice. The EESC also points out the importance of coordination and unity between EU Member States as well as cooperation with partner countries when using these instruments. Moreover, proper cost-benefit analyses are necessary when planning and deciding on their use.</p>	<p>The Commission fully agrees that the Security Strategy must not lead to protectionism. The Strategy underscored that our economies thrive on open and rules-based trade and investment, and that we want our partners around the world to continue to benefit from access to the European markets, capital and technologies for their transition to a clean and resilient economy.</p> <p>Partnering is indeed a key pillar of the strategy. Its aim is fostering cooperation with countries who share our concerns on economic security as well as those who</p>

	<p>have common interests and are willing to cooperate with the EU to achieve the transition to a more resilient and secure economy. This must not result in unfair trade practices.</p>
<p>2.6.4. With the growing data economy, ever more attention and investment must also be focused on cyber security and the security of digital infrastructure. The EESC also emphasises the need to protect the security of other types of critical infrastructure, including energy, transport, water and health infrastructures. Both physical and cyber security must be strengthened, taking into account the wide variety of potential attacks and incidents.</p>	<p>With respect to cybersecurity, the Directive on measures for a high common level of cybersecurity across the Union (NIS 2 Directive)¹¹ strengthens and streamlines security and reporting obligations for a large number of sectors that are critical for the economy and society, among which are the highly critical sectors such as energy, transport, health, drinking water, waste water and digital infrastructures. Entities in scope of the NIS 2 Directive have to protect their network and information systems and their physical environment from incidents, including cyber-attacks, system failures, human error, malicious acts or natural phenomena.</p> <p>Several cyber-related risk assessments have been done for various critical infrastructure sectors, including most notably the telecommunications and energy sectors.</p>
<p>3.2. Constantly monitor the economic security related strategies and measures by third countries.</p>	<p>The Commission agrees with the importance of monitoring such policies and strategies by third countries, and is working closely with the EEAS and EU Delegations to achieve this, including when appropriate through dedicated cooperation and dialogue with key partners.</p>
<p>3.3. Assess the strengths of the EU in relation to the geopolitical and geoeconomic</p>	<p>The Commission agrees on the importance to use the EU's strengths in the current geopolitical context, and to</p>

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32022L2555&qid=1712918931416>

<p>developments and measures by other global players.</p>	<p>avoid any policy response that would be too defensive. The Risk Assessments conducted in the framework of the Economic Security Strategy will enable the EU to better understand potential vulnerabilities but also its strengths. The outcome of the Risk Assessments can then be used in the policy response to the identified risks, including through more partnering with third countries.</p>
<p>3.4. Identify, together with businesses and other relevant stakeholders, policy measures needed to seize and realise the trade and partnership opportunities provided by global developments</p>	<p>The Commission agrees with the needs to seize and realise partnership opportunities in to respond to global developments. The risk assessments that the Commission is developing together with Member States will serve as input for our choices towards different partnership options.</p>
<p>3.5. Define "strategic" and "critical" technologies and sectors in a consistent and transparent manner so as to provide the necessary legal and operational certainty.</p>	<p>The Commission agrees with the need to ensure that all measures that are applied need to be proportionate, precise and targeted, including to ensure legal and operational certainty. This was the approach pursued in the Commission's Recommendation on critical technologies for further risk assessment adopted in October 2023.</p>
<p>3.6. Apply a proper competitiveness check on both the economic and social impact of EU policy initiatives, thereby contributing to the EU's economic security.</p>	<p>The competitiveness check assessment, conducted by the Commission, distinguishes impacts on enterprise competitiveness in terms of cost competitiveness, capacity to innovate, international competitiveness and SME competitiveness. Its systematic implementation will result in a better consideration of the impacts of EU policy initiatives on competitiveness in the decision-making process.</p>
<p>3.7. Strengthen the EC's economic intelligence and foresight capabilities.</p>	<p>To anticipate and prepare for the different megatrends affecting the EU and to</p>

support achieving its strategic objectives, the Commission as well as the EEAS are strengthening their culture of preparedness and evidence-based anticipatory policy-making. As part of those efforts, the Commission has substantially invested in embedding strategic foresight into EU policymaking. For instance, since 2019, the Commission has designed a dedicated Better Regulation tool on Strategic foresight for impact assessments and evaluations, published four Strategic Foresight Reports, developed stronger cooperation with Member States under the EU-wide Foresight Network and Ministers for the Future, and delivered foresight trainings to more than 3400 of its civil servants. The Commission will seek to build on the results achieved so far in implementing its strategic foresight approach.

In this context, the Commission also welcomes the effective cooperation developed on strategic foresight with the Committee.

<p>N°3 Revision of the Combined Transport Directive 92/106/EEC COM(2023) 702 final EESC 2023-03105 – TEN/812 585th Plenary Session – February 2024 Rapporteur: Pierre Jean COULON (FR-II) DG MOVE– Commissioner VALEAN</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>Conclusions and recommendations</p>	
<p>1.1. The EESC broadly supports the revision of Council Directive 92/106/EEC of 7 December 1992 on intermodal transport, as it broadly supports the "Greening Freight Transport" package which was the subject of the opinions adopted in July 2023¹² and October 2023¹³.</p>	<p>The Commission welcomes the Committee's support for the proposal.</p>
<p>1.2. Its success depends on the involvement of civil society and the involvement of the EESC.</p>	<p>The Commission agrees with the Committee.</p>
<p>1.3. The EESC reiterates the imperative of an economic, social and environmental balance to ensure a just transition.</p>	<p>The Commission agrees with the Committee.</p>
<p>1.4. The EESC affirms the need for intermodality in all freight transport, while always bearing in mind the obligation to coordinate and optimise each mode of transport at European level.</p>	<p>The Commission agrees with the Committee.</p>
<p>1.5. The success of this policy calls for full compliance with social rules as well as a specific and systematic training policy for company staff and managers, and regrets that this is not mentioned in the text of the Directive.</p>	<p>Commission agrees with the Committee as regards the compliance with social rules. As regards training, this is addressed at EU level in modal initiatives as training is mostly specific to transport mode. Furthermore, the National Policy Frameworks that Member States are</p>

¹² [OJ C 349, 29.9.2023, p. 12.](#)

¹³ [OJ C 890, 6.2.2024, OJ C 891, 6.2.2024.](#)

	required to prepare can address also training, this is specifically mentioned in the proposal for the annex, part 1, paragraph (d).
Specific comments	
2. 3.1. Intermodality is a necessary but insufficient condition for the greening of transport, because it is not difficult to imagine an intermodal transport system that is truly efficient and failure-proof but does not meet all the sustainability criteria.	The Commission agrees with the Committee's assessment.
3.2. According to the EESC, a sustainable transport system must be economically efficient, environmentally friendly, reliable, safe, and contribute to social development. Each of these imperatives has three dimensions that must be taken into account if we are to have an intermodal system in line with the aim of sustainability: technology, planning and the development of policies and social ethics.	The Commission agrees with the Committee's assessment.
3.3. Establishing an intermodal transport system requires the public to be informed of the advantageous prospects it offers: an intermodal transport system is designed to serve the public; it must influence decisions on transport projects and policies and will ultimately determine the effectiveness of a new transport system. As indicated in the impact assessment, the new common EU framework for GHG emissions accounting in transport and logistics will allow for improved transparency and accountability on transport-related external costs.	The Commission agrees with the Committee's assessment. It is important to point out that promotion of intermodal transport requires a holistic approach. While the current proposal addresses the dedicated support, other instruments, either horizontal or mode specific are essential to complement this proposal.

<p>3.4. The EESC notes that smart, distance-based road charging, with varied rates for the type of vehicle, as provided for by the revised Eurovignette Directive, is an effective tool to incentivise sustainable and economically efficient choices, manage traffic and reduce congestion.</p>	<p>The Commission agrees with the Committee's assessment. It is important to point out that promotion of intermodal transport requires a holistic approach. While the current proposal addresses the dedicated support, other instruments, either horizontal or mode specific are essential to complement this proposal.</p>
<p>3.5. As the impact assessment points out¹⁴, the different complexities, in particular the interaction between national and European policies, are inherent to intermodal transport, as it always involves many parties, multiple contracts and different laws and rules. Logistics companies and freight forwarders must solve the cost problem for shippers.</p> <p>However, given that the public must be on board with what is proposed, the EESC calls for wide-ranging civil society awareness-raising campaigns which it will be involved in, to ensure genuine public participation.</p>	<p>The Commission agrees that both the European and the national policies need to send a clear signal on the importance of increased use of sustainable transport, including intermodal transport.</p> <p>Furthermore, in the long term, the EU regulatory framework needs to establish conditions that allow the users to decide for sustainable operations based on market signals, in particularly price.</p> <p>The Commission also agrees that awareness-raising is an important tool to increase the use and preference of sustainable transport, both through tools such as labels or categories as well as awareness campaigns. However, as national situations are different, awareness campaigns are more efficiently organised at national levels. Therefore, the current proposal leaves this as a measure for Member States to take within their National Policy Frameworks. This is mentioned in the proposed Annex on potential support measures Part 1, paragraph (d).</p>

¹⁴ Brussels, 7.11.2023, [SWD\(2023\) 351 final, p. 9.](#)

<p>3.6. The EESC notes that dialogue between all terminals is also essential. The lack of transparency regarding terminal operations, their facilities and services is an important problem not dealt with sufficiently in the legislation. Lack of information about terminals was identified as a problem in the recent European Court of Auditors report¹⁵. For rail, rules are set out in Regulation 2017/2177 on access to service facilities, but its application has only partially solved the issue. No transparency requirements for information to be made publicly available exist for inland waterways and short sea shipping assessments without contacting all of the terminals, even if the desired intermodal operations were possible.</p>	<p>The Commission welcomes the Committee's position.</p>
<p>3.7. The EESC welcomes the European Commission's recognition in the Directive of the contribution that short-sea shipping from and to islands can make to reduce road transport emissions and congestion on the mainland. It stresses that the reference in Article 1(c) 2b "in the case of connections between an island and the mainland without a road alternative, the operation produces at least 40% less external costs than the alternative maritime intermodal operation", shall also mean connections between an island member state and the EU mainland.</p>	<p>The Commission proposal covers all operations within EU and does not limit it to national operations, therefore the operations between island Member States and EU mainland are covered in the Commission's proposal.</p>
<p>3.8. Articles 1(c) 6 and 7 of the proposed Directive require that: "The Commission shall adopt implementing acts establishing detailed rules for the calculation of external costs referred to in paragraph 2 of this Article" and "The Commission shall adopt implementing acts establishing the list of the predefined maritime leg of the alternative maritime</p>	<p>As regards the methodology for calculation of external costs, it should be noted that while the general methodology is in line with the approach in the Handbook on external costs of transport and could be in principle included in an annex of the Directive, the detailed technical specifications, and in particular</p>

¹⁵ "Intermodal Freight Transport, EU still far from getting freight off the road", European Court of Auditors Special Report 08/2023.

<p>intermodal operations referred to in paragraph 2, point (b), of this Article." According to the EESC, the methodology for the calculation of external costs and the list of the predefined maritime leg of the alternative maritime intermodal operations should be established and included as an annex to this Directive. This will allow for a shorter transposition period than the 30 months foreseen in Article 3(1) in order to anticipate the benefits that could be brought about by an earlier application of this Directive.</p>	<p>the unit values of differentiated levels of external costs, will require regular updating. They would therefore be left for an implementing act. In addition, considering that the electronic freight transport information (eFTI) platforms are not yet functional, including all referred information in the legal act would not allow to reduce the implementation deadlines.</p> <p>As regards the list of eligible maritime connections, this list would have to be updated whenever new connections/services become available, in particular taking into account that the proposal calls for support to establish new connections/services. Therefore, a more practical solution is to prepare the list of maritime connections for island transports in an implementing act, close to the actual application date.</p>
<p>3.9. The EESC welcomes the fact that the proposed revision is in line with the recently adopted “Naiades”¹⁶ Communication, which recommends greater integration of inland waterways into a modern trans-European intermodal transport system, which it has long called for. The EESC adds that the prerequisite for the use of intermodal and multimodal transport is the availability of appropriate infrastructure with sufficient capacity.</p>	<p>The Commission agrees that availability and sufficient capacity of infrastructure is a prerequisite for increasing the uptake of intermodal transport, for all modal combinations. The transport infrastructure capacity increase and related issues in the EU are dealt with in the recently agreed amendment to the Trans-European Transport Network (TEN-T) Regulation, which is complementary to this proposal in promoting intermodal transport.</p>

<p>3.10. The EESC stresses that skills are therefore required to assist in the planning, management and operation of intermodal transport. However, it is widely accepted today that such skills are lacking, as the training provided in the field of transport in Europe is still largely focused on modal transport.</p> <p>It regrets that the proposal for a Directive is silent on this point.</p>	<p>The Commission agrees that training for logistics, including for intermodal planning and operations is an important factor. However, the Commission believes this is better addressed at national level taking into account already existing education and training frameworks. Therefore, the National Policy Frameworks that Member States are required to prepare are called to address also training, this is specifically mentioned in the Commission proposal for the annex, part 1, paragraph (d).</p>
<p>3.11. The development and use of new technologies are creating new, onerous responsibilities for education systems. Staff with new qualifications are required to design, plan, operate and maintain transport networks. As regards infrastructure, there are also important needs to be met. For intermodal freight transport to function well, it is not enough to build transit systems; there must also be appropriate information structures that allow seamless freight.</p>	<p>The Commission agrees with the Committee that physical infrastructure alone is not sufficient to ensure the seamless functioning of intermodal operations. This is addressed in the amended TEN-T Regulation as well as in current proposal. In particular, first, the proposal makes the use of eFTI platforms as well as mandatory standardised identification of intermodal loading units, therefore strongly supporting digitalisation. Secondly, it calls on Member States to address in their National Policy Frameworks technological upgrades that allow improved information flow and digitalisation (part 2 of Annex).</p>

<p>3.13. These technologies play a key role in removing the many practical hurdles that hinder the seamless flow of freight. In many areas, especially in urban zones, the construction of new roads no longer reduces traffic congestion. It is increasingly recognised that the reduction of the area available to improve this infrastructure and the phenomenon of "induced demand" render a Strategy of simply building to solve the congestion problem impracticable.</p> <p>The EESC notes that the effective use of new technologies therefore requires extensive coordination and integration of resources.</p>	<p>The intermodal transport in itself already addresses the road congestion on inter-urban roads by shifting operations with large loading units to non-road modes. The road legs of the intermodal transport mostly take place between terminals and logistics areas, which are situated usually in outskirts of urban areas. The distribution between logistics platforms and final users is often carried out by smaller vehicles, not covered by this Directive. However, the Commission nevertheless agrees with the Committee that coordination and integration of resources is important. Therefore, the proposal calls on Member States to coordinate their measures where necessary.</p>
<p>3.16. The EESC calls for the application of this new measure to respect the rest and break periods of HGV drivers; economic profitability must not adversely affect road safety or the working conditions of drivers in the EU.</p>	<p>The Commission reassures that all modal social regulation continues to apply to different intermodal legs. The proposal does not exclude any operation from EU social regulation.</p>
<p>3.17. Several studies on the relation between fatigue-causing factors show that the peak level of crash risk, at night, can be ten times higher than daytime levels¹⁷.</p> <p>Truck drivers, in particular, who often have to spend the night at rest areas, complain that the poor design of parking spaces as well as uncomfortable environmental conditions are factors contributing to the poor quality of sleep.</p> <p>Moreover, 71% of truck drivers say that driving at night is a relevant factor</p>	<p>The road legs of intermodal transport are by definition short; the average road legs are 51km for rail-road operations, 10 km for Inland waterway transport (IWW)-road operations and 98km for short sea shipping (SSS)road operations. Therefore, intermodal operations normally allow the drivers to return home for rest. While the proposal harmonises the driving bans exemption across EU, including for night driving bans, an individual driver will rarely carry out several road-legs during one night.</p>

¹⁷ <https://www.etf-europe.org/wp-content/uploads/2021/05/Driver-Fatigue-in-European-Road-Transport-Report.pdf>.

contributing to fatigue ¹⁸ . Night work disrupts the circadian rhythm and causes irregular sleep.	
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¹⁸ <https://www.etf-europe.org/wp-content/uploads/2021/05/Driver-Fatigue-in-European-Road-Transport-Report.pdf>.

<p>N°4 Digitalisation in social security COM(2023) 501 final EESC 2023-03875 – SOC/781 585th Plenary Session – February 2024 Rapporteur: Krzysztof Stanislaw BALON (PL-III) Co-rapporteur: Maria del Carmen BARRERA CHAMORRO (ES-II) DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The EESC notes [...] that progress with social security digitalisation is very slow: the process has been going on for more than a decade. It urges the Commission and the Member States to redouble their efforts to move this process forward more quickly.</p> <p>1.3. Since the Communication does not address the issue of how the public administrations of individual Member States are to be prepared for the implementation of the envisaged instruments and in view of the poor development of digitalisation in some Member States, the Committee calls for a viable action plan on the implementation of digitalisation in social security coordination to be drawn up immediately.</p>	<p>As outlined in its Communication on digitalisation in social security coordination¹⁹ the Commission believes that there is a strong potential to improve the coordination of social security systems and to support fair labour mobility through further digitalisation of this area. This is part of the efforts to accelerate the digital transition in Europe, reduce administrative burden and improve the competitiveness of the European economy. In line with the call made by the Committee for an action plan, the Communication sets out concrete actions to accelerate the implementation of digitalisation of cross-border social security processes.</p> <p>The Commission continues to support Member States in implementing the actions by providing technical assistance and making available EU funding under various instruments, such as the Digital Europe Programme, the European Social Fund Plus and the European Regional Development Fund.</p> <p>The European Labour Authority will facilitate regular exchanges among authorities and analyse national digital solutions, including the digital maturity</p>

	of national systems. This will help to better target investment at national level and support those lagging behind.
1.5. The EESC considers that the digitalisation of social security alone will not achieve all the desired objectives in terms of removing obstacles to free movement unless the reform of Regulation 883/2004 on the coordination of social security systems [...]. Therefore, the EESC invites the Commission and the co-legislators to pursue their efforts to finalise this process pending since 2016.	In the Communication on digitalisation in social security coordination, the Commission urges the European Parliament and the Council to swiftly reach an agreement on the revision of the EU social security coordination rules. The Commission continues to actively support co-legislators to achieve this objective with a view to modernise the current rules to make them fairer and more efficient.
1.7. In order to avoid digital exclusion, the EESC calls, however, for solutions for those people who are not able to use electronic means, when people are communicating or identifying themselves to the social security administrations. As long as no solutions are adopted or put in place, identifying by electronic means should be an option and not a requirement. 4.4. The EESC believes that, for as long as any digital exclusion continues to exist, the Commission should clarify what measures will be put in place so that the use of new technologies does not limit the possibilities of access for those citizens who are not able to use electronic means.	The Commission agrees with the Committee that the use of European Digital Identity Wallets shall remain at the discretion of the user. The new European Digital Identity Framework ²⁰ (entering into force on 20 May 2024) explicitly stipulates that the use of European Digital Identity Wallets shall be voluntary. Access to public and private services, access to the labour market and freedom to conduct business shall not in any way be restricted or made disadvantageous to natural or legal persons that do not use European Digital Identity Wallets. It shall remain possible to access public and private services by other existing identification and authentication means.
1.10. and 2.7. The EESC also regrets that, despite the passage of time, the EESSI has not yet reached its full operational capacity, as the Commission's Communication indicates that this objective is expected to be achieved by the end of 2024.	In its Communication, the Commission urges Member States to finalise their implementation of the Electronic Exchange of Social Security Information (EESSI) system. The Commission keeps supporting national authorities to achieve this

	<p>objective. On a quarterly basis it monitors and reports on these efforts on the Europa website²¹.</p>
<p>1.12. and 4.17. The EESC proposes a permanent exchange of best practices between Member States on digitalising coordination of social security systems. In order to encourage and promote this, the EESC suggests that the European Commission and the European Labour Authority organise a conference in which Member States' governments and civil society participate.</p>	<p>In its Communication, the Commission announced the organisation of yearly high-level meetings with Member States to discuss the main actions to be taken and to monitor and evaluate progress.</p> <p>The first high-level meeting is planned to take place at the end of quarter three/beginning of quarter four of 2024.</p>
<p>2.7. The EESC also invites the Commission to announce in due time whether the completion of the ESSPASS pilot project will lead to legislation in this area.</p>	<p>Any decision on future steps, including an eventual future legislative proposal on a European Social Security Pass (ESSPASS), needs to take into account the results of the ongoing pilot activities which should be finalised by 2025. The confirmation of the political and financial commitment of Member States would also be essential in this regard.</p> <p>Any potential future initiative would need to be assessed in full respect of the proportionality, subsidiarity and better law-making principles.</p>
<p>4.9. The EESC welcomes the initiative to create a digital wallet (ESSPASS plans to use the EUDI wallet) to store the documents required for inter-State movements. The digitalisation of documents will allow their immediate verification. Similarly, the creation of a digital identity allowing the rapid identification of persons (via a mobile phone or other mechanisms) is also welcomed. However, the EESC urges the Commission to find solutions for these people who are not able to identify themselves by electronic means.</p>	<p>The ESSPASS pilot project is exploring a digital solution to verify across Europe the validity, integrity and authenticity of social security entitlement documents (i.e., the portable documents, including the European Health Insurance Card). ESSPASS aims to build on the European Digital Identity Framework²² and its standardised European Digital Identity Wallets. It is not exploring the introduction of a digital identity in the social security coordination area.</p>

²¹ <https://ec.europa.eu/social/main.jsp?catId=1544&langId=en>

²² <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32024R1183>

<p>[...] Developing a digital identity in the field of cross-border social security could encourage the use of this type of form.</p>	<p>As stated under point 1.7. and 4.4., the Commission agrees with the Committee that the use of European Digital Identity Wallets shall remain at the discretion of the user.</p>
<p>4.16. The EESC believes that if the people covered can access up-to-date information with a national digital identity, it is quicker and easier for them to use their electronic certificate to connect to the administration. In this way, people covered can provide foreign authorities with the required social security or health information in real time. Member States should only have one link for data subjects to connect with their national digital identity. The EESC believes that the Commission should explore this system.</p>	<p>The new harmonised European Digital Identity Framework²³ (entering into force 20 May) should contribute to the creation of a more digitally integrated Union by reducing digital barriers between Member States and by empowering Union citizens and residents in the Union to enjoy the benefits of digitalisation. At the same time, it should increase transparency and the protection of their rights. In order to ensure the complementarity and fast adoption of European Digital Identity Wallets by current users of notified electronic identification means, and to minimise the impact on existing service providers, European Digital Identity Wallets are expected to benefit from building on the experience gained with existing electronic identification means and from the infrastructure of notified electronic identification schemes deployed at Union and national level. The European Digital Identity Wallets will thus be complementary to existing national systems. Further, European Digital Identity Wallets should also reduce administrative burdens and support cross-border mobility of Union citizens. This should also foster the development of interoperable e-government services across the Union.</p>

<p>N°5 Taxation of cross-border teleworkers globally and the impact on the EU (own-initiative opinion) EESC 2023-00860 – ECO/613 585th Plenary Session – February 2024 Rapporteur: Krister ANDERSSON (SE-I) DG TAXUD – Commissioner GENTILONI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.5. and 3.1. The EESC notes that, according to the present rules, the agreed principle of taxation rights is that the country in which the work is performed has the right to tax the employment income. The EESC indicates, as a possible solution for cases where the work can be performed remotely, that the employer's country of residence should, as a principle, have the right to tax. A teleworker should, however, not suffer any discriminatory tax treatment compared to cross-border workers who perform their work in the country of the employer.</p> <p>1.6. and 3.3. The EESC indicates that another possibility could be to tax the employee in his/her country of residence, in the same way as the self-employed are taxed. However, the EESC notes that an argument against such a regime is that, since the work is still performed for the employer in country B, the right to tax employee income should remain in country B, i.e. the country of the employer. After all, the wage costs are deductible for the calculation of the corporate tax liable in country B.</p> <p>1.7. The EESC takes the view that taxation of employee income as wage income in the employer's country of residence is the preferred option. Such a regime would make things simpler for employees and could also be attractive for employers. In order to compensate for loss of revenue in the</p>	<p>The Commission does not have any firm position on the solution examined by the Committee. The Commission services are currently in technical discussions with Member States on this issue. Different options are being considered. Further discussions and analysis are required before reaching any conclusions.</p>

<p>employee's country of residence, a revenue sharing mechanism would likely be required.</p>	
<p>1.8. The EESC suggests that the revenue authorities may divide the income between the countries by applying data on actual individual presence in the states concerned (reported by the employer to the tax authority in its country of residence, thereby acting as a one-stop shop) or using some macro-economic aggregate key.</p>	<p>The Commission services are currently examining the possible solutions for dividing the income among Member States. The solution proposed by the Committee as well as possible alternatives will be further explored and discussed with the Member States.</p>
<p>2.8. The EESC notes that addressing the issue of taxation of cross-border teleworking is likely to entail the need to revise bilateral as well as multinational agreements. The EESC indicates, as an example of a bilateral agreement which has been recently updated, that between Switzerland and France for frontier workers of the canton of Geneva (Switzerland) living in France. Under the agreement, cross-border teleworking not exceeding 40% of total working time, will not impact the workers' tax situation. Frontier workers living in France and working in Geneva will then continue to be subject to taxation in Geneva in the form of wage taxes withheld at source. To compensate for the loss of revenue in France, the agreement entails a revenue sharing mechanism, under which Geneva will pay compensation of 3.5% of the tax revenue to France.</p>	<p>The Commission services are currently examining the possible solutions to the issue at stake, which will be further explored and discussed with the Member States.</p>
<p>2.10. The EESC takes the view that, while there are benefits to finding country-specific solutions in order to allow for remote cross-border teleworking, it would be desirable to have agreements based on generally accepted principles. If not, a complex set of international rules and applications is likely to emerge, leading to fragmentation.</p>	<p>The Commission shares the view expressed by the Committee and stresses the need for EU-wide solutions.</p>

<p>2.12. The EESC takes the view that, with regard to the taxation of company profits, international teleworkers may run the risk of inadvertently creating a permanent establishment (PE) for the company in a country other than its own. If a PE were established in another country, the company, in addition to the discussion on how to tax the employment income linked to cross-border teleworking, would be forced to accurately divide its corporate income between the two locations, and thus be subject to different filing obligations and tax liabilities</p>	<p>The Commission shares this analysis of the potential effects of cross-border telework.</p>
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<p>N°6 Improving benchmarks and reporting requirements in financial services and investment support COM(2023) 593 final COM(2023) 660 final EESC 2023-05424 – ECO/635 585th Plenary Session – February 2024 Rapporteur: Krzysztof Stanislaw BALON (PL-III) DG FISMA – Commissioner MCGUINNESS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>3.2.4.1. [...] In this light, although the proposal does not directly reduce reporting requirements, the EESC believes and expects that more sharing and re-use of data is likely to result in such a reduction.</p>	<p>The Commission welcomes the support for the proposal and shares the expectation that more sharing and re-use of data by supervisory authorities is expected to reduce reporting by companies, and the burden associated with it.</p>
<p>3.2.5. The EESC highly appreciates the avoidance of duplicate reporting requests where multiple authorities have the power to collect certain data from financial institutions or other market participants. In order to make this feasible, it will be necessary to standardise the scope and format of the data involved in the exchange of information between authorities overseeing the financial sector.</p>	<p>Data sharing and data standardisation are two workstreams of the Commission strategy on supervisory data in EU financial services. They can reinforce each other. However, sharing of information is already feasible currently, even in the absence of full standardisation. The latter would of course further enhance the possibilities to share and the efficiency of it. The Commission is working on the issue in the framework of implementation of the supervisory data strategy.</p>
<p>3.2.8. In the interests of transparency and trust between market stakeholders, as well as cost efficiency, when automated forms or exchange platforms are considered and when the standards and scope of data are the same or similar, the delivery of data to one competent authority (or shared platform) should be</p>	<p>The Commission shares the vision of an integrated EU supervisory reporting system across all financial sectors, as per its strategy on supervisory data in EU financial services²⁴. However, this can be costly to implement for reporting entities and therefore requires a gradual</p>

<p>treated as delivery to all other competent authorities (one stop shop concept). The EESC is aware that this phase of the progress is focused on improved data sharing and reuse of reported data as one of the building blocks of a wider strategy. The Committee encourages considering the initiative at further stages to achieve greater potential for cooperation and facilitation for supervised entities.</p>	<p>approach, as the Committee also acknowledges (point 3.2.5.1.). It should be noted that work is ongoing on integrated reporting within sectors (see the Commission’s progress report on the strategy on supervisory data in EU financial services of February 2024²⁵). It should also be noted that the objective of the proposal on supervisory data-sharing is to avoid duplicative reporting, by facilitating the sharing of data between supervisory authorities.</p>
<p>3.2.9. In addition to the above, the EESC notes that the amendments do not impose data sharing between authorities and that sharing the data would remain subject to a voluntary request. This means that the facilitation relies on cooperation between authorities, and still remains a matter of fact instead of a matter of duty.</p>	<p>While the sharing would be subject to a voluntary request, once a request is made, the sharing becomes mandatory if the conditions are met. Therefore, the sharing is mandatory when there is a request that meets the applicable conditions. This was also acknowledged in the previous point of the Committee’s opinion: ‘3.2.4. [...] Although requesting information from another authority is voluntary (voluntary application), it is expected that the request will imply an obligation to provide and share the information when requested by another authority (mandatory sharing).’</p>
<p>3.3.6. Reducing the obligations under the Benchmark Regulation, in particular eliminating the requirements described in Titles II, III, IV and VI for non-significant benchmarks, will lead to time and cost savings. In this context, the Committee highly recommends checking whether any initiative to minimise reporting requirements or to save costs for critical or significant benchmarks is possible.</p>	<p>The Commission was guided by a risk-based approach to benchmark supervision in this proposal. Hence it reduced regulatory burden, specifically for those benchmarks with the smallest economic impact. However, it should be noted also that this approach, which keeps significant and critical benchmarks in scope will not only result in a significant reduction of the number of benchmark administrators subject to this regulation but will also reduce the burden on administrators that provide both</p>

	<p>significant and non-significant benchmarks. Moving forward, these administrators will be able to focus their compliance efforts on the significant benchmarks in their portfolio and be subject to a lighter regime for their non-significant benchmarks.</p>
<p>4.3.1. The EESC welcomes the stricter deadline to submit the yearly reports based on the guarantee agreements signed with implementing partners.</p>	<p>The deadline for implementing partners to submit the yearly reports will remain, as set out in Article 155 of the Financial Regulation. This is already included in the guarantee agreements the Commission has signed with the implementing partners.</p>

<p>N°7 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</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°8 Alternative Dispute Resolution COM(2023) 647 final COM(2023) 649 final EESC 2023-04939 – INT/1047 585th Plenary Session – February 2024 Rapporteur: Wautier ROBYNS (BE-I) DG JUST – Commissioner REYNDERS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The EESC approves the choice of minimal harmonisation, which leaves opportunities for Member States to set further standards for such schemes, in particular in markets where the availability of such schemes contributes to the confidence of consumers with regard to products and services they buy in their Member State, across EU borders or from outside merchants who may join established EU ADR schemes. The EESC encourages Member States to implement and follow very closely the current requirements in order to improve access, fairness, quality, expertise, impartiality, legality, independence and confidence of consumers and traders in the effectiveness of ADR processes.</p>	<p>The main purpose of the review of the Alternative Dispute Resolution (ADR) Directive is to ensure that ADR remains effective given the evolution of the digital markets.</p> <p>In line with the outcome of stakeholder consultations, the Commission proposal does not change the minimum harmonisation approach. It does not interfere with the current Member States’ choices on the governance of national ADR frameworks in view of their resources and legal culture.</p> <p>Nevertheless, the Commission urges the Member States to step up their monitoring schemes to ensure that the EU ADR framework complies with all quality criteria, especially the principles of independence and fairness to boost consumer trust and trader participation in ADR. As these monitoring schemes are regulated at national level, no amendment to the Directive is necessary in this regard.</p>
<p>1.3. The EESC underlines the importance of encouraging Member States and industries to set up such schemes and of encouraging traders, including SMEs, to join them</p>	<p>The Commission agrees with the Committee that trader participation in ADR should remain on a voluntary basis. A successful ADR scheme is based on</p>

<p>voluntarily. Therefore, the EESC calls for the adoption of measures that would increase the participation of traders in the ADR schemes and procedures, initiated by consumers, especially in certain sectors with large number of claims (e.g. travel and tourism, aviation and package tours, along with critical sectors such as energy, financial services and telecommunications) and other sectors with long-term commitments and significant expenses and transactions.</p>	<p>the parties accepting to communicate and exchange with the help of a neutral professional mediator or arbitrator. Good will and trust are important from both sides.</p> <p>EU sector-specific (e.g. the Electricity Directive) or national legislation could introduce mandatory ADR, where it is deemed fit. Besides, Regulation 2022/2065^[1] (DSA) provides with out-of-court dispute rules (i.e. in Article 21 DSA) vis-à-vis certain decisions taken by online platforms on certain complaints lodged by recipients of their services, and which apply without prejudice to Directive 2013/11/EU and the alternative dispute resolution procedures and entities for consumers established under that Directive.</p> <p>The Commission is aware of the high number of travel-related disputes and hence explicitly mentioned passenger rights in the proposal. The proposal also introduces an obligation on traders to reply to ADR enquiries within 20 working days; aiming at incentivising traders to participate and raise awareness on ADR among traders. This is the major amendment proposed by the Commission in relation to encouraging traders' participation.</p> <p>The proposal pushes for faster and more affordable procedures e.g. through the possibility for ADR entities to bundle similar cases against the same trader.</p>
<p>3.6. Research has demonstrated that certain categories of people, usually those who have lower incomes, are less socially integrated, and less technology-savvy, have more difficulty making complaints. Therefore, streamlining complaint processes to make</p>	<p>The Commission agrees that there is a need for a more systematic approach to vulnerable groups, beyond general access to ADR which the current ADR Directive refers to. The Commission proposal includes minimum requirements for</p>

<p>them more accessible is not just a procedural necessity, but a social imperative.</p>	<p>offline support on demand including accessible and inclusive tools. The new ADR Contact Points provide customised assistance to consumers with cross-border disputes.</p>
<p>4.6. Consumer protection also calls for proper enforcement and for regulatory response to issues where grievances justify such action, in particular with regard to effective enforcement of consumer protection. The EESC supports a proportionate use of fines collected by public authorities in the event of infringements to finance ADR schemes that meet the standards of fairness and effectiveness.</p>	<p>ADR is a piece in the consumer enforcement puzzle and is meant to be an easy, affordable, and fast way for consumers to enforce their individual rights, notably in low-value disputes. The Commission has received very few complaints, neither about the insufficient implementation of the ADR Directive by Member States, nor on eventual insufficient enforcement. This is why the proposal does not provide for additional measures related to the enforcement of ADR obligations for Member States.</p>
<p>4.8. The EESC acknowledges the lack of effectiveness of the current ODR scheme, where the success rate of lodging complaints appears to be way too low, despite the funding that had been devoted to this scheme. It endorses simplification objectives and expresses its hope that the services referred to in Article 20(8) will not replace a formal scheme by another administrative layer, and will avoid inducing extra costs. The EESC recommends that the European Commission elaborate on the purpose, design and functionalities of the proposed digital tool replacing the ODR platform, ensuring coordination with existing Member State tools and involving stakeholders in the development.</p>	<p>In view of the proposed discontinuation of the underused Online Dispute Resolution (ODR) Platform, the Commission is providing a digital interactive tool to improve general information on consumer redress and links to webpages of the ADR entities.</p> <p>A new multilingual home page on consumer redress on the Commission's Europa website will contain:</p> <ul style="list-style-type: none"> - General information on consumer redress and links to other Europa pages with information on consumer rights, - A Q&A section to help consumers understand which redress solution would be best in their specific case, - According to the case at hand, the consumer will be given practical tips on how to follow his/her case e.g. contact the trader, an ADR entity, the European Consumer Centre, etc.
<p>While the proposals would extend the current scope of the ADR Directive by including the</p>	<p>The impact assessment is based on the data provided by the Member States in</p>

<p>precontractual relations between consumers and traders, it is not clear to what extent this proposed extension will increase the workload and the cost of ADR entities. The EESC regrets that this aspect is not sufficiently considered in the impact assessment and might have a negative effect on private and public financing of these entities. Mitigation measures are needed to address this issue.</p>	<p>the 2022 national ADR reports which do not include granular data on the nature of ADR disputes. However, it is evident that many ADR entities already analyse the compulsory pre-contractual information (e.g. in financial and energy sectors) because this is an integral part of a consumer contract. Hence, for many disputes, the extension of the material scope is merely a clarification and will boost consumer trust in ADR.</p> <p>Increasing the number of handled ADR disputes, widening the competences of ADR entities and making better use of digital tools would render ADR more cost-effective and efficient. The proposal also provides for the possibility for an ADR entity to bundle similar disputes against a trader; benefitting from the economies of scale.</p>
<p>The EESC expresses its doubts about the design of reporting requirements, as prompt and streamlined feedback from ADR entities is key to trigger adaptations in the behaviour of traders and, where justified, policy measures from supervisory and legislative authorities at Member State and EU level. Such feedback should be available annually in sectors where the complaint level and the importance of the interests at stake justify it. While reporting can be simplified if experience over one year does not have much added value, ADR entities should apply fast-track procedures when faced with crisis situations that cannot be reported on a biennial basis as proposed.</p>	<p>ADR entities and ADR competent authorities claim that reporting is a time-consuming and costly exercise when their resources are already limited. The Commission aimed at simplifying and reducing the reporting requirements in alternative dispute resolution without undermining the policy objectives as part of the Commission's Rationalisation Package²⁶.</p>
<p>The EESC is aware of complicated cases where language, applicable law, administrative and/or financial thresholds make it difficult for average consumers to lodge their claim with the competent ADR entities, especially when</p>	<p>Cross-border ADR is by nature complex to navigate and only amounts to 2% - 7% of all ADR disputes. ADR networks, like FIN-Net and Travelnet help to enhance cooperation, exchange on best practices</p>

<p>the supply chain involves traders established in several countries each having responsibility for a part of the delivery and outcome for the consumer, and approves the commitment the proposals make to signposting the way(s) consumers should follow with the help of appropriate bodies like the ECC Network</p>	<p>on ADR disputes among ADR entities (on e.g. cooperation protocols, exchange of cases of interest such as new case law, legal analytics), and produce specific ADR information. The proposal introduces the ADR contact points to assist consumers and traders with cross-border disputes in a practical manner i.e. machine translation, explain the procedure, signpost/transfer consumers to a competent ADR entity, etc.</p> <p>Furthermore, to take into account the importance of e-commerce in cross border ADR, the Commission has recommended that dispute resolution systems managed by online marketplaces abide by the ADR directive quality criteria in particular in relation to fairness, transparency and neutrality.</p>
<p>The proposal to bundle complaints in ADR processes, aimed at cost-effectiveness and consistency, should be applied selectively and under specific conditions such as adequate ADR expertise, informed consumer consent and coordination with consumer rights authorities and potential representative actions under the Representative Actions Directive 2020/1828. The EESC understands that Article 5(2)(d) offers the possibility for consumers to opt out of a collective procedure and seek compensation individually with regard to the characteristics of their own case.</p>	<p>The proposal's objective is to speed up ADR, lower costs and improve consistency among outcomes for similar disputes against the same trader. This, however, should not be to the detriment of consumers in relation to the time of the procedure that may be longer especially for the consumers who were the first to complain. The Commission therefore proposes that the concerned consumers give their prior agreement to bundling.</p>
<p>The EESC calls for clarity about the threshold for gaining access to ADR procedures. It considers that the possibility for the ADR entity to reject a case because the consumer did not establish contact with the trader before appealing to the ADR entity should be subject to precise conditions instead of a reference to possibly disproportionate rules about the</p>	<p>According to a Commission study²⁷, the number of refused complaints by ADR entities varied widely between Member States (ranging between 1% - 61%). The most recurrent reason for refused complaints is that consumers had 'no previous attempts to contact the trader' to reach a solution bilaterally. With the</p>

²⁷ The information-gathering study available [here](#).

<p>format of such contact. Contacts between consumers and traders are usually made through chatbots, calls to call centres, electronic messages and written, possibly registered, letters, records of which are not always available for future reference.</p>	<p>proposed amendment, ADR entities remain capable to refuse such disputes. However, they cannot introduce disproportionate rules for consumers to launch an ADR dispute when the trader is not cooperative to the extent that it would be impossible for consumers to file an ADR dispute.</p>
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<p>N°9 Strengthening civil dialogue and participatory democracy in the EU: a path forward (exploratory opinion requested by the Belgian Presidency of the Council of the EU) EESC 2023-03879 – SOC/782 585th Plenary Session – February 2024 Rapporteur: Pietro Vittorio BARBIERI (IT-III) Co-rapporteur: Miranda ULENS (BE-II) DG JUST – Commissioner REYNDERS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. Looking ahead to the Defence of Democracy package and the European elections in 2024, civil society must be treated as an important partner in strengthening and defending European democracy and in enabling participatory approaches, that are complementary to representative democracy. In this opinion, the EESC is seeking to explore what elements could be included in a more conducive framework that fosters direct citizen participation and dialogue with intermediate bodies, at both European and Member State level.</p>	<p>The Commission works with Member States to promote and protect a civic space where an active and independent civil society and citizens are provided with the enabling conditions and tools to become more engaged. This can contribute to making our democracies more resilient. This builds on investments already made and the usage of new avenues for citizen participation in the public sphere as boosted by the Conference on the Future of Europe and its follow up. As part of the Defence of Democracy Package, a dedicated recommendation sets out ways to promote the engagement and effective participation of citizens and civil society organisations in public policy-making processes.</p>
<p>1.4. The Conference on the Future of Europe concluded that the future Europe must develop additional instruments of participatory democracy, and set out precise directions on how to build this. Several of those recommendations go in the direction of building a conducive framework on civil dialogue. The EESC believes that two of them in particular stand out, which concern the</p>	<p>As a follow-up to the Conference on the Future of Europe, the Commission has delivered on proposals related to citizens' participation by:</p> <ul style="list-style-type: none"> - Continuing with European Citizens' Panels which are since 2023 organised on a limited number of policy issues. - As of today, the Commission followed up on 95% of the Conference's

<p>EESC itself, the first which recognises its function and the second which broadens it to the possibility of becoming a real hub for citizen panels.</p>	<p>recommendations that fall under its competence. Indeed the Commission Work Programme for 2023 and 2024 are largely following up on the proposals of the Conference on the Future of Europe.</p> <ul style="list-style-type: none"> - Building up the online ‘one-stop-shop’ for citizens’ engagement, a revamped Have Your Say Portal was launched in early 2024, with access to the public consultations, the European Citizens’ Initiatives and a new Citizens’ Engagement Platform. It directly responds to the proposals of the Conference on the Future of Europe. - The new Citizens’ Engagement Platform hosts citizens’ debates and contributions, which inform discussions in the European Citizens’ Panels. - The Child Participation Platform is another safe (online and offline) space that involves children and promotes their participation in the democratic ecosystem. <p>The Commission is confident that the EESC will be a strong partner of this new ecosystem of citizen engagement.</p>
<p>1.5. The EESC calls for a strategy for civil dialogue, resulting in an action plan, which could include a pillar as part of the European Defence of Democracy Package. Additionally, this could be aimed at considering seeking an interinstitutional agreement among the EU institutions, as the civil society networks Social Platform and European Civic Forum have been asking for since 2009²⁸, that sets out actions and the <i>related resources</i> to be used. This could be facilitated by the EESC, with the participation of civil society networks at EU</p>	<p>The Commission fully recognises the importance of a maintaining an open and constructive dialogue with civil society organisations and human right defenders in accordance with Article 11 TEU. This article is already being implemented through a wide range of structured dialogues and consultation arrangements with the civil society. These are decentralised and cover numerous policy areas. They include, for instance, structured dialogues in the field of trade,</p>

²⁸ <https://www.socialplatform.org/members-area/working-groups/civil-dialogue/>;
<https://civic-forum.eu/civil-dialogue>.

level. This strategy must be the first step in strengthening the role of civil society and further developing a civil dialogue.

agriculture, migration, health and energy as well as under cohesion policy. Dialogue is facilitated by various dedicated platforms and tools such as the Civil Dialogue Group established under new Citizens, Equality, Rights and Values Programme, the European Migration Forum, the European Civil Protection Forum, the EU Civil Society Platform against Trafficking in Human Beings, or the EU Health Policy Platform. There is also regular involvement of civil society actors in the work of Commission expert groups.

The Commission furthermore regularly consults civil society during its policy- and legislative cycle through the Have your say – Public Consultations and feedback portal²⁹. This is required by the Better Regulation guidelines. Civil society actors can participate to all open public consultations. They have been deeply involved, for instance, in the consultations ahead of the adoption of several strategies pertaining to fundamental rights and equality. The Commission has also created platforms for exchanges with civil society organisations (CSOs) for the implementation of those strategies.

Next to these manifold contacts, the Commission also builds on its intensive relations with the Committee, as the House of European civil society and an important partner of the EU institutions in the implementation of Art. 11 TEU. The revision and update of our Protocol on cooperation in 2022 allows the Commission to ensure even better that the EU policies and legislation tie in

	better with economic, social and civic circum-stances on the ground.
<p>1.9. A Commission vice-president should continue to take on the task of civil dialogue with civil society, and the role of the European Parliament vice-president in charge of relations and dialogue with civil society should be strengthened. Clearly, improving the implementation of Article 11 TEU, in order to improve CSO engagement in the EU policy-making process, while strengthening the role of the EESC, can lead to more targeted and effective policies.</p>	<p>The Commission Vice-President in charge of civil dialogue makes sure that the civil society dimension is reflected in every Commission initiative but also that the Commission takes action to support, protect and empower civil society actors.</p> <p>As explained under 1.5., the Commission is committed to the implementation of Article 11 and uses a wide range of tools to engage and involve all interested parties including civil society.</p> <p>Efforts will continue to bring citizens at the centre of the Commission policy-making process via public consultations, European Citizens’ Initiatives and the European Citizens’ Panels, as well as the Citizens’ Engagement Platform. The latter allows for direct contributions but also event reporting and is open to CSO’s contributions as well.</p>
<p>1.10. The EESC calls for an annual civil dialogue (or civic space) scoreboard setting out when CSOs have contributed through consultation processes whether their contributions have been taken on board and if not, explaining the reasons for that. This would be valuable in assessing what works and what does not work. The impact assessment through an annual scoreboard could result in a biennial Civil Dialogue Report, tracing the successes and failures of the EU's engagement with civil society in general, and evaluating the state of play of civil dialogue and the effectiveness of CSOs.</p>	<p>In line with its Better Regulation guidelines, the Commission regularly publishes ‘synopsis reports’ summarising and analysing the results of all consultation activities (the ‘call for evidence’, the public and targeted consultations, etc.), in relation to a particular initiative, evaluation or fitness check, including information to all stakeholders on how their input has been considered. Written inputs shared with the Commission in the context of the ‘calls for evidence’ and the publication for feedback exercise are also regularly published on the Have Your Say portal, together with statistical information on the main categories of respondents.</p>

	<p>As far as participation on the Citizens' Engagement Platform is concerned, full transparency will be given to the results by publishing regular reports. The Platform will notably feed in the work of the European Citizens' Panels. The latter is then presented in Citizens' Reports, which are annexed to the policy initiatives they informed, where the Panel's recommendations and a first analysis on how they were taken into account are published. Three Citizens' Reports from the European Citizens' Panels (Food Waste³⁰, Virtual Worlds³¹ and Learning Mobility³²) were presented to the College. Recently, the European Commission has finalised two other panels³³. Recommendations from these panels will be included in Citizens' Reports, which will be annexed to the respective EC's initiatives later this year.</p>
<p>1.13. CSOs must be founded on internal democracy, autonomy, and transparency; they must take the form of a not-for-profit model, working in the general, and/or specific interest of their constituents. The EESC considers it important that CSOs be legitimate and representative. It, therefore, calls for an accreditation mechanism based on the principles mentioned above using existing frameworks such as the CoE and UN, considering the legitimacy of the mandate of the members, the areas of interest, and the factual dimension of legitimacy and representativeness except for those already</p>	<p>The Commission agrees that there is a need of transparent and open exchanges with civil society organisations.</p> <p>CSOs that carry out activities with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of the EU institutions, are considered as interest representatives at Union level. The Commission therefore interacts with them within the framework established by the Interinstitutional Agreement on the Transparency Register</p>

³⁰ Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste - Citizens' Report annexed as a Commission Staff Working Document – Impact Assessment Report. Adopted in July 2023.

³¹ An EU initiative on Web 4.0 and virtual worlds: a head start in the next technological transition – Citizens' Report annexed as a Commission Staff Working Document. Adopted in July 2023.

³² Proposal for a Council Recommendation 'Europe on the Move' – learning mobility for everyone – Citizens' Report annexed as a Commission Staff Working Document. Adopted in November 2023.

³³ https://citizens.ec.europa.eu/50european-citizens-panels/energy-efficiency-panel_en
https://citizens.ec.europa.eu/european-citizens-panels/tackling-hatred-society-panel_en

<p>recognised as social partners in accordance with the EC communication of 1993 and decision from 1998.</p>	<p>it adopted jointly with the European Parliament and the Council in 2021³⁴, and the associated Commission rules on transparency concerning interest representation.</p> <p>As part of Defence of Democracy Package, the Commission proposed a directive on transparency of interest representation. This proposal would enhance the integrity and openness of public debate by ensuring that when third countries seek to influence EU democratic processes through intermediaries, this is done in a transparent manner.</p>
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<p>N°10 SME relief package COM(2023) 535 final EESC 2023-05071 – INT/1048 585th Plenary Session – February 2024 Rapporteur: Alena MASTANTUONO (CZ-I) Co-rapporteur: Angelo PAGLIARA (IT-II) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°11 Towards a comprehensive strategy for the EU wood industry (own-initiative opinion) EESC 2023-03538 – CCMI/213 585th Plenary Session – February 2024 Rapporteur: Anastasis YIAPANIS (CY-III) Co-rapporteur: Rolf GEHRING (DE-cat. 2) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°12 Umbrella opinion "A call for an EU Blue Deal" (Own-initiative opinion) EESC 2023/1894 – CCMI/209 582nd Plenary Session – October 2023 Rapporteurs: Paul RÜBIG (AT-I), Florian MARIN (RO-II), Kinga JOÓ (HU-III) Co-rapporteur: Péter OLAJOS (HU-Cat. 3) DG ENV – Commissioner SINKEVICIUS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>2.4. (...) The Committee calls on the European Commission to start addressing water as a priority and to propose an EU Blue Deal as a standalone strategic priority, on a par with the EU Green Deal.</p>	<p>The Commission welcomes the package of Committee opinions on an EU Blue deal. Nevertheless, the current Commission cannot prejudge the political priorities for the next Commission. The Commission has already provided detailed answers to each of the 9 opinions that form the package.</p> <p>This reply will hence focus on elements that have not already been covered in previous replies.</p> <p>The Commission concurs with the assessment of the Committee on the importance of water and the challenges related to water resilience. This is why it has already taken a number of actions. At the UN Water Conference held in March 2023, the EU proposed a vision for 2050 Water Resilience and put forward a set of clear commitments. Water related challenges remain high on the priority list of the Commission’s agenda.</p>
<p>2.8. A consultative EU stakeholder platform should be established to share best practices, develop specific standards on water quality and water usage in agriculture and industry and to promote partnerships and the circular economy, gathering stakeholders and</p>	<p>The Commission takes note of this proposal and will further consider the pros and cons of creating such a dedicated platform. Mainstreaming water across relevant fora and platforms may be more effective than creating specific</p>

<p>managed jointly by the EESC, the European Commission, the European Parliament and the European Committee of the Regions.</p>	<p>thematic platforms. Water quality and water efficiency issues are already covered as part of already existing platforms such as the Circular Economy Stakeholder Platform, the Zero Pollution Stakeholder Platforms and the European Common Agricultural Policy Network.</p>
<p>2.9. (...) The EESC calls for a dedicated Commission vice-president position in charge of the water portfolio.</p>	<p>The Commission takes note of the Committee's call for a vice-president position in charge of the water portfolio. The Commission is not in a position at this stage to prejudge the structure and distribution of responsibilities under the next College of Commissioners. In the structure of the current Commission, Executive Vice-President Šefčovič - as part of his wider responsibility for the coordination of the European Green Deal - oversees matters related to water.</p>
<p>2.10.-2.11. The EESC recommends that the Commission encourage the Member States to set up such data collection systems and share data at river basin territorial level.</p> <p>Eurostat and the OECD, with the assistance of national statistical offices, should also collect aggregated data on drinking water and waste water from public utility companies on an annual basis. Since more water-related data is available at Member States' statistical offices, the EESC recommends developing a common methodology on a broader basis in order to allow for the collection of more relevant data at EU level. The EESC calls for data on water performance should to cover all water suppliers supplying at least 10 000 m³ per day or serving at least 5 000 people.</p>	<p>Regarding infrastructure for drinking water and sanitation (wastewater), the recast Drinking Water Directive³⁵ and the Commission proposal for a recast Urban Waste Water Treatment Directive³⁶ require improved reporting of data. For the development of the latter, the Organisation for Economic Co-operation and Development provided analysis of the issues related to transparency and governance. Information on the monitoring of the implementation of both directives as required of Member States, is to be supported by the European Environmental Agency (EEA).</p> <p>This legislation includes requirements for Member States to ensure that information available to the public is transparent, up-to-date and easily</p>

³⁵ <https://eur-lex.europa.eu/eli/dir/2020/2184/oj>

³⁶ https://environment.ec.europa.eu/publications/proposal-revised-urban-wastewater-treatment-directive_en

accessible, as well as information for consumers of drinking water, and persons connected to the wastewater system.

For drinking water, comprehensive information and reporting requirements include the quality of supplied drinking water, compliance with the Drinking Water Directive, including on exceedances, risk assessments of supply systems and advice to consumers. For water suppliers of at least 10 000 m³ per day or serving 50 000 people, annual information is to be made available on the water supply system efficiency and protection of water resources (in terms of leakage assessments, leakage rates and leakage action plans), transparency on water suppliers and their ownership structures water supply costs, prices and tariff structures.

For urban waste water, the proposal includes requirements at the level of wastewater agglomeration (1000 population equivalent and above) on the wastewater load of the agglomeration, quality of discharged wastewater, renewable energy usage and greenhouse gas emissions, compliance with the Directive regarding both the collection and treatment of wastewater, transparency on competent authorities, wastewater operators and ownership structures, wastewater collection and treatment costs, investment plans, prices and tariff structures and quality of services. The proposal identifies the minimum requirements for Member States to provide information to the public.

The EU Mission 'Restore our Ocean and Waters', contributes to the development of an integrated Ocean and Waters digital

	<p>knowledge system, including a Digital Twin of the Ocean, which also aims at integrating data from freshwater.</p>
<p>4.1. A long-term strategy to increase resilience against water scarcity is needed, taking into account regional climate specificities and industrial characteristics. The EESC calls for consistent legislation across all Member States to establish an EU mechanism for water storage during wet periods. This could be achieved by constructing storage tanks and underground aquifer recharge systems, or by reducing soil sealing to enhance soil storage capacity and, above all, by increasing afforestation and investing in nature-based solutions such as "sponge cities".</p>	<p>To increase water resilience, new infrastructure, such as desalination plants, dams or reservoirs, may be needed and EU funding already supports investments by Member States in this area. Nevertheless, such investments should be considered as an option, only when they can be implemented in compliance with applicable EU law and after having prioritised and taken effective measures to:</p> <p>A) protect and restore the water cycle (i.e. drought and flood prevention, soil and freshwater ecosystems restoration, promote natural water retention and purification, removing outdated infrastructures/river continuity restoration); and</p> <p>b) ensure the efficient use of water (including water reuse, reducing leaks in water networks, reducing water abstractions, an effective water pricing policy and demand management).</p> <p>While possibly helping to address temporary water stress problems, the long-term drawbacks of these options should be considered. For reservoirs this includes both their potentially significant environmental impacts, but also and equally importantly its socio-economic dimension and the fair and equitable access to water.</p>
<p>4.6. (...) The EESC urges the Commission to start the legislative process to create a new Knowledge Innovation Community for water within the European Institute of Technology</p>	<p>A new KIC (the Knowledge and Innovation Community of the European Institute of Technology (EIT)) in the field of Water, Marine and Maritime Sectors and Ecosystems (WMM) is proposed to</p>

<p>(EIT) and to step up the "five missions" approach.</p>	<p>be launched in 2026. The proposed WMM KIC is intended to address, (1) water scarcity, droughts and floods challenges, (2) marine and freshwater ecosystem degradation; and (3) the circular and sustainable blue economy. The legal basis also specifies that the Commission, with the assistance of independent external experts, shall carry out an ex-ante analysis by 2024 to evaluate the relevance of the WMM field. The Commission is undertaking this ex-ante analysis and expects to publish it in June 2024. The decision on whether the KIC will be launched is also reflected in the Horizon Europe Strategic Planning 2025-27, published in March 2024.</p>
<p>5.5. Under the EU Environmental Economic Accounts Regulation (691/2011/EU), the establishment of a water account is voluntary. Since only a mandatory water account would allow an EU-wide overview of water consumption across the whole economy and its sectors, the EESC recommends that the Commission make water accounting mandatory.</p>	<p>The Commission takes note of the recommendation. However, at this stage the water module has not been prioritised in the proposed 'New environmental economic accounts modules' amending Regulation (EU) No 691/2011 and will be determined once the outcome of the trilogue negotiations are adopted by the co-legislators.</p>
<p>6.5. -6.12. EU water investments need a long-term approach to increase resilience against water stress. The EESC suggests that they should be given special treatment within the Stability and Growth Pact and recommends introducing a clear definition of the "golden rule" for investments in public water infrastructure.</p> <p>The EESC asks for a clear distinction to be made between indicators used in defining and evaluating policies, indicators for communication purposes with stakeholders and consumers, and investment indicators. A common set of indicators and KPIs should be used by the European Commission, the EIB</p>	<p>The Commission came forward with legislative proposals to reform the EU's economic governance framework, including the Stability and Growth Pact, on 26 April 2023 on which the co-legislators reached a provisional agreement.</p> <p>The Commission's reform proposals do not propose a "golden rule" to exclude any particular type of expenditure. This issue was discussed extensively as part of the public debate on the economic governance review and no consensus emerged.</p>

<p>and the EBRD, and a chapter should be added to the EU Strategic Foresight Report and to the European Semester without delay. The EESC takes the view that indicators currently in use, such as the Water Exploitation Index Plus, should be carefully monitored and the EU should set concrete lower accepted limits at country and basin level.</p>	<p>The Commission's reform proposals seek to promote investment through an all-encompassing medium-term net expenditure path. The proposed move towards a medium-term approach with greater national ownership will give Member States more scope to decide on their public expenditure priorities. The Commission's proposals also include specific provisions to promote investment, such as the potential to extend the adjustment period by committing to a set of reforms and investments.</p> <p>Environmental sustainability is a key dimension of competitive sustainability as laid down in the Annual Sustainable Growth Strategy, underpinning the European Semester. Thus, its Country Reports already cover resilience, resource use and the Green Deal. We agree that consensus on a limited set of indicators, clearly defined and of good quality, is conducive to base water policy implementation on an empirical basis, and that this selection needs to be fit for purpose, namely adequate for both the audience and governance mechanisms at hand.</p>
<p>6.9. The Committee calls for a common approach at EU level on a fair water price design, taking into consideration the interconnections between the various roles of water and the mutual dependencies of the different stakeholders, and ensuring that the costs (plus tax) and price of water are fully transparent to all stakeholders. The EESC calls for an EU methodology to rationalise and standardise water pricing systems and the possibility of applying administered prices in certain well-defined situations.</p>	<p>Article 9 of the Water Framework Directive requires that Member States take account of the principle of recovery of the costs of water services, including environmental and resource costs, having regard to the economic analysis conducted according to Annex III, and in accordance with in particular the polluter pays principle. However, the law allows for a considerable discretion in implementing these provisions and this also applies to water pricing policies. Member States also report in the river</p>

<p>6.10. The structure of the tariffs should incorporate at least three blocks: the first should be a human rights block that should be free and adjusted to what is considered the amount necessary to secure life; the second consumption block could have a cost recovery tariff; and the third higher consumption block should have much higher prices, generating a cross-subsidy from unnecessary uses. Water prices for economic activities should be based on a cost-recovery tariff.</p>	<p>basin management plans (RBMPs) on the contribution made by the various water uses to the recovery of the costs of water services.</p> <p>Note also that a fitness check on the application of the polluter pays principle is ongoing.</p>
<p>6.7. The EESC considers it crucial to prioritise, and direct financial resources towards, projects that reduce water consumption and generate water reuse in all Member States. The Committee calls for specific funds and new resources dedicated to research and innovation in water technologies in order to facilitate capacity building in water infrastructure, and to respect the 3% of GDP rule for investments in research.</p>	<p>Water has always been a key topic for research and innovation across the different Framework Programmes. Under Horizon Europe, EUR 260 million have been dedicated to water related projects in work programmes 2021-2024, including EUR 57 million EU contribution to the Partnership Water Security for the Planet. In support of the EU Mission Restore our Ocean and Waters, EUR 345 million have been dedicated from Horizon Europe in 2021-23.</p> <p>The EU Mission Restore our Ocean and Waters and the EU Mission Adaption to Climate Change are developing, demonstrating and deploying innovative solutions to systematically restore aquatic ecosystems and increase Europe's resilience to climate disruptions.</p>

<p>N°13 Industrial Policy as an instrument to reduce dependencies and boost an EU market for green products in the resource and energy-intensive industries (REEIs) (own-initiative opinion) EESC 2023-01023 – CCMI/210 583rd Plenary Session – December 2023 Rapporteur: Matteo Carlo BORSANI (IT-I) Co-rapporteur: Dirk JARRÉ (DE-Cat. 3) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
	<p>The Commission welcomes the Committee’s concern for the transformation of the resource and energy-intensive industries and its support for an industrial policy aimed at reducing dependencies and creating markets for green products. The Commission has focused its replies on key recommendations.</p>
<p>1.3. ... A new regulatory framework for energy prices that builds on the low prices of renewable energies and avoids closely following gas prices must therefore be created as soon as possible.</p>	<p>In March 2023, the Commission put forward proposals for the reform of the EU’s electricity market design. Co-legislators reached agreement in December 2023.³⁷ The agreement includes various measures that promote the integration of greater shares of renewable energy sources, facilitate the conclusion of long-term Power Purchase Agreements, and increase transparency and consumer protection on the electricity market.</p>
<p>1.7. ... Demand-side interventions can include promoting European content in products, implementing sustainable public procurement, and creating a market for green products.... and</p>	<p>While remaining in line with its international obligations (notably those established within the World Trade Organisation framework, such as the General Agreement on Tariffs and Trade, GATT, and the Agreement on Government Procurement, GPA), the EU continues to</p>

<p>4.4. ...The EU should therefore promote European content in products across global value chains....</p>	<p>promote resilience and sustainability considerations for the products put on the European market. In particular, the Commission has proposed, and the co-legislators have recently agreed on, important pieces of legislation promoting such considerations in compliance with WTO rules. These include the Net-Zero Industry Act, the Ecodesign for Sustainable Products Regulation, the Construction Products Regulation and the Regulation on CO2 emission standards for heavy-duty vehicles.</p>
<p>1.8. The EESC stresses that the EU's ambitious climate goals will not be reached without a global level playing field through a well-designed trade policy and strong trade defence instruments (TDI). In fact, the EU needs to take action against unfair competition from third countries by strengthening trade relationships with resource-rich partners who adhere to fair trade.</p>	<p>The Commission agrees that the EU needs to strengthen trade relationships with resource-rich partners who adhere to fair trade. This is why it has concluded a growing number of strategic partnerships on raw materials, such as – just within the last year – with Rwanda, Greenland, the Democratic Republic of the Congo, Zambia, Chile and Argentina.³⁸ Also trade agreements with resource-rich partners continue to be negotiated or are in the process of being ratified.³⁹</p> <p>Where trade is not fair, the Commission is taking action to enforce the international and bilateral rules, including through dispute settlement actions, and to protect the EU market by making use of its trade defence instruments where the facts justify it, in full respect of its international and internal legal obligations.</p> <p>Finally, distortions in the trade of critical raw materials are part of a broader pattern of increasing efforts by certain trading powers to leverage dominance of certain markets on other markets or for geopolitical</p>

³⁸ Overview here: https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/raw-materials-diplomacy_en

³⁹ Overview here: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en

	<p>purposes. The Commission has responded with its Economic Security Strategy⁴⁰ and recently presented a first package of initiatives to move forward and engage more strategically in this area.⁴¹</p>
<p>1.10. The EESC recommends that the necessary institutional and bureaucratic capacity be developed at national level in the Member States, in order to handle the governance of the industrial policy for the Green Deal, the net-zero industry act and the creation of green markets.</p>	<p>The Critical Raw Materials Act and the Net Zero Industry Act, recently agreed between co-legislators, both include provisions aimed at simplifying permitting procedures. They specifically require Member States to ensure that the relevant authorities have ‘a sufficient number of qualified staff and sufficient financial, technical and technological resources’ necessary for the effective performance of their tasks under these Regulations. The Commission furthermore provides support for Member States and authorities to help them in the implementation of the Green Deal Industrial Plan in the framework of the Technical Support Instrument.⁴²</p>
<p>4.8. In the framework of the European Critical Raw Materials Act (CRMA) proposed by the Commission, the EESC believes that the current critical raw materials and strategic raw materials lists should be complemented with materials relevant for the green and digital transitions, which might become critical and strategic in the future (e.g. aluminium, ferro-alloys, synthetic graphite, silver), and with secondary, post-consumer raw materials (e.g. scrap metal).</p>	<p>The political agreement reached between institutions for the Critical Raw Materials Act allows the Commission to update the lists of strategic and critical raw materials in order to react to changing environments. To this end, the Commission is required to review the lists every three years, and additionally upon request of the Critical Raw Materials Board, consisting of Member State representatives.</p> <p>Moreover, according to the political agreement, aluminium and synthetic graphite are considered critical and strategic raw materials.</p> <p>Finally, as was already the case in the Commission’s proposal, any form of the</p>

⁴⁰ Joint Communication to the European Parliament, the European Council and the Council on “European Economic Security Strategy”. JOIN/2023/20 final.

⁴¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_24_363

⁴² https://reform-support.ec.europa.eu/tsi-2024-flagship-support-green-deal-industrial-plan_en

	raw materials included in these lists is covered, whether from primary or secondary sources, and whether in mineral form, purified or in alloys.
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<p>N°14 Securing Europe's medicine supply: envisioning a Critical Medicines Act (exploratory opinion requested by the Belgian presidency of the Council of the EU) EESC 2023-03800 – CCMI/212 583rd Plenary Session – December 2023 Rapporteur: Lech PILAWSKI (PL-I) Co-rapporteur: Thomas STUDENT (DE-Cat. 2) HERA – Commissioner KYRIAKIDES</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.10. A Critical Medicines Act, which should take the form of an EU regulation, would provide an overarching regulatory framework for the following:</p> <p>1) a legislative framework setting out the process for choosing which APIs are to be reshored in Europe;</p> <p>2) a financing mechanism to develop industrial infrastructure for producing APIs and finished medicines in Europe (R&D, investment in infrastructure and technology and operating costs during the financing period);</p> <p>3) relevant EU guidelines on pricing in the European market for finished products, and on reimbursement so that APIs and finished medicines produced in Europe can be competitive.</p>	<p>The proposed reform of the EU pharmaceutical legislation⁴³, 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. A possible complementary legislative initiative for an EU critical medicines act would require thorough preparation, including the assessment of economic dimensions. Following the Commission Communication ‘Addressing medicine shortages in the EU’⁴⁴, in March 2024, the Commission launched a study paving the way for an impact assessment. That same Communication details a comprehensive, multi-faceted approach to prevent and mitigate shortages of critical medicines. Already, the Commission, with the European Medicines Agency and Member States as appropriate, has:</p> <p>- Launched a Critical Medicines Alliance⁴⁵ to recommend actions to</p>

⁴³ https://health.ec.europa.eu/medicinal-products/pharmaceutical-strategy-europe/reform-eu-pharmaceutical-legislation_en

⁴⁴ https://commission.europa.eu/system/files/2023-10/Communication_medicines_shortages_EN_0.pdf

⁴⁵ https://health.ec.europa.eu/health-emergency-preparedness-and-response-hera/overview/critical-medicines-alliance_en

	<p>mitigate structural supply risk for critical medicines ;</p> <ul style="list-style-type: none"> - Published a Union list of critical medicines⁴⁶; - Established a Voluntary Solidarity Mechanism for Medicines; - Analysed the vulnerabilities of a first tranche of critical medicines. <p>In the short term, the Commission will:</p> <ul style="list-style-type: none"> - Set up communication tools for better supply and demand forecasting; - Develop best practice guidance for the public procurement of medicines. <p>In the medium and long term, the Commission will:</p> <ul style="list-style-type: none"> - Develop a coordinated strategic approach on medicines stockpiling with Member States; - Establish a network of international partners and companies to boost the exchange of information on supply; - Conclude strategic partnerships with third countries for the production of critical medicines.
<p>3.2. To strengthen the European pharmaceutical industry, we need to reduce dependence on Asia and the USA, make investment more attractive, stimulate research and development efforts and review pricing policy, and create financial and institutional support in order to restore the production of active substances and essential medicines, i.e. generics, in the EU.</p>	<p>The EU aims to support a competitive and resource-efficient pharmaceutical industry to respond to patients' needs. The proposed reform of the EU pharmaceutical legislation⁴⁷, currently in the co-legislation process, would serve public health objectives and reinforce the viability of the European industry. It includes measures to support an innovative and competitive pharmaceutical industry, by designing an attractive and innovation-friendly</p>
<p>3.3. The current rules do not support pharmaceutical production in Europe. European producers are squeezed out of</p>	

⁴⁶ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6377

⁴⁷ https://health.ec.europa.eu/medicinal-products/pharmaceutical-strategy-europe/reform-eu-pharmaceutical-legislation_en

<p>domestic and foreign markets due to increases in the costs of running a business, inflation and the need to comply with strict environmental standards, leading to a loss of price competitiveness and sales volumes. The lack of support for European manufacturers makes the production of APIs and finished medicines unprofitable for European producers when compared with their Chinese or Indian competitors.</p>	<p>framework for research, development, and production of medicines in Europe. Also, it would drastically reduce the administrative burden by speeding up procedures and significantly reducing authorisation times for medicines.</p>
<p>3.4. To strengthen the European pharmaceutical sector, we need financial and institutional support for the production of active substances and essential medicines, i.e. [...] and running businesses.</p>	<p>Under part 4. ‘Health’ of the Horizon Europe Work Programme 2023-2024⁴⁸, a call on green pharmaceuticals aims to support, among other objectives, the development of innovative manufacturing technologies that are greener.</p>
<p>3.5. Innovation is not only about the most expensive medicinal products covered by patent protection. According to the OECD definition, innovation cannot be considered only as a technological benefit. The socio-economic benefit is equally important, and introducing an equivalent (generic and biosimilar) medicinal product to the market changes its structure, making the therapy more affordable and building the country's economic growth. [...] with medical recommendations.</p>	<p>The Commission is also supporting a large-scale skills Partnership for the European Health Industry between stakeholders from healthcare sector, including the pharmaceutical industry and universities.</p>
<p>3.6. Specific investments are needed to bring the production of APIs and finished medicines back to Europe on the scale required to ensure the safety of medicines in the EU. The cost of producing a single active substance, depending on the required synthesis technology, is estimated at between EUR 50 and 180 million, with a timeframe of between three and six years.</p>	<p>Finally, given the complexity of pharmaceutical supply chains, diversification is essential to reduce supply chain vulnerabilities resulting from dependencies. That is why, the Commission launched in April 2024, a Critical Medicines Alliance, a new public-private partnership bringing together all European stakeholders from the health and industrial ecosystem. The Alliance will be the industrial pillar of the European Health Union to enhance security of supply for medicines. Through trade policy and partnerships, the Commission is committed to both opening new markets and diversifying sources of supply and attaining greater harmonisation and regulatory convergence at a global level. This initiative complements the regulatory measures proposed as part of the</p>

⁴⁸ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2023-2024/wp-4-health_horizon-2023-2024_en.pdf

	<p>proposed reform of the EU pharmaceutical legislation⁴⁹.</p>
<p>3.9. In order to maintain patients' access to affordable therapies, the intellectual property (IP) framework should not hamper the development and market launch of generics/biosimilars and hence price competition.</p>	<p>The EU framework for intellectual property⁵⁰ incentivises innovation while ensuring access, availability and affordability of medicines. Specifically, the ‘experimental exception’ included in all patent laws is beneficial for the development of generics. Supplementary protection certificates (SPCs) are not available for all medicines and, when granted, as the effective protection period never exceeds 15 years. In addition, the SPC waiver Regulation⁵¹, that has been fully applicable since 2022, allows for manufacturing and stockpiling of generic medicine for Day-1 market entry during the last six months before the expiry of an SPC.</p> <p>Moreover, recent proposals will make it easier for generics manufacturers to 1) be informed of the protection status of a given product (via proposed reform of SPCs) and 2) facilitate the authorisation of generic medicines thus speeding up their availability (through the enhanced</p>

⁴⁹ https://health.ec.europa.eu/medicinal-products/pharmaceutical-strategy-europe/reform-eu-pharmaceutical-legislation_en

⁵⁰ https://single-market-economy.ec.europa.eu/industry/strategy/intellectual-property_en

⁵¹ Regulation (EU) 2019/933 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EC) No 469/2009 concerning the supplementary protection certificate for medicinal products, OJ L 153, 11.6.2019, p. 1.

	Bolar exception provisions in the proposed pharmaceutical package).
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4. Financing mechanism to build industrial infrastructure for producing APIs and essential medicines

While the decisions concerning access to finance will be taken by the relevant financing bodies/entities/institutions, One of the objectives of the Critical Medicines Alliance could also contribute to the facilitation of access to finance, including by identifying investment and manufacturing needs, based on vulnerability analysis, and identify or bring together stakeholders around strategic projects that could benefit from EU and national funding possibilities (including EU4Health, Strategic Technologies for Europe Platform, cohesion funding, Recovery and Resilience Facility etc.), ensuring security of supply and potential geographical balance.

The Commission is also assisting Member States in setting up an Important Project of Common European Interest (IPCEI) to facilitate financial support for breakthrough innovative EU projects in health. In particular, the Communication ‘Addressing medicine shortages in the EU’ suggests that a new IPCEI could focus on developing innovative and sustainable manufacturing and production technologies and processes for generic medicines.

Services of General Economic Interest (SGEI), coordinated at EU level and covering several criteria, including priority rated order for the EU market, could also be envisaged by Member States to minimise the risk of critical medicines shortages at the EU level.

<p>5. API and essential medicines trade finance mechanism in Europe</p>	<p>Such a trade finance mechanism could be explored in the context of a possible proposal for a critical medicines act. Furthermore, it is to be noted that under the current rules, public buyers can already give preference to non-price criteria in the award of public bids. Increasing professionalisation can contribute to improving the practice of public buyers. In that context, the Commission will issue EU best practice guidance to optimise public procurement of medicines in a view to enhance security of supply.</p>
<p>6.3. Europe should set an example of how it should prioritise attracting European-born researchers from the United States and other regions and invest in students who study abroad. Moreover, the Chips Act is an initiative worth replicating to bring competences and strategic industries back to the EU.</p>	<p>The Council Recommendation on a ‘European framework to attract and retain research, innovation and entrepreneurial talents in Europe’ and the new Charter for Researchers annexed to it⁵² are a key step towards strengthening research careers in Europe. It will also be the flagship component of a broader support package for attractive and sustainable research careers on which the Commission is working⁵³. This package comprises four strands: 1) standards for attractive careers; 2) implementation tools, such as the European Competence Framework for Researchers (ResearchComp); 3) a cultural change, fostered by the reform of research and researchers’ assessment; and, 4) investments, starting with a Horizon Europe pilot call in 2024, with a particular focus on early-career researchers.</p>

⁵² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A0436%3AFIN>

⁵³ https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/commission-package-attractive-and-sustainable-research-careers-advances-steadily-2024-03-21_en

<p>N°15 European cross-border associations COM(2023) 515 final COM(2023) 516 final EESC 2023-04411 – INT/1046 584th Plenary Session – January 2024 Rapporteur: Giuseppe GUERINI (IT-III) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The European Economic and Social Committee (EESC) welcomes the European Commission's proposal to facilitate the cross-border activities of non-profit associations in the EU by creating a new legal form of "European cross-border association". It advises the co-legislators to move swiftly towards its adoption.</p> <p>1.2. The EESC recognises the difficulties that non-profit associations and entities face in participating in the internal market and recommends that the Commission and the Member States remove the legal and administrative obstacles, thereby promoting the role that these associations play in the EU when it comes to generating economic and social value.</p> <p>1.4. The EESC recognises the potential of non-profit organisations in the context of the single market and stresses the need to foster the creation of a European ecosystem for this kind of entity in order to make the single market more "social".</p>	<p>The Commission acknowledges the Committee's support on the proposal. The Commission agrees with the Committee about the existence of difficulties faced by non-profit associations when they want to fully engage in the internal market. These have been evidenced in the impact assessment, including extensive consultation activities, underpinning the preparation of the proposal. The proposal aims to improve the functioning of the internal market of certain non-profit associations by laying down measures coordinating the conditions for establishing and operating European cross-border associations (ECBAs), with the aim of removing legal and administrative barriers for non-profit associations that operate or wish to operate in more than one Member State. Non-profit associations create economic and societal value as they are active in sectors such as healthcare, social services, social inclusion, culture, sports, research and development, education and training, while contributing 2.9% to GDP in the Union. Through their membership-based structure, they also have a direct impact on citizens who are members, donors or beneficiaries of their activities.</p>

1.6. The EESC proposes that all organisations that meet ECBA criteria, and have their registered office in the European Union, should be able to acquire ECBA status. This includes organisations that have members of the executive body who are natural persons residing in non-EU countries, especially when such members reside in European Economic Area countries.

1.7. The EESC recommends that, in accordance with the principles of democracy and freedom of association, the statutes of the organisations themselves and of their partners should be able to freely determine the different types of membership of associations and how voting rights work.

2.15. Some associations comprised of networks of national and European organisations, which often have members that operate within a wider Europe framework, extend beyond EU borders. In order for these organisations to acquire ECBA certification, the limit laid down in Article 7 of the proposal for a directive, which provides that only natural persons that are Union citizens may be members of the executive body of an ECBA, should be revised. This restriction seems excessive. The EESC believes that this provision needs to be extended to include the European Economic Area in order to achieve the objective of participation in the single market, in line with Article 114 of the TFEU.

2.16. It is also important to guarantee flexibility when it comes to deciding who has the right to vote, in compliance with the principle of democracy, in order to respect the different types of membership of

The Commission agrees that, as a main rule, ECBAAs should be able to decide freely on their rules of operation. Any limitation on this freedom imposed by a Member State should be applied in a general and non-discriminatory way, prescribed by law, justified by an overriding reason in the public interest, and be appropriate for ensuring the attainment of the objective pursued and not going beyond what is necessary for it to be attained. In line with the principle of democracy, the proposal provides that each member of an ECBA has one vote.

Overall, the cross-border, internal market element is central to the proposal. This is visible in many elements of the proposal, including that an ECBA should either carry out or have a statutory objective to carry out at least part of its activities across borders in the Union, and that founding members and executive board members have a link to at least two Member States, either through citizenship or through registered residence. When it comes to an extension to the full European Economic Area (EEA), the Commission recalls that the proposal is EEA relevant.

<p>associations operating in Europe. The current wording of Article 8, which provides for one vote per ECBA member, is too narrow.</p>	
<p>1.8. This initiative will help to obtain recognition of the role of non-profit associations, which, by statute and by legislative mandate, play general interest roles in Europe. The initiative is a point of reference for future measures that may facilitate the development of cross-border activities for other entities that have a general-interest role, such as mutual societies and foundations.</p> <p>1.10. The EESC, aware of the complexity of the different positions of Member States when it comes to foundations, considers that the ECBA proposal could be a valid point of reference for reopening talks between the EU institutions on the European statute for foundations.</p> <p>2.4. In addition to non-profit associations, it is important to recognise the important "public benefit" role played by other philanthropic organisations and foundations, which sometimes face obstacles similar to those recorded as facing associations when it comes to recognition of legal personality, transfer of registered office or cross-border mergers. The EESC therefore believes that solutions must be developed for these bodies as well, as originally called for in the European Parliament's report⁵⁴.</p> <p>2.9. As acknowledged by the SEAP, the social economy is one of the main enablers for creating an inclusive and non-discriminatory Europe, given its strong focus</p>	<p>The Commission agrees with the Committee and reiterates that social economy entities can stimulate sustainable economic and industrial development and promote the active participation of citizens in society. They also make a significant contribution to welfare systems in the Union by complementing public services, revitalising rural and depopulated areas and play an important role in international development policy.</p> <p>When it comes to potential future measures for other legal forms of the social economy, the Commission would like to recall that cooperatives already benefit from the Regulation on the 'European Cooperative Society'⁵⁵. Mutual societies are not present in all Member States and thus it is necessary to address their challenges separately. As to foundations, it is important to note that there are important differences between foundations and associations, including the way they are set up (by founders to allocate assets for a determined purpose) or governed (governing body and no members). The Commission already presented a proposal specifically targeting foundations⁵⁶, which, however, had to be withdrawn in 2015 due to lack of political support and agreement among Member States.</p> <p>When it comes to the specific 'public benefit' status enjoyed by certain organisations pertaining to their role in a</p>

⁵⁴ For more information on the environment in which European philanthropy operates, see Philea, [Country profiles on the legal and fiscal landscape for philanthropy](#) and *Comparative Highlights of Foundation Laws*.

⁵⁵ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32003R1435>

⁵⁶ [EUR-Lex - 52012PC0035 - EN - EUR-Lex \(europa.eu\)](#)

on dealing with social challenges. These challenges involve helping disadvantaged groups to enter the labour market and provide assistance and support to certain groups at risk of social exclusion, such as older people and people with disabilities, migrants and refugees, and those far away from the labour market. The potential of non-profit organisations and philanthropic entities still remains untapped in the single market: they mostly develop in local contexts. This proposal aims to foster the creation of a European ecosystem for these types of entities, and contributes significantly to making the single market more "social".

2.12. Mutual societies are social economy undertakings that provide life and non-life insurance services, as well as complementary social security schemes. In view of the fact that the legal form of mutual societies is not recognised in all Member States, the current European legal framework puts mutual societies in a position where they cannot reap the benefits of the internal market. The cross-border association option could be a step towards the specific recognition of mutual societies.

3.2. As well as developing an additional legal form for cross-border associations, a suitable instrument for foundations should be considered. As early as 2012, there was an unsuccessful attempt to adopt a European statute for foundations. Now, thanks to the impetus created by the Social Economy Action Plan and recommendation, the time could be ripe to launch another initiative to resume that path.

3.6. The EESC believes that creating a new legal form of non-profit association that can

Member State, it was decided not to regulate this aspect as part of the proposal. In particular, the impact assessment underpinning the proposal showed that the 'public benefit' notion is strongly linked with taxation.

In relation to this topic, the Council Recommendation on developing social economy framework conditions⁵⁷ recommends Member States to 'facilitate compliance on a practical level for public-benefit cross-border donations for taxation purposes, for instance by issuing a standardised form of the recipient entity established in another Member State on the amount of the donation, identifying both the recipient and the donor.'

In addition to the Council Recommendation, the Commission published two Staff Working Documents to improve the understanding of relevant tax rules for social economy entities⁵⁸ and cross-border public-benefit donations⁵⁹.

57 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023H01344>

58 <https://ec.europa.eu/social/BlobServlet?docId=26937&langId=en>

59 <https://ec.europa.eu/social/BlobServlet?docId=26938&langId=en>

<p>be recognised by all Member States could further unlock the potential of civil society organisations of all sizes and support their key contribution to our society. It could be a key tool for mobilising the collective engagement citizens, particularly through associations and foundations, to carry out more public benefit activities and work together in all the different spheres of society. Moreover, associations in cross-border regions will be able to work together further, building an even deeper sense of European spirit and citizenship in these unique areas. This initiative will help to recognise the role that non-profit associations of general interest play in Europe and could serve as a reference for future initiatives involving other types of entities, such as foundations.</p>	
<p>1.9. The EESC supports and welcomes the creation of an ECBA certificate, which will allow this new legal form to be recognised throughout the EU, once the ECBA has been registered in a Member State; nevertheless, it recommends that classification and registration systems be improved by setting up comparable databases.</p>	<p>To enable an ECBA to prove that it has registered within a Member State and to further facilitate cross-border procedures and simplify and reduce formalities, Member States will have to issue, according to the proposal, as the final step of the registration process, the 'ECBA certificate.' The certificate contains the essential harmonized registration information, including the name of the ECBA, the address of its registered office, and the names of the legal representatives. The related information will be stored at Member State level. For reasons related to proportionality, the proposal expressly allows Member States to make use of their existing national registers, in combination with the data access and information exchange possibilities provided by the Single Digital Gateway and the Internal Market Information System, respectively. To facilitate the use of this certificate in various Member States without additional adaptations or compliance costs, the</p>

	Commission will establish a standardised template available in all languages of the Union.
<p>2.11. It is vital to make it easier for a non-profit association to have its legal personality recognised in the other Member States, thereby ensuring equal treatment in the internal market. It is also important that acquiring ECBA status remains voluntary, and that no association is obliged to change its legal nature.</p>	<p>The Commission proposal establishes a new additional legal form which is optional. Furthermore, it is proposed that this new legal form will co-exist alongside national non-profit associations. National law applicable to already existing non-profit associations will, therefore, continue to apply separately.</p>
<p>3.4. Non-profit associations wishing to carry out economic activities in another Member State are required to form and register a brand new non-profit association in that Member State, involving additional administrative costs and formalities.</p> <p>3.5. This also has consequences regarding the channelling of capital between non-profit associations, impeding a seamless flow of capital and undermining non-profit associations' ability to perform their activities in another Member State. Rules differ also regarding access to capital and non-profit associations encounter difficulties when in accessing financial loans, credits and guarantees within credit institutions.</p>	<p>The Commission agrees that there are several barriers that hinder non-profit associations from operating cross-border, not least because they impose on them a specific need to allocate resources to unnecessary administrative or compliance activities, which has a particularly deterrent effect in view of their non-profit nature.</p> <p>This also includes capital-related restrictions to donations, inheritance, or other forms of funding. Different regulatory frameworks and existing restrictions in the Member States regarding receiving, soliciting donations, and similar contributions in whatever form result in fragmentation in the internal market and constitute a barrier to the functioning of the internal market. The proposal requires that ECBAs should be able to apply for funding from a public or private source in the Member State(s) in which they operate on a non-discriminatory basis. There should be no restriction on the ECBA's right to receive and provide funding, except where a restriction is prescribed by law, justified by an overriding reason in the public interest, is appropriate for ensuring the attainment of the objective pursued and</p>

	<p>does not go beyond what is necessary for it to be attained and is compliant with Union law.</p>
<p>3.7. We welcome in particular the fact that the proposal for a directive states that legal personality and capacity are acquired by an ECBA from the moment the ECBA is registered in a Member State. Once established in a Member State, a European Cross Border Association will be automatically recognised and can carry out activities in all Member States, including economic activities. This will allow ECBAs to unlock their full social and economic potential in the EU.</p>	<p>The Commission proposal provides that the ECBA, once registered in one Member State, should be automatically recognised by all Member States. Allowing the ECBA to fully enjoy the freedom of establishment in the Union via a single registration valid throughout the Union and automatic recognition of their legal personality is directly related to, and necessary for, the functioning of the internal market.</p>
<p>3.11. The EESC considers that data on entities that are eligible to become ECBAs, should be more available in order to improve information on and awareness of the multiple forms of non-profit associations, and encourage the establishment of appropriate, comparable registers and statistics systems. The registers and classification systems of profit-making associations should serve the purpose of avoiding the abuse of benefits granted to ECBAs. However, they may not be used to impose restrictions, as clearly stated in Article 15 of the proposal for a directive.</p>	<p>The proposal is accompanied by a technical proposal to amend the Internal Market Information System (IMI) and the Single Digital Gateway (SDG) Regulations. By making information about ECBAs available on these systems, cooperation and information exchange is facilitated among competent authorities through the IMI, and when conducting digital operations via the SDG. Furthermore, the SDG will give access to information, procedures, as well as provide assistance and problem-solving services concerning ECBAs.</p>