

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

**TO THE OPINIONS OF THE**

**EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

**PLENARY SESSION OF APRIL 2024<sup>1</sup>**

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<sup>1</sup> Including the follow-up to one opinion adopted during the January 2024 Plenary session and one opinion adopted during the February 2024 Plenary session.

N°	Title	References
<b>Co-lead SG.E1/JUST</b>		
1	<a href="#">Defence of democracy package</a> Rapporteur: Christian MOOS (DE-III) Co-rapporteur: José Antonio MORENO DÍAZ (ES-II)	SOC/773  COM(2023) 630 final COM(2023) 636 final COM(2023) 637 final EESC-2024-00092-00-00-AC
<b>SG.H2</b>		
2	<a href="#">EU-UK youth engagement (own-initiative opinion)</a> Rapporteur: Cillian LOHAN (IE-III)	REX/580  EESC-2023-04457-00-00-AC
<b>Co-lead SG.D1/GROW</b>		
3	<a href="#">Long-term competitiveness strategy</a> Rapporteur: Emilie PROUZET (FR-I) Co-rapporteur: Stefano PALMIERI (IT-II)	INT/1028  COM(2023) 162 final COM(2023) 168 final EESC-2023-02172-00-00-AC
<b>SG.D3</b>		
4	<a href="#">Towards a more resilient, competitive and sustainable Europe</a> Rapporteur: Alain COHEUR (BE-III) Co-rapporteur: Alain TACCOEN (FR-cat. 1)	CCMI/220  COM(2023) 558 final EESC-2023-05678-00-00-AC
<b>SG.A5</b>		
5	<a href="#">Strategic foresight report 2023</a> Rapporteur: Stefano PALMIERI (IT-II) Co-rapporteur: Gonçalo LOBO XAVIER (PT-I)	INT/1039  COM(2023) 376 final EESC-2023-04844-00-00-AC
<b>TAXUD</b>		
6	<a href="#">Business in Europe: Framework for Income Taxation (BEFIT)</a> Rapporteur: Petru Sorin DANDEA (RO-II)	ECO/629  COM(2023) 529 final COM(2023) 532 final EESC-2023-04143-00-00-AC
<b>REGIO</b>		
7	<a href="#">Facilitating cross-border solutions</a> Rapporteur: Athanasios IOANNIDIS (EL-III)	ECO/637  COM(2023) 790 final EESC-2024-00120-00-00-AC

<b>MOVE</b>		
8	<a href="#"><u>Harmonised river information services – revision of EU rules</u></a>  Rapporteur: Mateusz SZYMAŃSKI (PL-II)	TEN/840  COM(2024) 33 final EESC-2024-00722-00-00-AC
<b>AGRI</b>		
9	<a href="#"><u>Amendment to CAP basic acts – simplification</u></a>  Rapporteur-general: Stoyan TCHOUKANOV (BG-III)	NAT/932  COM(2024) 139 final EESC-2024-01216-00-02-AC
10	<a href="#"><u>Towards a greater involvement of Member States, Regions and Civil Society actors in the implementation of the Long-Term Vision for the EU's Rural Areas (own-initiative opinion)</u></a>  Rapporteur: Marc DECOSTER (BE-III)	NAT/914  EESC-2023-05063-00-00-AC
<b>JUST</b>		
11	<a href="#"><u>Revision of the package travel directive</u></a>  Rapporteur: Philip VON BROCKDORFF (MT-II)	INT/1049  COM(2023) 905 final EESC-2023-05478-00-00-AC
12	<a href="#"><u>Safeguarding Democracy Against Disinformation (own-initiative opinion)</u></a>  Rapporteurs: Carlos Manuel TRINDADE (PT-II), John COMER (IE-III)	TEN/830  EESC-2024-00014-00-00-AC
<b>NEAR</b>		
13	<a href="#"><u>New Growth Plan and Facility for the Western Balkans</u></a>  Rapporteur: Ionuț SIBIAN (RO-III) Co-rapporteur: Dragica MARTINOVIĆ DŽAMONJA (HR-I)	REX/581  COM(2023) 691 final COM(2023) 692 final EESC-2024-00176-00-00-AC
<b>ECFIN</b>		
14	<a href="#"><u>Reform and investment proposals in the Member States (2023-2024 European Semester cycle) (own-initiative opinion)</u></a>  Rapporteurs: Gonçalo LOBO XAVIER (PT-I), Javier DOZ ORRIT (ES-II), Luca JAHIER (IT-III)	ECO/631  EESC-2023-04860-00-01-AC

<b>HOME</b> (Assoc SG.E2 / EAC/ EMPL)		
15	<a href="#"><u>Talent Mobility Package</u></a>  Rapporteur: Tatjana BABRAUSKIENĖ (LT-II) Co-rapporteur: Mariya MINCHEVA (BG-I)	SOC/786  COM(2023) 715 final COM(2023) 716 final COM(2023) 719 final EESC-2024-00050-00-00-AC
16	<a href="#"><u>Roadmap on anti-drug trafficking</u></a>  Rapporteur: Christian MOOS (DE-III)	SOC/784  COM(2023) 641 final EESC-2023-05604-00-00-AC
<b>*** OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSIONS ***</b>		
<b>GROW</b>		
17 Opinion adopted during the Plenary session of February 2024	<a href="#"><u>SME relief package</u></a>  Rapporteur: Alena MASTANTUONO (CZ-I) Co-rapporteur: Angelo PAGLIARA (IT-II)	INT/1048  Com(2023) 535 final EESC-2023-05071-00-01-AC
18 Opinion adopted during the Plenary session of January 2024	<a href="#"><u>New European industrial Strategy for the Internal Market: helping our companies face technological, social, environmental and competition challenges</u></a>  Rapporteur: Giuseppe GUERINI (IT-III)	INT/1043  COM(2023) 515 final COM(2023) 516 final EESC-2023-04411-00-00-AC

<p>N°1     <b>Defence of Democracy package</b>  <b>COM(2023) 630 final</b>  <b>COM(2023) 636 final</b>  <b>COM(2023) 637 final,</b>  <b>EESC 2024-00092 – SOC/773</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Christian MOOS (DE-III)</b>  <b>Co-rapporteur: José Antonio MORENO DÍAZ (ES-II)</b>  <b>DG JUST– Commissioner Vera Jourova</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. Liberal democracy in Europe is under attack, both from abroad and from within in the European Union (EU). Considerable progress has been made over the last years to make European democracy resilient to these threats, however, <b>much more needs to be done to protect the EU, its democracy and, more specifically, the upcoming European elections<sup>2</sup>.</b></p>	<p>Work on the measures put forward by the Commission in 2020 in the European Democracy Action Plan is well under way, helping to strengthen democratic resilience by promoting election integrity, protecting media freedom and pluralism, and strengthening the fight against disinformation, foreign information manipulation and interference. Meaningful and active citizen engagement and an active civil society were also cross-cutting priorities throughout the plan.</p> <p>The Communication on Defence of Democracy sets out how the Commission, in close cooperation with the High Representative, has worked on all these fronts through key legislation and other political initiatives, bolstering societal resilience from within and the direct engagement of citizens.</p> <p>Ahead of the 2024 European Parliament elections, the Regulation on the transparency and targeting political advertising<sup>3</sup> entered into force, setting the</p>

<sup>2</sup> When mentioning ‘democracy’, the EESC always means ‘liberal democracy’.

<sup>3</sup> <https://eur-lex.europa.eu/eli/reg/2024/900/oj>

	<p>tone for how political campaigning should be conducted in the EU. Once in full application, the new rules will provide a high standard of transparency for political advertising services in the Union and specific personal data requirements when political advertising is targeted and amplified. The Regulation will strengthen accountability by empowering citizens and interested entities in the democratic process and support national authorities in performing their oversight tasks. It will deter the misuse of political advertising, including foreign interference.</p> <p>Cooperation among Member States to ensure resilient electoral processes and mutual support to address threats is essential. The Commission Recommendation on inclusive and resilient elections<sup>4</sup> was also adopted as part of the Defence of Democracy package. It provides useful guidance to Member States and political actors on how to protect electoral processes in the EU from disruptions and distrust generated by various challenges and threats, including foreign interference, in a balanced and comprehensive manner and in full respect of fundamental rights and democratic values.</p> <p>The European Commission has also actively supported innovating its democratic ecosystem by providing a safe and transparent space for citizens to engage in their democracy.</p>
<p>1.3. This is precisely why it is regrettable that the Defence of Democracy package has been proposed much too late to ensure proper</p>	<p>Most elements of the Recommendation (EU) 2023/2829 are practical in nature and build on concrete exchanges among</p>

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<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023H2829>

implementation before the European elections in 2024 and does not take on board the EESC's suggestions concerning the European Democracy Action Plan<sup>5</sup>.

Member States in the framework of the European Cooperation Network on Elections, which means that implementation has started immediately and yielded tangible results. For instance, a joint Code of Conduct for the 2024 European Parliament elections was signed on the 9th of April by European political parties.

In the run-up to the 2024 European Parliament elections, the Commission has worked with other stakeholders to empower voters, promote turnout, and prepare a free, fair, inclusive and resilient electoral process, including through EU-wide get out the vote campaigns or by providing common EU channels for informing citizens where and how to register and vote.

The European Cooperation Network on Elections also convened at a more frequent pace, in both plenary and thematic sessions, to ensure that preparations for the 2024 elections factored in measures envisaged by the Recommendation, including to support high-voter turnout, to promote disability-inclusive elections and to secure elections against cybersecurity risks, disinformation and foreign interference.

A preliminary report from OSCE Office for Democratic Institutions and Human Rights highlights that 2024 elections to the European Parliament were competitive and professionally organized by national authorities, with fundamental freedoms respected, despite being held amidst growing political polarisation and a backdrop of increased security.

According to first available data for the 2024 European Parliament elections, voters showed up in greater numbers than at the 2019 elections in at least 14

<sup>5</sup> [OJ C 341, 24.8.2021, p. 56.](#)

Member States. The overall voter turnout was around 51%, which represents a slight increase from 2019. Our post-election report will provide more detail on how the work of the Commission, other EU institutions and Member States facilitated participation in these elections.

The Commission welcomed the Committee's opinion on the European Democracy Action Plan, appreciating the support of the Committee regarding the measures proposed in the Plan.

The Commission took note of the Committee's proposals on promoting active and democratic participation beyond elections. This topic is a fundamental part of the Commission Recommendation issued on 12 December 2023<sup>6</sup>, which promotes the engagement and effective participation of citizens and civil society organisations in public policy-making processes.

The EU has increasingly acknowledged the need to be proactive in safeguarding democracy, and in strengthening the rule of law and protecting fundamental rights and freedoms. As shown in the 2023 Communication on the Defence of Democracy, work on the measures put forward by the Commission in 2020 in the European Democracy Action Plan is well under way, helping to strengthen democratic resilience by promoting election integrity, protecting media freedom and pluralism, and strengthening the fight against disinformation, foreign information manipulation and interference. This Communication sets out how the Commission, in close cooperation with

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[https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=PI\\_COM%3AC%282023%298627](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=PI_COM%3AC%282023%298627)



	<p>the High Representative, has worked on all these fronts through key legislation and other political initiatives, bolstering societal resilience from within and the direct engagement of citizens. With the new measures put forward under the Defence of Democracy Package, the Commission seeks to address the increasing threat of foreign interference, as well as further promote free, fair and resilient elections and a civic space where an active and independent civil society and citizens are provided with the enabling conditions and tools to become more engaged.</p>
<p>1.4. Foreign interference in the EU's democratic processes is a viable threat to European democracy and needs to be contained. The EESC therefore fully supports the objectives of the proposed directive, but strongly disagrees with the proposed means. In order to avoid market distortions and regulatory fragmentation, it calls for a comprehensive EU-level approach that does not bear additional costs or risks, and does not stigmatise interest representation service providers, shrink civic spaces in the EU, reduce the scope of existing transparency registers at national level, or undermine the credibility of the EU as an international actor.</p>	<p>The Commission agrees that a comprehensive EU-level approach is required.</p> <p>Interest representation activities are increasingly used by third country governments alongside formal diplomatic channels and processes to promote their policy objectives. This situation is recognised by Member States as presenting an opportunity for third-country actors to evade transparency requirements and covertly influence decision-making and democratic processes in the Union. Some Member States are therefore considering developing new rules to address foreign influence, including by imposing general obligations on entities receiving foreign funding that would in practice apply to the provision of interest representation on behalf of third countries. The fragmentation described is therefore likely to increase specifically in relation to interest representation carried out on behalf of third countries. This would expose entities carrying out interest representation to additional obstacles</p>

	<p>when providing interest representation for third countries in the internal market.</p> <p>The Commission would like to note that the proportionality of the transparency obligations has been carefully considered and is reflected in the limited requirements imposed (clearly framed information requirements, limited obligations in terms of record keeping, etc.) The proposal does not seek to prevent third countries from promoting their views. It includes necessary safeguards aimed at ensuring a proportionate transposition and enforcement and avoiding risks of stigmatisation. Furthermore, it does not prohibit any activities or impose requirements on entities merely because they receive funding from abroad. Instead, it focuses on ensuring increased transparency when entities, regardless of their status, carry out interest representation activities on behalf of third countries that seek to influence the development, formulation or implementation of policy or legislation, or of public decision-making processes in the Union. This will effectively prevent gold-plating and stigmatisation.</p> <p>As stressed by the EU after Georgia adopted its ‘transparency of foreign influence’ law, transparency should not be used as an instrument to limit civil society’s capacity to operate freely.</p>
<p>1.5. Such a comprehensive EU-level approach to contain foreign interference in the EU’s democratic processes needs to be clear and easily applicable for all actors subject to the legislation, including natural persons, small NGOs and companies. Most notably, the legislation needs to clearly define the terms used, especially ‘interest representation activity’, provide clear criteria to assess which</p>	<p>The Commission agrees that a comprehensive approach is required when defining interest representation. To ensure the correct application of the harmonised transparency requirements, the concept of interest representation activities should have a broad meaning. The Commission would like to refer to Recitals 16 to 20 of the proposed</p>

<p>foreign entities are subject to the legislation, cover all subcontractors in the EU and close existing loopholes with regard to specific forms of funding.</p>	<p>Directive, which provide further clarification on the definition of interest representation. and to Recital 23, which explains the concept of third country entities.</p>
<p>1.6. The EESC does not see sufficient progress towards strengthening the European dimension in European elections, and therefore calls for making the electoral process fully accessible for all EU citizens with disabilities, and more inclusive and resilient, by harmonising the electoral process in all Member States. As a first step, this could be achieved by adopting the recent reforms of the European electoral law, investing more in political education and raising awareness for the next European elections and facilitating the political integration of all people living in the EU.</p>	<p>The Commission took note of the objectives of the proposal for a new EU electoral law adopted by the Parliament on 3 May 2022, including as regards the accessibility of elections for persons with disabilities and the further harmonisation of electoral procedures and conditions to enjoy electoral rights.</p> <p>While the Commission plays no formal role, under the Treaties, in the procedure to reform the EU Electoral Law under Article 223 of the Treaty on the Functioning of the EU it has been following actively discussions in the Council, including by offering its expertise to the Parliament and Council, as needed.</p> <p>Promoting access to elections of all groups, including persons with disabilities, is essential for the Commission.</p> <p>Following the 2019 elections to the European Parliament, the Commission has been supporting concrete exchanges between Member States in the framework of its European Cooperation Network on Elections on a wide range of measures and tools to increase election accessibility for persons with disabilities. This included law reforms, accessible voting machines and specific adjustments and how to provide voting options for voters with disabilities.</p> <p>In its 2021 Communication on protecting election integrity and promoting democratic participation, the</p>

Commission committed to continuing using the European Cooperation Network on elections to deliver on a number of its commitments, including to establish common references on good practices for specific phases of the electoral cycle.

On 23 and 24 October 2023, the Commission also organised a high-level event with election authorities of Member States, where the inclusiveness of our democracies and accessibility of our elections featured prominently on the agenda.

In December 2023, the Commission published a Guide of good electoral practices addressing participation of citizens with disabilities in elections announced by the Disability Strategy, as part of a larger Citizenship package. It reflects the various measures taken by Member States to address the obstacles faced by citizens with disabilities when interacting with the electoral environment, including election materials, facilities, and procedures.

The Guide of good electoral practices is intended to better frame the ongoing and future discussions in the European Cooperation Network on elections on how to deliver accessible elections. It also aims to support efforts to ensure that citizens with disabilities can exercise their electoral rights effectively.

The Commission Recommendation on inclusive and resilient electoral processes encourages Member States to support the electoral participation of different groups, including persons with disabilities, both as voters and candidates, and prevent and remove the barriers they encounter when

participating in elections. This also includes the blanket removal of electoral rights of persons with intellectual and psycho-social disabilities without individual assessment and possibility of judicial review. Member States should make best use of the Guide of good electoral practices and continue to work with the Commission, in the framework of the European Cooperation Network on Elections, to support effective follow-up, taking into account views expressed by entities representing the interests of persons with disabilities.

The Recommendation also encourages Member States to consider implementing practical measures to ensure accessibility of polling stations, including by making use of means such as QR codes, Braille, large printouts, audio and easy-to-read guides, tactile stencils, magnifying glasses, extra lighting, stamps, and accessible writing utensils. Political parties are invited to address the needs of persons with disabilities in their campaigning, for example by organising events in accessible locations and by using means, modes and formats of communication, in line with accessibility legislation in the Union and Member States. Member States and political parties should also consider providing other forms of support, such as telephone assistance, sign interpretation, accessible transport, and accessible procedures for requesting accommodation.

In addition, the recommendation invites Member States to promote the observation of elections by citizens and international organisations which endorse relevant international standards,

	<p>taking into account their legal framework and international commitments.</p> <p>It also invites Member States to transmit to the Commission information on the conduct of the 2024 elections to the European Parliament in their territory, including, where applicable, relevant information on election observation by citizens, which the Commission will consider in the post-elections report that the College committed to adopt as a follow-up to the Defence of Democracy Package .</p>
<p>1.7. The EESC calls for strengthening participative democracy and innovative forms of civic engagement - which are complementary to representative democracy - at European and national levels. Such new opportunities for political participation need to be easily understandable and inclusive, and must not exclude citizens, especially the most disadvantaged groups, by establishing unnecessary thresholds. They must also be transparent with regard to their potential impact on EU legislation and their limits in exerting influence. The proposed general frameworks for effective participation at national level, and the proposal to turn the website <i>Have your say</i> into a one-stop-shop for citizen engagement, are proposals that would promote progress. However, further steps are needed, such as a reform of the European Citizens' Initiative (ECI) and an EU-level framework for effective participation.</p>	<p>The Commission Recommendation on promoting the engagement of effective participation of civil society in public policy-making processes encourages Member States to provide more opportunities for citizens and civil society organisations to effectively participate in public policy-making processes carried out by public authorities at the local, regional and national levels, in line with established standards and good practices.</p> <p>The Recommendation acknowledges innovative forms of participation and engagement in public policy-making that can be carried out at different stages of policymaking and can be organised in various formats, such as citizens' panels, juries or assemblies online or offline, consensus conferences, participatory budgeting and co-creation.</p> <p>The Commission is actively strengthening its citizens' engagement toolbox. Earlier this year, it updated the 'Have Your Say'-portal, turning it into a single digital entry point for public consultations, the European Citizens' Initiative and a new, interactive debate</p>

	platform. Our aim is to make it even easier than before for citizens to have a comprehensive view at all the means and channels through which they can shape EU policies.
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<p><b>N°2 EU-UK youth engagement (own initiative opinion) EESC 2023-04457 – REX/580 587<sup>th</sup> Plenary Session – April 2024 Rapporteur: Cillian LOHAN (IE-III) DG SG – Executive Vice-President SEFCOVIC</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. Given that Brexit-induced changes to mobility arrangements between the UK and the EU have had a disproportionately negative impact on young people, the EESC first and foremost urges the European Commission (EC) to approach the UK Government (UK) about the possibility of negotiating an ambitious reciprocal youth mobility partnership. This partnership should aim to set out conditions for entry and stay for purposes such as research, study, training and youth exchanges.</p>	<p>The Commission adopted on 18 April 2024 a Recommendation<sup>7</sup> inviting the Council to authorise the opening of negotiations for an agreement between the EU and the United Kingdom on youth mobility. Such an agreement would make it easier for young EU and United Kingdom citizens to study, work and live in the United Kingdom and the EU respectively.</p> <p>The proposal would seek to address the main barriers to youth mobility and strengthen opportunities for young persons of the Union and the United Kingdom to gain experience abroad in each other’s territory and to benefit from youth, cultural, educational and research and training exchanges.</p>
<p>1.3. That notwithstanding, the EESC urges the EC to strengthen negotiations with the UK for the full reintegration of the UK into Erasmus+, a position which is officially backed by the European Youth Forum and British Youth Council, as well as by many other youth CSOs across the UK and the EU</p>	<p>The United Kingdom can become an associated country to the Erasmus+ programme in accordance with the procedure provided for in Article 710 of the EU-United Kingdom Trade and Cooperation Agreement.</p> <p>So far, the United Kingdom has declined becoming an associated country to that programme. If in the future the United Kingdom expressed its wish to become</p>

<sup>7</sup> (COM(2024) 169) [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2024\)169&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2024)169&lang=en)



	<p>an associated country to that programme, the Commission would be open to look into this process together with the United Kingdom counterparts.</p>
<p>1.4. The EESC calls on the EC to confirm that the UK is welcome to negotiate to re-join Creative Europe at any time. [...]</p>	<p>In line with Article 9 (d) of Regulation establishing the Creative Europe programme (2021 to 2027)<sup>8</sup>, that programme is open to the participation of ‘other third countries’.</p> <p>So far, the United Kingdom has not expressed an interest in re-joining the Creative Europe Programme.</p>
<p>1.5. Recognising that Brexit has had a hugely negative cultural and economic impact on touring artists and thus also on cultural relations between the EU and the UK, and that this issue has been raised both by the House of Lords European Affairs Committee and at recent EU-UK Parliamentary Assembly meetings, the EESC encourages the Commission to proactively engage with the UK to address the barriers to mobility of creative professionals, possibly including a reciprocal visa waiver for creative industries or a ‘cultural exemption’ from the EU UK Trade and Cooperation Agreement (TCA).</p>	<p>Artists from the EU touring in the United Kingdom (or vice versa) are supplying services within the meaning of the EU-United Kingdom Trade and Cooperation Agreement (and the World Trade Organisation General Agreement on Trade and Services (GATS)).</p> <p>Since 1 January 2021, the rights and obligations of service providers in the area of culture and entertainment services are established by each Party, within the limits set by the EU-United Kingdom Trade and Cooperation Agreement.</p> <p>At this stage, any renegotiation with the United Kingdom of market access rights for a specific category of service providers, such as touring artists, or on the removal of visa requirements for that specific category of service providers, is not envisaged.</p>
<p>1.6. Recognising that the large decline in school visitors to both the UK and the EU has had a considerable negative cultural and economic impact on both sides of the Channel, the EESC petitions the EC to negotiate with the UK on reciprocal travel arrangements for</p>	<p>Entry requirements for school children travelling as part of a school excursion is a matter for the domestic legislation in the EU (and its Member States) and the United Kingdom respectively.</p>

<sup>8</sup> (EU) 2021/818

<p>school visitors. This should include the introduction of a school group travel scheme that would not require pupils travelling on organised school and other types of young people's visits to the UK or to the EU to carry individual passports. [...]</p>	<p>In the case of the EU, the required travel documents are set out in the applicable Schengen rules.</p> <p>It would be for the United Kingdom to decide whether to accept identity cards from EU children. This is not a matter of EU reciprocity as the United Kingdom does not issue national cards to its own citizens.</p> <p>Additionally, EU law allows EU Member States to grant a visa exemption to school pupils who are nationals of a third country (who would otherwise need a visa to enter the EU), reside in the United Kingdom and are travelling in the context of a school excursion as members of a group of school pupils accompanied by a teacher from the school in question. Several Member States (including the Member States closer geographically to the United Kingdom) have made use of this possibility (BE, DE, DK, FR, IT, LU, MT, NL, PL, SK) or are ready to do it on condition of reciprocity from the United Kingdom (ES).</p>
<p>1.10. The EU and the UK should jointly consider creating and funding an EU-UK youth coordination forum, consisting inter alia of representatives of the European Youth Forum, the British Youth Council, Young Scot, the Northern Ireland Youth Forum, and Urdd, which would have a regular dialogue to discuss the most pressing issues in the area of EU-UK youth relations. These actors should be considered in the EESC's opinion-making process through the implementation of the EU Youth Test in the EESC.</p>	<p>The institutional structure of the EU-United Kingdom Trade and Cooperation Agreement has already been set up. This includes institutional structures that provide for the participation the Civil Society, including bodies representing youth.</p> <p>As provided for in the EU-UK Trade and Cooperation Agreement, civil society organisations, such as bodies representing youth, can participate in the EU-United Kingdom Civil Society Forum. They can also apply to become members of each respective Domestic Advisory Group.</p>

<p>1.11. The youth sector is not represented in either the EU or the UK domestic advisory groups (DAGs) under the TCA. Thus, the EESC calls on the EC to facilitate full and active participation of EU youth sector representatives, removing any financial barriers to participation in the EU DAG. The EESC also calls on the EC to engage with and encourage the UK to facilitate the participation of the UK youth sector in the UK DAG. Recognising the voices of young people in this body is essential to its long-term survival as a structure for furthering bilateral relations.</p>	<p>EU youth organisations can apply for membership of the EU DAG for the EU-United Kingdom Trade and Cooperation Agreement at the next call for renewal of the membership of that DAG (normally in 2025).</p> <p>There is no financial barrier to the participation in the DAG.</p> <p>The membership of the United Kingdom DAG is a matter for the United Kingdom to decide.</p>
<p>1.14. The EESC calls for the establishment of a centralised and accessible information hub for young entrepreneurs, who continue to be impacted by Brexit by the stringent new rules governing the movement of goods and services across the Channel, and uncertainty around market access.</p>	<p>The EU already has already established a central hub (the Access2Markets<sup>2</sup> website) that provides information to companies and entrepreneurs (whether young or not) willing to trade with third countries (including the United Kingdom). The Commission regularly offers training seminars in different EU languages. These are free and can be found on the Access2Markets website<sup>10</sup>.</p> <p>Additionally, bodies such as national chambers of commerce and Member States trade structures support exporting companies.</p>
<p>1.19. The EESC therefore urges the Commission to liaise with the UK to revisit the issue of providing a physical backup and to maintain funding to enable community groups, advocacy organisations and public authorities to provide support for as long as cases continue to emerge. The EESC welcomes the news that British in Europe will be funded for a capacity building and awareness raising project covering groups across 11 EU countries for the next 20 months</p>	<p>The Commission notes that the Withdrawal Agreement authorises the United Kingdom not to issue residence documents in a physical form.</p> <p>The Commission supports civil society to promote the effective implementation of the Withdrawal Agreement.</p> <p>The Commission also repeatedly highlighted to Member States the</p>

<sup>9</sup> <https://trade.ec.europa.eu/access-to-markets/en/home>

<sup>10</sup> <https://trade.ec.europa.eu/access-to-markets/en/event?topic=training>

<p>under the EC's CERV programme but notes that the need for funding will also apply in EU Member States for as long as cases continue to emerge.</p>	<p>importance of support of civil society at national level.</p>
<p>1.21. The EESC encourages the EU to liaise with the respective UK and Irish governments and the Northern Ireland Executive to join forces in raising awareness of the mission of the cross-border PEACE PLUS programme designed to support peace and prosperity across Northern Ireland and the border counties of Ireland. In this context, all parties must be acutely aware of the fragility of the peace in Northern Ireland, which amplifies the importance of the EU's support to the PEACE PLUS programme. The role that the EU has played in supporting this peace cannot be underestimated. As part of this, the EESC calls on all invested parties to proactively promote the merits of PEACE PLUS, communicating its vast funding opportunities through accessible and youth-friendly language.</p>	<p>The Commission engages extensively, including at senior political level, with the United Kingdom and Ireland on the Peace Plus Programme and its promotion. In September 2023, Executive Vice-President Šefčovič participated in the launch event of the Peace Plus Programme in Belfast alongside Irish Taoiseach Leo Varadkar and Secretary of State for Northern Ireland, Chris Heaton-Harris.</p> <p>At the latest meeting of the Specialised Committee on the implementation of the Windsor Framework, held on 25 April 2024, the EU and United Kingdom co-chairs welcomed the significant investment into cross-border intercity rail services between Belfast and Dublin under the PEACE PLUS programme announced on 8 April 2024.</p> <p>The managing authority (the Special EU Programmes Body) has regulatory obligations with regard to communication in order to increase the visibility of the PEACEPLUS programme. The Commission services will continue to support the Special EU Programmes Body (SEUPB) in the implementation of the communication plan and the associated communication activities.</p>
<p>3.14. The unique situation in Northern Ireland means that issues around rights are particularly sensitive. This may be most appropriately addressed through the establishment of a sub-group on rights within the UK-EU Joint Consultative Working</p>	<p>The Windsor Framework and related legal texts provide for a series of new structures to facilitate EU-United Kingdom engagement and cooperation for the smooth implementation of the Framework across areas. The</p>

<p>Group. This might be able to contribute to addressing concerns around non-diminution of rights, as specified in the GFA/Belfast Agreement.</p>	<p>Commission has also introduced several enhanced measures to deepen engagement with people and businesses in Northern Ireland. In addition to the above, together with the United Kingdom Government, the Commission ensures regular engagement with Northern Ireland stakeholders at each level of the Withdrawal Agreement's structures. Therefore, the necessary structures and processes for effective implementation of the Framework and for engagement with stakeholders in Northern Ireland, including for Article 2 (Rights of individuals) matters already exist.</p>
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<p><b>N°3 Long-term competitiveness strategy</b>  <b>COM(2023) 162 final</b>  <b>COM(2023) 168 final</b>  <b>EESC 2023-02172 – INT/1028</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Emilie PROUZET (FR-I)</b>  <b>Co-rapporteur: Stefano PALMIERI (IT-II)</b>  <b>SG – Executive Vice-President VESTAGER</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.5. The EESC believes that to revitalise the EU's competitiveness it is necessary to activate an integrated European industrial strategy, which, by promoting an integrated European industrial system, has as its key players: the company and its workers.</p>	<p>The Commission agrees with the Committee. It has been taking clear action in this direction with the Communication updating the 2020 New Industrial Strategy<sup>11</sup> and the 2023 Green Deal Industrial Plan<sup>12</sup> and by proposing solutions for specific areas, such as for energy use and generation, critical raw materials, chips, housing as well as green and digital transition pathways for a number of industrial ecosystems.</p>
<p>1.6. This strategic action requires: [...] iii) investments in education and lifelong learning for a skilled workforce prepared for the challenges of tomorrow, and in a quality health system, long-term care and social care, and in affordable housing.</p>	<p>The Commission agrees that investing in people and their skills is a key driver of productivity and sustainable competitiveness. In the context of the European Pillar of Social Rights, the EU headline target is that each year at least 60% of adults should engage in training, supporting the aim of a skilled and adaptable workforce. Recent initiatives to highlight are the European Skills Agenda, the Action Plan on Labour and Skills Shortages, and the European Year of Skills 2023/4 with more than 2000 events and projects across Europe. The European Social Fund Plus (ESF+) also</p>

<sup>11</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0350>

<sup>12</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en)

	<p>contributes to measures to help improve access to health and long-term care. The ESF+ does not contribute to the provision of housing as such, but to housing assistance programmes and social services to support access to housing, including for homeless people.<sup>13</sup> The European Care Strategy provides an ambitious policy framework on care and its implementation is advancing swiftly. In addition, InvestEU fosters public and private investments in key priority areas for the EU, e.g. sustainable infrastructure (education, health, social housing), social investments and skills.</p> <p>The Recovery and Resilience Facility supports ambitious reforms and large-scale investments in education, totalling EUR 45.58 billion, focusing on enhancing digital education and addressing pandemic-induced learning loss across all education levels. Additionally, the recovery and resilience plans (RRPs) promote significant reforms and allocate about EUR 17.4 billion to adult learning and skills development, including national skills strategies, skills intelligence reforms, and targeted up-skilling and re-skilling investments. In healthcare, the RRP combine important reforms with substantial investments to improve primary care, transitioning to outpatient care, reorganising hospital networks, enhancing prevention, diagnostics, and treatment, and modernising healthcare facilities, notably with a view to digitalising healthcare systems. Furthermore, EUR 8.23 billion is invested in strengthening long-term care.</p>
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<sup>13</sup> Under the ESF+, EUR 7.34 billion is allocated to the overall objective ‘enhancing equal and timely access to quality, sustainable and affordable services, including services that promote the access to housing and person-centred care including healthcare’.

	<p>The RRP also include a wide range of measures, for a total investment of about EUR 19.6 billion, to social housing and infrastructure, including significant projects to enhance access to energy-efficient social and affordable housing.</p>
<p>1.7 1.7. The EESC appreciates the efforts made by the Commission in identifying 17 key performance indicators (KPIs) for the nine dimensions of competitiveness. However, the EESC believes that: i) for certain dimensions of competitiveness some key indicators have been left out; and ii) the European dimension of the KPIs hides the existing territorial differentiations.</p>	<p>The Commission is aware of the limitations of individual key performance indicators (KPIs) and considers including additional KPIs in the next report. However, a focus on regional differences is more appropriate for other reports (such as the country reports of the European Semester and publications on regional policy). At the same time, many of the indicators can be reproduced at regional level and there are complementarities with the Regional Innovation Scoreboard<sup>14</sup> and the Regional Competitiveness Index<sup>15</sup>.</p>
<p>3.3. At the same time, businesses, most notably SMEs, are confronted with a large and growing amount of regulatory costs and burdens stemming from EU and national legislation. Urgent measures are needed, both at European and national levels, to better manage the flow of regulatory costs and burdens, offset unnecessary bureaucracy and actively support companies in transforming and complying with the cumulative impacts of the multiple new regulations.</p>	<p>The Commission is taking ambitious action to tackle regulatory costs and burden and is fully committed to strengthen efforts in the future. To deliver on the commitment to reduce burden associated to reporting requirements by 25%, the Commission presented 41 initiatives in its Work Programme in October 2023 and is working on additional measures. Moreover, since 2022 the Commission applies a ‘one in, one out’ approach to keep legislative costs under control<sup>16</sup>. The offsetting target for administrative costs was largely exceeded in 2022 with net costs savings of EUR 7.3 billion, and</p>

<sup>14</sup> [https://research-and-innovation.ec.europa.eu/statistics/performance-indicators/regional-innovation-scoreboard\\_en](https://research-and-innovation.ec.europa.eu/statistics/performance-indicators/regional-innovation-scoreboard_en)

<sup>15</sup> [https://ec.europa.eu/regional\\_policy/information-sources/maps/regional-competitiveness\\_en](https://ec.europa.eu/regional_policy/information-sources/maps/regional-competitiveness_en)

<sup>16</sup> Under the ‘one in, one out’ approach, the Commission carries out a detailed analysis of the compliance costs and savings introduced by a proposal. The adjustment costs are transparently presented and compensated to the greatest extent, while administrative costs for citizens and businesses are compensated by removing an equivalent existing amount of costs in the same policy area.



	<p>the upcoming Annual Burden Survey will show positive results also for 2023. To improve the analysis of the cumulative impact of different legislative or regulatory acts, the Commission works to better assess these at the EU level. In addition, the Commission adopted the 2023 SME Relief Package with actions to reduce regulatory costs and burden on SMEs. In February 2024, a policy tracker was published as annex to the 2024 ASMCR showing progress made on these actions.</p>
<p>3.4. The EESC therefore strongly calls for the completion of the single market to once again become a central project for the future of the EU and be accorded the highest political priority in all EU institutions.</p>	<p>The Commission has always been committed to the completion of the Single Market which remains at the core of its actions. The Commission takes good note of the EESC's call for the completion of the Single Market. It is exploring possible policy responses, including delivering a horizontal Single Market Strategy by mid-2025, as called for by the European Council and the COMPET Council.</p>
<p>3.5. On the competitiveness check, the EESC welcomes its introduction to support enterprise creation and improved working conditions and refers to its recent recommendations. It calls for the check to be fully and swiftly applied. In addition, the EESC urges the Commission to communicate clearly and rapidly how the check will be applied in practice. Due attention and weight should already been given to competitiveness when shaping all new initiatives.</p>	<p>Since March 2023, all impact assessments submitted to the Regulatory Scrutiny Board include a compulsory competitiveness check presenting, in an integrated and transparent way, relevant impacts on competitiveness, including an appreciation of their significance.</p> <p>The competitiveness check includes four dimensions of competitiveness: cost and price competitiveness, international competitiveness, capacity to innovate, and SME competitiveness. The Better Regulation toolbox provides detailed guidance to assess each of these.</p>

<p>3.6. Enhancing the role of the social partners and reinforcing collective bargaining are important elements for improving competitiveness.</p>	<p>The Directive on adequate minimum wages<sup>17</sup> already aimed to reinforce collective bargaining. In particular, it foresees that where the collective bargaining coverage rate is below a threshold of 80%, Member States must provide for enabling conditions, either by law or after consulting social partners, and establish an action plan to increase that coverage. Furthermore, the Commission presented a new social dialogue initiative in 2023, including a proposal for a Council Recommendation on strengthening social dialogue in the European Union, adopted on 12 June 2023.<sup>18</sup> The ‘Tripartite Declaration for a Thriving European Social Dialogue’ adopted at the Val Duchesse Social Partners Summit in 2023 announced the appointment of a new European Social Dialogue Envoy and a process towards a Pact for European Social Dialogue.</p>
<p>3.7. Based on the most up-to-date data, there are 2 950 regional industrial clusters in the EU, which account for around a quarter of European employment (61.8 million jobs, 23.4% of total European employment)<sup>19</sup>. Given that they are such a key player in the real economy, there needs to be a specific focus on these clusters and their workers in any long-term strategy for the EU.</p>	<p>Industrial clusters remain at the core of the Commission’s work on competitiveness, e.g. as highlighted by the first annual report on key findings from the European Monitor of Industrial Ecosystems (EMI)<sup>20</sup> accompanying the 2024 ASMCR. The report assesses the evolution of the twin transition across 14 individual industrial ecosystems showing a serious commitment by industry to speeding up the uptake of digital technologies ( e.g., 49% of the small and medium-sized enterprises reported increasing their investments in digital</p>

<sup>17</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022L2041>

<sup>18</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C\\_202301389](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202301389)

<sup>20</sup> [https://single-market-economy.ec.europa.eu/document/download/dd1b73c0-89af-4ed6-8619-89e3fea94174\\_en](https://single-market-economy.ec.europa.eu/document/download/dd1b73c0-89af-4ed6-8619-89e3fea94174_en)

	technologies) and an increased demand for green skills.
4.2. The EESC refers back to the Commission's single market governance package of March 2020, which clearly set out all the necessary measures to be taken to improve the implementation and enforcement of EU	Since the adoption of the Single Market Enforcement Action Plan the Commission has been publishing every year the state of implementation of the actions included therein. By now, almost all actions have been completed as highlighted by Annex 2 of the 2024 ASMCR.
4.4. The EESC points out that a well-functioning single market is the responsibility of all EU institutions and all Member States.	The Commission agrees and has reiterated this position in various initiatives, such as the Single Market at 30 Communication.
4.5. Where Member States fail to correctly and fully transpose and implement EU law within the required timeframe, the Commission should take decisive action. However, the EESC notes with concern that the Commission's actions against internal market infringements by Member States have been significantly decreasing over the past three Commission administrations. It is essential that the Commission play its role as guardian of the Treaties and ensure appropriate harmonisation. To this end, the Commission must ensure that it has sufficient capacities and resources available.	<p>Figures relating to infringement procedures alone are not an appropriate measure of the Commission's enforcement efforts, including those seeking to avoid breaches from materialising in the first place, and, if they occur, bringing these to an end as quickly as possible.</p> <p>The Commission has increasingly addressed obstacles in the functioning of the Single Market by using proactive, preventive and cooperative mechanisms, such as the Single Market Task Force. It works also together with Member States on actions to develop and strengthen the problem-solving tool SOLVIT further. The Single Market Transparency Directive is another cooperative and preventive tool, as it requires Member States to notify draft national technical regulations to the Commission, before their adoption, to avoid the creation of barriers to the single market.</p> <p>The Commission has also increased its support to Member States over the years to avoid breaches from happening in the</p>

	<p>first place. In particular the number of cases where the Member States were late in transposing directives has dropped. In addition, the number of new directives has declined, while there is an increasing use of regulations as a legislative tool.</p>
<p>5.3. Furthermore, as access to finance at a reasonable cost is vital for businesses, and given the need to avoid critical dependence on external decisions, the Union should promote efficient and stable capital markets and a strong and independent banking sector within the Union. The Union must also avoid unnecessary regulatory measures that could compromise, directly or indirectly, access to finance, particularly for SMEs. This must be taken into account in the regulation of banks. The same principle applies to the development of sustainable finance criteria. In addition, access to different channels and forms of financing must be facilitated so that funds reach businesses quickly.</p>	<p>The Commission agrees that access to finance for businesses is vital and has taken significant steps to further the development and integration of EU capital markets, with particular consideration given to the needs of SMEs. The Commission has now delivered on all 16 actions of the second Capital Markets Union Action Plan of 2020, including the European Single Access Point, a one-stop shop for investors for company information and thus give companies more visibility. Two, actions, on insolvency and on retail investments, are still negotiated by the co-legislators. However, in order for EU capital markets to effectively contribute to the EU's competitiveness, further work needs to be taken decisively and swiftly, as acknowledged in the April European Council conclusions. The Commission will continue its efforts to ensure that EU banks are resilient to future economic shocks and can finance households and SMEs. For example, capital charges for bank exposures to SMEs are being reduced through the application of a supporting factor<sup>21</sup>, which should encourage more lending to SMEs. As for sustainable finance, the Commission is rolling out several steps, in accordance with the Communications of June and September 2023, designed to further improve the usability of the</p>

<sup>21</sup> Art 501 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms

	sustainable finance framework and to facilitate SMEs' access to green lending and finance to help them transition toward more sustainable practices.
12.5. The EESC will be paying particular attention to the new initiatives negotiated with the United States, in addition to those aimed at resolving the current issues (US Inflation Reduction Act, the steel and aluminium safeguard disputes, etc.).	Deepening the transatlantic trade and economic relations based on shared interests, to avoid unnecessary trade tensions and to face joint challenges are at the heart of discussions with the US. On the Inflation Reduction Act, the Commission continues to seek to advance in the negotiations for a EU-US Critical Mineral Agreement, and to engage in cooperation under the Clean Energy Incentives Dialogue. On the Global Arrangement on Sustainable Steel and Aluminium, the EU and US have avoided the resumption of tariffs on both sides in 2024. The Commission will continue to try to find a path forward to achieve the permanent lifting of the US Section 232 tariffs on EU exports.

<p><b>N°4 Towards a more resilient, competitive and sustainable Europe</b>  <b>COM(2023) 558 final</b>  <b>EESC 2023-05678 – CCMI/220</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Alain COHEUR (BE-III)</b>  <b>Co-rapporteur: Alain TACCOEN (FR-cat. 1)</b>  <b>SG – President VON DER LEYEN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>2.1.5. The EESC questions the Commission’s reference scenarios, which do not allow industry to plan their investments strategically. In 2009, making headway in carbon capture by 2030 was of key importance, before being pushed back to 2035 in 2013, and then again to beyond 2040 in 2016, only to disappear entirely in 2020 and become of key importance again in 2024. The same can be said for the 2030 hydrogen targets. The Fit for 55 package set out a target of 233 TWh, REPowerEU of 670 TWh, and now in 2024 we are back down to 105 TWh.</p>	<p>The 2018 impact assessment<sup>22</sup> accompanying the Communication ‘A Clean Planet for all’ projected the need to capture up to 500 Mtpa of CO<sub>2</sub> by 2050 (section 4.8.). The purpose of the reference scenario is to project the evolution of the energy system in the absence of additional policies. As such, it reasonable to expect that the large deployment of new technologies does not take place in a business-as-usual scenario. In particular, the Commission points out that co-legislator did not retain the targets for renewable hydrogen, as set out in the REPowerEU plan, in the final legislation (i.e., in the recast of the Renewable Energy Directive).</p>
<p>[Ensuring the EU’s energy security]</p> <p>2.1.10. The Committee calls on the Commission to:</p> <ul style="list-style-type: none"> <li>- Take stock of, and strengthen, Europe’s control of the value chains of the various decarbonisation technologies.</li> <li>- Evaluate dependence risks and propose corrective measures where the risks are high, or even where there are monopolies or quasi-monopolies at global level. [...]</li> </ul>	<p>The Commission is actively following the implementation and monitoring of hydrogen large-scale deployment projects in order to provide detailed information on the progress of the development of the EU’s hydrogen ecosystem. The Commission has also been developing the Net-Zero (NZ) Technologies Monitoring Dashboards - a digital tool that monitors the status of the Net Zero Technology Ecosystem.</p>

<sup>22</sup> [https://climate.ec.europa.eu/document/download/dc751b7f-6bff-47eb-9535-32181f35607a\\_en?filename=com\\_2018\\_733\\_analysis\\_in\\_support\\_en.pdf](https://climate.ec.europa.eu/document/download/dc751b7f-6bff-47eb-9535-32181f35607a_en?filename=com_2018_733_analysis_in_support_en.pdf)

<ul style="list-style-type: none"> <li>- Understand why the electrification of energy uses has stalled and take measures to address it.</li> <li>- Ensure funding via an appropriate framework and support Member States, in order to achieve quick and effective success in meeting energy building renovation needs.</li> <li>- Verify, through the 2024 national energy and climate plans, how the Member States' projections are consistent with European targets and draw subsequent conclusions.</li> <li>- Develop electricity market models that reward flexibility in an amount relative to the growing value of the service provided. [...]</li> </ul>	<p>Electricity demand in end use sectors decreased in the EU-27 in 2022 compared to 2021 by around 4%. This was mainly due to reduced energy consumption in the residential sector and industry, partly attributed to the energy crisis and high energy prices. At the same time, electricity demand increased in transport and public sector (in transport by around 10% due to the uptake of electric vehicles). Overall, 2022 was a record year for the deployment of renewable energy. For instance, EU new solar and wind capacities increased by 41% compared to 2021. The recently adopted legislation (the 'Fit for 55' package) will further facilitate electrification of the end uses and accelerate the uptake of renewable energy, notably the revised Renewable Energy Directive, the Alternative Fuels Infrastructure Regulation, Energy Performance of Buildings Directive, the reform of Electricity Market Design and the Action Plan on Grids.</p> <p>As part of the recast of the Energy Performance of Buildings Directive, Member States will have to adopt National building renovation plans by December 2026, which must enable the deployment of sufficient public financing and help leverage private investment. A key goal is to ensure a coherent deployment of funds, putting in place the most adequate instruments. The Commission will provide guidance to Member States and will support them in preparing their plans. With more than EUR 100 billion estimated to be available from EU financing to support renovations between 2023 and 2030, the Commission is also helping to mobilise</p>
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	<p>the funding necessary to cover upfront investment costs.</p> <p>The Commission has assessed the draft updated national energy and climate plans (NECPs) and on that basis provided recommendations to each Member State on how to move forward towards solid final updated NECPs (by 30 June 2024) that collectively meet the EU objectives and targets. If gaps remain in the areas of renewables and energy efficiency, the Commission is required to propose measures at Union level in order to ensure the collective achievement of those objectives and targets. The timing and nature of these measures would be decided under the next Commission.</p> <p>The reform of the electricity market contains provisions to further develop flexibility. Member States will have to assess their flexibility needs every two years, including a review of the barrier for market entrance of these flexibility solutions. Based on this assessment, the Member States will have to define indicative objectives for non-fossil flexibility, in particular demand response and storage. If deemed necessary, Member States could establish support schemes for non-fossil flexibility. The Commission has recalled the importance of the implementation of the Clean Energy Package, in particular for opening all electricity markets to demand response and storage. Furthermore, in application of the Electricity Regulation (article 59), the Commission has requested ENTSO-E and the EU DSO Entity to propose a draft for a new implementing act in relation to demand response, including rules on aggregation, energy storage, and demand curtailment</p>
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	<p>rules. This implementing act will address how flexibility resources can participate in the different markets and in particular services to system operators in a market-based way.</p>
<p>[Ensuring the EU's digital security]</p> <p>2.2.8. The Committee calls on the Commission to:</p> <ul style="list-style-type: none"> <li>- Continue to monitor Europeans' computer literacy and encourage Member States to raise public awareness of the risks associated with the use of digital technology. [...]</li> <li>- Continue to invest in developing supercomputers in Europe.</li> </ul>	<p>The Commission agrees that technological advancement increases cybersecurity threats. The NIS 2 Directive<sup>23</sup> provides that the essential and important entities should adopt basic cyber hygiene practices as well as training for their staff. Member States should include a plan in their cybersecurity strategies to enhance the level of cybersecurity awareness, education and training aimed at citizens, stakeholders, and entities. Furthermore, the Cybersecurity Act<sup>24</sup> entrusts the EU Agency for Cybersecurity (ENISA) to support cybersecurity awareness-raising and education through EU-wide awareness-raising campaigns and facilitate closer coordination and the exchange of best practices between Member States.</p> <p>The EU has become a major player in supercomputing with the EuroHPC Joint Undertaking, which has already increased overall financing at European level and is funded with EUR 8 billion in 2021-2027. In 2024 and 2025, the Joint Undertaking will see the installation of the two first European exascale supercomputers, and in the coming years it will also be central to European ambitions in quantum computing.</p>

<sup>23</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2555>

<sup>24</sup> <https://eur-lex.europa.eu/eli/reg/2019/881/oj>

2.3.4. The Committee states that the European space sector is facing an increasing number of threats:

- The funding gap with the US and China is widening.
- The crisis in the European launcher industry highlights the vulnerabilities in this segment and is now affecting the satellite segment in the same way.
- The European Space Agency's (ESA) geographical return principle could lead to fragmentation in the supply chain due to the participation of very small contributors.

To bridge the funding gap in the European space sector, it is estimated that some EUR 10 billion in private investment will be needed over the next five years. The Commission has launched the Cassini space entrepreneurship initiative under the current EU budget which has proven very successful in supporting EU start-ups and small and medium-sized enterprises through actions like Cassini matchmaking, Cassini business accelerator services and access to risk capital through a Cassini investment facility. These activities will be upscaled in the future.

As regards the European launcher industry, the Commission supports a European preference, competition and service-led approach for development of new launch solutions, in order to enhance autonomous, competitive, secure and resilient EU access to space in close collaboration with the European Space Agency (ESA) and EU Member States. In particular, the European Commission is implementing Article 5 of the Union Space Programme Regulation, by working on three streams: aggregation of the European institutional demand for launch services; support to launch service innovation; and support to critical infrastructure for European institutional needs, in particular test and launch facilities.

The dependence on single providers and lack of multiple EU sources is reflected also in other elements of the space supply chain, from critical and advanced raw material to technologies. The Commission supports the diversification of the sources and a resilience toolbox, including the Observatory of Critical

	<p>Technologies, monitors critical EU space value chains to address these dependencies.</p> <p>The ‘fair geographical return principle’ is enshrined in ESA’s Convention together with the promotion of industrial competitiveness. The conditions for its application are in the hands of its Member States. The Commission can only act for its own programmes and/or when it collaborates with ESA, where adjusted procurement rules are implemented.</p>
<p>2.3.4. [continuation – space sector] The Committee calls on the Commission to:</p> <ul style="list-style-type: none"> <li>- Design and implement a European industrial space strategy, taking into account fragmentation, duplication and the small size of our core European institutional markets, which threaten the sustainability and sovereignty of our industry. [...]</li> <li>- Support the competitiveness of the European space industry, given the industry’s dependence on open markets – and therefore also the essential need to be competitive.</li> <li>- Integrate the strategic nature of the space sector, its characteristics (long-term, high-risk, capital-intensive) and the policies of other powers to implement this space industrial strategy. European authorities could rely on a number of tools (public procurement rules, R&amp;D funding, legislation and diplomacy).</li> </ul>	<p>The EU has ensured a long-term space strategy with its flagship programmes Copernicus and Galileo/EGNOS which have bridged already two Multi-annual Financial Frameworks. Its evolution is ensured by the EU Space Programme that introduced new initiatives such as GOVSATCOM and Space Situational Awareness, as well as horizontal actions supporting the innovativeness, competitiveness and resilience of the space ecosystem, and the Secure Connectivity Programme IRIS2.</p> <p>The Commission supports the competitiveness and innovation of the EU space industry through a variety of instruments from research and development funding with the Horizon Europe Programme, to space entrepreneurship with Cassini. The Commission is also working on ways to make its procurement processes more accessible to SMEs and start-ups, for example by creating a Dynamic Purchasing System for the procurement of third-party satellite data in Copernicus. At the same time, it is key to ensure EU access to third country space markets through trade policy instruments and</p>

	<p>economic diplomacy. The EU Space Programme has been acting as an anchor customer, shaping long-term demand for the industry in terms of manufacturing and space-related services.</p>
<p>2.4.3. The Committee calls on the Commission to:</p> <ul style="list-style-type: none"> <li>- Ensure that the European defence industry is better coordinated (in particular by encouraging joint public procurement) and has the capacity to deliver the equipment that our armed forces need, at all times and under all circumstances; it must therefore be able to rapidly increase production to better respond to the urgent needs of the moment and maintain an appropriate level of preparation.</li> <li>- Invest heavily in R&amp;D to strengthen Europe’s technological sovereignty in critical areas and ensure its operational superiority against would-be opponents. The EU should substantially increase the budget for a European Defence Fund, which will need to be more strategic.</li> <li>- Ensure that under the next Multiannual Financial Framework the EU and its Member States significantly increase their contributions to the defence budget line in order to adapt European defence to the new strategic environment.</li> <li>- Facilitate access to private and public investments and financing through policies and regulatory measures aimed at ensuring that sustainability considerations and criteria do not discriminate against our defence enterprises.</li> <li>- Stimulate and support Member States’ efforts to reverse the current situation, by devoting most of their budgets to equipment and systems from European suppliers – this</li> </ul>	<p>The Commission takes note of the expressed need for better coordination between the demand and supply side, by encouraging joint procurement and supporting responsiveness of the EU’s Defence Technological and Industrial Base (EDITB). The implementation of the European Defence Strategy (EDIS) and the adoption of the proposal for a Regulation on the European Defence Industry Programme (EDIP) should contribute to these objectives. Indeed, the proposed measures are also meant to contribute to gradual defragmentation of European demand, by incentivising joint procurement, as well as ensure the EDITB adaptation to a new security environment, by ensuring timely production, availability and supply of defence. Newly adopted programmes, such as the European defence industry reinforcement through common procurement act (EDIRPA), already aim at incentivising Member States to jointly procure the most urgent and critical defence products. Considering that defence-related programmes are intended to cover the full cycle of capability development, the Commission takes note that synergies between programmes should be strengthened when preparing the next multiannual financial framework.</p> <p>The Commission takes note of the recommendations made on substantially increasing the budget for defence investment, currently supported by</p>

is an absolute requirement for supporting a viable European defence industry.

European Defence Fund (EDF), and on Member States increasing their contributions to the defence budget line. The positive effect of the EDF funding on the defence landscape is already noticeable today and could be significantly increased with stronger EU financial incentives. This would further increase the pace of jointly conducted defence R&D. The Commission takes note that further initiatives must be taken to facilitate defence enterprises' access to private and public investments.

<p><b>N°5 Strategic Foresight Report 2023</b>  <b>COM(2023) 376 final</b>  <b>EESC 2023-04844 – INT/1039</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Stefano PALMIERI (IT-II)</b>  <b>Co-rapporteur: Gonçalo LOBO XAVIER (PT-I)</b>  <b>SG/JRC – Executive Vice-President SEFCOVIC</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC welcomes the appointment of a Vice-President of the Commission as Commissioner for foresight and calls for that role to be confirmed by the new Commission.</p>	<p>To anticipate and prepare for changes and support the transitions to a green, digital and fairer Europe, the Commission is strengthening its culture of preparedness and evidence-based anticipation. Embedding strategic foresight into EU policymaking, strategic planning, and preparedness is part of those efforts. Having a Commissioner on foresight in the next mandate is ultimately a decision for the next Commission President.</p>
<p>1.3. The EESC supports the Commission's intention to continue developing the strategic foresight process, in cooperation with Member States and relevant stakeholders. The EESC calls for greater involvement for the EESC, as the voice of organised civil society and social partners, to enhance the EU's analysis and foresight capacities and help pinpoint trends and possible solutions in a transformative society.</p> <p>2.7. The EESC supports the Commission's intention to continue developing the strategic foresight process, in cooperation with the Member States and with the involvement of the EESC. The EESC has provided input to recent strategic foresight reports (SFRs) by making suggestions in its opinions, jointly organising hearings with the Commission and inviting the Commission to relevant section</p>	<p>The Commission has worked closely with the Committee, through the European Strategy and Policy Analysis System (ESPAS). The Commission believes that the ESPAS network is the most appropriate forum for sharing and discussing the lessons learned from the major foresight processes undertaken by its members.</p> <p>In addition, the Commission and the Committee cooperated closely in preparing the Committee's opinions on the 2021, 2022 and 2023 Strategic Foresight Reports including the proactive input to the 2023 Strategic Foresight Report. The Commission intends to continue this fruitful cooperation with the Committee.</p>

<p>meetings. The EESC reaffirms the importance of maintaining this constructive cooperation with the Commission so that the Committee can have a greater impact, and asks that the outcomes of the foresight process be tracked throughout the legislative process.</p>	<p>The Commission is also working closely with all interested parties to ensure that the results of the foresight exercises are useful throughout the legislative process.</p>
<p>1.3.1. In this regard, we propose:</p> <p>i) every five years, in the context of the European Parliament election and the nomination of the new European Commission, the EESC will coordinate an internal process to implement – for each section and the CCMI – a foresight exercise to identify the main trends and scenarios, priorities and actions;</p> <p>ii) every three years the previous exercise will be upgraded and updated (as a mid-term review) on the basis of what actually happened.</p> <p>All this will allow the EESC to provide a strategic foresight framework capable of being minutely adapted to each section and area for action and will represent our body's contribution to the Commission and the foresight strategists' network.</p>	<p>The Commission welcomes the Committee's initiative to develop an internal foresight exercise to identify key trends and develop scenarios and encourages the Committee to draw on this foresight when preparing its opinions. The Commission also recognises the importance of building internal foresight capacity across the EU institutions and bodies to improve strategic planning and decision making and looks forward to the potential synergies this will create.</p>
<p>1.5. The EESC calls for a renewed and expanded EU industrial policy aimed at coordinating decisions and interventions (e.g. use of funds, resources, instruments and measures) to increase coherence among sectors – in particular "traditional" and manufacturing sectors – and among Member States towards sustainable competitiveness for the EU.</p>	<p>The Commission agrees and has been taking clear action with the revised Industrial Strategy<sup>25</sup>, towards sustainable competitiveness. To help the European industry remain competitive, various initiatives were put forward supporting key sectors, such as the Chips Act<sup>26</sup>, the Net-Zero Industry Act and the Critical Raw Materials Act.<sup>27</sup> in which Europe has already a competitive edge or in which we have significant potential.</p>

<sup>25</sup> COM/2021/350 final

<sup>26</sup> Regulation (EU) 2023/1781 of the European Parliament and of the Council of 13 September 2023 establishing a framework of measures for strengthening Europe's semiconductor ecosystem and amending Regulation (EU) 2021/694 (Chips Act) OJ L 229, 18.9.2023, p. 1–53

<sup>27</sup> JOIN(2024) 10 final

<p>1.6. The EESC calls for complementary indicators to GDP to be identified and translated into policy measures and specific concrete action, in order to assess the EU's resilience and future-readiness; these indicators should be analysed in particular at local level within the EU and with regard to the EU's international economic competitors.</p> <p>4.3. The EESC calls for an effort to be made to identify options for new economic models that are feasible and impactful, with a view to ensuring inclusive and sustainable competitiveness that maintains a high level of social and environmental protection, good quality jobs, and fair and solidarity-based conditions that preserve the model of a highly competitive social market economy. Moreover, the EESC fully supports the desire to identify complementary indicators to GDP and to translate these into policy measures and specific effective action to be taken. The combination of different indicators will provide new paths for addressing challenges and will eliminate the concept of ranking countries based solely on GDP.</p>	<p>The Commission has initiated internal work on ways to capture progress and prosperity beyond gross domestic product (GDP). This includes developing metrics, which consider factors important for the wellbeing of people, such as health, social cohesion, suitable living environment, or housing.</p> <p>The ongoing internal work is bringing together different strands of preexisting work for the first time in a common Sustainable and Inclusive Wellbeing Framework to inform future EU policymaking. The 2023 Strategic Foresight Report presents the pilot results towards a health-adjusted GDP.</p>
<p>1.7. Demographic changes and emerging technologies (such as immigration, workforce transitions, labour mobility, skills and raw materials shortages, fertility and ageing) will impact the sustainability of taxation and welfare systems. The EESC calls on the EU and national institutions, the private sector and local stakeholders to work on defining and adopting a new European social contract fit for a sustainable future, as highlighted as the first key area of action in the 2023 Strategic Foresight Report (SF2023 report).</p>	<p>The Commission agrees that various trends prompt the need for a reflection on the future of the social contract, including its financing. While revenues generated by labour income will continue to play a role in financing the welfare state, a more holistic reflection is needed on the optimal composition and efficiency of public expenditure as well as the revenue structure.</p>
<p>1.9. The EESC asks the EU and Member States to join efforts to ensure the provision of</p>	<p>Regulation 2020/2093 on the 2021-2027 Multiannual Financial Framework<sup>28</sup></p>

<sup>28</sup> Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 OJ L 433I, 22.12.2020, p. 11–22



<p>European public goods in a balanced and sustainable way that maintains people's quality of life and dignity. Commodities and services that will safeguard defence, security (e.g. in food systems, water, energy supply and distribution, the economy, R&amp;I, access to information, and strategic infrastructure), health, education and well-being are crucial to enable the EU's "comprehensive resilience ecosystem" to achieve and maintain sustainable and inclusive competitiveness and democracy. On this basis the EESC asks for the next Multiannual Financial Framework post-2027 to take into account the results of the 2023 Strategic Foresight Report and the strategic foresight update exercises at EU level.</p>	<p>requires the Commission to present the proposal for the next financial framework before 1 July 2025. The next multiannual financial framework will need to support the political priorities for the next term. The strategic foresight update exercises at the EU level are among the sources to inform the political priorities for the next Commission as well as the preparation of the next financial framework proposal.</p>
<p>1.11. The EESC finds it regrettable that the SF2023 report makes no reference to the "EU Blue Deal", and highlights the importance of ensuring a water-secure future for all with a comprehensive and ambitious European water strategy.</p>	<p>In her State of the European Union address in 2023<sup>29</sup>, President von der Leyen announced a Water Resilience Initiative. This demonstrates the EU's commitment and readiness to act on this crucial topic. The Commission is currently developing this initiative and is taking stock of water issues across the EU.</p> <p>Moreover, the current cycle of the EU Foresight System for the identification of emerging environmental issues and related opportunities and risks (FORENV) is focused on emerging issues impacting the ability to achieve a water-resilient Europe by 2050. An assessment of the River Basin and Flood Risk Management Plans, as well as of the marine Programmes of Measures put in place by the Member States is currently ongoing, as well as a number of evaluations of water-related legislation.</p>

<p>3.10. Despite the accurate list of vulnerabilities that the EU could face in future scenarios, the EESC notes that the 10 key areas for action described in the report do not provide a clear focus on what the EU should prioritise in terms of effort and investment in specific measures/tools. As stated previously, the EESC notes that, while they are relevant, the 10 areas are not presented as logical and pragmatic solutions impacting on general trends and uncertainties. Hence, the EESC calls for an assessment of which activities should no longer be considered priorities, and of which tools and actions could have an impact at global level.</p> <p>3.13. The EESC notes that the 10 areas do not identify structural transformations in the institutional organisation, including in view of the planned EU enlargement, in the management of human capital or in the adoption of high-risk and breakthrough actions to anticipate and guide events at global level. The term sustainability is used more and more in SFRs. The EESC notes that achieving integrated sustainability combining strategic autonomy, environmental protection and widespread social security requires dialogue and compromise, with transparent communication of the pros and cons of the various options.</p>	<p>The report clearly identifies and presents 10 key areas for action that have a direct impact on the social and economic aspects of the transitions. This approach makes it possible to produce a policy-relevant product that strengthens the culture of strategic foresight. The 10 areas for action were derived from the foresight process, which included expert consultation, scenario building, and desk research.</p> <p>The report is not intended to be a blueprint for strategic planning or concrete policy initiatives. Instead, its objective is to inform and inspire further debate and inform decisions on policy action in specific areas.</p>
<p>3.14. Foresight addresses a process of strategic thinking within the institutions involving continuous interaction with the context in which they operate. It aims to help make multilevel governance more appropriate and effective to better fulfil people's needs. The EESC asks the Commission to map and monitor of the foresight exercises carried out at EU and national level.</p>	<p>The Commission launched the EU-wide Foresight Network to develop synergies by bringing together intelligence and foresight expertise from all Member States and the European Commission.</p> <p>The Commission is also in constant contact with Member States to keep abreast of important foresight exercises at the national level. For example, the</p>

	<p>Commission is currently undertaking a mapping exercise of Member States' capacities in the field of strategic foresight with a view to sharing information promoting sharing the best practices and experience and encouraging cooperation. On the other hand, European Strategy and Policy Analysis System (ESPAS) is the forum for sharing information on major foresight exercises among EU institutions and bodies.</p>
<p>4.2. The EESC calls for the promotion of EU scientific excellence and of an ecosystem that can provide intangible assets. This requires a stronger commitment to funding high-risk ideas and to adopting specific rules and standards for their protection in applicable solutions (e.g. through taxation or adjustment mechanisms). Many emerging technologies have been identified and some of them would be useful in tackling certain challenges . In the long term, other promising solutions can achieve integrated sustainability ensuring the supply of critical raw materials combined with environmental protection and carbon neutrality (i.e. artificial photosynthesis ).</p>	<p>Horizon Europe has several funding mechanisms dedicated to innovation. Almost EUR 6 billion of Horizon projects ranging from hydrogen to batteries, directly support net zero industrial technologies. In addition, in 2022 the Commission launched the New European Innovation Agenda<sup>30</sup> to position Europe at the forefront of deep-tech innovation. For this to happen, the Commission has launched the 'Regional Innovation Valleys', an initiative that aims to accelerate and strengthen innovation in European innovation ecosystems across the EU. These regions are committed to focus on challenges faced by the EU such as reducing dependence on fossil fuels and increasing circularity.</p>

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COM/2022/332 final

<p><b>N°6 Business in Europe: Framework for Income Taxation (BEFIT) Transfer Pricing COM(2023) 529 final COM(2023)532 final EESC 2023-04143 – ECO/629 587<sup>th</sup> Plenary Session – April 2024 Rapporteur: Petru Sorin DANDEA (RO-II) DG TAXUD – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The EESC praises the Commission's continuous efforts to develop a common corporate tax framework to support the consolidation of the internal market.</p>	<p>The Commission welcomes the Committee's support for the development of a common corporate tax framework in the Union.</p>
<p>1.3. The EESC supports the Commission's decision to propose BEFIT through an EU directive, as the current variety of different national rules results in fragmentation and discrepancies, hindering cross-border activities on the internal market due to the high costs that companies incur to comply with multiple legal frameworks.</p>	<p>The Commission welcomes the Committee's support for the proposal on Business in Europe: Framework for Income Taxation (BEFIT).</p>
<p>1.4. The EESC notes that, pursuant to Article 48(2) of the BEFIT proposal, Member States will be entitled to add tax base increases, tax deductions or tax incentives to their allocated parts. While the EESC acknowledges the value of allowing Member States room for manoeuvre, such flexibility could come at odds with the Commission objective of reducing the compliance costs weighing on companies.</p>	<p>The Commission agrees with the Committee that it is important to allow Member States a degree of flexibility on the allocated parts without undermining the objective of the proposal. Article 48(2) reflects the fact that Member States have differing needs for their economies.</p> <p>At the same time, the flexibility offered to Member States cannot hamper the effectiveness of the proposal. For example, incentives provided by Member States cannot lead to a situation where the effective tax rate of a group would drop below the 15% minimum rate or top-up tax would be due under the Pillar Two rules. In addition, any such tax incentives</p>

	must comply with EU law, including the State aid rules.
1.5. The EESC concurs with the Commission that the agreement on Pillar Two could contribute towards achieving a shared EU legal framework on corporate taxation. The EESC believes that, in order to actually simplify and reduce costs, BEFIT should be aligned with the OECD's Pillar Two rules.	<p>The Commission notes that the Committee shares the view of a common corporate tax framework building on Pillar Two rules.</p> <p>The Commission is ready to support further alignment with Pillar Two rules, where necessary and depending on upcoming discussions with Member States in Council.</p>
1.6. The EESC observes that although BEFIT adjustments to financial accounts are more limited than Pillar Two adjustments, there are no special rules or incentives for innovation activities or specific industries. For example, it remains unclear if innovation schemes and patent boxes offered by some Member States will be kept.	The Commission would like to reiterate that the proposal offers flexibility to Member States to provide for incentives in line with their policy priorities, budgetary strength or needs as well as the specificities of their economies, within the limits mentioned above (point 1.4.).
1.7. The EESC believes that the possibility to offset cross-border losses in a BEFIT group will require clarifications on both time restrictions for carry-forwards/carry-backs and co-existence with Pillar Two.	<p>The Commission takes note of the request of the Committee and stands ready to clarify, as necessary, the time restrictions of loss carry-forward/carry-back and in terms of coexistence of cross-border losses with Pillar Two rules.</p> <p>Regarding time restrictions, under the BEFIT proposal, losses can be carried forward indefinitely, until the group uses them all.</p>
1.11. The EESC underlines the importance of carefully assessing compliance costs and administrative burdens on companies interested in the BEFIT proposal, so that they understand the actual benefits of the new framework for businesses across Europe. The Commission's planned activities to monitor the effectiveness and efficiency of BEFIT appears to be well-targeted in this respect (implementation and initial BEFIT running	<p>The Commission agrees with the Committee that monitoring and evaluation are key constituents of the BEFIT initiative. This is included in the proposal and in more detail in the accompanying impact assessment report.</p> <p>The Commission will review the situation in the Member States regularly. For this, the Commission will conduct</p>

<p>costs, number of groups of companies in the mandatory scope of the proposal, number of companies that voluntarily opt in, evolution of compliance costs and number of double taxation disputes).</p>	<p>surveys and collect new data on a number of monitoring indicators.</p> <p>As explained in the impact assessment, the Commission will particularly rely on the tax administrations that will be operating the rules as well as on the taxpayers in scope of the rules.</p> <p>A comprehensive evaluation report will be reported to the Council five years after the implementation of BEFIT. As stated in the impact assessment, this report will among others ‘analyse the extent to which the expected simplifications for the targeted stakeholders have materialised and assess the related administrative and regulatory burden.’</p>
<p>1.12. The EESC notes that the Commission considers BEFIT "also relevant from an own resource perspective, as set out in the 2021 Communication on the next generation of own resources for the Union budget". However, the long and uncertain legislative process that BEFIT faces makes it difficult to estimate both the amount of resources available for the own resource chapters, and when such additional resources will be available.</p>	<p>The Commission recalls that the BEFIT proposal is intended to improve the operating rules for cross-border businesses; by reducing red tape and tax compliance costs and making it easier for national authorities to determine which taxes are rightly due.</p> <p>In putting this proposal forward, the Commission is looking to establish a positive change in how corporate taxation works across the Member States.</p> <p>Regarding own resources, the Commission has made a proposal for an own resource based on a well-defined and harmonised statistical base linked to the corporate sector (the gross operating surplus) as an interim solution until the BEFIT Directive will be approved and provide a basis for a new own resource.</p>
<p>1.13. To ensure appropriate coordination between BEFIT and the specific national tax rules applicable in some Member States to social economy entities, such as cooperatives and social enterprises, the EESC calls for</p>	<p>The Commission would like to recall and confirm that the BEFIT proposal enables Member States to accommodate specific national tax rules applicable to certain activities or entities.</p>

<p>BEFIT to acknowledge the existence of such dedicated fiscal rules.</p>	<p>For that purpose, Article 48(2) of the BEFIT proposal allows each Member States to adjust their share of the BEFIT tax base through national tax rules allowing or preventing further deductions.</p> <p>On this basis, subject to the application of the State aid rules, a Member State can apply a cooperative regime, as described in the draft opinion, whereby profits blocked as reserves that cannot be distributed are tax deductible.</p> <p>This should ensure that specific national tax regimes do not affect the tax revenues of other Member States while also protecting the national tax treatment of certain activities or entities.</p>
<p>3.12. The EESC agrees with the Commission about the need to clarify several concepts and issues related to transfer pricing legislation, making the legal framework more certain and predictable.</p>	<p>The Commission welcomes that the Committee shares the objectives of the proposal on transfer pricing.</p>
<p>3.12. The EESC notices that some of the objectives of the proposal could have perhaps also been pursued by improving the Directive on tax dispute resolution mechanisms,</p>	<p>The Commission would like to reiterate that the objectives of the proposal on transfer pricing and those of the Directive on tax dispute resolution mechanisms are different although complementary. Indeed, the proposal on transfer pricing, by making the legal framework more certain and predictable, aims to prevent transfer pricing disputes from arising. The Directive on tax dispute resolution mechanisms aims to solve transfer pricing disputes more effectively when these disputes arise.</p>

3.13. The EESC believes that it would be helpful to re-establish the Joint Transfer Pricing Forum in order to facilitate an open discussion on the need to better handle transfer pricing disputes in the EU.

The Commission acknowledges the Committee's support as regards to the re-establishment of EU Joint Transfer Pricing Forum. The Commission agrees on the usefulness of the work carried out by the Joint Transfer Pricing Forum in the past, which is supported by the fact that outcomes of the forum have resulted in additions to the OECD Transfer Pricing Guidelines. The Commission thus sees merit in further technical discussions on transfer pricing being conducted within the remit of a group, while having the core transfer pricing principles and procedures embedded in a Directive.



<p><b>N°7 Facilitating cross-border solutions</b>  <b>COM(2023) 790 final</b>  <b>EESC 2024-00120 – ECO/637</b>  <b>587th Plenary Session – April 2024</b>  <b>Rapporteur: Athanasios IOANNIDIS (EL-III)</b>  <b>DG REGIO – Commissioner FERREIRA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.6. The EESC considers the provision of the Cross-Border Facilitation Tool an important process. However, its optional use should not reduce the added value it brings to the procedure to resolve cross-border obstacles.</p>	<p>The Commission considers that the use of the Cross-Border Facilitation Tool, although optional, can facilitate the resolution of cross-border obstacles in EU border regions, in particular in those Member States which do not already have such a tool through existing international cooperation structures, or the functioning of which does not make it possible to resolve all the obstacles covered by the Regulation.</p>
<p>1.7 The EESC believes that the creation of a public pan-European register of cross-border files would help in the overall recording of the relevant legal and administrative obstacles, and in the subsequent exchange of views and experiences between the competent authorities to ensure that there are prospects for the resolution of these obstacles. It will be especially helpful if the European Commission is considering drawing up an annual report on the obstacles and proposed solutions, based on the data in the register.</p>	<p>The Commission shares the EESC’s view that the creation of a public register at EU level, aggregating data from the public registers of the Member States, will encourage the sharing of knowledge and best practices between Member States.</p> <p>The Commission takes note of the EESC’s proposal for an annual report from the Commission on the obstacles identified in the Member States and the solutions proposed. The Commission expresses doubts on the added value of such a report. It is unlikely that the yearly evolution will be significant to justify a cumbersome reporting on an annual basis. Moreover, it would be less impactful than supporting directly cross-border coordination points by promoting the exchange of experiences. That support may also consist of technical assistance-based tools like b-solutions.</p>

	<p>The amended proposal nevertheless includes an evaluation report by the Commission on the implementation of the Regulation five years after its entry into force.</p>
<p>1.9. The EESC therefore notes the need for the authorities of regions where cross-border activities take place to be involved and express the local political will, in order to mobilise national authorities to trigger the proposed procedure and make use of its potential.</p>	<p>The Commission stresses that it is for the Member States, in accordance with their respective institutional and administrative arrangements, to decide on the organisation of cross-border coordination points, for example between national and regional levels, and on the involvement of the regional authorities in the procedure. The Commission also underlines the added value of public registers of cross-border files, which will allow local and regional stakeholders and authorities to be better informed about the presence and nature of the cross-border obstacles identified and will bring an overall transparency on cross-border obstacles.</p>
<p>1.10. The EESC also points out that in order to highlight the added value of the proposed procedure, it is necessary to create clear incentives for Member States to use it by providing detailed information on the impact of cross-border obstacles and the development benefits to be gained by the regions involved, and the European Union as a whole, from addressing these obstacles.</p>	<p>The Commission agrees with the Committee and considers that the systematic assessment of cross-border files submitted by the initiators will make it possible to better estimate the impact of the obstacles identified on the development of the border regions concerned. This analysis and the creation of public registers of cross-border files could demonstrate to competent authorities the importance of addressing these obstacles and cooperating further with the authorities of neighbouring countries.</p> <p>The impact of cross-border obstacles in the development of cross-border regions has been documented in the Cross-Border Review, including the Commission Communication on 'Boosting Growth and Cohesion in EU Border regions'<sup>31</sup>. The Commission also highlights the conclusions</p>

<sup>31</sup> Communication from the Commission to the Council and the European Parliament 'Boosting growth and cohesion in EU border regions' - COM(2017) 534 final, 20.9.2017

	<p>of the study conducted by the European Parliament ‘Mechanism to resolve legal and administrative obstacles in a cross-border context – European added value assessment’<sup>32</sup> that estimates that solving twenty percent of existing obstacles could bring economic benefits of EUR 123 billion per year within the EU and have a positive social impact on border regions.</p>
<p>1.11. Lastly, the EESC believes that the importance of setting up and operating the proposed procedure will emerge as a serious political choice at European Union level even more if financial support is foreseen for the national structures (cross-border coordination points) which will be set up using European resources, through European cohesion policy.</p>	<p>The Commission underlines that the Member States have several options to limit the cost associated with the appointment and functioning of the coordination points.</p> <p>First, it is possible to entrust the tasks of the coordination points to an existing body, without the need to create new separate administrative structures.</p> <p>In addition, Member States may receive financial support from EU cohesion policy for coordination points, through:</p> <ul style="list-style-type: none"> <li>- 2021-2027 Interreg cross-border cooperation programmes under the Interreg-specific objective ‘A better cooperation governance’.</li> <li>- mainstream programmes supported by the European Regional Development Fund and/or the Cohesion Fund, pursuant to Article 3(4)(c) of Regulation (EU) 2021/1058<sup>33</sup> which allows the support of activities which enhance cross-border cooperation.</li> </ul> <p>The experience from the <i>b-solutions</i> initiative can also be instrumental for the tasks of cross-border coordination points when assessing files, notably through</p>

<sup>32</sup> EPRS, Mechanism to resolve legal and administrative obstacles in a cross-border context: European added value assessment, PE 740.233, 2023.

<sup>33</sup> Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund; OJ L 231, 30.6.2021

	knowledge-sharing and capacity-building activities promoted by the Commission.
4.2. It should be noted that, although many maritime border regions have more limited cross-border interactions and a more restricted use of cross-border public services due to their remoteness, they nevertheless fall within the regulatory scope of the Commission's new proposal. Moreover, the application of an additional legislative regime such as that proposed to maritime borders poses serious risks of entanglement with arrangements for cross-border activities established bilaterally or multilaterally under the International Law of the Sea.	<p>Although there are more limited possibilities for cross-border interactions on maritime borders in comparison with land borders, the Commission considers that the procedure set out by the regulation could be relevant for maritime cross-border obstacles as well (e.g., obstacles stemming from diverging technical standards for cross-border ferries or ports).</p> <p>The proposed regulation would have no impact on bilateral or multilateral conventions or agreements between Member States, under the International Law of the Sea.</p>
4.3. The lack, once again, of any provision for EU funding to Member States to establish and operate the proposed institutional infrastructures, especially considering that the proposal is grounded in EU cohesion policy, recalls the fact that the EESC has already proven that this issue is a potential source of problems, especially for the less developed Member States. It is deemed necessary to provide funding from EU Structural Funds for the organisation and operation of the proposed structures and, in particular, cross-border coordination points.	<i>[See reply to 1.11]</i>
4.5. Thus, in order not to undermine the added value of the proposed procedure, it should not be considered merely as a means of highlighting the problems identified, recognising their characteristics by gathering data from all Member States via the Commission's coordinating role. It should be highlighted and stressed that Member States are given the possibility of addressing the substance of cross-border	<p>The Commission agrees with the Committee and considers that the added value of the amended proposal is manifold.</p> <p>The proposal gives Member States a standard procedure for resolving obstacles and ensures that EU citizens living in cross-border regions receive a (positive or negative) response from their Member State within a reasonable timeframe on the scope to overcome the identified obstacles.</p>

<p>obstacles through the use of the resolution tool (even if on a voluntary basis).</p>	<p>It also gives Member States that lack sufficient cooperation structures a new tool to resolve these obstacles.</p> <p>Cross-border coordination points in each Member State will create an efficient network to share knowledge and strengthen capacities, including through the Commission’s involvement, and ensure transparency through public registers of cross-border files.</p> <p>Once entering into force, the proposal will help find solutions to legal and administrative obstacles that potentially undermine cross-border interactions and the development of cross-border regions, while raising awareness on specific difficulties faced by EU border regions.</p>
<p>4.6. To enhance understanding of how the new procedure works, it would have been preferable for the Commission to provide more examples of cross-border problems and ways of solving them in order to make the procedure comprehensible and help stakeholders and Member States to grasp how necessary it is.</p>	<p>The Commission, here represented by DG REGIO, is at the Committee’s disposal to share more examples of cross-border obstacles, as it did during the study group meetings preparing the adoption of the opinion.</p> <p>The Commission has already published several <i>b-solutions</i> results, including three compendia<sup>34</sup>, the first of which quoted in paragraph 3.2.5. These include already 131 cases with an in-depth analysis of each case.</p>
<p>4.7. At the same time, in order for the procedure not to be considered a simple, standard process, it would be useful to provide the possibility of supplementing the cross-border file submitted with further information, if the first assessment does not</p>	<p>The Commission takes note of this proposal which could feed the discussions between co-legislators on the adoption of the regulation.</p>

<sup>34</sup> European Commission, Directorate-General for Regional and Urban Policy, *B-solutions – Solving border obstacles – A compendium of 43 cases – Annex*, Publications Office, 2020, <https://data.europa.eu/doi/10.2776/36819>; European Commission, Directorate-General for Regional and Urban Policy, Brustia, G., Dellagiacomma, A., Cordes, C. et al., *B-solutions, solving border obstacles – A compendium 2020-2021*, Publications Office of the European Union, 2021, <https://data.europa.eu/doi/10.2776/078769>; European Commission, Directorate-General for Regional and Urban Policy, Boucher, c., Fischer, D., Bloudeau, M. et al., *B-solutions, solving border obstacles – A compendium 2022-2023*, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2776/230270>

identify a cross-border obstacle (right to object).	
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<p><b>N°8 Harmonised river information services – revision of EU rules</b>  <b>COM(2024) 33 final</b>  <b>EESC 2024-00722 – TEN/840</b>  <b>587th Plenary Session – April 2024</b>  <b>Rapporteur: Mateusz SZYMAŃSKI (PL-II)</b>  <b>DG MOVE– Commissioner VALEAN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p><b>Conclusions and recommendations</b></p>	
<p>1.3. The system to be set up should be open to any initiatives to promote the development of shipping on local waterways, including those in towns and cities that are not part of the TEN-T network, in order to prevent the creation of local systems that are incompatible with RIS.</p>	<p>The Commission would like to draw the attention of the Committee to Article 1 which states that efficiency and interface with other transport modes are key elements of the Directive (§1), as well as ensuring an ‘interoperable and open the Harmonised river information services (RIS) on the Union inland waterways’ (§2). Further in Article 2, §2 of the current Directive, which is not being amended, Member States already have the option to apply the Directive to inland waterways not included in its original scope.</p> <p>In this respect, the Proposal aims to create an open system to which other systems can connect to with ease.</p>
<p>1.4. The proposal basically ignores the issue of preparing crews to use the new digital tools. The EESC believes that building awareness of the new digital technologies in inland waterway transport and educating people on how to use them are essential. It must be ensured that employees are involved in discussions on how to implement RIS.</p>	<p>The Commission notes that the issue of preparing crews to use the new digital tools does not feature in this proposal but is rather dealt with in the personal qualifications directive.<sup>35</sup></p> <p>The Commission notes the Committee’s opinion but would refer to the Impact Assessment accompanying this proposal, in which the various stakeholders in the field were heard through consultations, with specific efforts to reach out to small and</p>

	<p>medium-sized enterprises and skippers. Moreover, the proposal of the Commission requires the setting up of a RIS platform which would act a single point of contact for RIS users (including skippers) simplifying their interaction with different existing tools and applications. In addition, the proposal estimates a reduction of the administrative burden of SMEs, e.g., by reducing their reporting duties (see Annex VI in the IA).</p> <p>The Commission would also like to point to a different work stream. the Smart and Flexible Crewing Requirements Initiative, which is currently in the Impact Assessment phase, and aims at harmonising the crewing requirement to ensure a suitable enforcement by MS using digital solutions.</p>
<p><b>General comments</b></p>	
<p>4.5. Currently, the EESC sees only limited intermodality. It focuses mainly on connections with seaports, rail and road transport. Unfortunately, inland waterway transport in some regions of Europe is not included in transport systems to the same extent, although its potential is obvious, especially in cities. However, for this to happen, it is necessary to use transport data to plan traffic within entire conurbations, which requires interoperability and exchange of data, as well as inclusion of inland waterway transport in planning infrastructure development, urban development, etc. (Sustainable Urban Mobility Plans [SUMP] are of particular importance here). E-freight services would also be important.</p>	<p>The Commission notes the Committee’s opinion and would like to refer to Article 1 and 2 of the Directive which aims to make the RIS platform open and, interfaces with other modes of transport are outlined.</p> <p>The Commission agrees that inland waterways need to be better connected to other modes of transport to increase their potential. Article 4, §3(g) of the proposal mentions for example the need to be connected to the electronic freight transport information (eFTI). Furthermore, the proposal in Article 4, §3(h) requires information to be exchanged between RIS and port community systems of inland ports which are important nodes for multimodality and through those links with other transport modes, including those for urban logistics.</p> <p>In addition, the Revised TEN-T Regulation will require 431 urban nodes of the TEN-T network to adopt a SUMP by end 2027.</p>



	<p>These plans will have to include links between the TEN-T network and regional and local mobility systems in order to facilitate seamless transit between the last mile legs of long-distance traffic flows, including for inland waterways where applicable.</p>
<p>4.6. It should be noted that the increased social sensitivity to environmental and social issues requires taking into account not only the costs of transport (profitability) but also external costs (e.g. noise, pollution, congestion, etc.) when planning activities in the transport sector. Taking into account external transport costs undoubtedly benefits inland waterway transport not only on the main European routes, but also on local waterways.</p>	<p>The Commission would like to refer to the Impact Assessment, in which various environmental and social impacts of proposed measures were analysed. The value of the measures was assessed in terms of safety, fundamental rights protection and digitalisation as well as CO2 emissions, air pollution, noise reduction and habitat protection. The proposed policy option is the one with the highest benefit to cost ratio, where positive effects on external costs form an important part of the benefits.</p>
<p>4.9. The EESC also emphasises that Article 2 of the Directive allows for investments in RIS to be made not only on TEN-T waterways but also where interested parties decide to do so voluntarily. Therefore, we believe that the Directive should set standards and the European Commission should support all investments in digital solutions on inland waterways. The implemented system should aim to become accessible for waterways outside the TEN-T to avoid the creation of systems incompatible with RIS on local waterways.</p>	<p>The Commission draws the Committee's attention to Article 2, §2 which provides the Member States with the option to apply the Directive to inland waterways not included in its original scope. This was already part of the current Directive 2005/44/EC and has not been changed in this revision.</p> <p>The Connecting Europe Facility (CEF) supports the investment in RIS in the TEN-T network but regional and structural funds or even the RRF allows MS to invest in their secondary IWW network.</p>
<p><b>Specific comments</b></p>	
<p>5.1. The issue of crews is completely omitted in the document, which should be considered a mistake. It is difficult to imagine that the full implementation of RIS will take place without the acceptance and knowledge of digital solutions among crews and in inland ports. Therefore, it is necessary to indicate the need</p>	<p>The Commission takes note of the Committee's opinion but wishes to clarify that the aim of this Proposal is to provide a simplified platform for all exchanges and to alleviate the efforts needed, irrespective of the technologies used in the background. The requirement to introduce a RIS platform</p>

<p>to provide training and continuous education in the field of digital solutions in this type of transport. It is also worth emphasising that the use of RIS will help improve the safety of work on vessels and in ports, which consequently may become one of the arguments for increasing the number of people willing to work in the sector, which is not popular at the moment and there is a problem of ageing staff.</p>	<p>as the main platform to exchange RIS related information has exactly this aim.</p> <p>As such the crew situation was not part of its purview, however the Commission agrees that the proposal would help with the staffing issue as the sector should become more attractive to incoming, younger staff.</p>
<p>5.2. In addition, the EESC would like to point out the need to also use RIS for purposes related to monitoring the quality and safety of work on vessels, especially in relation to working time. Similar solutions exist in other modes of transport, e.g. in road transport.</p>	<p>The Commission draws the Committee's attention to the Smart and Flexible Crewing Requirements Initiative, in which working time and other crew-related issues are currently being assessed in the Impact Assessment study.</p>
<p>5.3. The EESC also wishes to underline the importance of investing in the infrastructure necessary for the efficient exchange of information within RIS. The equipment necessary to launch RIS (base stations, optical fibres, radio lines, etc.) is expensive, therefore it is necessary to provide preferential financial support conditions for interested entities.</p>	<p>The CEF is providing support for this RIS equipment in open calls for proposals. Since 2014, this programme has supported 13 RIS projects by EUR 53 million.</p>

<p><b>N°9      Amendment to CAP basic acts – simplification</b>  <b>COM(2024) 139 final</b>  <b>EESC-2024-01216 – NAT/932</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur-general: Stoyan TCHOUKANOV (BG-III)</b>  <b>DG AGRI – Commissioner WOJCIECHOWSKI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. Firstly, the EESC highlights that this proposal will not solve the main problem faced by farmers, which is the unfair value distribution across the food supply chain preventing them from receiving a fair income for their food production (farmers’ incomes are around 40% lower than the average non-agricultural income). The EESC therefore calls for the other elements proposed by the European Commission in the package (on contracts, producer associations, voluntary schemes, unfair trading practices and the observatory on production costs, margins and trading practices) to be quickly presented and adopted. These are equally urgent and will further contribute to the overall objective of establishing a fairer income for farmers, while also attracting younger generations. Fostering short supply chains and quality schemes and ensuring that Member States’ procurement procedures give priority to them should also be further supported, including by setting mandatory targets for Member States to create or improve them; this is a way to enhance the added value and profitability of farms. A sharp rise in income is key for enabling farmers to make a good living and contribute more to the</p>	<p>Together with its proposal for the common agricultural policy (CAP) simplification, the Commission announced several immediate, as well as short to medium term measures to further strengthen the position of farmers in the food supply chain, support their income and enable their fair remuneration.</p> <p>The Commission has already delivered on some of these measures, starting with the setup of the new EU Agri-Food Chain Observatory (AFCO), which will gather national authorities and stakeholders representing all levels of the food supply chain with the purpose of promoting increased transparency on prices, structure of costs and distribution of margins and added value in the supply chain. A first meeting of the new AFCO takes place in July 2024.</p> <p>In addition, on 23 April 2024 the Commission published its report on the implementation of EU rules against unfair trading practices in the food supply chain<sup>36</sup>. This report takes stock of the state of play regarding the implementation of the Unfair Trading Practices (UTP) Directive<sup>37</sup>, and it will also be used for a more detailed</p>

<sup>36</sup> COM(2024) 176 final.

<sup>37</sup> Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain ([Directive - 2019/633 - EN - EUR-Lex \(europa.eu\)](#)).

<p>environmental ambition by means of greening measures.</p>	<p>evaluation of the implementation of the UTP Directive that the Commission will present in 2025, and which could be accompanied, if appropriate, by legislative proposals.</p> <p>The Commission is currently working on other actions to further correct imbalances in the value chain, including a proposal for targeted changes to the Regulation establishing a common market organisation of agricultural products (CMO). The proposal will aim to strengthen farmers' position in the chain, including e.g., through new rules on contracts, producer organisations, and the development of short supply chains and fair-trade schemes.</p> <p>In addition, the Commission is also working on a proposal for new rules on cross-border enforcement against unfair trading practices.</p>
<p>1.3. In principle, the EESC supports the flexibility offered to Member States – and consequently to EU farmers – to adapt farming practices to regional conditions in a dynamic way. However, the EESC notes that environmental and climate policies and social standards should not be seen as a burden but rather as part of long-term solutions and guidelines for decision making in the future, and that flexibility should not mean decreased ambitions and a weakened green architecture of the reformed CAP. The EESC points out that conditionality was introduced in order to legitimize hectare premiums ('basic income support for sustainability') in the eyes of taxpayers. Only if farmers are economically sustainable will it be possible to have greater environmental ambitions, including through conditionality. Farmers must continue to adapt to climate change, commit to contractualised low-carbon initiatives, etc. Farmers are dangerously vulnerable to climate change and</p>	<p>The Commission agrees that it remains essential to support the transition to more sustainable and resilient farming in line with the ambition of the 2023-2027 CAP and the Unions' climate targets. Doing this while avoiding unnecessary administrative rigidities for farmers was a key purpose of the simplification proposal. By increasing the flexibility of the rules, farmers will have more flexibility to adjust to e.g. weather events, while Member States will be better equipped with tools to react to and adjust the CAP Strategic Plans to evolving circumstances. The Commission has also encouraged Member States to advance on quantifying the impacts of their Strategic Plans on the national land use, land-use change and forestry (LULUCF) and Effort Sharing Regulation (ESR) targets, which would stimulate uptake of relevant interventions and measures.</p>

<p>have to cope with increasingly frequent extreme weather conditions, which can interfere with their ability to work within ideal deadlines and timeframes, such as those for installing cover crops. The proposed temporary derogations for adverse weather conditions and simplifications on tillage, soil cover and the restoration of permanent grasslands will allow farmers to take care of their fields in the best possible way and as far as climatic conditions will allow.</p>	
<p>1.4. The EESC recalls the need to protect the internal market and to ensure fair competition for EU farmers and SMEs through balanced trade agreements and autonomous trade measures with third countries that set health, social and environmental standards for imports that are at least equivalent to those required in the EU. Safeguard clauses that are easy to use and effective in the event of market disruption (mirror measures, reciprocity) are also needed.</p>	<p>Overall, EU agriculture greatly benefits from international trade and from free trade agreements that open access to international markets.</p> <p>The latest agri-food trade figures indicate that in 2023, the EU achieved a record trade balance surplus of EUR 70 billion, with exports reaching EUR 228 billion and imports 158 billion.</p> <p>EU efforts to develop free trade agreements (FTAs) contribute to this good economic performance, as well as to trade diversification and more broadly to the resilience of our food systems.</p> <p>Trade agreements concluded by the EU have been carefully calibrated taking into account the particular situation of sensitive sectors in each agreement, which was assessed on the basis of impact studies, as well as extensive consultations with Member States and stakeholders.</p> <p>In the case of trade agreements with main agricultural actors, the Commission adopted a number of measures, such as tariff rate quotas, that (while offering commercially valuable access to the EU market) mitigate possible negative effects on sensitive products for the EU.</p> <p>The Commission published in February 2024 an updated study on the cumulative</p>

impacts of ten upcoming free trade agreements<sup>38</sup>. This study pointed to an expected balanced increase of both exports and imports, with the overall EU trade balance slightly increasing as a result. It also acknowledged that some sensitive sectors were expected to face increased competition, which validates the EU approach of protecting sensitive sectors with carefully calibrated tariff rate quotas.

In addition, trade agreements are an important driver for sustainable growth both in the EU and in partner countries. Modern EU trade agreements contain rules on trade and sustainable development, which require the effective implementation of social and environmental international commitments.

As to autonomous EU measures, to be applied to all EU trade partners, the Commission report on the ‘Application of EU health and environmental standards to imported agricultural and agri-food products’ published in June 2022<sup>39</sup> concludes that – under certain conditions – health and environmental standards, including animal welfare standards, could be applied to imported products in compliance with the World Trade Organisation (WTO) rules.

However, as explained in the report, such measures may entail some risks – in particular if they are found not legitimate or protectionist, which may expose the EU to a deterioration of trade relations and retaliation.

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<sup>38</sup> [New trade agreements to result in positive cumulative impact on EU agri-food trade balance - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/new-trade-agreements-to-result-in-positive-cumulative-impact-on-eu-agri-food-trade-balance).

<sup>39</sup> COM(2022) 226 final.

	<p>Therefore, when considering such measures their WTO compatibility needs to be assessed on a case-by-case basis.</p>
<p>1.5. The CAP reform was developed before COVID-19 and before Russia’s aggression against Ukraine, which both led to a complex economic situation for farmers that could not have been anticipated. In order to support the long-term sustainability and autonomy of EU food production, the current CAP should do more to support farmers to commit to eco-schemes or to other environmental services, such as biodiversity preservation, with a budget that is in line with its ambitions.</p>	<p>The CAP Strategic Plan Regulation<sup>40</sup> was agreed before the start of the large-scale war of aggression of Russia in Ukraine, which continues to strongly influence markets and farmers’ margins. The Commission has taken several measures to mitigate the impact of this crisis on the EU agri-food sector and to assist in its recovery.</p> <p>CAP Strategic Plans enable Member States to help increase the resilience of EU agriculture and support its transition to sustainable farming. The Commission continues to support Member States to better use the opportunities of the CAP to develop a strategic approach in this regard.</p> <p>With the recent initiatives, the Commission aims to maintain and defend the overall orientation of the current CAP and its role in supporting the transition of European agriculture to sustainable farming. Rebalancing towards voluntary approaches and with a greater degree of flexibility, the green architecture should help Member States find more suitable and acceptable solutions for farmers to tackle these challenges.</p>
<p>1.6. The EESC considers that farmers should be adequately supported through the transition, and that the positive externalities for the landscape, biodiversity, environment and climate of some specific agricultural activities should be incentivised through public funding or private contracts. In this</p>	<p>The Commission welcomes the assessment. In addition, the proposal for a Carbon Removal Certification Framework<sup>41</sup> will support farmers in the transition by mobilising finance for carbon farming</p>

<sup>40</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (<http://data.europa.eu/eli/reg/2021/2115/2024-05-25>).

<sup>41</sup> COM(2022) 672 final.

<p>context, the EESC considers that the proposed measures on the so-called ‘non-productive features’ that allow farmers to choose to rest a share of their arable land or establish new landscape features in those areas (and thereby receive additional financial support via an eco-scheme) might lead to results that are even more positive than initially planned by the CAP, as long as sufficient and adequate additional financial resources are made available. This would not only ensure the ecological effectiveness of the CAP but also enable agricultural businesses to plan a gradual transition into the coming funding period.</p>	<p>practices with positive effects on biodiversity.</p>
<p>1.7. The EESC therefore urges the European Commission and Member States to ensure that funding will be commensurate with the agreed ambition to ensure an economically sustainable, greener and fairer CAP, and recommends that the impact of these simplifications be assessed as early as possible in 2025 at Member State level, looking in particular at effects on farmers’ income and on the total amount of surfaces or features for biodiversity purposes.</p>	<p>The Commission prepares an analytical document assessing the impact of the simplification measures from different angles (environmental, economic and social, administrative burden). This document is scheduled for adoption in the third quarter of 2024.</p> <p>The Commission will assess simplification in the preparations for the CAP in the next multiannual financial framework. Moreover, it will evaluate the CAP Strategic Plans according to the schedule foreseen in the regulation, including these simplifications.</p> <p>According to articles 141.3 and 141.4 of Regulation establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans)<sup>42</sup> the Commission will submit a report to the European Parliament and the Council in order to assess the operation of the new</p>

<sup>42</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 ([Regulation - 2021/2115 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2021/2115/oj)).



	<p>delivery model by the Member States and consistency and combined contribution of the interventions in Member States' CAP Strategic Plans to achieving environmental and climate-related commitments of the Union by 31 December 2025. The Commission will also carry out an interim evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the European Agricultural Guarantee Fund (EAGF) and the European agricultural fund for rural development (EAFRD) by 31 December 2026.</p>
<p>1.8. As some of these simplification measures will reduce obligations towards good agricultural and environmental conditions, while giving farmers more flexibility in the choice of measures to apply, the EESC stresses the need for adequate training programmes, aimed at increasing knowledge on greening measures given their economic impact, including on crop rotation, pollinator ecology, identification and habitat restoration for farm advisors and farmers.</p>	<p>The Commission recognizes the importance of the availability of adequate advice to farmers to support more sustainable ways of farming.</p> <p>The advisory services have an essential role, particularly for small and medium farms, when introducing new technologies and innovative solutions. Due to limited resources and technical knowledge, these farms often have more difficulties in implementing modern agricultural practices and increasing their competitiveness.</p> <p>This is also reflected in its simplification actions as it encourages Member States to reinforce the role of, and budgetary support for, advisory services to assist farmers in complying with obligations and accessing CAP support as well as other sources of funding or incentives. The Commission indicated to Member States this could also be done in future amendments of their CAP Strategic Plans. Reinforcing advisory services will provide farmers with greater opportunities to receive assistance in complying with CAP obligations and accessing CAP support as well as other sources of funding or incentives.</p>

<p>1.9. The EESC also reiterates its recommendation to provide more support for farmers to deal with the needed controls. In this regard, the EESC is not convinced about the proposal to exempt farmers with under 10 hectares from the controls and penalties related to compliance with conditionality requirements. The EESC points out that controls and penalties remain a problem for all types of farms, large and small, and that it is important to reduce the burden of controls on all European farms. Furthermore, such a measure would divide European farmers and discriminate against part of them on a legally unjustified base. While some controls exemptions or a decrease in frequency might be appropriate, in particular for small farmers (the definition of ‘small’ being relative depending on the type of production), the EESC believes that a certain degree of adapted and proportionate controls can be a way to ensure exchanges of information and support to farmers.</p>	<p>It is to be reminded that in the case of conditionality, the control sample covers only 1% of the farms concerned. The ‘small farms’ definition does not depend on the type of production. There is no such discrimination issue as small farms not exceeding 5 hectares were already under simplified conditionality control system<sup>43</sup>.</p> <p>Small farms were exempted from cross compliance controls in the CAP 2015-2022. In view of the significant pressure from administrative burdens experienced by farmers, the Commission considered it prudent to propose to bring back the previous exemption in the current CAP. Both the Council and the Parliament have supported this proposal.</p> <p>It should be underlined that this exemption covers 65% of beneficiaries of the CAP, while this concerns less than 10% of EU agricultural area receiving CAP support.</p> <p>As part of the simplification actions, the Commission is working with Member States to rationalise CAP controls. It should be underlined that establishing control rules (except for conditionality) is a Member State prerogative under the CAP 2023-2027.</p>
<p>1.10. Finally, and while agreeing with the urgency of these proposals in order to ensure their applicability for the next growing season, the EESC highlights that civil society should have been consulted in a different way on these proposals. The EESC therefore urges the European Commission to ensure that all stakeholders are properly consulted on the implementation of these measures and, moving forward, on the other elements</p>	<p>In view of the widespread farmer protests, the Commission requested proposals for simplification of the application of rules to farmers from four leading EU-level farming organisations. In parallel, the Council presidency consulted all Member States. Also, the European Parliament's committee for agriculture and rural development sent a letter identifying six areas where they consider that concrete and immediate action</p>

<sup>43</sup> Article 83(2) of Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (<http://data.europa.eu/eli/reg/2021/2116/oj>).

proposed in the package, while also discussing them in the context of the ongoing strategic dialogue. It is essential to re-establish a dialogue between civil society and the farming community over the long term and put farmers at the centre of the CAP.

is necessary. In view of the urgency to respond to concerns expressed by farmers, the Commission is of the view that this consultation was appropriate.

The Commission is and remains committed to broad stakeholder consultation. The simplification measures have been presented and discussed in the Civil Dialogue Groups, also the place for regular dialogue between a broad range of food system actors and the Commission.

The Commission also conducted a survey directed at farmers to identify the administrative burden and complexity stemming from CAP rules as well as other rules for food and agriculture, both in relation to their application at national level. Almost 27 000 farmers replied. In-depth interviews will be conducted with selected farmers and with a number of farmers' organisations. All results will feed a study on administrative burden from the farmers perspective.

Already in January 2024, the Commission President launched a Strategic Dialogue on the future of EU agriculture, gathering representatives of diverse stakeholder organisations to strengthening the understanding of current and expected challenges and work together on the sustainable transition of agricultural systems.

<p><b>N°10 Towards a greater involvement of Member States, Regions and Civil Society actors in the implementation of the Long-Term Vision for the EU's Rural Areas</b>  <b>(own-initiative opinion)</b>  <b>EESC 2023-05063 – NAT/914</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Marc DECOSTER (BE-III)</b>  <b>DG AGRI – Commissioner WOJCIECHOWSKI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The European Economic and Social Committee (EESC) reiterates its support for the long-term vision for the EU's rural areas (LTVRA) and its commitment to its implementation. It notes that the measures set out in the EU Rural Action Plan and the Rural Pact largely meet rural stakeholders' expectations, in particular with regard to rural proofing, the Rural Observatory and the Action Plan's initiatives. Nevertheless, it calls for the Rural Action Plan to be supplemented by new arrangements and updated to better cover the needs of the rural environment, with an annual assessment of its implementation at national and regional level.</p>	<p>The Commission thanks the Committee for its sustained support to the Long-Term Vision for the EU's Rural Areas (LTVRA). The EU rural action plan includes actions taken by the Commission while national and regional actors are expected and supported in acting by implementing EU policies under shared management and by national or regional policies. The Commission provided details on the first 30 months of implementation (SWD(2024) 450) and a reviewed version of the EU Rural action plan (SWD(2024) 451) together with its report on the LTVRA key achievements and ways forward (COM(2024) 450 final) of 27/03/2024. The Commission is actively considering how synergies between EU-level and national-level actions can be enhanced in the future, including through the Rural pact.</p>
<p>1.3. In this regard, the EESC welcomes the fact that a number of Member States and regions have adopted rural development schemes such as rural agendas and rural pacts. The publication of the strategic guidance document on <i>Making the Rural Pact happen in Member States</i> should serve as a guide for Member States to launch or step up their own action for rural areas. The EESC proposes</p>	<p>The Commission agrees that urban-rural linkages should be further promoted, seeking to ensure mutual benefits. It recommends promoting partnerships, cooperation and exchanges of good practices to support the common aspirations outlined in the LTVRA and ensure synergies with the related actions. The rural pact is open to urban organisations: the</p>

<p>adopting a European charter of rights and responsibilities for rural and urban areas based on these schemes.</p>	<p>Rural Pact Coordination Group includes representatives of metropolitan areas and city-led organisations have committed to the pact.</p> <p>Actors interested in rural development are encouraged to associate on their own initiative in the manner they consider most efficient also without the Commission’s assistance. That may include setting up frameworks such as charters of rights and responsibilities.</p>
<p>1.4. The EESC draws attention to the Council conclusions from 20 November 2023[1], which call for the rural vision to be turned into a fully-fledged EU rural strategy in the form of a comprehensive approach developed by rural stakeholders in cooperation with the relevant local authorities. This new strategy should make it possible to develop a new European rural model.</p>	<p>The Commission highlights that the existing EU rural action plan, including the rural proofing mechanism, the rural observatory, the Rural Pact and funding available under the various funds already constitute the main building blocks of a strategy. It will consider which policy tools are best suited to ensure enhanced support to rural areas in the context of its work on post-2027 policies (section 3.3 of COM(2024) 450).</p>
<p>1.5. The EESC believes that the Rural Pact and the Rural Action Plan form the basis for the post-2027 rural development policy, targeting all rural areas and tailored to their specific circumstances. To achieve this long-term vision, the EESC calls on the Commission to explore the possibility of creating a specific policy dedicated to implementing the Rural Action Plan and the Rural Pact, with suitable funding to ensure consistent implementation of the provisions proposed in the LTVRA. It is essential that this new policy take advantage of all available funds, including the European Agricultural Fund for Rural Development (EAFRD), the Structural Funds and cohesion policy, in order to implement the long-term vision effectively.</p>	<p>The Commission draws the attention of the Committee that since 1999 the second pillar of the Common Agricultural Policy includes specific policy objectives and funding measures for rural areas.</p> <p>The Commission takes note of the Committee’s position, which echoes proposals received from EU institutions and stakeholders, summarised in the Commission report on the LTVRA of March 2024 (section 3.3). Taken together, these proposals provide valuable input for reflection on the future policies for rural areas and communities and will form part of the reflections on the post 2027 Multiannual Financial Framework (MFF) legislative proposals that are expected to be adopted by mid-2025, under the new College of Commissioners.</p>

<p>1.7. The EESC considers the European Rural Observatory to be a key asset for rural development and calls on the Commission to use it to learn more about rural stakeholders, in particular SMEs and micro-enterprises, agricultural activities, cooperatives and the role of women, as well as about their complementarity and cross-sectoral consultation, their economic and social importance and their needs. The monitoring of the implementation of the priorities set in the Rural Pact and the Rural Action Plan could be an additional responsibility of the observatory.</p> <p>3.8. [...] The EESC recommends drawing up a work programme for the observatory in consultation with rural stakeholders, focusing in particular on knowledge of the various rural economic and social players and their needs, on the sectors of activity and their evolution, as well as on the economic and social impact of European rural development initiatives [...]</p> <p>3.13. The EESC calls on the Commission to launch Europe-wide studies and analyses on SMEs, micro-enterprises, cooperatives and the agricultural sector as soon as possible, using the Rural Observatory as a central tool for gathering data, carrying out sectoral analyses and formulating recommendations.</p>	<p>The Rural Observatory supports knowledge production and aims at centralising, analysing and disseminating rural data. It maintains a rural data platform with relevant rural indicators and conducts analyses to valorise available data. It complements other data platforms and sectoral dashboards, such as the AgriFood portal or the Tourism dashboard and does not aim to overlap with them. The Commission takes note of the additional domains and the programming framework that the Committee would like to see covered in this context.</p> <p>The Commission has tasked the Rural pact support office with the monitoring of actions to achieve the three objectives of the Pact and with the collection and dissemination of good practices.</p> <p>The Commission has also committed in its report on the LTVRA (§3.1.4) to explore the possibility to setup an indicator system to track progress towards the LTVRA goals, starting from the analytical work backing the rural vision (SWD(2021) 166).</p>
<p>1.8. The EESC recommends that the Rural Action Plan include specific objectives, especially related to living conditions in rural areas, such as the quality of public services, access to healthcare, digital connectivity, mobility and transport, and housing. These aspects are essential in providing people living in rural areas with a good quality of life and making these areas more attractive.</p>	<p>The EU rural action plan is structured around the four action areas of the LTVRA, which can be considered as objectives, and which cover many of the points listed by the Committee. However, the actions address mostly areas under EU competence or for which the EU has dedicated programmes. On topics of national competence such as health systems, the Commission rather seeks to trigger cooperation and mutual learning through the Rural pact and other channels.</p>

	<p>However, EU funds offer opportunities to support and finance basic services, including healthcare, connectivity, mobility, transport, and housing. Under the European agricultural fund for rural development (EAFRD) there are good examples in several rural areas<sup>44</sup>.</p>
<p>1.9. The EESC calls for the Rural Action Plan to be updated, specifying in particular the rules and commitments of Member States and regions in relation to rural development. This approach must ensure a more comprehensive, integrated and proactive vision, supported by clear objectives, with precise timeframes and rigorous monitoring.</p>	<p>The Rural action plan, reviewed in March 2024, includes mostly Commission actions. For a few actions, it highlights ways for Member States and regions to support the actions through EU funds. The Commission cannot impose these actions on Member States and regions. Member States and regions can and do however commit through the Rural pact, voluntarily. The Commission has created a new way to submit government-level commitments through the pact and promotes the policy brief ‘Making the rural happen in Member States.’</p>
<p>1.10. The EESC particularly welcomes the adoption of the funding toolkit for rural areas but regrets the lack of EU funds. It calls for these funds to be strengthened, for financial tools such as InvestEU to be used and for crowdfunding to be supported, as well as access to bank credit through the development of mutual guarantee systems. Moreover, the EESC suggests strengthening the European Investment Fund tools and therefore proposes that the Commission consider creating the new post-2027 rural development policy mentioned above.</p>	<p>The Commission takes note of the call for strengthening EU funds supporting rural areas and will consider possible options when proposing how territorial specificities, notably those of rural areas, could be addressed in the architecture of the next generation of funding instruments, taking also into account the results of the stocktaking of how the Common Agricultural Policy (CAP) and Cohesion policy contribute to the objectives of the LTVRA, summarised in COM(2024) 450.</p>
<p>1.11. The complexity of accessing various EU funds discourages project developers. The EESC proposes simplification measures, including a single project submission</p>	<p>The Commission is aware of the need for simplification and is actively working on this objective. The Rural pact policy lab on ‘EU funds paving the way to the rural</p>

<sup>44</sup> [https://ec.europa.eu/enrd/sites/enrd/files/enrd-static/policy-in-action/rdp\\_view/en/view\\_projects\\_en.html](https://ec.europa.eu/enrd/sites/enrd/files/enrd-static/policy-in-action/rdp_view/en/view_projects_en.html)

<p>procedure, proportional checks, new payment rules, regional single points of contact and swift dispute resolution. The EESC points out that the vast majority of rural actors can only benefit from EU funding for rural development through collective projects carried out by local or regional organisations, among others.</p>	<p>vision<sup>45</sup> on 14 December 2023 provided a series of recommendations that the Commission will consider while preparing legislative proposals for the post-2027 multi-annual financial framework period.</p>
<p>1.12. Local and regional organisations play a key coaching and mentoring role, particularly for agricultural and non-agricultural SMEs and micro-enterprises. The EESC suggests that the Commission strengthen collective action and improve access to the mentoring offered by these intermediary organisations by setting out support measures aimed at them in the Rural Action Plan, promoting access to technical assistance and capacity-building measures and setting up information and mentoring points at NUTS level 3. It also calls for joint local development initiatives such as LEADER and Smart Villages to be greatly enhanced and for innovative local initiatives to be promoted.</p>	<p>Through the EU Rural action plan, substantial support has been given to networking for LEADER through the EU CAP network, for smart villages through the SmartRural21 and SmartRural27 Preparatory Actions (149 villages accompanied), for municipalities involved in creating energy communities (27 municipalities supported through the Rural Energy Community Advisory Hub) and those working on rural mobility in 14 countries through the new European network of municipalities willing to share rural mobility solutions (SMARTA-NET). Support was also provided to strengthen digital skills in remote schools (Learning from the Extremes) and to help improve access to digital services through R&amp;I support to projects on digital marketplaces for rural services (AURORAL; dRURAL).</p> <p>EU policies also support place-based development through LEADER under the CAP and integrated territorial development strategies under Cohesion policy, building social capital in rural areas, in addition to supporting citizen-driven investments and economic development. On this front, the Commission takes note of the Committee's suggestions, including to support access to rural mentors (point 3.2.) and the need for capacity building to improve access to funding.</p>



<p>1.13. The EESC notes that many local players are unaware of the long-term vision and calls on the Commission to strengthen its communication plans with economic and social partners, civil society and the media in order to inform local players and local and regional public authorities. For its part, the EESC will continue its promotion and mobilisation activities, as stated in its commitment to the Rural Pact.</p>	<p>The Commission is actively cooperating with economic and social partners, in particular the Members of the Rural pact coordination group and through Rural pact events, to raise awareness of the LTVRA and pact, building on the comprehensive collaborative platform launched in June 2023 and events. The Commission thanks the Committee for its support in this respect.</p>
<p>3.3. In opinion NAT/839, the EESC welcomes the strengthening of the rural proofing mechanism, aimed at assessing the impact of EU legislative initiatives on rural areas. It calls for full transparency regarding the proofing already carried out, as well as an assessment of the extent to which rural realities are taken into account in the legislative process. It also calls on the European Parliament and the Council to apply rural proofing in their procedures.</p> <p>3.5. The EESC notes with satisfaction that the Member States are invited to carry out proofing at national, regional and local level. However, in order to increase the transparency and efficiency of the process, it strongly encourages the Commission to include the publication of an annual report on the implementation of proofing in the Member States in the Rural Action Plan.[...]</p>	<p>The Commission takes note of the Committee’s proposals on rural proofing. The Commission reported transparently on actions undertaken on rural proofing at EU level in the staff working document ‘Taking stock of the EU rural action plan implementation’ (SWD(2024) 450), highlighting achievements and challenges.</p> <p>It also listed actions undertaken to encourage rural proofing at national, regional and local levels through EU networking mechanisms, and its cooperation with international organisations in this domain. However, the Commission is not in a position to report on rural proofing in Member States, which would require the latter to voluntarily inform on their internal legislative processes.</p>
<p>3.9. The EESC regrets in particular the lack of data on the economic and social impact of initiatives such as LEADER, community-led local development (CLLD), Smart Villages and Bauhaus. Comprehensive analyses of the quality of these initiatives are essential for disseminating them as good practices to policymakers and rural stakeholders.</p>	<p>The Commission agrees on the need to inform about these initiatives. It calls Committee’s attention to the evaluation support study on the impact of LEADER towards the general CAP objective of ‘balanced territorial development’<sup>46</sup> and to the study on the costs and benefits of</p>

<sup>46</sup> [Evaluation support study on the impact of LEADER on Balanced Territorial Development - European Commission \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/press/1924224/1924224_en.pdf)

	<p>LEADER<sup>47</sup>. In addition to those studies, the Commission will publish an evaluation of LEADER (2014 – 2022) in the coming months.</p> <p>Under the two Preparatory Actions on Smart Rural 21 and Smart Rural 27, good practices and lighthouse examples have been disseminated through several means such as databases, events, peer-to-peer meetings. Smart Village projects supported and implemented under CAP Strategic Plans 2023-2027, mainly through LEADER, will be promoted through the European CAP Network and the National CAP Networks.</p>
<p>3.24. In line with its previous observations (NAT/839), the EESC notes that the budgets currently allocated to rural development do not correspond to political declarations, deeming them too low. It calls on the Council and the Parliament to provide rural programmes with significant budgets in line with political ambitions.</p>	<p>The Commission takes note of the Committee’s opinion regarding the level of funds currently allocated to rural development.</p>
<p>The EESC recommends:</p> <ul style="list-style-type: none"> <li>- incorporating the rural development policy into the Common Provisions Regulation (CPR) and applying to rural development the partnership principle set out in Article 8 (Content of the Partnership Agreement) of the CPR and the provisions of the Code of Conduct on Partnership, in particular the creation of monitoring committees at regional or local level;</li> <li>- clarifying the rules on stakeholder participation in order to involve them in an optimal way;</li> <li>- enshrining the partnership principle in the <i>ex ante</i> conditionalities of the future rural</li> </ul>	<p>The CAP 2023-2027 covers a wide range of objectives relevant for agriculture, respectively also for rural areas, and provides MS under their CAP Strategic Plans multiple instruments to address needs of rural areas, notably direct payments, sectoral measures, and rural development interventions (LEADER, investments and others). The current structure cannot be brought under the Code of Conduct on Partnership (CPR). However, the partnership principle and the Code of Conduct on Partnership apply to the drawing up and management of CAP Strategic Plans and hence to rural development, as provided in Article 106 and</p>

<sup>47</sup> <https://op.europa.eu/en/publication-detail/-/publication/cc1e7d6f-7eb3-11ee-99ba-01aa75ed71a1/language-en>

<p>development policy and making the allocation of EU funds conditional on its application.</p>	<p>124 of Regulation (EU) 2021/2115. This application extends to the creation and functioning of monitoring committees on national and regional level. Commission services participate in monitoring committee meetings to observe, among other issues, the functioning of the partnership in Plan management. The Commission takes note of the Committee's opinion, as to the future development of the partnership principle.</p>
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<p><b>N°11    Revision of the Package Travel Directive</b>  <b>COM(2023) 905 final</b>  <b>EESC 2023-05478 – INT/1049</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Philip VON BROCKDORFF (MT-II)</b>  <b>DG JUST – Commissioner REYNDEERS / Vice-President JOUROVA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The COVID-19 crisis highlighted shortcomings connected with the existing Directive on package travel and linked travel arrangements (PTD). With this in mind, the EESC agrees with the Commission’s proposals to revise the Directive and provide stronger protection for holidaymakers.</p>	<p>The Commission acknowledges the support for its proposal expressed by the Committee. This includes support in relation to the proposed amendments to the definitions of ‘package’ and ‘linked travel arrangement’ and the removal of the overlap between the two definitions (point 1.5.), the proposed rules on vouchers and a business-to-business refund right (point 1.8.), as well as the proposed limitation of downpayments to 25%, with the possibility for package organisers to request higher downpayments where this is justified (point 1.9.).</p>
<p>1.11. Finally, the EESC recommends that the outcome of the Commission’s proposal be as balanced as possible, ensuring that EU package travel remains as competitive as possible while affording protection to consumers with minimal impact on prices and burdens on businesses.</p>	<p>The Commission agrees with the objective of a balanced outcome of the legislative process, consisting of more effective protection of travellers while maintaining the competitiveness of the package travel sector, and will contribute to such outcome.</p>
<p>4.1. The EESC is of the view that the Commission’s proposal on the PTD introduces positive changes that seek to find a balance between the protection of travellers on one hand and the interests of travel package operators on the other.</p>	<p>The Commission acknowledges the support for its proposal and the recognition of its balanced character expressed by the Committee, including in relation to the proposed limitation of downpayments to 25% and the exceptions to this rule (points 4.3., 4.4. and 4.5.).</p>

<p>4.7. Finally, the EESC recommends that the outcome of the Commission's proposal be as balanced as possible, ensuring that EU package travel remains as competitive as possible while affording protection to consumers with minimal impacts on prices and burdens on businesses.</p>	<p>The Commission agrees with the objective of a balanced outcome of the legislative process, consisting of more effective protection of travellers while maintaining the competitiveness of the package travel sector, and will contribute to such outcome.</p>
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<p><b>N°12 Safeguarding Democracy Against Disinformation (own-initiative opinion) EESC 2024-00014 – TEN/830 587th Plenary Session – April 2024 Rapporteurs: Carlos Manuel TRINDADE (PT-II), John COMER (IE-III) DG JUST – Commissioner REYNDEERS/ Vice-President JOUROVA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.11. Considers it essential to review the current regulations regarding targeted advertisements, while requesting further protection regarding individual data gathering. The collection of personal data by social media and digital platforms, in many cases without the informed consent of their users, must be addressed in the future revisions of the data protection legislation.</p>	<p>Ahead of the 2024 elections to the European Parliament, the Regulation on the transparency and targeting political advertising<sup>48</sup> entered into force, setting the tone for how political campaigning should be conducted in the EU. Once in full application, the new rules will provide a high standard of transparency for political advertising services in the Union and specific personal data requirements when political advertising is targeted and amplified. It will strengthen accountability by empowering citizens and interested entities in the democratic process and support national authorities in performing their oversight tasks. It will deter the misuse of political advertising, including foreign interference. Within two years after the elections to the European Parliament, the Commission will submit a report on the evaluation and review of the Regulation, which will assess, among others, the effectiveness of the rules restricting the processing of personal data for the purposes of the targeting techniques and ad-delivery techniques in the context of political advertising.</p>

3.5. About the efficiency in the fight against disinformation

[...]

1.1.4. The EESC proposes that the Commission and Member States define a coherent strategy, safeguarding freedom of expression and the rule of law, to articulate resources and efficient approaches regarding the different dimensions of the problem.

Work on the measures put forward by the Commission in 2020 in the European Democracy Action Plan is well under way, helping to strengthen democratic resilience by promoting election integrity, protecting media freedom and pluralism, and strengthening the fight against disinformation, foreign information manipulation and interference.

The Communication on Defence of Democracy sets out how the Commission, in close cooperation with the High Representative, has worked on all these fronts through key legislation and other political initiatives, bolstering societal resilience from within and the direct engagement of citizens.

Cooperation among Member States to ensure resilient electoral processes and mutual support to address threats is essential. The Commission Recommendation on inclusive and resilient elections<sup>49</sup>, which was also adopted as part of the Defence of Democracy package, provides useful guidance to Member States and political actors on how to protect electoral processes in the EU from disruptions and distrust generated by various challenges and threats, including foreign interference, in a balanced and comprehensive manner and in full respect of fundamental rights and democratic values. Most elements of the Recommendation are practical in nature and build on concrete exchanges among Member States in the framework of the European Cooperation Network on Elections. This means that

implementation has started immediately and has already yielded tangible results. For instance, a joint Code of Conduct for the 2024 European Parliament elections was signed on 9 April 2024 by European political parties.

In the run-up to the 2024 elections to the European Parliament, the Commission has worked with other stakeholders to empower voters, promote turnout, and prepare a free, fair, inclusive and resilient electoral process, including through EU-wide get out the vote campaigns or by providing common EU channels for informing citizens where and how to register and vote.

With the Digital Services Act (DSA), there is also a legislative instrument in place that provides for a systemic approach to fight disinformation in the online environment. Under the DSA, the very large online platforms and very large online search engines are obliged to assess the risk stemming from the design or functioning of their services in relation to disinformation and employ adequate measures to mitigate it. The implementation of these provisions is subject to strong transparency obligations and auditing. The DSA also provides for engagement of wider stakeholder community via trusted flaggers, researchers' access to data and co-regulatory codes of conduct – with the Code of Practice on Disinformation being envisaged as one of the first voluntary instruments to become the code of conduct within the DSA framework.



The Code Practice on Disinformation is a centrepiece of the EU's efforts to fight disinformation. It includes several provisions with regard to elections and provides an important forum to discuss and engage with relevant players. The Taskforce of the Code has setup a work-stream dedicated to elections, to facilitate the exchange of information between civil society organisations, fact-checkers and online platforms that are signatories of the Code and ensure rapid and effective cooperation and communication between them ahead and during the election period.

The EU also supports independent fact-checkers and academic researchers through its financing of the European Digital Media Observatory (EDMO), whose work is crucial to debunk and expose false claims, manipulated content, provide more insight in the phenomenon of disinformation and support media literacy initiatives. EDMO set up a Task-force to monitor the EU information ecosystem ahead of the EP elections, and to facilitate communications and dissemination of research, media and information literacy and fact-checking initiatives within the EDMO community and across the EU. The Taskforce produces daily briefs on urgent disinformation narratives and content related to EU elections as well as weekly insights with deeper analysis of disinformation trends and early warnings.

The European Cooperation Network on Elections also convened at a more frequent pace, in both plenary and thematic sessions, to ensure that preparations for the 2024 elections

factored in measures envisaged by the Recommendation, including to support high-voter turnout, to promote disability-inclusive elections and to secure elections against cybersecurity risks, disinformation and foreign interference.

In addition, the European External Action Service (EEAS) contributes and supports with its expertise on foreign information manipulation and interference (FIMI). The EEAS shares information and cooperates closely with MS and all relevant EU institutions in the Rapid Alert System (RAS) network, which is a well-established and functioning mechanism set up for this purpose.

The EEAS has put in place a toolbox on FIMI to ensure we have the necessary instruments to prevent, detect, deter and respond to the threat.

Specifically to protect the integrity of the 2024 European elections, the EEAS activities focused on four important pillars: (i) strengthening situational awareness/monitoring of FIMI activities; (ii) awareness raising and resilience building; (iii) excellent interinstitutional cooperation; and (iv) cooperation with Member States.

In 2024, the Commission created a Taskforce on strategic communication, also covering disinformation responses, with two main aims: a) to strengthen the Commission's capacities of situational awareness, preparedness and response, and b) to improve internal coordination via the inter-service Network against Disinformation. Ahead of the European elections, that presented a situation of heightened risk for disinformation and information manipulation, the Taskforce

	<p>helped increase alertness, via closer coordination with relevant Institutions and stakeholders as well as through awareness-raising activities.</p>
<p>Fighting disinformation</p> <p>2.14.</p> <p>To be able to fight this disinformation threat, democratic states must strongly support media literacy strategies that are able to empower citizens, especially young people and seniors, with tools to distinguish between information produced with a method of empirical scepticism and conspiracy theories that undermine public confidence.</p>	<p>Under the Creative Europe programme support encourages knowledge sharing and exchanges on media literacy policies and practices to enable the development of innovative cross-border media literacy initiatives and communities across Europe, in a continuously changing digital media landscape and taking into account current user behaviour among various age groups. Actions supported under this programme are often focussed to address the phenomenon of disinformation.</p> <p>The Commission also supports media literacy practitioners, independent fact-checkers and academic researchers through its financing of EDMO, whose work is crucial to expose false claims and support media literacy initiatives across all EU Member States. EDMO’s national and regional hubs play a central role in developing media literacy strategies and tools in the local languages, as well as strengthening media literacy skills and critical thinking on the ground.</p> <p>The Commission brings together key media literacy stakeholders in a Media literacy expert group to identify, document and extend good practices in the field of media literacy and build synergies between the media literacy activities of Member States.</p> <p>In addition, in light of the elections to the European Parliament, the following initiatives were launched by the Commission on 8 May 2024:</p>

- EU campaign, together with the European Regulators Group for Audiovisual Media Services (ERGA), bringing together all 27 national independent regulatory bodies in the field of audiovisual services, about the risks of disinformation and information manipulation, encouraging critical thinking and providing practical tips on how to spot and tackle disinformation. The 30-second video of the campaign was running across the Member States, available in all 24 official EU languages, until the beginning of June. Dissemination also took place via national TV stations in Member States.

- The Commission also published a new toolkit with hands-on guidance for teachers and educators, in all EU languages, including practical suggestions to help them explain disinformation and information manipulation to students and young people and empower them to recognise and tackle it.

- A new Commission webpage provides a single access point to all useful information and resources on strategic communication and combating disinformation.

<p><b>N°13 New Growth Plan and Facility for the Western Balkans</b>  <b>COM(2023) 691 final</b>  <b>COM(2023) 692 final</b>  <b>EESC 2024-00176 – REX/581</b>  <b>587th Plenary Session – April 2024</b>  <b>Rapporteur: Ionuț SIBIAN (RO-III)</b>  <b>Co-rapporteur: Dragica MARTINOVIĆ DŽAMONJA (HR-I)</b>  <b>DG NEAR – Commissioner VARHELYI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p><b>N°14 Reform and investment proposals in the Member States (2023-2024 European Semester cycle)</b>  <b>(own-initiative opinion)</b>  <b>EESC 2023-04860 – ECO/631</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteurs: Gonzalo LOBO XAVIER (PT-I),</b>  <b>Javier DOZ ORRIT (ES-II),</b>  <b>Luca JAHIER (IT-III)</b>  <b>DG ECFIN – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>5.1.1. In general, the CSRs are seen as relevant and appropriate, although they do not sufficiently address social issues, prioritising financial aspects. ...</p>	<p>The European Semester framework as set out in the Annual Sustainable Growth Survey, specifically addresses issues related to ‘fairness’, including labour market, education and social challenges and policies in line with the European Pillar and Social Rights and in pursuit of the UN’s Sustainable Development Goals (SDGs). Accordingly, in 2024 the Commission issued country-specific recommendations (CSRs) proposals for more than half of the Member States to step up efforts on up- and reskilling, strengthening education and notably basic skills, in light of the disappointing PISA results. Several MSs also received CSRs related to non-discrimination and equal opportunities of under-represented and vulnerable groups in the labour market. Various other CSR proposals were issued in the area of social protection, including healthcare and long-term care.</p> <p>In 2023, CSRs were addressed on green skills to 27 Member States. Several Member States also received CSRs on education, access to, adequate and</p>

	<p>sustainable social protection, health care and/or long-term care. (</p> <p>When discussing the scope of the CSRs, the measures covered and supported by the RRP and other EU instruments should not be overlooked. Indeed, the Commission's CSR proposals takes into account the measures already covered and supported by the RRF and other EU instruments such as the ESF+, many of which aimed at addressing pressing employment, skills and social issues.</p>
<p>5.1.2. ... OCS indicates that the CSRs do not take sufficient account of the socio-economic characteristics and realities of the country. ... The CSRs are very general – they are not targeted and are not monitored. The priorities seem to be short-sighted. ...</p>	<p>The Commission's CSR proposals reflect the common EU priorities and are targeted to address specific challenges and policy gaps identified in each Member State. They are underpinned by the country-specific analysis and findings in the country reports and other relevant analytical documents (notably the Commission SWD of last 6 May presenting country analysis on social convergence in line with the features of the Social Convergence Framework)</p> <p>and take into account the findings from the political and technical dialogues with Member States, social partners and civil society at European, national, regional and local levels. They are to be addressed by the Member States in a period of twelve to eighteen months. The Commission maintains a dialogue with Member States and follows up implementation on a continuous base, making its monitoring and assessment public at given moments in the European Semester, notably when it releases the Spring package.</p>

<p>5.2.1. ... the process of implementing reforms is rather slow and that the government does not go far enough in implementing them, which reduces their effectiveness. ...</p>	<p>Good reform design and successful implementation with low risk of reversals may take time. This includes the various preparatory steps, coordination of the various actors involved, studies, impact assessments, consultations, legislative processes. The careful design of Recovery and Resilience Plans (RRPs) and their subsequent implementation with Recovery and Resilience Facility (RRF) support is aimed at addressing relevant CSRs and should therefore help bolster their effective implementation. In addition, the revised economic governance framework should lead to greater national ownership and contribute to a more sustained reform momentum and effective implementation and, in the end, better policies and economic and social outcomes.</p>
<p>5.3.4. There is potential for improving the consultation processes. Therefore, organised civil society recommends: (see list)</p>	<p>The Commission stresses the importance and encourages Member States to engage with social partners, civil society and other relevant stakeholders, notably by organising dedicated meetings at key stages of the European Semester and in the implementation of the RRPs. The importance of an effective and timely consultation is notably underlined in the Employment Guidelines.</p> <p>Regular dialogues with social partners and civil society take place at EU level (with both EU confederations/organisations and their national members) to discuss labour market and social elements as embedded in the European Semester. This happens both to gather views before the Semester packages are prepared by the Commission, and to gather feedbacks ex-post in the context of the Employment</p>



	<p>Committee and Social Protection Committee.</p> <p>In addition, there is the biannual Macro-Economic Dialogue (MED) of European cross-sectoral social partners with the Executive Vice President for an Economy that Works for People and the President of the European Central Bank.</p> <p>Recent policy initiatives at the EU level, include:</p> <p>i) In 2023, a Council recommendation has been adopted that provides guidance to Member States on how to best promote social dialogue and strengthen collective bargaining.<sup>50</sup></p> <p>ii) On 31 January 2024, the Commission, the Belgian Presidency of the Council of the EU and European social partners signed a Declaration at the Val Duchesse Social Partners’ Summit, pledging to strengthen social dialogue in the EU further.<sup>51</sup></p>
<p>5.4.1. Organised civil society in the Member States was divided on the advantages and disadvantages of this review of the EU economic governance framework. The different positions are available in the first part of the appendix. In addition, the representatives interviewed also wished to add the following recommendations to ensure the proper implementation of the new rules: (see list)</p>	<p>The recent reforms to the EU economic governance framework will help make the EU more competitive and better prepared for future challenges by supporting progress towards a green, digital, inclusive and resilient economy.</p> <p>The reforms address shortcomings in the current framework. They seek to ensure that the framework is simpler, more transparent and effective, with greater national ownership and better enforcement.</p> <p>The reforms take into account the need to reduce increased public debt levels, including as a result of the COVID-19</p>

<sup>50</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C\\_202301389](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202301389)

<sup>51</sup> <https://ec.europa.eu/social/main.jsp?catId=1632&langId=en>

	<p>pandemic, in a realistic, gradual and sustained manner.</p>
<p>5.8.2. The following recommendations were highlighted: (see list)</p>	<p>Regarding the recommendation ‘economic and fiscal policies should always take into account the implementation of the social agenda, such as the EPSR and the action plan for the social economy’: under the reformed framework, the Commission surveillance of the Employment Guidelines will include progress in implementing the principles of the European Pillar of Social Rights (EPSR) and its headline targets, via the revised social scoreboard and a framework to identify risks to social convergence. multilateral surveillance along the principles of the social convergence framework.</p> <p>Regarding the recommendation ‘the transparency of the RRFs should be improved by providing updated data at least every quarter on the implementation of projects and the use of resources’: the RRF Regulation mandates that Member State shall report twice a year in the context of the European Semester on the progress made in the implementation of their RRFs. More regular updates would not be aligned with the framework established by the RRF Regulation. Furthermore, as the RRF is a performance-based instrument, reporting on the use of resources would be out of the scope of the RRF Regulation. The Regulation is clear on the performance nature of the RRF and explicitly provides in Article 29(3) that specific reporting on expenditure must be based on the breakdown of the estimated expenditure of the RRFs.</p> <p>It is unclear what the Committee refers to with the statement ‘providing updated</p>

data [...] the respect of the commitment to give 40% of resources to the regions of the South and the continuous monitoring of the application of the 30% clause concerning the hiring of young people, women and disabled people in public procurement’ – such commitments are not included in the RRF Regulation.

Regarding the recommendation: ‘it is necessary to strengthen the role of central and local public administrations in implementing the RRFs’: The Commission regularly reminds Member States of the importance to involve social partners and civil society, as well as local and regional authorities in the implementation of their RRFs – though such involvement depends on the framework set by the national legislation and practices. The Commission will continue to do so until the end of the RRF in 2026.

Regarding the final recommendation: The European Semester process and the NRP (to be replaced by the medium-term fiscal-structural plans and annual progress reports under the reformed economic governance framework) take into account RRF implementation. The RRFs address all or a significant subset of challenges identified in the country-specific recommendations published as part of the European Semester and the latter also monitors the implementation of the RRF in Member States. As the implementation of the RRF progresses, synergies between RRF-supported reforms and Cohesion Policy investments are expected to increase. Cohesion policy objectives and challenges are considered in the European Semester, with the country

	<p>reports and CSR looking into and addressing territorial and social disparities. This year's European Semester focussed in particular on providing guidance for the mid-term review of the cohesion policy programmes and on the identification of complementarities in the various EU-funded policy actions in view of maximising their synergies.</p>
<p>5.11.1. With regard to the lessons learned by OCS midway through the implementation of the RRP (which will end in 2026) and the ongoing review of the EU's economic governance framework, which should be applied to the design, implementation and monitoring of the future medium-term fiscal-structural plans proposed by the Commission, it was highlighted for the design of the plans that: (see list)</p>	<p>The requirements for national medium-term fiscal-structural plans are set out in Article 13 of Regulation on the effective coordination of economic policies and on multilateral budgetary surveillance.<sup>52</sup></p> <p>In addition to setting out the net expenditure path, the plans will have to explain how the Member State will ensure the delivery of reforms and investments responding to the main challenges identified in the context of the European Semester, in particular in the country-specific recommendations. The plans will also have to set out how the Member State will address the common priorities of the Union, which cover a fair green and digital transition, and social and economic resilience, including the European Pillar of Social Rights.</p> <p>The Commission stresses the importance that that Member States involve a wide range of stakeholders in the development of their medium-term fiscal-structural plans. At the same time, the scope of such a consultation depends on the existing legal and political frameworks in each Member State.</p>
<p>5.11.3. To monitor the plans, it has been argued that: (see list)</p>	<p>For the recommendations that 'the participation of the social partners and</p>

	<p>civil society organisations must be increased’ and ‘the involvement of stakeholders should also be guaranteed in the monitoring of plans, and more rigorous rules should be implemented and monitored’. The requirement for Member States to involve stakeholders, including regional and local authorities, is clearly mandated under Article 18 of the RRF Regulation and was further strengthened with the REPowerEU amendment. The Commission agrees that local and regional authorities should be closely involved in the design and implementation of the plans: this is also one of the key lessons learned from the mid-term evaluation. The Commission is insisting during its dialogues with Member States on the importance of engaging regional and local authorities, social partners, and civil society representatives.</p>
<p>6.3.1. The EESC's evaluation report on the RRF<sup>53</sup> showed that OCS in the EU was largely supportive of the content of the RRF and its national RRFs. However, the report also reflected criticism of the insufficient degree of involvement of OCS in its drafting and implementation, the need for better information on concrete projects and the serious problems encountered in implementing the plans within the set deadlines.</p>	<p>These conclusions and lessons learned are reflected in the mid-term evaluation of the RRF and refer, among other aspects, to the challenges involved in meeting the tight deadlines for RRF implementation. The Commission has delivered updated Guidance to help Member States speed up implementation, in particular through administrative simplification. In addition, some of the lessons learned from the RRF may also prove useful for any reflections for future EU funding instruments.</p>
<p>6.3.2. The references in the CSRs to the involvement of local authorities, social partners and civil society in the European</p>	<p>The references in the recitals of the CSR legal texts and in the Spring chapeau communication, in the Commission</p>

<sup>53</sup> EESC evaluation report <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/information-reports/mid-term-evaluation-recovery-and-resilience-facility> on *Mid-term evaluation of the Recovery and Resilience Fund*.

<p>Semester and in the implementation of RRPs are merely reminders or recommendations. The EESC believes that they should be binding on national governments, as already pointed out in several recent EESC opinions and in the considerations on the last provisional political agreement on the review of the EU economic governance framework.</p>	<p>proposal for the Employment Guidelines, as well as the Annual Sustainable Growth Survey and 2024 Joint Employment Report are both an invitation and a reminder for Member States to duly involve social partners and other relevant stakeholders in a timely and meaningful way in the European Semester and in the implementation of the RRF, while respecting the Member States's competences, established national practices and the autonomy of social partners.</p> <p>When justified, the Commission addresses recommendations to improve and ensure an effective social dialogue, such as the one addressed to Hungary in 2023 and Poland in 2022.</p> <p>The Commission services regularly organise thematic meetings with social partners in the framework of the regular Recovery and Resilience Facility (RRF) and Semester missions to Member States, ahead or at the time of the publication of the country reports and country-specific recommendations.</p> <p>The Commission also organises regular structured dialogues promoting exchange of views on the labour market and social elements of the Semester with both civil society and social partners (EU confederations and organisations as well as their national members) at the various stages of the Semester process. Exchanges of views on the findings of the Semester packages (autumn and spring) are organized each year jointly with national delegates of EMCO and SPC and EU-level social partners and civil society organisations.</p>
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	<p>A review of social dialogue and social partners' involvement takes place every year, in the context of the Employment Committee's (EMCO) multilateral surveillance activity, with a special focus on countries facing challenges in this domain.</p>
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<p><b>N°15 Talent Mobility Package</b>  <b>COM (2023) 719 final</b>  <b>COM (2023) 715 final</b>  <b>COM(2023) 716 final</b>  <b>EESC 2024-00050 – SOC/786</b>  <b>587th Plenary Session – April 2024</b>  <b>Rapporteur: Tatjana BABRAUSKIENĖ (LT-II)</b>  <b>Co-rapporteur: Mariya MINCHEVA (BG-I)</b>  <b>DG HOME – Commissioner JOHANSSON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. The EESC underlines that labour and skills shortages driven by different factors, including demographic challenges and the twin transitions, pose serious challenges to companies’ operations and growth. This is especially valid in disadvantaged regions. It is highly important for the EU Talent Pool (TP) to be a practical, reliable, easy to use tool that is attractive for workers and employers and supports fair and ethical legal labour migration into the EU.</p> <p>1.2. <u>The EESC asks the European Commission</u> and Members States (MSs) to make effective steps to reduce labour shortages in the EU in cooperation with social partners and to ensure that active labour market policies support high-quality jobs and job creation in the EU and to make these jobs attractive for all workers, while taking into consideration the EU Action Plan on Labour and Skills shortages. Labour shortages in certain professions and the identification of shortage occupations need to be discussed with sectoral and national social partners, taking into consideration skills and job matching, decent wages, working conditions</p>	<p>Labour and skills shortages represent one of the biggest challenges for the EU labour market, affecting a variety of sectors and being present at all skill levels. As highlighted in the Skills and Talent Mobility package, the EU is addressing these shortages through a comprehensive approach which includes activating underrepresented groups in the labour market (including third country nationals), providing support for skills, training and education, improving working conditions, facilitating intra-EU mobility and attracting talent from outside the EU.</p> <p>The Commission also recognises the importance of a long-term approach to addressing the impacts of demographic change, including at the regional level. On 11 October 2023, the Commission adopted a Communication on ‘Demographic change in Europe: a toolbox for action’<sup>54</sup>, which presents a set of policy tools available to Member States for addressing the impact of demographic change on the EU’s society and economy.</p>



and the well-being of workers, as well as equal access to professional development, as key factors in making the profession concerned more attractive.

Both the Skills and Talent Mobility package and the Demography Toolbox highlight that in view of the growing labour market needs and the demographic trends, legal migration is an essential component of the solution.

The Commission agrees with the Committee that cooperation with social partners is essential to effectively identify and address existing and future labour shortages.

Engaging with social partners is also crucial for labour migration and the integration of third-country nationals. In 2017, the Commission put in place a European Partnership for Integration with social and economic partners, which was reaffirmed in December 2022 in light of the need to support the integration of people displaced from Ukraine. Social partners also take part in discussions in the Labour Migration Platform, which the Commission launched in January 2023 to discuss labour migration policy issues with representatives of employment and migration authorities of Member States.

Involvement of the social partners is also envisaged in the Commission proposal for Regulation establishing an EU Talent Pool as they would participate to the EU Talent Pool Steering Group. Member States are encouraged to consult their social partners when adapting the EU-wide list of shortage occupations, included as in Annex to the proposal establishing an EU Talent Pool, to their national labour market needs. The Commission agrees with the Committee that in order to ensure the success of EU Talent Pool, it is of utmost importance to ensure that it will be easy to use for

	<p>employers and jobseekers. To this purpose, as mentioned in recital 10 of the proposal, the EU Talent Pool IT platform should be quickly and regularly adapted to new practices in technology and provide state-of-the-art IT services by introducing innovative features and tools. The Commission has also recommended in the Skills and Talent Mobility package that social partners' views are considered by Member States when designing labour market tests, to ensure they involve a limited administrative burden for employers, especially the small and medium-sized enterprises, and third country nationals.</p>
<p>1.3. The EESC points out that third-country nationals already present on EU territory and willing to work in the EU (asylum applicants, people without work permits, people that have entered the EU for reasons of family reunification) constitute an under-used pool of potential workers that can help meet labour market needs. These people need to be supported to facilitate their labour market integration.</p>	<p>The Commission agrees with the Committee that third-country nationals already residing in the EU represent an important pool of potential workers, as stressed by the Action Plan for Integration and Inclusion 2021-2027<sup>55</sup> and the Commission's action plan on labour and skills shortages<sup>56</sup>. Migrants already play a crucial role in Europe's economy and society. Over the past decade, migrant workers have filled a significant part of new jobs in the EU, addressing various labour market needs. While the EU Talent Pool will specifically focus on international recruitment, third-country nationals already legally residing in the EU can rely on the support of the public employment services in the Member State of their residence in finding a job locally or on the European Employment Services platform (EURES), in case they enjoy intra-EU mobility. The</p>

<sup>55</sup> [https://home-affairs.ec.europa.eu/policies/migration-and-asylum/legal-migration-and-integration/integration/action-plan-integration-and-inclusion\\_en](https://home-affairs.ec.europa.eu/policies/migration-and-asylum/legal-migration-and-integration/integration/action-plan-integration-and-inclusion_en)

<sup>56</sup> COM/2024/131 final

	<p>Commission is also working intensively to ensure their effective labour market integration and protection against labour exploitation. During the European Year of Skills, the Commission organised various meetings with integration experts from Member States authorities and other stakeholders to discuss good practices and challenges regarding migrants' sustainable labour market integration. Additionally, it launched a call for project proposals funded under the Asylum, Migration and Integration Fund (AMIF) to support multi-stakeholder initiatives for labour market integration.</p>
<p>1.5. The EESC recommends to implement the TP initiative in conjunction with the EU Harnessing Talent initiative<sup>57</sup> to avoid causing a brain drain – within the EU and towards the outside of the EU – in professions where there is a shortage of workers. Circular migration can be a useful tool in this respect as well.</p>	<p>As rightly noted in the Committee's Opinion, the EU Talent Pool should be implemented in conjunction with the Communication on Harnessing Talent in Europe's Regions<sup>58</sup> which was also adopted as part of the European Year of Skills. The Communication on Harnessing Talent launched the Talent Booster Mechanism to support EU regions affected by accelerated decline of their working age population to train, retain and attract the people, the skills and the competences needed to address the impact of the demographic transition.</p> <p>The measures set out in the package also aim at tackling brain drain, benefiting the workers' countries of origin. The Skills and Talent Mobility package stresses the need for cooperation with countries of origin to ensure that legal migration is mutually beneficial, and notes that benefits for countries of origin can include the circulation of skills, the transfer of knowledge, and remittance</p>

<sup>57</sup> [COM/2023/32 final.](#)

<sup>58</sup> [https://ec.europa.eu/regional\\_policy/information-sources/publications/communications/2023/harnessing-talent-in-europe-s-regions\\_en](https://ec.europa.eu/regional_policy/information-sources/publications/communications/2023/harnessing-talent-in-europe-s-regions_en)

	<p>payments. Key to achieving this goal are the five Talent Partnerships the EU is currently implementing with selected partner countries. These partnerships enable structured cooperation on labour mobility while avoiding brain drain. Facilitating circular migration can contribute to mitigating the risk of brain drain. Additionally, the European Commission proposal for a Recast of the Long-term Residents Directive<sup>59</sup> aims at improving circular migration by making it easier for long-term residents to return to their country of origin without losing their rights, benefiting both the countries of origin and residence.</p>
<p>1.6. The EESC would like to see the TP as an effective and efficient complement to existing EU and national tools and practices for helping third-country nationals find quality work in the EU and for supporting employers in the recruitment of these workers. The TP should ensure that migrant workers and EU employers are provided with information on the laws to comply with, as well as on their rights and responsibilities, e.g. rules concerning the effects of loss of job after a shorter period of time. <u>The European Commission, in cooperation with the European Labour Authority, should ensure that the appropriate arrangements are in place for providing information on these matters.</u></p> <p>3.1.2. While the TP does not provide specific entry route into the EU in terms of the acquisition of work and residence permits, advice and support should be available to workers entering the pool as regards access to healthcare, housing, and further education and training in the host Member State. It is also important that the TP ensure migrant workers</p>	<p>The EU Talent Pool will provide additional support at EU level, allowing Member States to maintain their existing tools while enhancing them with the new platform. To facilitate this, interoperability between national systems and the EU Talent Pool IT platform will be ensured.</p> <p>The EU Talent Pool aims to make international recruitment easier, faster and more effective for employers and jobseekers from third countries. By providing an EU-wide platform, it will increase the visibility of EU employers globally and provide EU businesses with a wider pool of potential candidates.</p> <p>The development of the EU Talent Pool IT platform will benefit from the well-established expertise of the EURES network, currently being coordinated by the European Labour Authority (ELA). Specifically, the Public Employment</p>

<sup>59</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A650%3AFIN&qid=1651218479366>

<p>and employers are provided with information on the laws to follow and on their rights and responsibilities. <u>The European Commission should provide impetus</u> for the adoption of common standards in terms of information provision.</p>	<p>Services' knowledge of recruitment practices, will facilitate the availability of the appropriate information.</p> <p>While this initiative does not constitute a new legal pathway, the EU Talent Pool will facilitate access to the existing procedures and Member State admission schemes for skilled third country nationals.</p> <p>To help employers and jobseekers from third countries understand and navigate the various rules in different Member States, the EU Talent Pool IT platform will offer online information on recruitment, immigration and recognition procedures as well as living and working conditions, including access to healthcare, education and housing. Additionally, as the EU Talent Pool also aims at ensuring third country nationals' equal treatment and protection against unfair recruitment and inadequate working conditions, specific information on available redress mechanisms will also be made available. This will contribute to making information provision clearer and more standardised. The EU Talent Pool Contact Points would also provide additional support and guidance and information upon request from registered jobseekers from third countries and employers participating.</p> <p>In addition, the EU Immigration Portal hosted by the Commission and launched in November 2011, already provides hands-on information for third-country nationals interested in moving to the EU. The website is also directed at migrants who are already in the EU and would like to move from one Member State to</p>
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	<p>another. It offers a general overview of immigration policy in the EU and gives specific practical information about national procedures and migration profiles.</p>
<p>1.19.2. <u>The EESC asks the Commission</u> to ensure that appropriate funding is available to reflect the real costs of participating in Erasmus mobility for learners, teachers and trainers, guaranteeing the transferability of salaries and other benefits, including pensions, for adult learners and teachers taking part in international mobility through their continuous professional development. Involvement of the social partners in monitoring this and in decisions on to how to solve these problems is key.</p>	<p>The Commission ensures that appropriate financial support is available to reflect the real costs of participating in the Erasmus+ Programme. For this purpose, the Commission carried out a review of unit costs/lump sums compared to real costs, through an external study in 2023. The findings of the study have been instrumental in aligning the current funding rules with the actual needs of participants.</p> <p>More specifically, for Vocational education and training (VET) and adult education learners and staff, as well as school education staff and pupils, the study conducted a market analysis on subsistence costs, including accommodation and food. The analysis has been combined with survey data to ensure accuracy and relevance.</p> <p>Additionally, the country grouping (participating countries are divided into three groups according to their living costs) has been reviewed in order to reflect the current economic conditions.</p> <p>The teachers' status (and, as a consequence, the modalities regarding the fixation of their salary) varies from a Member State (MS) to another and is outside the Commission's remit. However, the Commission will support the implementation of the Council Recommendation 'Europe on the Move' – learning mobility opportunities for everyone, for example by supporting exchanges of good practices between</p>

	<p>authorities, organisations and stakeholders from the MS. This latter recommends to MS, inter alia, that they ensure, ‘in accordance with EU and national legislation, the appropriate protection of mobile learning participants [...], with regard to insurance, labour standards, health and safety requirements, tax, social security (including access to healthcare) and, where relevant, the possibility of accumulating pension entitlements’.</p> <p>On 27 March 2024, the Commission has also adopted a proposal for a Council Recommendation on attractive and sustainable careers in higher education.<sup>60</sup> In this context, the Commission would intend inter alia to facilitate peer learning between Member States on effective mechanisms, ensuring the recognition of academic and professional services staff engagement in transnational cooperation, and innovative teaching activities.</p>
<p>1.20. <u>The EESC asks the European Commission</u> to reinstate the role of the European social partners and relevant stakeholders in the Erasmus+ Committee, which defines the yearly priorities of the Erasmus+ Programme. The EESC urges the Member States to develop their national action plans on the initiative in cooperation with the relevant stakeholders and social partners.</p>	<p>The Erasmus+ Regulation 2021/817, Article 34(2) states that where appropriate, in accordance with its rules of procedure and on an ad hoc basis, external experts, including representatives of the social partners, may be invited to participate in Erasmus+ Committee meetings as observers.</p>

<sup>60</sup> <https://education.ec.europa.eu/sites/default/files/2024-03/Proposal%20for%20a%20Council%20Recommendation%20on%20attractive%20and%20sustainable%20careers%20in%20higher%20education.pdf>

<p><b>N°16 Roadmap on anti-drug trafficking</b>  <b>COM(2023) 641 final</b>  <b>EESC 2023-05604 – SOC/784</b>  <b>587<sup>th</sup> Plenary Session – April 2024</b>  <b>Rapporteur: Christian MOOS (DE-III)</b>  <b>DG HOME – Commissioner JOHANSSON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. Combating the abuse of drugs and hard drugs necessitates a more differentiated, whole-of-society approach. From a civil society perspective, drug use should be tackled more by means of preventive and accompanying measures and less through repression.</p>	<p>The EU Roadmap on drug trafficking and organised crime of 18 October 2023<sup>61</sup> complements the EU’s approach to drugs policy, which is comprehensive and balanced, including objectives on both the security and health aspects of drugs. This approach is also reflected in the EU Drugs Strategy 2021-2025<sup>62</sup>, adopted in December 2020, which sets out the political framework and priorities for EU drug policy in the period 2021-2025 and serves as the basis for the EU Drugs Action Plan 2021-2025.</p> <p>The EU Drugs Strategy 2021-2025 provides the overarching political framework and priorities for the European Union’s drugs policy for the 5 years. The Action Plan covers concrete operational steps and activities. The Strategy takes an evidence-based, integrated, balanced and multidisciplinary approach to the drugs phenomenon at national, EU and international level. It also incorporates a gender equality and health equity perspective. The Strategy aims to protect and improve the well-being of the society and of the individual, to protect and promote public health, to offer a high</p>

61 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023DC0641>  
62 <https://www.consilium.europa.eu/media/49194/eu-drugs-strategy-booklet.pdf>



	<p>level of security and well-being for the general public and to increase health literacy.</p> <p>Against the background of the increased threat posed by criminal networks, the Commission adopted an action-oriented Roadmap on drug trafficking and organised crime on 18 October.</p> <p>This document complements the EU drugs Strategy and Action Plan as well as the EU organised crime strategy.</p>
<p>1.3. The special focus on ports is warranted by the volume of trade passing through them, but this must not mean that steps to tackle other routes and points of access are neglected.</p>	<p>The EU Roadmap focused on ports since it is not only the main entry point for goods imported to the EU, but also for drugs smuggled into the EU. The activities in relation to ports highlighted in the roadmap are complementary to other existing activities. The EU Drugs Strategy and Action Plan identify various priority areas including the smuggling of drugs by using legitimate trade channels, targeting drugs trafficking via postal and express services, or reinforcing monitoring of cross-EU rail and fluvial channels and the general aviation space.</p>
<p>1.9. Drug addicts are victims and not perpetrators, as long as their use of drugs does not give rise to crime associated with acquiring those drugs or to dangers to third parties. The EESC strongly recommends studying the experiences of countries and regions where the use of certain drugs is now tolerated and/or the use of cannabis has been decriminalised.</p>	<p>In line with the EU Drugs Strategy, EU drugs policy is evidence-based. The Commission therefore follows the developments in the EU Member States as well as beyond to examine the impact of changes in cannabis policies. The European Union Drugs Agency (EUDA) collects and analyses information and data on the impact of changes in drug policies on health and security. In particular on cannabis, the agency issued an in-depth analysis of the market in November 2023, with key findings and a threat assessment<sup>63</sup>. This analysis found</p>

	<p>that the changes in the approaches taken to cannabis regulation and control, may create additional challenges for law enforcement and criminal justice systems. In turn, the report also points to a need to invest in monitoring and evaluation to fully understand their impact on public health and safety.</p>
<p>1.10. The EESC recommends that there be more initiatives to protect Europeans and especially young people from the dangers of addiction and that these not concentrate only on hard drugs. Confiscated funds should be used for prevention projects.</p>	<p>The EU Drugs strategy 2021-2025 pays particular attention to the protection of youth and children from the influence of illicit drugs and proposes strategic measures and actions focused on drug demand reduction and reduction of the use of illicit drugs for children and young. Action 26 of the EU Drugs Strategy 2021-2025 aims to promote cross-educational campaigns involving schools, social workers, families, to increase knowledge and ensure there is a safe environment for young people, preventing them from taking illicit drugs.</p>
<p>2.6. There is still not enough confiscation of assets. These measures should be stepped up and the EU should set targets (e.g. a minimum percentage) for the social reuse of confiscated assets for public drug prevention campaigns and civil society projects in this domain, especially targeted at young people.</p>	<p>The new Confiscation and Asset Recovery Directive was published on the Official Journal of the European Union on 2 May 2024. The transposition deadline will be on the 22 November 2026. This new and reinforced legal instrument will contribute to reinforcing the capacity of competent authorities to identify, freeze and confiscate proceeds of crime in the EU.</p>
<p>2.9. Drug addicts are victims and not perpetrators, as long as their use of drugs does not give rise to crime associated with acquiring those drugs or to dangers to third parties. Bearing this in mind, the EESC strongly recommends studying examples of decriminalisation of the use of hard drugs, e.g. in British Columbia (Canada), Oregon (USA) and Portugal. The legalised use of drugs can</p>	<p>As set in the EU Drugs Strategy 2021-2025, the EU stands for the promotion of prevention, treatment, risk and harm reduction and alternatives to coercive sanctions and social reintegration in line with human rights obligations. This requires at the same time an increased access to and availability of controlled</p>

<p>lead to more preventive and health-oriented measures and can redirect resources. It may effectively bring down crime rates associated with the acquisition of drugs by end-users. It may provide them with safer conditions and reduce the impact on public life and security. Portugal registered a decrease in drug deaths from 369 in 1999 to 30 in 2016. What is more, the total number of heroin addicts decreased significantly, as did that of new HIV and hepatitis C cases.</p> <p>3.8. The EESC would like to see more initiatives to protect Europeans and especially the young people from the dangers of addiction and for these to not only concentrate on hard drugs. In terms of health risks, heavy alcohol abuse, for instance, makes alcohol a hard drug too. It also causes considerable social damage, such as children suffering from drunk and abusive parents, and alcoholics no longer being fit for the labour market.</p>	<p>substances for medical and scientific purposes.</p> <p>Moreover, the EU Drugs strategy 2021-2025 pays particular attention to the protection of youth and children from the influence of illicit drugs and proposes strategic measures and actions focused on drug demand reduction and reduction of the use of illicit drugs for children and young. Action 26 proposes to promote cross-educational campaigns involving schools, social workers, families, to increase knowledge and ensure there is a safe environment for young people, preventing them from taking illicit drugs.</p> <p>Existing EU law<sup>64</sup> lays down minimum criminal sanctions for illicit drug trafficking but excludes from its scope certain activities when carried out exclusively for the author's own personal consumption. The conditions for dealing with activities carried out for personal consumption are therefore left to the Member States who may decide to decriminalise or depenalise those.</p> <p>As announced in the EU Roadmap to fight drug trafficking and organised crime, the Commission will evaluate Council Framework Decision 2004/757/JHA. The Commission will decide, after a thorough evaluation, whether to propose a revision of this EU legislation in particular to amend, modernise and strengthen the rules on criminal sanctions.</p>
<p>2.11. Civil society organisations should be actively involved in further implementation of the 2021-2025 EU Strategy to tackle organised</p>	<p>The Commission is convinced of the key role played by civil society in the fight against drugs, and in that spirit is</p>

<p>crime, as well as the EU Agenda on Drugs. They provide the bulk of assistance services. Moreover, they provide vital support to social and healthcare systems and have relevant knowledge and experience.</p>	<p>engaging with civil society in its dedicated expert group Civil Society Forum on Drugs.</p>
<p>3.3.4. The EESC does, however, point out that customs reform must also be workable with a view to the European Ports Alliance that is now being proposed. While the Commission's proposal aims to strengthen ports and hubs, the concern is that proposed operational governance at EU level could ultimately weaken the powers of customs administrations and lead to a reduction in customs offices outside the specified logistics hubs. Such weakening would be rejected both by businesses, which need short distances and regional knowledge, and by the trade unions concerned.</p>	<p>The customs reform and European Ports Alliance are fully aligned. When the EU Customs Authority is established, it would consider the specificities of different border types like maritime traffic when developing its activities. The EU Customs Authority would coordinate and support the operational activities of the customs authorities in areas like risk management, crisis management, joint controls, training etc. It would not weaken the powers of customs administrations but on the contrary reinforce their capabilities with an additional EU layer of expertise to better target e.g., drugs trafficking. The European university college Association (EUCA) would also not replace any local customs offices. For businesses, the sole interlocutor would remain the national customs authorities, it would not be the EU Customs Authority.</p>
<p>4.4. Use of the term "public-private partnership" (PPP) is very unfortunate when applied to cooperation between public authorities and private parties such as port operators in order to strengthen them against infiltration by criminal networks. PPPs represent a sub-delegation of public tasks to private parties that perform a public service with a view to profit. There cannot and must not be any question of PPPs being used in these cases. These are tasks for public authorities. What is meant by the Commission should be called a multi-actor approach</p>	<p>The Commission understands that some member States have a different definition of the term 'public-private partnership'. However, at EU level, there are many existing examples of the use of the term 'public-private partnership' in a broader sense, in particular in the area of internal security. See for example the Europol Financial Intelligence Public Private Partnership project (EFIPPP)<sup>65</sup>.</p> <p>The aim of the EU Ports Alliance Public Private Partnership is to make sure that all actors involved in the logistical chain</p>

<p>instead. Voluntary cooperation, such as with private shipping companies, should be in the latter's own interest, as they may, in case of doubt, be held liable for crimes committed by their employees. Preventive cooperation, for example between Europol and financial service providers, absolutely makes sense.</p>	<p>work together to reinforce the resilience of the logistical hubs. The Commission does not intend to sub-delegate any public tasks to the private sector.</p>
<p>4.10. The development of an IT tool to monitor the darknet would be very useful, as this is not yet available in some Member States. In principle, such tools should be directly available for specific investigations by Member State authorities.</p>	<p>The Commission is supporting several projects and initiatives to address the illicit trafficking in the darknet and the deep web (cfr. Projects ASGARD, TITANIUM, TRACE, ANITA and VANGUARD).</p> <p>Moreover, as part of the preparatory action, upon the request of the European Commission, the Joint research Centre of the Commission is developing the Darknet Monitoring Tool. This new tool, which is currently being tested, will become available to the Member States and the EU Agencies as of 1 July 2024 and will further strengthen the capabilities of the National authorities to carry investigations on the darknet and deep web.</p>
<p>4.15. The approach involving more flexible rules on scheduling drug precursors is to be welcomed. However, this may entail an increased enforcement burden, since a broader range of substances will need to be tested and monitored. In many Member States the existing customs laboratories are not enough. The network of customs laboratories therefore needs to be expanded.</p>	<p>The more flexible scheduling is an important tool for customs to target precursors more efficiently and effectively at import. It will add some complexity to the analysis by the customs labs but at the same time their work will be facilitated by the European Customs Inventory of Chemical Substances (ECICS) database managed by the Commission which allows users to identify chemicals clearly and easily; classify them correctly and easily in the Combined Nomenclature, and name them in all EU languages for regulation purposes. Moreover, the customs labs are</p>

	<p>organised in the Customs Laboratories European Network (CLEN). In case one lab is not capable to do it itself, it can send the sample to another lab part of the Network. Nevertheless, a reinforcement of the customs labs and their network is necessary to achieve optimal results.</p>
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<p><b>N°17 SME relief package</b>  <b>COM(2023) 535 final</b>  <b>EESC 2023-05071 – INT/1048</b>  <b>585th Plenary Session – February 2024</b>  <b>Rapporteur: Alena MASTANTUONO (CZ-I)</b>  <b>Co-rapporteur: Angelo PAGLIARA (IT-II)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>4.3. Uniform and high-quality application of the SME test is crucial. The Commission services must reflect on SME needs early in the impact assessment process. This should be done systematically, providing a more inclusive involvement of social partners and business organisations. Impact assessments should differentiate between different size classes of SMEs and assess the indirect effect of policies (including social issues).</p>	<p>The granularity of the analysis under the SME Test follows the principle of proportionality, whereby the depth of the analysis should be proportionate to the magnitude of the expected impact on the small and medium-sized enterprises (SMEs). The analysis for initiatives classified as highly relevant for SMEs requires screening by size-class. Since January 2022, the SME filter<sup>66</sup> helps to better identify proposals relevant for SMEs in the early stages of policymaking with the help of the SME Envoy Network. The inclusive involvement of stakeholders is ensured on a continuous basis through regular contacts with the observers of the SME Envoy Network. In addition, SME panel consultations carried out by the Enterprise Europe Network help the Commission obtain direct feedback from SMEs on the possible design of new policy initiatives or for analysing different policy options, including possible support and mitigating measures.</p>
<p>4.4. Better law-making must be pursued by eliminating unnecessary burdens stemming from the proposals, without lowering any social or environmental standards. The EESC highlights that better use of already existing</p>	<p>The Commission welcomes the Committee’s focus on making sure that EU legislation is fit for the small and medium-sized enterprises. In the explanatory memorandum accompanying</p>

tools can contribute to avoiding red tape. A good example is to state in any legislative proposal the expected obligations deriving from the proposal, which, inter alia, helps provide a better understanding in terms of cumulative burden. The EESC encourages the Commission to use digital tools to measure the potential administrative burden and avoid overlaps in obligations and contradictory measures. More specifically, we urge the Commission to map the existing obligations of companies and swiftly proceed with the implementation of a burden reduction programme on businesses, by actively involving European social partners and business organisations.

each of its legal proposals, the Commission provides detailed information on the specific provisions of the proposal, including on the new obligations deriving from the proposal. Careful assessment of the impacts of Commission proposals on SMEs seeks to ensure that legislative or regulatory action is targeted, achieves its objectives and does not add unnecessary costs. A systematic and proportionate application of the ‘SME test’ helps achieve this aim. The SME test is part of the better regulation toolbox. Since March 2023, the Commission carries out in all impact assessment reports a new competitiveness check, which reports in an integrated manner on the competitiveness impacts on business, including on SME competitiveness. Under the regulatory fitness and performance programme (REFIT), evaluations and revisions of legislation entail analysis for burden reduction potential. The Fit for Future Platform contributes to this process. For all policy proposals that are likely to lead to significant economic, environmental, or social impacts or entail significant spending, impact assessments are carried out to ensure that benefits outweigh costs. Since January 2022, with its ‘one in, one out’ approach, the Commission has introduced a ‘cost brake’, aiming to ensure that administrative costs in a given policy area are offset and that adjustment costs are compensated for to the greatest possible extent.

As announced in the SME relief package, the Commission is developing guidelines to systematically consider SME-friendly provisions in new legislative proposals. The Communication ‘long-term



	<p>competitiveness of the EU: looking beyond 2030<sup>67</sup> announced that the Commission will work on how to better assess the cumulative impacts of different policy measures at the EU level with a view to develop a methodology.</p> <p>The Commission continues to work towards the 25% reduction in reporting obligations announced in March 2023, without undermining the related policy objectives. It has put forward 41 initiatives to rationalise reporting with the 2024 Commission work programme. To sustain this effort, the Commission established across the Commission services standardised means of mapping reporting requirements. It also prepared targeted rationalisation plans, considering stakeholders' input to public and targeted consultations. Digitalization, including use of artificial intelligence, will play a key role across the Commission's actions to simplify reporting. The upcoming Commission's Annual Burden Survey will report on this progress.</p>
<p>4.20. With Action 18, the Commission proposes to analyse whether the current SME definition is fit for purpose, and to develop a harmonised definition for small mid-cap companies. The EESC fully subscribes to the "think small first" principle, according to which EU legislation must be developed in line with the impact on smaller businesses. From the perspective of a predictable and stable regulatory framework, the correct application of such a principle would consequently make the discussion of reviewing the SME definition less pressing.</p>	<p>The Commission welcomes the Committee's commitment to the 'think small first' principle. On the basis of the definition used for small mid-caps in the General Block Exemption Regulation and the Guidance on Risk Finance, the Commission will monitor outcomes for both SMEs and small mid-caps under relevant financial programmes and take action to enhance the engagement of these companies, where relevant.</p>

<p>4.14. Action 13 aims to improve SMEs' participation in public procurement. This action is particularly welcomed by the EESC, considering that SMEs often face significant barriers to bidding and winning public procurement contracts: lengthy and difficult bidding processes, lack of knowledge about upcoming contracts, knowledge asymmetry between large and small enterprises, limited resources, late payments by public authorities and a lack of experience in bidding on contracts, among others. In order to make it easier for SMEs to access tenders, the EESC suggests dividing public procurements into lots. The EESC notes that access to public procurement should be open to those who engage in responsible conduct in their business operations, including with regard to decent work and worker health and safety.</p>	<p>The Commission recognises that SMEs face barriers in relation to public procurement contracts. In 2023 just less than 30% of calls were split into lots, with significant variations across the EU. It is important that Member States exploit the opportunities offered by the public procurement directives, both with regard to increasing SMEs participation in public procurement contracts and to improving conduct in business operations.</p>
<p>4.17. On the proposed assessment of an SME-friendly adaptation of the green asset ratio (GAR) as in Action 15, the EESC agrees on the importance of such a review in June 2024. Considerations for simplifying the taxonomy for SMEs are known. However, significant doubts remain as to whether the simplification can be achieved in a way that is feasible for SMEs. Offering sustainable loans to SMEs is cost-intensive due to smaller volumes. To promote the necessary significant increase in investments, financial incentives are essential. These could include reduced capital requirements, securitisation of sustainable SME loans, public funds to cover initial losses or their use as security in the Eurosystem, and preservation of workforce. The EESC also remarks that SMEs cannot meet the multi-level taxonomy reporting requirements, so they should no longer be included in the denominator of the green asset ratio. A</p>	<p>The objective behind this action is to facilitate access to finance for SMEs' sustainability transition. The Commission is analysing various options for SMEs to report on the greenness of their investments and activities, while having in mind that such reporting needs to remain manageable for SMEs. Furthermore, the Commission is considering what metric – based on the information SMEs can provide – could be appropriate for banks to report on their SME portfolio's greenness. The recently finalised study on Taxonomy and SMEs<sup>68</sup> contracted by the Commission will feed into these considerations among other data sources and analytical work such as the European Banking Authorities' recommendations published on this topic in December 2023, as well as the work of the independent expert group 'Platform</p>

<sup>68</sup> <https://op.europa.eu/en/publication-detail/-/publication/8ad71b3e-0b65-11ef-a251-01aa75ed71a1/language-en>

<p>specific SME-GAR could stimulate the transformation in the SME sector if based on a clear and flexible EBA framework for green transition and SME financing.</p>	<p>on Sustainable Finance’ Benefits of sustainable lending to SMEs need to outweigh costs for both SMEs and their financial institutions.</p>
<p>4.23. The EESC asks the European Commission to conduct a mapping exercise of the specific obstacles to a second chance faced by entrepreneurs after bankruptcy or insolvency.</p>	<p>The Commission, in collaboration with the World Bank, has initiated a study on a systemic approach to support distressed businesses. The study will explore regulatory and institutional frameworks as well as financial and non-financial support mechanisms for companies at key stages of the process through which an enterprise goes in case of financial distress. Regarding the second chance, the study will look at the legal, regulatory and institutional framework on discharge and second chance for natural person entrepreneurs as well as business support services and financial instruments available for restarters. The results of the study will be available in Q3 2024.</p>

<p><b>N°18</b></p> <p><b>New European industrial Strategy for the Internal Market: helping our companies face the technological, social, environmental and competition challenges</b></p> <p><b>Exploratory opinion requested by the Belgian Presidency of the Council of the EU</b></p> <p><b>EESC-2023-03693 – INT/1043</b></p> <p><b>584<sup>th</sup> Plenary Session – January 2024</b></p> <p><b>Rapporteur: Sandra PARTHIE (DE-I)</b></p> <p><b>Co-rapporteur: Alain COHEUR (BE-III)</b></p> <p><b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.1.2</p> <p>The completion of the EU capital market is crucial for deepening the internal market. The capital market should be focused on financing the production, purchase and flow of goods and services, in particular by supporting businesses' R&amp;D&amp;I and services of general interest, and by encouraging entrepreneurship.</p> <p>3.1.3</p> <p>The EESC believes that in strengthening the internal market, priority should be given to policies that provide a framework for innovation by private companies and favour innovation through access to venture capital (particularly for new entrepreneurs) and the development of links between industry and the scientific sector (particularly universities).</p>	<p>Deepening the Capital Markets Union (CMU) is essential to unlock private investment and increase the EU's competitiveness. Almost all of the 16 actions of the 2020 CMU action plan proposed by the Commission have been adopted or politically agreed. However, while bringing practical and material progress, these measures alone will not complete the CMU and improve the availability of risk capital, such as venture capital, which remains insufficient for the scaling up of innovative companies and financing future growth.</p> <p>The public support provides an important policy orientation towards innovative companies and helps reducing the risks associated with private investment in venture capital. This financial support should be European and needs to be channelled more strategically to reward innovation in strategic technologies at European level and in strong coordination with the national level.</p>
<p>3.1.5</p> <p>The rule of law must be upheld. The EU is based on a comprehensive set of rules (<i>acquis</i>) and will only function if these rules are transposed</p>	<p>The Commission set a target of reducing the conformity deficit to 0.5% (i.e., the maximum percentage of incorrectly transposed Directives). The actual rate</p>

<p>and enforced equally across the Member States. In fact, many of these rules have not been transposed into national law, are being implemented very differently, or are being applied to very different degrees. This is a serious and substantial obstacle to the smooth functioning of the internal market and to public confidence in it. Therefore, enforcement of the <i>acquis</i> should be a priority for strengthening the internal market and boosting people's trust therein.</p>	<p>improved in 2023 reaching 1.2%. The Commission will continue to work with Member States to reach this objective. For example, the Commission and Member States have addressed obstacles to the Single Market in the Single Market Enforcement Taskforce (SMET). In 2023, Member States committed to removing 301 prior checks for professions as they were deemed disproportionate. SMET also screened over 170 process-related barriers for wind and solar energy projects, with Member States committing to removing half of them. This objective has been exceeded by mid-February 2024, with 60% of the confirmed barriers having been addressed <sup>69</sup>.</p>
<p>3.1.6</p> <p>It is important that the EU take a clear stand against protectionist tendencies and unfair trading practices, in cooperation with like-minded partners and in international organisations. Trade defence instruments must be used quickly and effectively by the European Commission to review State aid granted to businesses by the authorities of non-EU Member States and, where appropriate, to prevent those businesses and their products from benefiting from unfair preferential treatment when entering the EU's internal market.</p>	<p>International trade is key to the EU's long-term competitiveness. At the same time, new trade-related risks are arising from increased geopolitical tensions, unfair trade practices and asymmetric dependencies. In reaction, the EU is using its well-established trade defence tools to defend the level playing field in Europe against dumped or subsidized imports. At the same time, the EU has added to its toolbox and is actively deploying, a series of new instruments, such as the EU Foreign Subsidies Regulation<sup>70</sup>, the Regulation on the Screening of Foreign Direct Investments<sup>71</sup>, the Anti-Coercion Instrument<sup>72</sup> and the International</p>

<sup>69</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *The 2024 Annual Single Market and Competitiveness Report*, COM/2024/77 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52024DC0077>.

<sup>70</sup> Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market ([Regulation - 2022/2560 - EN - EUR-Lex \(europa.eu\)](#)).

<sup>71</sup> Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union ([Regulation - 2019/452 - EN - EUR-Lex \(europa.eu\)](#)).

<sup>72</sup> Regulation (EU) 2023/2675 of the European Parliament and of the Council of 22 November 2023 on the protection of the Union and its Member States from economic coercion by third countries ([Regulation - 2023/2675 - EN - EUR-Lex \(europa.eu\)](#)).

	Procurement Instrument <sup>73</sup> , to ensure that the EU can protect its level playing-field and economic security and address all aspects of the evolving risk landscape.
<p>3.1.7</p> <p>Common European standards can open up business opportunities and facilitate economic cooperation with partners and customers in the EU and worldwide. The EESC is nevertheless concerned about apparent trends in the politicisation of standardisation and in moves to enshrine technical provisions in legislation by means of delegated acts. Key norms and standards developed in this way often lead to delays and do not filter through to the business world. This creates legal uncertainty. The resulting delay must be addressed as a matter of urgency, and support must be given to involving businesses in the development of these norms and standards.</p>	<p>The importance and strategic role of standards for EU policy making was underlined in the Commission’s EU Strategy on Standardisation<sup>74</sup> on setting global standards in support of a resilient, green and digital EU Single Market.</p> <p>Harmonised standards have proven to be a well-established tool for manufacturers to benefit from a presumption of conformity with the requirements of EU harmonisation legislation across the Single Market and at the same time to provide an easy way to access the market, also at reduced costs.</p> <p>In recent years, there have been situations when the European standardisation organisations could not provide the Commission with the requested harmonised standards. This poses a risk to the safety of EU citizens and leaves a gap in the application of EU legislation.</p> <p>Therefore, the alternative route of adopting common specifications via implementing acts is intended as an option to be used only in such exceptional cases when the application of a legislative act is at risk. The provisions, empowering the Commission to establish common specifications for the essential requirements, set out in the respective legislation, establish strict conditions for</p>

<sup>73</sup> Regulation (EU) 2022/1031 of the European Parliament and of the Council of 23 June 2022 on the access of third-country economic operators, goods and services to the Union’s public procurement and concession markets and procedures supporting negotiations on access of Union economic operators, goods and services to the public procurement and concession markets of third countries (International Procurement Instrument – IPI) ([Regulation - 2022/1031 - EN - EUR-Lex \(europa.eu\)](#)).

<sup>74</sup> COM(2022) 31.

	its application. So far, the Commission has not yet applied these provisions.
<p>3.2.8</p> <p>A strong internal market entails removing persistent barriers, actively supporting innovation and research, targeting and directing investments by adapting European rules on State aid in line with these objectives. Against this background, it is important to check whether existing competition law is still fit for purpose and whether more account should be taken of the public policy goals of the EU and its Member States.</p> <p>This strong internal market must be underpinned by a territorial approach, involving the regions and all local authorities.</p> <p>It must help implement the Charter of Fundamental Rights and the European Pillar of Social Rights, incorporate the development of human capital and promote properly-paid, good quality jobs so as to associate employees in the necessary transitions.</p> <p>3.4.3</p> <p>As regards the vital role played by the hospital sector in everyday life and during periods of acute public health problems (COVID-19), it is essential that competition policy and State aid rules be applied with due regard for both Member States' prerogatives to set national public health objectives and for the range of</p>	<p>The Commission has conducted a comprehensive review of the State aid rules through a fitness check, which was concluded in October 2020. The evaluation concluded that, overall, the State aid control system and rules are fit for purpose. However, individual rules needed some adaptation, also in the light of the European Green Deal and the EU's Industrial and Digital Strategies. Since then, the Commission has notably adopted revised guidelines in several areas: the Regional Aid Guidelines<sup>75</sup>, the Communication on Research, Development and Innovation Framework<sup>76</sup>, the Communication on Important Projects of Common European Interest<sup>77</sup>, the Risk Finance Guidelines<sup>78</sup>, the Climate, Environmental Protection and Energy Aid Guidelines<sup>79</sup>, the Broadband Guidelines<sup>80</sup>; the Short-Term Export Credit Communication<sup>81</sup>. The Commission also adopted amendments to certain rules on small amounts of aid, such as for small amounts for services of general economic interest (the SGEI <i>de minimis</i> regulation<sup>82</sup>). Further, the Commission adopted a targeted amendment of the General Block Exemption Regulation<sup>83</sup>, in particular to</p>

<sup>75</sup> C(2021) 2594 final.

<sup>76</sup> C(2022) 7388 final.

<sup>77</sup> C(2021) 8481 fina.

<sup>78</sup> C(2021) 8712 final.

<sup>79</sup> C(2022) 481 final.

<sup>80</sup> C(2022) 9343 final.

<sup>81</sup> C(2021) 8705 final.

<sup>82</sup> Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest ([EUR-Lex - 02012R0360-20181231 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2012/360/oj)).

<sup>83</sup> Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the

socio-economic models governing the hospital sector, without impeding the proper functioning of the internal market. The application of EU competition rules (particularly those on State aid) to healthcare services must allow for the fact that they provide a service which is in the general interest of society. Due regard must be given to the principles of cohesion and solidarity as these services are instrumental in enacting them

further simplify and speed up support for the green and digital transitions.

The Commission concurs with the idea that the further development of the Single Market can only be successful when it contains a genuine social dimension which ensures social fairness and social cohesion. This is key for ensuring that the necessary level playing field is in place, for a smooth functioning of the Single Market. The European Pillar of Social Rights and its Action Plan help to give shape to this social dimension.

A strong social dimension in the EU Single Market fosters inclusive prosperity, ensuring fair opportunities, workers' rights, and social protection for all, while also contributing to growth and competitiveness. It reinforces the European Union's commitment to solidarity, reducing inequalities, and advancing the well-being of all citizens, aligning with the rights established in the Charter of Fundamental Rights and with the values of the European Pillar on Social Rights for a cohesive, people-centered Union.

The Commission recognises that hospitals and healthcare services have specific characteristics that need to be taken into consideration, including from the perspective of application of State aid rules. In this respect, the Commission recalls that pursuant to Article 168(7) of the Treaty on the Functioning of the European Union (TFEU), Member States are responsible for the definition of their health policy and for the organisation and delivery of health services and medical

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Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty ([Regulation - 2023/1315 - EN - EUR-Lex \(europa.eu\)](#)).



	<p>care, as well as for the allocation of resources for healthcare services. Member States enjoy a wide discretion in the organisation of their national health system and may decide on how best to allocate resources. The application of State aid rules to hospitals and healthcare services does not prejudice whether the activities at stake are economic or non-economic in nature, which will depend on the specific set-up. Bearing in mind the above, the Commission notes that the application of State aid rules does not impinge upon the public health objectives of Member States.</p>
<p>3.4.5 The EESC urges the European Commission to carry out a thorough assessment of the way in which SG(E)I operate and their impact, looking at:</p> <ul style="list-style-type: none"> <li>– the consequences of the liberalisation of SGEI for economic, social and territorial cohesion in terms of quality, accessibility, adaptability and price/service;</li> <li>– the potential need to create European instruments for public intervention in SGEI sectors and/or the establishment of effective European public services;</li> <li>– the possible identification of an autonomous category of social services of general interest (SSGI) with a broader scope than substantive law in terms of solidarity and social justice.</li> </ul> <p>3.4.6 The quest for open strategic autonomy requires that an ambitious programme of modernisation and framework conditions be launched in SGEI strategic sectors such as energy and raw materials; mobility and public transport; water, sanitation and water resources; telecommunications and digital accessibility.</p>	<p>On 1 December 2022, the Commission published the results of the evaluation of the EU State aid rules for services of general economic interest (SGEI) applicable to health and social services<sup>84</sup>. The evaluation concludes that, overall, the SGEI rules for health and social services are fit for purpose and that amendments introduced to the SGEI rules in 2012, to simplify them and clarify certain key concepts, have facilitated their application to health and social SGEIs. At the same time, the evaluation revealed that certain adjustments may be needed to even further simplify and clarify the existing rules, and reduce the administrative burden for Member States when compensating companies discharging SGEIs. The Commission continues its reflection on how to address the issues identified in the context of the evaluation.</p> <p>In the absence of specific Union rules defining the scope for the existence of an SGEI, Member States have a wide margin of discretion in defining a given service as</p>

<sup>84</sup>[https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\\_22\\_7233/IP\\_22\\_7233\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_22_7233/IP_22_7233_EN.pdf)

<p>3.4.7 Specific recommendations for SGEI</p> <p>The EESC is calling for:</p> <ul style="list-style-type: none"> <li>– a 2024-2029 European plan for strategic SGEI sectors to be launched as part of the establishment of the EU's open strategic autonomy;</li> <li>– the next College of Commissioners to include a commissioner responsible for the 2024-2029 strategic plan for secure, good-quality and sustainable SGEI and a European agency to be entrusted with monitoring developments in public service obligations and the universal service of SGEI;</li> <li>– a European operator for the extra-high-voltage transmission and cross-border interconnection network;</li> <li>– a study on the establishment of European operators for high speed trans-European rail transport networks;</li> <li>– a clear definition of Galileo's public service tasks and obligations; and</li> </ul> <p>all relevant stakeholders to be given access to the results of publicly funded research.</p>	<p>an SGEI and in granting compensation to the service provider. The Commission's competence in this respect is limited to checking whether the Member State has made a manifest error when defining the service as an SGEI and to assessing any State aid involved in the compensation.</p> <p>Where Member States want to do so, the Commission can assist them to ensure compliance with EU rules in the context of a prenotification process.</p>
<p>3.2.10</p> <p>The development of AI should be one of the priorities of industrial policy and of steps to strengthen the internal market. There is a need for principles and criteria that can guide its use by the businesses concerned, so that it is in keeping with European values. This is all the more important both for businesses that produce artificial intelligence – i.e. software and forecasting systems that make massive use of data which must be acquired and processed in line with representativeness, reliability, data protection and transparency criteria – and for businesses that use AI in their processes, so as</p>	<p>The Commission shares the view that it is crucial that artificial intelligence (AI) is developed and deployed in accordance with European values. That is why it has proposed the Artificial Intelligence Act<sup>85</sup>, which was adopted by the European Parliament on 13 March 2024 and by the Council on 21 May 2024<sup>86</sup>. The AI Act ensures that the physical safety and fundamental rights of citizens are protected while at the same time keeping the administrative burden for businesses to a minimum. By harmonising requirements in the EU, it also strengthens</p>

<sup>85</sup> COM(2021) 206 final.

<sup>86</sup> [EU AI Act: first regulation on artificial intelligence | Topics | European Parliament \(europa.eu\)](#).

<p>to ensure that it is used properly and does not infringe users', customers' and workers' rights.</p>	<p>the internal market and guarantees unfettered market access for AI developers.</p>
<p>3.3.2</p> <p>The role of the European single market is to ensure SMEs' access to future markets and value chains. Excessive red tape in terms of notification requirements, documentation and evidence is making the core business of SMEs increasingly difficult. The "think small first" principle must once again take precedence</p>	<p>The Commission welcomes the Committee's commitment to the 'think small first' principle and agrees with its importance. The Commission continues to work towards the 25% reduction in reporting obligations announced in March 2023 without undermining the related policy objectives. It has put forward 41 initiatives to rationalise reporting with the 2024 Commission work programme and is working on additional measures. Moreover, since 2022 the Commission applies a 'one in, one out' approach to keep legislative costs under control. The offsetting target for administrative costs was largely exceeded in 2022 with net costs savings of EUR 7.3 billion, and the upcoming Commission's Annual Burden Survey will also show good results. Digitalization, including use of artificial intelligence, will play a key role across the Commission's actions to simplify reporting.</p>
<p>3.3.4</p> <p>Clear rules and pragmatic procedures are important for SMEs, especially when they operate abroad. Thus, in order to allow for simple notification in keeping with the rules on the posting of workers, reporting and verification obligations must be kept to the minimum necessary, simplified and made transparent and understandable. A standardised digital reporting portal, such as electronic reporting, is one solution for dealing with posting requirements more quickly and involving less red tape.</p>	<p>The Commission is facilitating the agreement on a common form for the declaration of posted workers for interested Member States and is promoting the widespread implementation of that common form. This administrative simplification would be complemented by the development and provision of a multilingual public interface allowing companies to submit posting declarations digitally in their own language, for all Member States who decide to make use of this tool. The Commission will moreover continue to work with Member States in SMET to promote good practices and address barriers to the freedom to provide</p>

	services cross-border, including with respect to the posting of workers.
<p>3.5.3</p> <p>It is necessary to formalise a European legal framework for social services of general interest (SSGI) which respects Member States' discretion as regards organising and financing SSGI, and to adopt a specific legal framework recognising the role of social economy enterprises as service providers.</p>	<p>The Commission recalls that a protocol on services of general interest was introduced into the Treaty on the Functioning of the European Union. It recognizes the essential role and wide discretion of national, regional, and local authorities in providing, commissioning, and organizing SGEI as closely as possible to the needs of users. Further, as already noted, Member States enjoy a wide discretion in designating certain services as SGEI, subject to a manifest error test. This is also applicable to social economy enterprises as service providers.</p>
<p>3.6.1</p> <p>The future of the internal market will most likely be linked to an enlargement of the EU. That process needs to be well managed, without placing too heavy a burden on the integration capacities of the candidate countries and their adoption of the <i>acquis</i>. The EESC proposes adopting a gradual, country-by-country approach, for example by focusing on economic integration and common EU values, which would open up the internal market to potential new Member States.</p> <p>3.6.2</p> <p>It is necessary for all parties involved to manage expectations by clearly communicating the obligations and the rights to the countries concerned, as well as to the existing EU Member States. Countries should, for example, aim to contribute to and benefit from the European Economic Area (market access), its civic space (European citizenship) and its social space (workers' rights, consumer protection).</p>	<p>In March 2024, the Commission published a 'Communication on Pre-enlargement Reforms and Policy Review'<sup>87</sup>. It recognizes that while adopting the Single Market <i>acquis</i> is central to EU accession, existing tools and frameworks also provide significant opportunities for a smooth transition to membership, including gradual integration into specific Single Market areas. For example, the Growth Plan for the Western Balkans<sup>88</sup> links Single Market integration with progress on regional economic integration and puts a particular emphasis on fundamental reforms. This aligns with the proposal made by the Committee.</p> <p>Proper communication of the opportunities provided, and the steps needed to benefit from them is an essential element of the Growth Plan and is being raised by the Commission with the Western Balkan partners at the highest level. In addition to expecting each partner</p>

<sup>87</sup> COM(2024) 146 final.

<sup>88</sup> COM(2023) 691 final.

	to develop a national communication strategy, the Commission will develop its own supporting actions mobilising both headquarters and delegations to pass clear, coherent and comprehensive messages.
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