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**Hearings of the Commissioner-designates after the EU elections in autumn 2024**

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# Elaboration of questions from the sector of circular economy

# Market flood by third-country products

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| **Question** |
| The flood of cheap product imports from non-European countries, especially through quick commerce platforms, weakens domestic trade and deliberately exploits loopholes in customs regulations. For example, the People's Republic of China dumps large quantities of cheap products on the world market, threatening entire industries. In addition to overburdening customs authorities, the costs of proper waste disposal often exceed the production costs of the products themselves. At the same time, due to the lack of adaptation of current laws to the digital world, products containing harmful chemicals enter the European market. **How do you plan to ensure intra-European sustainability of products, given that imports often have no restrictions and result in market flooding?** |
| **Further questions** |
| * Would you support lowering the customs exemption threshold to zero euros? |

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| **Background** |

Solar panels, electric cars, wind turbines, cheap clothing, and plastic trinkets—Chinese companies push their products abroad at any cost, primarily exporting their problems to Europe. Many manufacturers face massive overcapacity and offer their goods at dumping prices in Europe to keep their factories running. For instance, the Chinese industry has such extensive production capacities for solar panels that it can meet the entire world's demand at least 2.5 times.

To avoid being completely pushed out of the market, demands for anti-dumping measures by European industries are becoming increasingly justified. Additionally, toys purchased online can contain harmful chemicals in high concentrations that are banned in the EU. With the booming online trade, more and more products are found to be contaminated with plasticizers or other carcinogenic substances. Compared to products sold in physical stores, these online products are significantly lagging in safety checks. Platforms like Amazon, eBay, or Alibaba operate in a "legal gray area" where they can easily bypass protective regulations due to a lack of consequences.

# Waste tourism

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| **Question** |
| The Waste Shipment Regulation 1013/2006 governs the procedures and control measures for the shipment of waste, depending on the origin, destination, transport route, type of waste transported, and the treatment of the waste at the destination. Despite these regulations, waste from the European Union has often been exported to third countries whose quality standards do not match those of the EU. With the stricter waste shipment rules adopted in February 2024, the EU is now taking a step towards environmentally sound waste disposal in third countries. **How can you ensure that these stricter disposal practices are implemented and that evasion of waste shipment regulations through exports to third countries is effectively prevented?** |
| **Further questions** |
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| **Background** |

Each year, around 2.1 billion tons of waste are generated in the EU. To address this, the EU aims to reuse or recycle 60 percent of the municipal waste collected and treated by 2030. Additionally, according to the Landfill Directive, EU member states must reduce the amount of municipal waste sent to landfills to ten percent or less of total municipal waste generated by 2035. A significant portion of the EU’s waste is exported to countries outside the European Union. In 2022, this amounted to about 32.1 million tons, roughly 16% of global waste shipments. The majority of waste sent to third countries (55 percent) consists of ferrous metal waste (iron and steel), mainly exported to Turkey. The EU also exports a significant amount of paper waste (15 percent), primarily to India.

To combat illegal exports and ensure that waste is disposed of in an environmentally sound manner in destination countries, the EU Parliament approved stricter waste shipment rules in February 2024. These rules ban the export of plastic waste to non-OECD countries and introduce stricter conditions for exports to OECD countries. Furthermore, the shipment of waste to another EU member state will only be allowed in exceptional cases.

# Industrial relocation

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| **Question** |
| The global economy is at the beginning of a fundamental green transition towards climate-friendly technologies. In the summer of 2022, the USA passed the Inflation Reduction Act (IRA), a ten-year package of measures to support green and climate-friendly industries, under the premise that related products must be manufactured in the USA. In international competition, there is much to suggest that it could be a losing proposition for industrialists to remain in Europe much longer. **What measures do you intend to take to create conditions for re-industrialization instead of de-industrialization and to prevent the relocation of industry?** |
| **Further questions** |
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| **Background** |

The lack of skilled workers, high energy costs, and increasing regulatory requirements are increasingly threatening Europe's industrial base: While stricter requirements for quality and sustainability must be implemented, soaring costs for personnel, energy, raw materials, logistics, and sustainability reporting are reducing the profitability of European industry, thus fueling the risk of accelerated relocation abroad. State-subsidized companies in China are putting pressure on European competitors, while the US Inflation Reduction Act (IRA) is attracting many companies with lower energy costs, and India is becoming increasingly relevant as a production, development, and sales market.

Although the EU has responded to its dependence on China and the consequences of the Russian invasion of Ukraine by realigning its industrial policy and expanding state aid, there is still a lack of a comprehensive budget for joint investments. Without stronger measures, European industries could become extinct, according to economic associations. To ensure the retention of key industrial value chains, the availability of energy, skilled labour, and raw materials under acceptable conditions must be significantly improved to secure the future and global relevance of Europe's industrial base.

# Implementation of the landfill ban

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| **Question** |
| As part of the Circular Economy Package, the Landfill Directive was updated in 2018 to set new maximum limits for municipal waste deposited in landfills. Despite the necessary promotion of recycling within the waste hierarchy, exemptions will remain in place until 2040. The long-standing delay in implementing the Landfill Directive highlights the challenges of reducing greenhouse gases in the waste sector and its impact on recycling and climate goals. **After a delay of now 15 years, how do you plan to effectively and swiftly implement the landfill ban to support recycling efforts and achieve the set climate goals?** |
| **Further questions** |
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| **Background** |

The main objectives of the 1999 Landfill Directive 1999/31/EC on waste landfills include the obligation to prevent the generation of methane gas in landfills, thus mitigating global warming, ensuring effective gas control for landfills, and significantly reducing the disposal of organic waste. For the latter, the directive mandates a gradual reduction in the landfilling of biodegradable municipal waste. These targets were updated in 2018 with EU Directive 2018/850 as part of the Circular Economy Package, and a further target was added (Article 5, Paragraph 5). The key content of this update is that the maximum landfill rate must be reduced to only 10% by 2035. However, exceptions will still be in place until 2040, which are not aligned with achieving the set European climate goals.

# Battery deposit

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| **Question** |
| As part of the European Green Deal, the Battery Regulation that came into force in February 2024 covers the entire lifecycle of batteries, from production to recycling. On average, there are currently about two lithium batteries per ton of residual waste in Austria, which amounts to approximately three million units annually. Due to their high energy density, batteries pose a significant fire risk, resulting in massive consequential damage for commercial and municipal suppliers and exorbitant costs that are not covered by any insurance. **How do you intend to handle lithium-ion batteries and accumulators and solve the problem of increasing numbers in residual waste?** |
| **Further questions** |
| * Would you consider establishing a deposit system for batteries, or do you have other solutions in mind to ensure proper collection of batteries and their removal from mixed waste? |

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| **Background** |

Lithium-ion batteries are increasingly ending up in household waste through disposable e-cigarettes or wireless button headphones. In Austria alone, there are two batteries per ton of waste, amounting to nearly three million batteries annually found in household waste. Due to their high energy density, batteries in household waste pose a significant fire risk even with minimal friction, endangering workers and causing millions of euros in damage to waste disposal companies, as the batteries can easily ignite in garbage trucks, sorting, or recycling facilities. The amount of batteries in household waste in Austria has doubled in the past six years, and without countermeasures, another doubling to six million batteries is expected. A major reason for this is the massive increase in lithium batteries in circulation and the low legal collection rate of 45 percent.

The EU Battery Regulation, effective since February 2024, which covers the entire lifecycle of batteries from production to recycling, currently does not include a deposit system for batteries.

# Commodity security

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| **Question** |
| In many industrial sectors, such as the construction industry, the use of recyclable materials is an integral part of the European climate strategy. **How does the Commission intend to ensure the availability of recycled building materials, as well as other key raw materials such as phosphorus and other materials, to meet the needs of different sectors in the context of decarbonization and the energy transition?** |
| **Further questions** |
| * In Austria, this is well-regulated by the Recycling Building Materials Ordinance - however, it is unclear which materials can be counted towards the recycling quota. Do you plan to establish recycling quotas for these building materials? |

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| **Background** |

Advancing urbanization worldwide is leading to a sustained increase in demand for land and raw materials. Not only concrete, but also steel, glass, wood and numerous other materials are in such high demand regionally that demand often cannot be met in a timely manner. The construction industry is one of the world's largest consumers of natural resources and a significant emitter of greenhouse gases, associated effects on the environment and climate are manifold. The construction industry therefore faces a major challenge in terms of sustainable development, and alternative recycled building materials are in demand. Cement production causes considerable CO2 emissions, and the extraction of sand and gravel jeopardizes biodiversity. Sustainable alternatives and resource-saving construction methods are needed to reduce the environmental impact and achieve climate targets. For example, materials for thermal insulation can be obtained from renewable raw materials. These include wood fibres, cellulose from wastepaper, hemp, flax, wool, straw, reeds and seaweed, which are comparable in their insulating performance to non-renewable insulating materials such as polystyrene and also meet the fire protection requirements.

# Incineration residues

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| **Question** |
| The Waste Framework Directive 2018/851 stipulates, among other things, that metals that have been separated from incineration residues following the incineration of municipal waste can be taken into account for the calculation of the recycling quota if the metals fulfil certain quality criteria.  **Do you think that, in addition to metals, other recyclable materials (such as glass, mineral components or salts) that are separated from incineration residues and sent for recycling can also be considered for the calculation of recycling quotas?** |
| **Further questions** |
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| **Background** |

The Waste Framework Directive 2018/851, under Article 11a, paragraph 6, specifies the provisions for calculating the achievement of targets. It states that when calculating whether the targets for preparation for reuse and recycling are met, Member States may consider the recycling of metals that are separated from the residues of municipal waste incineration.

In July 2023, the EU Commission published its new proposal for the revision of the Waste Framework Directive, which primarily focuses on Extended Producer Responsibility for textiles and the reduction of food waste. However, the consideration of other materials such as glass, mineral components, or salts in the calculation of recycling rates is currently not part of the revision.

# Recycling technologies

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| **Question** |
| There is currently no existing recycling process for certain substances and new materials, such as carbon and glass fibres. With a landfill ban in force since 2023 and the closure of incineration plants for these materials, the aim is to develop recycling technologies for this market in the meantime. **How do you intend to promote recycling technologies for new materials and make them marketable if they are not yet available?** |
| **Further questions** |
| * There is also a lack of large-scale technologies for existing materials, such as in the textile sector. What implementation strategies can you envisage to promote the required plants? (see question #9) |

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| **Background** |

The steady increase in carbon fibre production (between 2010 and 2017 by approx. 11.45% annually, with global demand estimated at 199,000 tons for 2022) inevitably leads to an increase in the amount of carbon fibre waste to be processed: recycling carbon fibres is of great economic importance.

Carbon fibre is disposed of in waste incineration plants due to the landfill ban. The retention time is too short for the fibres to be completely incinerated, leading to malfunctions in fabric filter systems and electrostatic precipitators. In addition, microscopic carbon fibres contaminate ashes and slag, which are classified as carcinogenic in Germany - however, incinerating carbon fibres is very complicated or even impossible in legal and procedural terms.

However, it is possible to recycle carbon fibres using thermochemical processes: When the fibres are recycled, they must be freed from their plastic matrix. Pyrolysis has proven to be the most suitable process for this. At high temperatures in the absence of oxygen, the plastic matrix decomposes, but leaves carbon deposits on the fibres. There is currently no state-of-the-art process that allows carbon fibres to be processed into qualities comparable to those of new carbon fibres.

The same applies to glass fibres, the demand for which is estimated at around 1,594,000 tonnes in Europe in 2025.

# Sorting capacities for textiles

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| **Question** |
| The textile sector is a significant environmental factor along its entire value chain and is therefore also considered one of the most resource-intensive sectors in the European Green Deal. Due to high consumption and shortened useful life, the amount of used textiles generated each year is increasing rapidly. For this reason, the 2018 revision of the EU Waste Framework Directive already stipulated a separate collection obligation for textiles from 1 January 2025. In contrast to lightweight packaging, optical and sensory sorting of textiles is more difficult and there is no corresponding infrastructure in the form of centralised sorting facilities. **What strategies are you pursuing to ensure that textiles can be sorted and to create sorting capacities for used textiles?** |
| **Further questions** |
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| **Background** |

The textile sector faces significant challenges due to insufficient sorting capacities, which are crucial for effective waste management and recycling. In 2020, the EU generated approximately 6.95 million tons of textile waste, equating to about 16kg per person. Out of this, only 4.4kg per person was collected separately for reuse and recycling, while the remaining 11.6kg ended up in mixed household waste, often destined for incineration or landfills. This lack of proper sorting infrastructure not only undermines recycling efforts but also exacerbates environmental pollution and waste management issues.

In more than half of the EU-27 Member States, separate textile collection is mandatory, but the primary focus has been on capturing reusable textiles rather than recycling. Without scaling up sorting and recycling capacities, a significant portion of textile waste will continue to be exported to regions outside the EU, where environmental standards may be lower. This poses risks of mismanagement and environmental harm in importing countries. Moreover, the current collection systems, predominantly based on street containers and civic amenity sites, face challenges such as contamination and inefficiency. Enhancing sorting capacities within the EU would ensure that textiles are appropriately processed, reducing reliance on exports and supporting the circular economy. Harmonizing definitions and mandatory reporting on textile waste management are essential steps to set future targets and monitor progress, ultimately fostering a sustainable and resource-efficient textile industry in Europe.

# Sewage sludge

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| **Question** |
| The current Sewage Sludge Directive, in effect since 1986, has not seen significant updates despite considerable advances in understanding pollutant loads in sewage sludge and the challenges associated with phosphorus recovery over the past decades. Nowadays, sewage sludge is also extensively used for energy generation, and several member states have already implemented stricter pollutant limits for soils. **Given last year’s evaluation, do you see the necessity for revising the directive? If so, which sections primarily need revision, and which areas require expansion or additional regulation?** |
| **Further questions** |
| * How do you envisage the future handling of organic matter and the valuable nutrients in sewage sludge, particularly phosphorus, potassium and nitrogen? * Are you pursuing the path of open technology (composting, hydrothermal carbonization, fermentation, mono-incineration, etc.) in the further use of sewage sludge or are you deliberately restricting this to mono-incineration? * What subsidies do you make available to the respective companies? * Are you considering regulating the direct agricultural application of sewage sludge? |

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| **Background** |

The composting of high-quality sewage sludge makes a significant contribution to nutrient and humus supply within the EU circular economy. High-quality sewage sludge compost provides not only valuable plant nutrients such as phosphorus, nitrogen, potassium, sulfur, and calcium but also organic matter. Maintaining and building humus is crucial for the sustainable resilience of fertile soils. Composting is a proven method for recycling biogenic waste back into closed material cycles. This process ensures that not only the available phosphorus but also all other essential nutrients and organic matter, which form the basis for humus, are preserved. Therefore, it is even more important to enable the composting industry in Europe to operate sustainably and, in accordance with the waste hierarchy, to prioritize composting over thermal treatment of sewage sludge.

# Bio-based fertilizers

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| **Question** |
| At present, conventional fertilizers are still primarily used in agriculture. **How does the Commission intend to operate more resiliently for bio-based fertilizers within European borders and create a market ramp-up?** |
| **Further questions** |
| * In practice, it is still unclear whether anaerobic digestion is regarded as material recovery. Are there plans to clarify this by clearly designating fermentation as material recovery in the treatment methods listed in the Annex to the Waste Framework Directive? * The lack of clarification continues to be an obstacle to the market ramp-up of bio-based fertilisers, e.g. clear rules are needed as to when organic waste that undergoes material recovery through fermentation, hydrothermal carbonisation or composting loses its waste status. Are there plans to specify this both in the EU Waste Framework Directive, Fertiliser Regulation and as a requirement for the national fertiliser laws in the member states? |

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| **Background** |

The utilization of biogenic waste is an essential component for an efficient circular economy. Composting, hydrothermal carbonization, and anaerobic digestion are available pathways for processing biogenic waste, enabling these materials to be returned to closed material cycles and thereby making a significant contribution to achieving recycling targets and sustainability. Anaerobic digestion of organic waste is a combination of material and energy recovery.

To facilitate the market uptake of biobased fertilizers, it is essential to reflect this through the Waste Framework Directive, such as by clearly indicating that biogas technology is a form of material and not merely energy recovery (comparable to Art. 22 para. 2a of the Waste Framework Directive 2018/851/EU). This requires clarification that anaerobic digestion, when followed by the application of the digestate as fertilizer, constitutes material recovery and should not be mentioned only as a footnote. Practice shows that the lack of explicit clarification often leads to ambiguities. Additionally, clear rules are needed for the end-of-waste status and the end of the scope of animal by-products when a product generated through the anaerobic digestion of organic waste can be used as a biobased fertilizer.

# Precaution in environmental protection

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| **Question** |
| The legal basis for regulations currently under discussion, such as the Packaging Ordinance, is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU). This article makes it possible to adopt measures to harmonize environmental protection standards in order to ensure uniform environmental protection standards throughout the internal market. By way of derogation, Article 192 (TFEU) allows the Council, acting unanimously, to adopt rules in specific areas such as spatial planning, water management and energy supply. Do you intend to base more of the European Commission's precautionary environmental legislation on Article 192 instead of 114 in the future? |
| **Further questions** |
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| **Background** |

The Treaty on the Functioning of the European Union (TFEU), which came into force in December 2009, forms the basis of EU law and sets out the principles and objectives of the EU as well as its actions in various policy areas. Alongside the Treaty on European Union (TEU), it is one of the two primary treaties of the EU. These treaties include in their preambles the wording from the founding Treaty of the European Community, aiming to "lay the foundations for an ever-closer union among the peoples of Europe. The most extensive part of the TFEU (Articles 26 to 197) establishes the legal basis for the EU's internal policies and measures in areas such as the internal market, common agricultural policy, economic and monetary policy, industry, transport, and consumer protection. It is upon this basis that current directives are founded. For instance, in the case of the Packaging Directive, Article 114 TFEU, which is part of the chapter on the approximation of laws, serves as the legal basis. This article allows the EU to harmonize regulations and administrative measures across all member states, ensuring consistency within the internal market. However, in specific areas such as spatial planning, water management, and energy supply, the Council can unanimously adopt regulations based on Article 192 TFEU, which deviates from the general rule. Consequently, Article 192 TFEU provides a comprehensive and flexible legal framework enabling the EU to design and implement effective and tailored environmental policies. This is crucial for sustainably strengthening environmental protection within the EU and ensuring that environmental measures are effective and distributed.

In the example of the Packaging Directive, it is evident that environmental measures based on Article 114 TFEU can consider environmental aspects but primarily aim at harmonizing the internal market. Environmental protection is not the primary focus and can be overshadowed by economic interests. Therefore, Article 192 TFEU would be a more suitable legal basis if the primary goal of the measure is environmental protection.

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# Ecodesign Directive - Digital Product Pass (DPP)

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| **Question** |
| The new Ecodesign Regulation aims to make sustainable products the new norm in the EU by promoting their energy efficiency, durability, reusability and recyclability. To support the sustainability goals and provide consumers with comprehensive information on the environmental impact of products, the introduction of a digital product pass (DPP) is of great importance. **Are you in favour of implementing the product pass in all sectors as soon as possible?** |
| **Further questions** |
| * Do you intend to apply product plan obligations to both manufacturers and distributors and what timeframe have you set for the implementation of a product pass? * Does the European Commission provide an interface between old and new product pass? * How can this data be harmonized and combined without creating additional, overly administratively burdensome systems? |

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| **Background** |

At the end of November 2023, the European Commission published a regulation for the creation of a Digital Product Pass (DPP). The aim of the DPP is to provide transparency over the entire lifecycle of a product. It will contain comprehensive information about the product's identity, origin, composition, environmental impact, as well as its repairability and recyclability, accessible via a QR code or hyperlink. The DPP is intended to help consumers make more sustainable purchasing decisions and to incentivize manufacturers to develop more environmentally friendly products. This initiative will enhance the repairability and recyclability of products, contributing to extending their lifespan and facilitating the reuse of raw materials. Starting in 2026, the first DPPs will be mandatory for batteries. In parallel, the EU is already promoting initial product pass approaches for the sectors of textiles, automotive, and electrical appliances. The EU plans to review and adjust the regulation every three years, which could lead to an expansion of the mandatory product groups.

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# Ecodesign Directive - protective measures for emergency services

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| **Question** |
| In 2023, the European Union recorded a share of around 14.6 per cent of electric cars in new car registrations. In the context of disaster relief operations and accidents, the unclear localization of batteries poses a life-threatening challenge for emergency services. How can effective protective measures for emergency services be developed and implemented in accordance with the Eco-design Directive, especially in light of the increasing electrification of road transport? |
| **Further questions** |
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| **Background** |

Generally speaking, electric vehicles that catch fire require greater demands on emergency crews and operational tactics than conventionally powered models. This is primarily due to the accessibility of the battery cells. In the protected battery packs, the burning cell heats up its neighboring cells until they also start to burn. In addition to internal short circuits, the main causes of fire are mechanical damage to the battery, for example if it is punctured by a metal object in an accident. If the separator made of PP film with pores between the two electrodes is damaged, lithium-ion batteries lose their integrated emergency switch and an exothermic chain reaction, in which all the energy is released in thermal form, can result. This consequence, a so-called thermal runaway, can only be stopped or controlled by massive, deep-penetrating cooling, as around 7 to 11 times the electrically stored energy is released in the form of thermal energy; the decay of cathode materials used also accelerates critical reaction processes.

By equipping their electric cars with standardized protection systems, manufacturers can support rescuers in their work: If the fire brigade first must identify the extinguishing system and search for access to the water in the event of a fire or rear-end collision, valuable time is lost. Therefore, standardized and even automatically triggered systems would be ideal.

# Certification of products

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| **Question** |
| According to the Ecolabel Index, the world's largest directory for environmental labels, there are currently 456 registered eco-certificates in 199 countries and 25 industries globally. However, not every sustainability logo represents a credible and independently verified certification. Consumers often cannot tell whether a logo is merely an award or an actual certification where an independent body verifies that a company meets the requirements of a sustainability label. **How should the proliferation of certifications be curtailed while ensuring that particularly in procurement, sustainable and transparent certification is guaranteed?** |
| **Further questions** |
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| **Background** |

Certification is a process through which an independent certification body publicly and formally confirms that a product, process, or system meets specific established requirements. Certification plays a crucial role in sustainable consumption, as consumers encounter certification in the form of labels while shopping. Additionally, certification indirectly impacts consumption by serving as a key indicator for verifying compliance with supply chain laws or regulating environmental claims. However, for consumers, it is often unclear how reliable different certifications are or whether they genuinely ensure sustainable production.

According to the Ecolabel Index, the world's largest directory for environmental labels, there are currently 456 registered eco-certificates globally across 199 countries and 25 industries. Not every sustainability logo represents a credible and independently verified certificate. Due to frequent significant errors in certification, stricter rules are needed for sustainability certification. Mandatory accreditation, legal minimum criteria, and liability regulations could enhance reliability and enable consumers to make sustainable choices.

# Bioeconomy - cascading utilization of organic waste

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| **Question** |
| Organic waste such as green cuttings can be utilized in various ways, including biogas production or composting. National efforts often aim to first extract biogas as an energy source and then use the remaining waste for composting and material recovery. However, there is currently no clear legal framework at the EU level that specifies the preferred usage. Wood is currently the only biomass raw material for which a significant cascade utilization has been implemented, particularly in the paper and pulp sector. Given the versatility of organic waste and the importance of sustainable waste management, the question arises: **Does the European Commission intend to introduce a cascade utilization for organic waste, similar to the existing one for forest biomass?** |
| **Further questions** |
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| **Background** |

The cascade utilization of biomass is frequently mentioned in numerous environmental strategies and programs as an important element for increasing resource efficiency. According to this principle, biomass should be used for material purposes as long, as often, and as efficiently as possible before being utilized for energy at the end of its lifecycle. The more meaningful intermediate steps are included in the utilization chain, the better the ultimate raw material and land-use efficiency, and the higher the value creation potential.

For example, wood is taken from the forest and initially used for material purposes, such as making a shelf, which, after use, is returned to the manufacturer for refurbishment and resale. Only after the shelf has changed hands several times is the raw material used for energy.

Currently, however, wood is the only biomass raw material for which significant cascade utilization has been implemented. The fact that this approach to cascade utilization can also be applied to other materials, such as organic waste, yet lacks a legal framework at the EU level, is surprising, given the clear advantages for resource and climate protection. By combining anaerobic digestion and composting processes, biogas is produced and can be used in the form of electricity, heat, or biomethane. This could reduce the use of fossil fuels and thus contribute to the reduction of greenhouse gases.

# Carbon capture, utilization and storage

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| **Question** |
| Given the urgency to curb climate change, the discussion around Carbon Capture, Utilization, and Storage (CCUS) has gained global significance. CCUS offers a way to reduce CO2 emissions by capturing and storing carbon from industrial processes and power generation. However, it also involves various risks, particularly concerning potential leaks and associated contaminant entries into groundwater and soils, as well as increased CO2 levels. **For which sectors is it initially planned to make CCS mandatory, and how can CCS be accounted for in waste incineration?** |
| **Further questions** |
| * Do you think that the technical and legal framework will be created during the legislative period and what timeframe is envisaged? * Are you considering the introduction of a carbon bank as an intermediate step, and if so, do you have any concrete ideas about its functionality? * What subsidies are planned for carbon capture technologies? |

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| **Background** |

The European Commission published a comprehensive Carbon Management Strategy in February 2024, aiming to reduce, store (CCS), and utilize (CCU) CO2 emissions through various technologies. The development and integration of CO2 transport infrastructures is also a key component of this strategy to establish a functioning CO2 market in Europe. The EU plans to expand CO2 storage capacities to at least 50 million tons per year by 2030 and further increase this capacity by 2040 and beyond.

Despite the generally positive statements about the role and necessity of CCUS in the strategy plan, it poses significant risks. The process requires large amounts of energy, which can negatively impact the CO2 balance, potentially leading to more emissions than are saved. Furthermore, stored CO2 is often quickly released again, especially when used in fertilizers and synthetic fuels. There is also the risk of leaks and contaminant entries into soil and groundwater. Long-term studies proving no harm to human health and the environment are lacking.

# Right to repair

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| **Question** |
| The recently reached agreement at the EU level on the "right to repair" for everyday devices such as vacuum cleaners, washing machines, and mobile phones marks a significant step in consumer and environmental protection. This initiative aims to reduce waste, extend the lifespan of products, and overcome the throwaway culture.  **What considerations are there from the perspective of consumer protection regarding products not produced in the EU and the right to repair, specifically to ensure the applicability and feasibility of battery or battery removal?** |
| **Further questions** |
| * For which materials and products can you envision implementing product-specific requirements in alignment with the Eco-design Directive? |

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| **Background** |

The disposal of repairable goods has significant environmental impacts. The "Right to Repair" directive, adopted in April 2024, is considered a crucial step towards the EU's plan to achieve a circular economy by 2050 as part of the European Green Deal. The directive aims to promote more sustainable consumption by facilitating the repair of defective goods, reducing waste, and supporting the repair sector. For instance, sellers are required to prioritize repairs over replacements within the legal warranty period if repairs are cheaper or cost-equivalent to replacements. After a repair, the warranty is extended by one year. Consumers also have the right to request repairs for products such as washing machines, vacuum cleaners, and smartphones even after the warranty period has expired. Additionally, a European online platform will be established to help consumers find local repair shops, and loaner devices will be offered during the repair period. This directive promotes sustainable consumption and supports the transition to a greener economy, complemented by other EU regulations like the Eco-design Directive.

# ETS emissions trading system - thermal utilisation and landfills

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| **Question** |
| For the possible inclusion of plants for the thermal utilization of municipal waste in the EU ETS, the EU member states will be obliged to submit reports on the relevant emissions from 2024. Based on these reports, the European Commission will review the inclusion in the EU ETS from 2028 by mid-2026. **Could you imagine that if thermal waste utilization is included, other waste management processes such as landfills that cause methane and nitrogen oxide emissions in the EU will also be taken into consideration in the EU ETS in order to prevent displacement?** |
| **Further questions** |
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| **Background** |

The EU Emissions Trading System (EU-ETS) is a crucial component of the EU's "Fit-for-55" climate package, which aims to reduce greenhouse gas emissions in the European Union to net-zero by 2050. Under this system, companies in energy-intensive industries and power producers are required to purchase CO2 certificates to emit CO2. Starting in 2024, EU member states must report emissions from thermal waste treatment. Based on these reports, the European Commission is expected to conduct a study by mid-2026 on the feasibility of including thermal waste treatment in the EU-ETS from 2028, considering potential shifts to landfills and exports to third countries. The Commission's original proposal did not include thermal waste treatment in the EU-ETS. To prevent market distortions, the inclusion of anaerobic digestion, composting, and landfills should also be considered.

# Public procurement law towards ESG

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| **Question** |
| Public procurement law faces the challenge of integrating sustainability criteria appropriately. Particularly in the context of the lowest bidder principle that is not in line with environmental sustainability, a genuine establishment of a best bidder principle is necessary. **Are you thinking of changing public procurement law in the direction of ESG and possibly anchoring this in the Ecodesign Directive through standards?** |
| **Further questions** |
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| **Background** |

With the European Green Deal, the European Union has presented an ambitious strategy to achieve climate neutrality by 2050 and decouple economic growth from the use of fossil resources. Directive (EU) 2022/2464 on corporate sustainability reporting came into force on 5 January 2023 and should be transposed into national law by July of this year. In light of these additional sustainability reporting requirements, many companies are facing new challenges and opportunities to harmonize environmental, social and governance (ESG) aspects with their business activities.

Public buyers are important investors in Europe, public procurement accounts for more than 16% of the EU's GDP and is a fundamental part of the European economy. Since the founding of the EU, public procurement has been continuously developed through legal reforms[[1]](#footnote-1). There is currently an opportunity to initiate socio-ecological processes in the economy, to focus more strongly on sustainable issues and to promote socially responsible behavior. By integrating ecological criteria such as quality, transport routes, delivery times, environmental aspects or alternative drive systems into the procurement system, positive social effects can be achieved.

A more environmentally friendly public procurement system means that not only the price, but also the above-mentioned criteria are considered when awarding public contracts, positively contributing to sustainability. Procurement processes could therefore be a powerful steering instrument, but many procurement law experts are unclear as to how they can measure sustainability criteria correctly.

# Resilient waste management

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| **Question** |
| With the EU Taxonomy, an EU-wide classification system for environmentally sustainable economic activities is being established for the first time. Its aim is to expand sustainable investments to support the implementation of the European Green Deal. Thermal waste treatment is currently not classified as a sustainable economic activity under the Taxonomy, even though the so-called "Do No Significant Harm" (DNSH) criterion is met for all six environmental objectives of the Taxonomy. This could result in it becoming more difficult to make the necessary investments in thermal waste treatment to achieve circular economy goals. **How do you plan to ensure that thermal-ecological waste incineration contributes to Europe's diversity and energy security?** |
| **Further questions** |
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| **Background** |

The combination of recycling, incineration, and landfill ensures safe waste disposal, protecting the environment, health, and resources. Waste incineration plants play a crucial role as they not only eliminate waste but also recover energy, reducing the use of primary raw materials. Since not all waste can be efficiently recycled, thermal treatment is often the most sustainable method of disposal, also supporting material recycling processes. The establishment of the EU Taxonomy classification system defines which economic activities are recognized as "green." Companies that comply with these taxonomy guidelines are expected to have better financing opportunities in the market compared to those that do not. It is also anticipated that access to EU funding will be linked to these taxonomy criteria to promote the green transition.

Particularly relevant for the circular economy is Annex 2 of the delegated act "Taxo4," which defines the economic activities that support the circular economy. However, the thermal treatment of mixed municipal waste is not listed as such an activity, thus threatening companies carrying out thermal incineration and consequently imperil energy security in Europe.

# Elaboration of questions from the sector of water policy

# European Blue Deal - Commitment & Implementation

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| **Question** |
| Water is one of our most valuable resources. The "blue gold" is essential for our agriculture, industry, energy production and our health - for our survival. However, the effects of climate change, increasing urbanisation and industrialisation and intensive agricultural practices are putting increasing pressure on our water resources. Members of the European Parliament and the EESC are therefore calling for the introduction of a "European Blue Deal". Similar to the European Green Deal, this comprehensive water strategy is intended to ensure the sustainable management of water resources. The aim is water-conscious legislation that recognises the importance of water in all policy areas, guarantees the human right to water and enables resilient water management. **As the designated EU Commissioner, to what extent are you committed to the demands of the Blue Deal?** |
| **Further question** |
| * How do you specifically envisage the implementation steps? |

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| **Background** |

Water is a vital resource, essential for ecosystems, human life and the functioning of the economy and society. Despite its central role, global water resources are under increasing pressure. The UN has recognised access to clean drinking water as a human right, but even within the EU there are people without an adequate supply. Although the EU has created a legal framework to protect freshwater and marine resources, many goals have not yet been achieved.

In autumn 2023, the European Economic and Social Committee (EESC) therefore called for a separate strategic policy area: the European Blue Deal. This is intended to complement the Green Deal and fulfil the UN's Sustainable Development Goals. The Blue Deal should include a comprehensive strategy to secure water resources in the short, medium and long term and ensure a water-resilient future.

The EESC calls on the EU institutions and Member States to consider water as a strategic priority in the upcoming programming period. Joint action and a strong, ambitious water strategy at EU level are essential to ensure a sustainable and water-resilient future. The EU must take a human rights-based approach to water and combat water poverty. Services such as water, sanitation and hygiene (WASH) must be sustainable, equitable and affordable. Agriculture and industry must contribute to tackling water scarcity. Water must be seen as a fundamental element of the EU's industrial strategy in order to utilise water resources appropriately. The EU should also strengthen its foreign policy and international co-operation through blue diplomacy to improve and implement international water agreements. A comprehensive EU water policy with a financial framework that ensures fair and transparent water pricing is crucial for a sustainable future for Europe.

# European Blue Deal - Prioritising use for human consumption

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| **Question** |
| The effects of climate change, increasing soil sealing, urbanisation and industrialisation as well as intensive agricultural practices are putting our water resources under severe pressure. As water becomes increasingly scarce, conflicts of use between drinking water supply, industry, agriculture or energy production will become more and more tense. **How do you intend to implement the Blue Deal's call to prioritise the use of water for human consumption** (in accordance with Directive (EU)2020/2184) **over other applications such as industry, agriculture or energy production?** |
| **Further question** |
| * Do you think it is necessary to create a new legal act to achieve this or is the existing legal framework sufficient enough? |

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| **Background** |

Pollution and overuse are negative consequences of the competing demand for water and affect not only our ecosystems and biodiversity, but also our health. These problems are exacerbated in particular by increasing water scarcity. Direct health problems are often linked to pollutants in water, such as bacteria, viruses, metals or pesticides. The scarcer water becomes, the more intense the competition between different types of utilisation becomes, which further increases the risk of pollution and health hazards.

With 39% of all land used, 10 million farmers and a total of 40 million jobs, the agricultural and food sector is one of the most important economic sectors in the EU. This sector alone already accounts for around a quarter of all water abstraction in the EU. Furthermore, according to a report by the European Court of Auditors, the Common Agricultural Policy (CAP) favours greater rather than more efficient and sustainable water use. Conventional agriculture leads to considerable damage to biodiversity and the quality of soil and groundwater due to nitrate inputs and pesticides.

Around 65% of drinking water in the EU comes from groundwater, a quarter of which is chemically contaminated and almost 10% is affected by unsustainable abstraction. In addition, 4% to 11% of groundwater monitoring sites show elevated pesticide levels.[[2]](#footnote-2)

Every day, 250 to 275 hectares of soil are lost to development in Europe, mainly due to intensive agriculture and urbanisation, leading to the erosion of 42 million hectares and negatively impacting a quarter of the land. Climate change is exacerbating the challenges Europe faces in terms of water quantity and quality, e.g. through more frequent droughts and floods. In southern Europe in particular, but also in other regions, water scarcity will increase and have a major impact on all areas of life and the economy.

# European Blue Deal - Water Resilience Initiative

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| **Question** |
| Last year, the EU Parliament and the EESC issued a joint call for a European Blue Deal, a comprehensive EU water strategy to ensure the sustainable management of water resources and lead to water-conscious legislation.  The Water Resilience Initiative announced by the EU Commission with its promised focus on topics such as sustainable water use or dealing with climate change could have been a first step towards such an EU water strategy. However, it was removed from the agenda for the EU Commission's weekly meetings shortly before the planned publication date without any reference to the further timetable. **In view of the ever-increasing pressure on our water resources, will you revisit the issue of water resilience and, if so, what is your timetable?** |
| **Further question** |
| * How do you envisage the concrete implementation steps? |

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| **Background** |

In autumn 2023, the European Economic and Social Committee (EESC) called for a European Blue Deal, supported by MEPs who emphasised the importance of water for a net-zero economy. Among other things, they called for the appointment of a Vice-President of the European Commission for water issues and, in the medium and long term, for water-conscious legislation that recognises the importance of water in all policy areas, guarantees the human right to water and enables a resilient water economy. In her State of the European Union speech, Commission President Ursula von der Leyen announced an initiative on water resilience as part of the Green Deal, but this was not presented as planned on 12 March 2024 and has remained without a new date ever since.

The deferral of the Water Resilience Initiative from the European Commission's agenda raised concerns that Europe's climate ambitions could be weakened. The initiative was supposed to be a comprehensive EU water strategy that promotes sustainability and climate resilience and could have been a signpost towards water-conscious legislation and a Blue Deal.

Water resilience is crucial for municipal companies in order to secure the water supply, guarantee the human right to water, promote sustainable water management and achieve environmental goals. This goes hand in hand with reducing or increasing the efficiency of water use in agriculture and industry. A fair distribution and prioritisation of human use as well as the improvement of infrastructure to reduce water losses are key. It is essential to preserve water as a common good for people and nature and to promote sufficient investment in water infrastructure.

# Polluter Pays Principle - linking EPR systems to investment cycles

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| **Question** |
| Extended producer responsibility has long been used in waste legislation and, with the revision of the Urban Waste Water Directive, is now also being used for the first time in the water sector to implement the polluter-pays principle enshrined in primary law. The removal of pollutants generally requires massive additional investment costs, e.g. through the expansion of a fourth purification stage for the treatment of micropollutants or additional treatment of drinking water. **As EU Commissioner-designate, to what extent will you ensure that the cash flows from manufacturers in future and existing EPR systems are linked to the investment cycles of the operators/utilities and that it can be guaranteed that the financial burden that arises in the planning and early phases is not passed on to citizens?** |
| **Further question** |
| * How do you intend to ensure that EPR systems in the water sector do not lead to the same degree of influence or co-determination of the private industry as can be seen in the waste sector? |

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| **Background** |

The polluter-pays principle, which is enshrined in primary law, is an essential component of EU environmental policy and is intended to incentivise the prevention of pollution at source by making polluters pay for the costs of pollution prevention, control and remediation measures. In a **special report** (12/2021), the European Court of Auditors (ECA) already identified significant deficits in the application in several areas of law in 2021. The EU Commission is currently conducting a **suitability test of the polluter-pays principle**, for which an exploratory study was carried out at the end of 2022 and a public consultation in summer 2023.

Extended producer responsibility is an option already utilised in waste legislation and, with the revision of the municipal wastewater directive, also there for the concrete implementation of the polluter-pays principle, although there are also shortcomings in each case, e.g. with regard to the full assumption of costs. The implementation of new treatment processes in wastewater treatment (4th purification stage), additional treatment measures in the drinking water supply, a higher sorting depth in waste sorting plants for the recovery of raw materials, etc. are all cost-intensive projects with long lead, planning and expansion phases. In the interests of a comprehensive and effective implementation of the polluter-pays principle, it must therefore be ensured that the operators can actually access the corresponding funds from the EPR system at the time of the upcoming investments and do not have to worry about interim financing, which in turn is at the expense of the public sector and/or citizens. In addition, the EPR system should ensure that wastewater treatment plant operators, drinking water suppliers, waste treatment and sorting companies, etc. can decide on their investment requirements independently and uninfluenced by the polluters and can dispose of the funds accordingly.

# Polluter Pays Principle - full and effective implementation

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| **Question** |
| The polluter pays principle is still not sufficiently implemented either in European secondary legislation or at Member State level. In addition to the problem of diffuse water pollution from agriculture, the European Court of Auditors found in 2021 in connection with the Industrial Emissions Directive (2010/75/EU), the Water Framework Directive (2000/60/EC), the Pesticides Directive (2009/128/EC) and the Nitrates Directive (91/676/EEC) that the majority of the follow-up costs are borne by households and not by the polluters. In waste legislation, too, the existing regulations do not ensure that polluters bear the entire cost of pollutants, and in drinking water supply, the cost burden of additional water treatment to remove pollutants is currently also borne by consumers or the public sector. The EU Commission is currently carrying out a suitability test of the principle. **What specific steps are you planning to take to ensure the comprehensive implementation of the polluter-pays principle in future and in existing legislation?** |
| **Further question** |
| * How do you ensure that, if the polluter-pays principle is implemented via a system of extended producer responsibility, the money collected from polluters is used in a targeted and earmarked manner in the interests of the common good and what control mechanisms do you envisage from the public sector? |

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| **Background** |

The polluter-pays principle, which is enshrined in primary law, is an essential component of EU environmental policy and is intended to incentivise the prevention of pollution at source by making polluters pay for the costs of pollution prevention, control and remediation measures. In a **special report** (12/2021), the European Court of Auditors (ECA) already identified significant deficits in the application in several areas of law in 2021. With regard to the drinking water sector, the EU Parliament also expressed concerns in its **resolution of 1 December 2019** that drinking water suppliers incur additional costs for the removal of pollutants in water treatment. These are currently borne by consumers and the public sector, not by the polluters. The EU Parliament called on the EU Commission and the Member States to ensure that the principle is fully and effectively enforced.

Extended producer responsibility is an option already utilised in waste legislation and, with the revision of the Urban Waste Water Directive, also there for the concrete implementation of the polluter-pays principle, although there are also shortcomings in each case, e.g. with regard to the full assumption of costs.

The EU Commission is currently conducting a **suitability test of the polluter-pays principle**, for which an exploratory study was carried out at the end of 2022 and a public consultation in summer 2023.

# Water & biodiversity/ecology nexus - conflicts of use

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| **Question** |
| Surface waters are subject to strong pressure due to human use of water, regulation in favour of human land requirements and measures in terms of flood and disaster protection, etc. **To what extent will you deal with the conflict between these uses and land requirements and the preservation or restoration of biodiversity and a near-natural water structure?** |
| **Further question** |
| * How will you deal with the lines of conflict that have emerged from the debates and reactions to the Renaturation Act? |

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| **Background** |

Drinking water supply, industry, agriculture and energy production - this complex system of problems not only includes competition for land and the use of water as a resource, but also the question of who is responsible. The tensions between climate protection, biodiversity and current social structures are considerable.

A clear example of this problem is the Renaturation Act, for which several member states withdrew their consent after the conclusion of the trialogue negotiations, leaving the law hanging in the balance. It was not until June that a majority was found in the Council after all. The debates and reactions to the renaturalisation law illustrate the complexity and conflicts in environmental policy, which are likely to intensify in the EU Parliament after the EU elections.

The conflicts between the various utilisation claims and the necessary measures for climate protection and the preservation of biodiversity make it clear that comprehensive, fair and sustainable strategies are urgently required. Those responsible for environmental pollution must be held more accountable in order to ensure a fair distribution of resources and a sustainable future. This is the only way we can protect water resources and fulfil the needs of our society at the same time.

# Nexus Water & Energy - Conflicting uses of hydrogen production

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| **Question** |
| Compared to water withdrawals for other uses such as agriculture or industry, the amount of water required for the production of green hydrogen is seemingly negligible. For water-rich member states, the water resources for hydrogen production are (currently) sufficient. However, areas in southern and western Europe in particular are already facing massive water stress and the effects of climate change are putting additional pressure on water resources. **To what extent will you take climatic conditions and their current and future impact on water resources into account when promoting green hydrogen production in Europe?** |
| **Further question** |
| * As the designated EU Commissioner, what is your position on the possibility of using wastewater as an alternative water source for the production of green hydrogen in the future? |

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| **Background** |

Water is an essential resource for the production of green hydrogen via electrolysis. In simple terms, water is split into its elementary components hydrogen (H2) and oxygen under the influence of electricity. When planning a green hydrogen economy, however, it is often assumed that water as a resource is available in unlimited quantities. The Austrian hydrogen strategy, for example, also makes no reference to estimates regarding the sufficient availability of water.

The German Technical and Scientific Association for Gas and Water (DVGW) has investigated the water requirements of electrolysis and calculated that 10 litres of ultrapure water or - depending on the water source (seawater or surface water) and the technology used - between 12 and 30 litres of raw water are required to produce 1 kg of hydrogen.[[3]](#footnote-3) The water resources in Germany are therefore (currently) sufficient for the planned production of green hydrogen. However, there are also regions in Germany that are severely affected by drought. The availability and quality of local water resources must therefore be taken into account in strategic planning for hydrogen production. Within the member states, there is also a serious difference in terms of available water resources. As can be seen from the World Resources Institute's (WRI) Water Risk Atlas, there is already massive water stress, particularly in southern and western Europe, which will be exacerbated by advancing climate change.

The use of wastewater as an alternative water source is possible, but is associated with immensely high costs, as the purified wastewater would have to undergo additional treatment steps in order to achieve the level of purity required for electrolysis. The realisation of this idea would put the sewage treatment plants under massive additional pressure in view of the upcoming expansion requirements due to the specifications of the new UWWTD.

# Concessions Directive - exception of the water sector

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| **Question** |
| The evaluation of the Concessions Directive has shown that a strong role for the public sector in the water sector is important. The report shows that the vast majority of stakeholders are firmly in favour of a public water supply. **As Commissioner-designate, to what extent do you intend to take this into account and support the Member States in maintaining or protecting their public water supply structure?** |
| **Further Question** |
| * Are you planning to amend Article 12 of the Concessions Directive, which regulates the exemption of the water sector? |

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| **Background** |

On 28 July 2023, the European Commission published its **report on the evaluation of the Concessions Directive** (2014/23/EU). The EU Commission emphasises that this is a capital-intensive sector with a number of market failures that necessitate state intervention. These include the vital nature of water on the one hand and the extent of the investments made in water pipes and canals on the other, especially in remote or sparsely populated areas, which take a long time to amortise and entail considerable risks. The recognition of the social importance and the prevention of market failures in the water sector have led to special treatment in the Concessions Directive.

As the directive has only been implemented throughout the EU since 2020, the EU Commission refers to the limited data available, which makes it impossible to draw clear conclusions regarding the effects of the directive on the water sector at this time.

The **report "Much more than a market"** published by **Enrico Letta** in April 2024 should also be mentioned in this context, which addresses the social and economic relevance of the water sector, but also places it in an unmistakable context with the internal market. Letta argues that the strong fragmentation of the sector hinders the 'equal'/balanced development and maintenance of water infrastructure. This fragmentation makes it difficult for smaller utilities to realise financially viable projects and consequently exacerbates the differences in service quality and environmental protection in the Member States. Let-ta also links the fragmentation of the sector directly to the fact that around 20% of the European territory or 30% of the population is affected by water stress each year, which in our opinion is an inadmissible and factually incorrect argument. Letta sees a possible solution in the promotion of mergers between water suppliers. The larger units thus formed would then be able to make extensive infrastructure investments and eliminate the inequalities in access and quality caused by the fragmentation of the sector.

This line of argument is reminiscent of the endeavours of former EU Commissioner Michel Barnier to integrate the water sector into the internal market by including it in the Concessions Directive and we therefore consider it to be problematic in tendency.

# Revision of the Sewage Sludge Directive

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| **Question** |
| The currently valid Sewage Sludge Directive dates back to 1986 and has not been significantly updated since then. However, both the level of knowledge about pollutant loads in sewage sludge and challenges in connection with phosphorus recovery as well as technological possibilities in sewage sludge production and wastewater treatment have changed significantly in recent decades. Sewage sludge is now also used for energy production in particular and stricter limits for pollutants in soils are already in force in some Member States.  **Following last year's assessment, do you see a need to revise the directive, and if so, which areas primarily require revision and which areas require expansion or additional regulation?** |
| **Further question** |
| * How do you envisage the future handling of organic matter and valuable nutrients, in particular phosphorus, nitrogen and potassium in sewage sludge, and are there any considerations regarding the regulation of the agricultural application of sewage sludge? |

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| **Background** |

The Sewage Sludge Directive has been in place for almost 40 years in an essentially unchanged form. Since then, however, knowledge about pollutant loads has increased significantly and insights into the relevance and limitations of nutrients such as phosphorus, nitrogen and potassium have deepened. At the same time, technological possibilities for sewage sludge production and utilisation have also developed further.

Finally, in **2023**, a comprehensive **evaluation** of the "EU Directive on the protection of the environment, and in particular of the soil, when sewage sludge is used in agriculture (86/278/EEC)" was carried out in order to identify any need for action for a revision.

The evaluation essentially found that the Directive still has fundamental added value by establishing a minimum level of harmonisation in the control of pollution and health risks and by promoting cost-effective sludge treatment, although many Member States have already gone beyond the requirements of the Directive by increasing the level of environmental protection and tightening the limits for pollutants in soils and sludge.

At the same time, however, the assessment also points to numerous aspects that could require revision. It is questionable, for example, whether more guidelines or instructions for treatment are required at EU level in order to maximise the benefits for nutrients and possibly energy, or to what extent the application of sewage sludge on non-agricultural land could also be examined as part of the European soil strategy.

# Future of the Water Framework Directive

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| **Question** |
| The European Union's Water Framework Directive provides an important framework for the protection and sustainable management of surface and groundwater in Europe. Since its introduction in 2000, the Member States have made considerable efforts to achieve the objectives of the Directive. These targets include the achievement of good ecological and chemical status of water bodies by 2027 at the latest. Despite much progress, the Member States will not be able to fulfil all the targets on time. Against the backdrop of the EU taxonomy, incomplete target implementation by 2027 also poses the problem that activities previously categorised as taxonomy-compliant will suddenly no longer be considered "green". **How do you intend to proceed with the WFD after 2027 with regard to an extension or possible revision?** |
| **Further question** |
| * Im Hinblick auf das Spannungsfeld zwischen den Zielen der Renaturierung bzw. des Gewässer- und Umweltschutzes und der notwendigen Energiewende: Wie viele Erzeugungseinbußen sind Sie bereit, insgesamt und speziell für die flexible Erzeugung bei Speicherwasserkraft, aufgrund der Umsetzung der Wasserrahmen-Richtlinie zu akzeptieren? |

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| **Background** |

The Water Framework Directive, which came into force in 2000, aims to achieve good ecological and chemical status for surface waters and good ecological potential and good chemical status for modified or artificial waters by 2015 - with exceptions by 2027 at the latest. Good quantitative and chemical status is to be achieved for groundwater. There should be a systematic improvement and no further deterioration in the status of all water bodies in order to protect aquatic ecosystems and water-dependent terrestrial ecosystems and wetlands (prohibition of deterioration). Central elements of the Water Framework Directive include a comprehensive analysis of river basins, the creation of river basin management plans including a programme of measures to achieve the objectives by 2027 at the latest and the cyclical revision of the management plans by the Member States every 6 years (2009, 2015, 2021).

An evaluation from 2019 showed that the directive fulfils its purpose, but that its implementation needs to be accelerated. The Commission therefore announced in June 2020 that it would focus more on the implementation and enforcement of the directive.

Only around 40% of surface water bodies in Europe have good or very good ecological status, with lakes and coastal waters performing better than rivers and transitional waters. The overall ecological status has not improved since 2009, but some biological quality elements have improved between 2009 and 2015. The results of the 2021 assessments are not yet known. According to the "one out, all out" principle, a water body can only achieve good status if all biological and supporting quality elements are assessed as at least good.

# Carbon capture, utilisation & storage - risks

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| **Question** |
| Given the urgency of mitigating climate change, the discussion on carbon capture, utilisation and storage (CCUS) has gained global prominence. CCUS offers an opportunity to reduce CO2 emissions by capturing and storing carbon from industrial processes and power generation. However, there are also various risks associated with this, particularly with regard to possible leaks and the associated pollutant inputs into groundwater and soil as well as increased CO2 levels.  **Against this background, to what extent can CCUS really be regarded as a future-proof and sustainable process?** |
| **Further question** |
| * In view of these risks, to what extent can the safety and quality of our water resources be guaranteed and do you see the need for additional legislative measures? |

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| **Background** |

The underground storage of carbon dioxide, both on land and under the seabed, is aimed at climate protection. Legal regulations stipulate that the carbon dioxide must remain completely and permanently underground. However, leaks could have harmful effects on groundwater and soil.

The main aim of underground carbon dioxide (CO2) storage is to reduce CO2 emissions into the atmosphere. The CO2 that is stored can come from various sources: fossil fuel plants, industrial plants, the use of biomass for energy production, waste incineration plants or directly from the atmosphere. Possible storage locations include partially or fully depleted oil and gas reservoirs and saline aquifers. This storage can take place both on land and under the seabed.

CO2 leaks in particular harbour risks for groundwater and soil. The leaking CO2 can release pollutants underground and displace saline groundwater from deep aquifers. Under unfavourable conditions, this displaced salty groundwater can reach near-surface freshwater layers and the earth's surface, which can lead to salinisation and damage to groundwater, soil and surface water.

The above-ground facilities required for transport and storage can have a negative impact on flora and fauna, the landscape and biodiversity. A comprehensive assessment of the risks and feasible, effective and comparable monitoring methods - which do not yet exist - are therefore essential before CCUS technologies can be widely implemented.

# Pollutants - source control and precautionary principle instead of end-of-pipe

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| **Question** |
| Pollutants - especially if they are persistent, mobile, toxic and/or bioaccumulative - have a massive negative impact on human health and the entire ecosystem. Once released into circulation, they can hardly be removed from water bodies, soils or organisms, or only at enormous technical and financial expense. Scientific knowledge of which pollutants or decomposition products are actually problematic is currently lagging behind the authorised substances. **To what extent do you intend to accelerate the shift from end-of-pipe solutions to source control and the precautionary principle with regard to pollutant discharges?** |
| **Further question** |
| * Are you considering changes to the submission procedure for new substance compositions and, if so, in which direction are you thinking? |

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| **Background** |

With regard to numerous pollutants, such as PFAS, there is still insufficient scientific research into which substances or decomposition products specifically become problematic. It is mainly short-chain, already oxidised and therefore particularly mobile PFAS that penetrate into groundwater bodies. In many cases, these oxidative decomposition products originate from precursor substances that were taken off the market decades ago and degrade under natural environmental conditions until a persistent perfluorinated substance remains. As these contaminated sites, which are particularly difficult to control, are currently primarily found in groundwater, it can be assumed that the problem will become even more acute in view of the rapid increase in the use of PFAS in recent years.

Scientific knowledge of which pollutants or decomposition products will become problematic is always lagging behind the currently authorised substances. In some cases, minor changes in the substance characteristics are sufficient to obtain a new authorisation. As a result, new potentially harmful substances are constantly being created, but we often only know for sure about their actual harmfulness a long time later.

# Promotion of ecological forms of agriculture

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| **Question** |
| Europe's landscape is characterised by agricultural land. Agriculture is one of the largest economic sectors in the EU and the Common Agricultural Policy accounts for almost a third of the total EU budget. At the same time, the agricultural sector is responsible for around a quarter of total water withdrawals in the EU and the still dominant conventional forms of farming have a massive negative impact on biodiversity, soils and water resources. The eco-schemes introduced for the 2023-2027 budget framework and the requirement to tie 25% of direct funding to them have finally created a stronger incentive for more climate- and environmentally friendly farming methods. **To what extent will you work to ensure that this percentage is increased in the next budget framework and that the transition to organic farming is accelerated?** |
| **Further question** |
| * Are you planning further measures to force a shift towards organic farming or to promote the reduction of negative impacts on the environment and water bodies caused by conventional agriculture? |

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| **Background** |

A total of 39% of land in the EU is used for agriculture. With 10 million farmers and 40 million jobs in the food chain, the agricultural and food sector is one of the strongest economic sectors in the EU. In the current financial framework, 31% of the EU budget is allocated to the Common Agricultural Policy (CAP).

In a special report (20/2021), the European Court of Auditors found in 2021 that CAP funds promote greater rather than more efficient, sustainable water use. The agricultural sector accounts for around a quarter of total water abstraction in the EU. Conventional agriculture in particular also has a massive impact on biodiversity and the quality of soils and groundwater bodies, for example through nitrate inputs or the use of pesticides.

Finally, in the current budget period 2023-2027, "eco-schemes" were introduced as a new element of the CAP to promote farming methods with the least possible negative impact on the environment and climate as well as the development of more sustainable farming models. In the period 2023-2027, 25% of direct payments from the CAP budget must be adapted to the organic regulations. However, there is considerable resistance from the agricultural sector to these requirements.

# Pipeline loss reduction - quality management & benchmarks

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| **Question** |
| Against the backdrop of increasing water scarcity due to climate change, it is more important than ever to endeavour to use water in a way that conserves resources and is as cost and energy efficient as possible. This goal is countered by the still considerable pipe losses in many regions. The Drinking Water Directive (EU 2020/2184) stipulates that all member states must assess and reduce the level of water losses in their territory if they exceed a certain limit to be set by the EU Commission by means of a delegated act.  **As the designated EU Commissioner, to what extent do you intend to provide concrete support to water supply companies in the affected member states and beyond in reducing water losses?** |
| **Further question** |
| * How do you envisage meaningful quality management for the continuous reduction of line losses in the EU member states and what are the planned benchmarks? |

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| **Background** |

In accordance with the requirements of Art. 4 (3) of the Drinking Water Directive (2020/2184), EU Member States must carry out an assessment of the level of water losses in their territory and possible improvements to reduce them by January 2026 and submit it to the EU Commission. These assessments concern water suppliers that deliver at least 10,000 m³ per day or supply 50,000 people. Based on the national assessments, the EU Commission will define a threshold value in a delegated act by January 2028, above which member states must submit action plans for leakage reduction. These plans must be drawn up by January 2030.

In order to calculate a meaningful EU average and compare the situation in the Member States, it is essential that the EU Commission receives comparable data from all Member States. As things stand, leakage reporting methods vary from Member State to Member State and in some cases from region to region of the same Member State: some report volumetric figures (e.g. m3/km/year or m3/connection/year), others report percentage figures (expressed as % of water discharged into the distribution system), while others use the ILI (Infrastructure Leakage Index). As there is no robust correlation between these different indices, it is absolutely necessary to agree on a harmonised leakage index that can also be implemented by all Member States.

Apart from the need for a harmonised measurement and assessment methodology, Member States - and water utilities in particular - will need support to implement the national action plans and effectively reduce pipe losses.

Finally, it should also be borne in mind that leakage reduction is only one of several instruments available to tackle the problem of water scarcity.

# Reduction of pipeline losses - sustainable investments

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| **Question** |
| In the face of advancing climate change, water resilience is an issue of utmost relevance. The persistently high level of drinking water losses via the pipe networks not only runs counter to the goal of sustainable and resource-conserving use, but also jeopardises the security of supply of this increasingly scarce and valuable commodity. A sustainable reduction in pipe losses requires enormous investments. At the same time, examples of privatisation in the water sector show that profit-oriented water supply companies are reluctant or unwilling to make long-term investments in pipe networks and pass on the costs to citizens in favour of corporate profits. This is not in line with the principles of high-quality, generally accessible and affordable services in the general interest.  **To what extent will you advocate for sustainable financing of the necessary investments and ensure that the added value actually reaches the citizens?** |
| **Further question** |
| * To what extent do you intend to push for financing via earmarked EIB funds and the establishment of the "EU Fund for a Blue Deal" called for in the EESC's final document on the Blue Deal, which would serve as a one-stop shop for water investments? |

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| **Background** |

In accordance with the requirements of Art. 4 (3) of the Drinking Water Directive (2020/2184), EU Member States must carry out an assessment of the level of water losses in their territory and possible improvements to reduce them by January 2026 and submit it to the EU Commission. Based on this, the Commission will in turn set a threshold value by January 2028, above which member states must submit action plans to reduce leakage. These plans must be drawn up by January 2030.

Water suppliers will need to make massive investments to implement these action plans and effectively reduce water losses via pipe networks. In particular, if the pipe network is very old, poorly designed or inadequate in terms of flow rate, large parts of the network will have to be completely replaced.

Similarly, examples of privatisation in the water supply sector often show a massive increase in the financial burden on citizens for the supply of drinking water, accompanied by stagnation or the absence of important investments in infrastructure. In Sofia, for example, the French company Veolia took over the concession for the city's water supply in 2010. While no improvement was evident in terms of water losses via the pipe networks due to a lack of investment and these remained relatively unchanged at 47% until 2017, water prices rose by 440% between 2000 and 2018 (from 0.435 BGN/m³ to 2.35 BGN /m³).

It is therefore important to ensure that the added value of investments in our water supply systems actually reaches the citizens and that they do not have to bear excessive costs without actual improvements in the infrastructure.

# Massive investment needed for climate change

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| **Question** |
| If Europe really wants to achieve the climate turnaround, enormous investments in a green-blue infrastructure, the expansion of the electricity grid, the water supply infrastructure, etc. are needed in a short space of time, the financing of which must be borne primarily by the public sector.  Not least due to the creation of numerous new EU laws and the revision of existing ones to adapt to the requirements of climate change, increased or new pollution levels or the objectives of energy neutrality, the drinking water supply and wastewater treatment sectors alone are facing immense investments. **To what extent will you campaign for ecological investment measures in the area of services of general interest to be excluded from the future Stability Pact?** |
| **Further question** |
| * What financing options - e.g. via the European Investment Bank - will you be pushing in future to support the water sector in particular with regard to the energy transition and energy neutrality? |

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| **Background** |

By setting debt ceilings, the Stability and Growth Pact is intended to ensure the budgetary discipline of EU member states, which in turn is considered an important element for economic stability in the EU and the eurozone. After the Stability and Growth Pact was de facto suspended in recent years due to the effects of the Covid-19 pandemic and the Russian war of aggression against Ukraine by means of the general escape clause, the EU Parliament and the Council agreed on a reform of the rules on public debt and budget deficits in spring 2024.

The previous set of rules already significantly restricted the EU member states' room for manoeuvre with regard to investment in public infrastructure, which makes a significant contribution to a socially fair and climate-friendly society, with only a few possibilities for exemptions. The resulting barriers to investment have not been lifted by the reform of the rules and regulations, for example, critical voices point out that the debt rules make it impossible to make necessary investments in climate protection or in the social sector. An analysis by the European Trade Union Confederation (ETUC) and the New Economics Foundation (NEF) came to the conclusion at the beginning of April that only Denmark, Sweden and Ireland would be able to afford necessary expenditure from 2027 if the planned rules were adhered to.[[4]](#footnote-4)

With regard to the EIB, it should be mentioned that securing drinking water supplies and energy generation from hydropower are in line with the objectives of the Investment Bank and that these sectors should therefore be taken into account in its financing instruments.

# Transparency vs. protection of critical infrastructure - water sector

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| **Question** |
| In both the revision of the Drinking Water Directive and the current revision of the Waste Water Directive, the EU Commission's proposal already provided for extensive information obligations for operators vis-à-vis citizens, which in both cases were only slightly amended in the finalised texts of the directives. At the same time, the wastewater and drinking water sectors are among the critical infrastructures where the use or provision of data is subject to strict requirements regarding cybersecurity as well as general infrastructure protection issues. **How does the EC intend to support operators in clarifying this conflict in the future?** |
| **Further question** |
| * Do you see a need for action with regard to the distinction between sensible transparency and the protection of data and information about the systems of e.g. drinking water suppliers? |

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| **Background** |

Empowering consumers and protecting their interests are key political objectives of the EU. To achieve this, the Union must protect the health, safety and economic interests of consumers and promote their right to information and education. Consumer protection should be integrated into all relevant policy areas.

With regard to water policy legislation, measures for more comprehensive consumer information have been laid down in particular in the revisions of the Drinking Water Directive (2020/2184) and the revision of the Urban Waste Water Directive, which is expected to be completed in autumn 2024. Drinking water suppliers and operators of wastewater treatment plants must now publish detailed data on infrastructure and water quality.

As drinking water supply and wastewater treatment are part of the critical infrastructure, operators are also subject to strict regulations to protect their data and infrastructure. The cybersecurity regulations introduced in 2016 were modernised in 2023 by the NIS2 Directive. This extends the scope of application to all economically and socially important sectors that rely heavily on ICT, such as energy, transport, water, banking, financial markets, healthcare and digital infrastructure, in order to improve the resilience and responsiveness of public and private bodies.

While the question arises with regard to consumer information as to what information and to what extent it is actually useful for consumers, the problem arises with regard to security issues for critical infrastructures as to where a sensible limit to transparency can be set in order to prevent critical infrastructures from becoming vulnerable to attack.

# Transparency vs. protection of critical infrastructure - general orientation

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| **Question** |
| In recent years, the EU Commission has strongly promoted open data policy and the pursuit of comprehensive transparency in municipal administration and services of public interest through various initiatives. At the same time, requirements for critical infrastructures to protect against cyberattacks or physical attacks on (parts of) systems are constantly being expanded and tightened. Critical infrastructures are often public companies that provide services of public interest, such as energy supply or distribution, water supply or waste disposal, and in this sense are also subject to the requirements for open data and transparency.  **To what extent do you see a conflict between the requirements for open data and transparency and the protection of critical infrastructure from external (cyber) attacks?** |
| **Further question** |
| * Has the open data policy led to the goals that the EU Commission set out at the time? |

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| **Background** |

The EU's open data policy defines freely accessible and open data as a valuable resource to promote economic and social values. In particular, the Open Data Directive, which came into force in 2019 and replaced the previous PSI Directive of 2003, aims to ensure the transparency of public sector bodies and companies as well as fair competition for stakeholders interested in the reuse of public sector data. The PSI Directive focusses on the economic aspects of the re-use of information, not on consumer information. It calls for as much information as possible to be made available for re-use at national, regional and local level and therefore also affects public and municipal companies that provide services of general interest.

As services of general interest in particular are part of the critical infrastructure, operators are also subject to strict regulations to protect their data and infrastructure. The cybersecurity regulations introduced in 2016 were modernised in 2023 by the NIS2 Directive. This extends the scope of application to all economically and socially important sectors that rely heavily on ICT, such as energy, transport, water, banking, financial markets, healthcare and digital infrastructure, in order to improve the resilience and responsiveness of public and private bodies.

This area of tension raises the question of where and how a sensible boundary can be drawn between an open data policy and measures to protect critical infrastructures in order to prevent critical infrastructures from becoming vulnerable.

# AI technologies in the water sector

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| **Question** |
| The use of AI technologies is becoming increasingly relevant. There are also numerous practical fields of application in the water industry, such as cost-efficient maintenance of pipe and sewer networks or precise forecasts of heavy rainfall events and water consumption volumes. However, as part of the critical infrastructure, the water sector is subject to particularly strict requirements in terms of cybersecurity and data management, which often prevents the use of AI technologies that are available on the open market. From the perspective of the security requirements of a critical infrastructure, there is therefore a need for new possibilities for the use of AI. **To what extent do you see an AI system initiated by the EU Commission and certified in accordance with EU legal requirements for the protection of critical infrastructure as part of a sustainable European security architecture in the sense of improved European resilience?** |
| **Further question** |
| * none |

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| **Background** |

Artificial intelligence (AI) makes it possible to make more reliable algorithm-based decisions based on large amounts of data. AI therefore offers opportunities to initiate positive developments in terms of environmental protection, climate change adaptation or inclusion and is also finding more and more practical applications in water management. However, it also harbours considerable risks. Misuse, for example in the form of cyberattacks or disinformation campaigns, can cause considerable damage, especially in critical infrastructures. In spring 2024, for example, OpenAI blocked the ChatGPT accounts of five government-affiliated hacker groups from China, Iran, North Korea and Russia who were using the technology to automate software development and write phishing emails.

In June 2024, the first binding horizontal regulation worldwide was finalised at EU level with the AI Act. The AI Act provides a common framework for the use and provision of AI systems in the EU. It provides a categorisation for AI systems with different requirements and obligations based on a "risk-based approach". Some AI systems that pose "unacceptable" risks are banned. A wide range of "high-risk" AI systems that may adversely affect people's health, safety or fundamental rights are authorised, but are subject to a number of requirements and obligations in order to gain access to the EU market. Information and transparency requirements apply to AI systems that pose only limited risks due to their lack of transparency, while no further obligations apply to AI systems that pose only a minimal risk to people.

# Expertise on urban policy

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| **Question** |
| Europe is united in its diversity and its future will be shaped in the cities. Around three quarters of all people in Europe live in urban areas. Municipal water and energy suppliers, waste disposal companies, wastewater treatment companies, urban housing and often municipal social services make a significant contribution to a Europe worth living in. Nevertheless, cities rarely receive the attention they deserve from the EU Commission - partly due to a lack of direct competence.  **To what extent do you intend to support urban policy and integrate the experience of cities into EU environmental and energy policy?** |
| **Further question** |
| * Are you thinking of visiting more utilities or public companies in the public sector in Europe to see practical examples? |

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| **Background** |

Three quarters of Europeans live in urban areas, yet the European Union has no competence for urban policy and there is no European legislation on urban issues. Cities have no official say in the EU. Vienna and other European cities have been working for years to involve cities in European policies. The 2016 Amsterdam Pact was a first success in this direction.

Cities and municipalities have huge untapped investment potential in the fight against the climate crisis. Local measures can make the socio-ecological transformation tangible and co-designable, with the public sector taking on a pioneering role.

In January 2024, city representatives signed the "Brussels Declaration of European Mayors"[[5]](#footnote-5) in Brussels. This declaration emphasises the importance of cities as partners of European institutions and calls for their views to be better taken into account in Parliament and the Commission. Four priority areas of work have been identified: sustainable, affordable and quality housing; social and gender equality; climate action and environmental protection; and sustainable, inclusive and safe mobility.

The aim is to involve cities more closely in European policy areas in order to make a significant contribution to achieving EU goals such as climate neutrality by 2050, preserving biodiversity and reducing social, economic and territorial inequalities.

# Elaboration of questions from the sector of energy

**Advancing the system's serviceability**

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| **Question** |
| Europe faces the challenge of making its energy infrastructure more resilient to increasing threats and disruptions. As one of the key measures to ensure system resilience, regulators such as ACER (Agency for the Cooperation of Energy Regulators) play a crucial role. Their engagement and cooperation with other European stakeholders is crucial to strengthen the resilience and security of supply of the energy system**. To what extent do you plan to mobilise the regulatory authority ACER and other European stakeholders to promote the issue of system adequacy in terms of resilience and security of supply in Europe?** |
| **Further questions** |
| * What specific dates or deadlines have you planned for this project? |

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| **Background** |

Europe is facing major challenges in its energy infrastructure in terms of geopolitical tensions, climate change, technological changes, and the security of energy supply. Dependence on energy imports, especially on natural gas from Russia, makes the EU vulnerable to geopolitical conflicts, as the Ukraine conflict shows. Diversification of energy sources is therefore essential.

Climate change is forcing a shift towards renewable energies, supported by ambitious EU targets to reduce greenhouse gases. This requires major investments in technologies and infrastructure, such as wind and solar parks, energy storage and smart grids.

Advancing digitalisation and smart grids are changing the energy infrastructure, offering efficiency benefits but also increasing the risk of cyberattacks, which require continuous security measures.

Regulatory authorities, such as the ACER, play a crucial role in strengthening the resilience of the energy system and ensuring security of supply. By working closely with national authorities, grid operators and other European institutions, Europe can overcome the challenges and shape a sustainable and secure energy future.

**Hydropower as a cornerstone for system-serving flexibility**

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| **Question** |
| Hydropower plays an important role as a cornerstone for system flexibility in Europe. Despite its importance, the establishment of a new capacity market is being discussed more and more intensely, with hydropower often being overlooked**. What specific measures are you planning regarding the promotion of system-serving flexibility?** |
| **Further questions** |
| * Which energy technologies would you promote using to ensure system-supporting flexibility? |

**Background**

The necessary transformation of the energy system away from fossil base load power plants towards volatile renewable energies requires a considerable increase in flexibility in the system. This is because the weather-related production fluctuations of renewable energies must be balanced out. There is therefore a discussion about developing a new capacity market to ensure grid stability. An essential part of this discussion is the debate about the construction of new gas-fired power plants.

In this debate, however, we should not forget that hydropower plants, especially pumped storage power plants, already play a decisive role in promoting system-supporting flexibility. Pumped storage is by far the most important grid-connected storage technology in Austria. Its ability to react quickly to fluctuations in the electricity grid makes it the backbone for system stabilisation in the energy system of the 21st century. This flexibility makes it possible to store surplus energy when production is high and feed it back into the grid when demand is high, thereby ensuring the stability and reliability of the electricity grid.

The relevance of system-supporting flexibility cannot be emphasised enough. Without flexible solutions such as pumped storage power plants, it would be extremely difficult to balance out the fluctuations in renewable energy sources and ensure a stable energy supply. The importance of hydropower and pumped storage technology in should therefore be given particular consideration in the further development of the energy system.

**Biomethane as a cornerstone for system-supporting flexibility**

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| **Question** |
| Biomethane from organic waste and residues can play an important role as a cornerstone for system-serving flexibility in Europe due to its seasonal storability. **What specific measures are you planning to promote the system-serving flexibility of biomethane from organic waste and residues?** |
| **Further questions** |
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**Background**

The promotion of system-supporting flexibility through biomethane from organic waste and residues is of central importance for the stability and sustainability of the future energy system. With the transition from fossil fuels to renewable energies such as wind and solar, which are subject to strong weather-related fluctuations, it is becoming increasingly important to have flexible and reliable energy sources that can compensate for these fluctuations.

Biomethane, which is produced from organic waste and residues, offers an excellent way of ensuring this flexibility. Unlike wind or solar energy, whose production depends on the weather, biomethane can be produced continuously and on demand. This makes it a valuable addition to the energy mix, as it can be used quickly when needed to close supply gaps and ensure grid stability.

Another advantage of biomethane is its dual environmental impact: on the one hand, the use of organic waste and residual materials reduces the amount of waste, while on the other hand it reduces the greenhouse gas emissions that would otherwise result from the landfilling or incineration of this waste. This sustainable use of resources contributes to the circular economy and reduces the environmental impact.

The promotion of biomethane from organic waste and residues is therefore not only a question of energy supply security, but also an important step towards a sustainable and environmentally friendly energy system. Through targeted political measures and investments in the corresponding infrastructure, biomethane can become an integral part of the energy system, providing the necessary flexibility for the system and at the same time offering ecological benefits.

**Consumption-related energy production**

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| **Question** |
| In the ongoing development towards a more sustainable energy supply, the promotion of energy production close to consumption is becoming increasingly more important. Aspects, such as decentralised energy production and storage, play a decisive role here. **What measures are you planning to ensure energy production close to consumption?** |
| **Further questions** |
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**Background**

The promotion of energy production close to consumption is a key aspect for the sustainability and efficiency of the future energy system. Two key arguments emphasise the importance of this practice: the reduction of transmission losses in the medium-voltage and low-voltage grid and the increase in security of supply.

Firstly, producing energy close to where it is consumed reduces the losses that normally occur when energy is transmitted and distributed over long distances. Transmission losses can be significant and represent a waste of resources and money. When energy is generated directly at the point of consumption, for example through rooftop solar panels or combined heat and power plants in residential areas and business parks, these losses are minimised. This leads to a more efficient utilisation of the energy generated, as less energy is lost on the way from the producer to the consumer. The increase in efficiency not only helps to conserve resources, but also reduces the overall costs of energy supply.

Secondly, decentralised energy production increases the security of supply and resilience of the energy system. Decentralised energy production units are less susceptible to large-scale power outages, as they are not exclusively dependent on central grids. In the event of grid disruptions or natural disasters, local energy sources can continue to supply electricity, making energy supply more stable and reliable. Decentralising energy production reduces the risk of outages and improves the system's ability to adapt to unexpected events. This is particularly important in times of increasing effects of climate change and geopolitical uncertainties.

Overall, the reduction of transmission losses in the medium-voltage and low-voltage grid, and the increase in security of supply through energy production close to consumption contribute significantly to the efficiency, stability and sustainability of the energy system. Targeted political measures and investments in this form of energy generation can help to shape a stable, environmentally friendly and economically favourable energy for the future.

# Initiatives to expand the network infrastructure

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| **Question** |
| Europe has a robust electricity grid thanks to a supportive EU regulatory framework, but to maximise the benefits of affordable and clean energy, infrastructure development is crucial. With an expected 60% increase in electricity consumption by 2030 and the need to dramatically increase renewable energy capacity, electricity grids need to be rapidly expanded and modernised. Although the EU has already created the framework conditions, further measures are needed to ensure that the grids can meet the increasing demands and achieve the climate and energy targets**. In addition to the EU Action Plan for Grids, what follow-up initiatives are you planning to advance grid expansion in Europe?** |
| **Further questions** |
| * Are you planning further initiatives to financially support grid expansion? |

**Background**

Grid expansion in Europe is of central importance for the successful implementation of the green transition and the integration of renewable energies. The electricity grids are the backbone of the European energy system and play a crucial role in efficiently transporting energy from renewable sources such as wind and solar power to end consumers.

Without a robust and flexible grid infrastructure, the green transition cannot be successfully achieved. The growing integration of renewable energies poses major challenges for the existing grid. Many of the current grid structures are not designed for the decentralised and variable nature of renewable energies. Wind and solar power plants are often located in regions that are far away from centres of consumption, which increases the need for efficient transmission grids. Without sufficient capacity in the medium and low-voltage grid, these renewable energies cannot be optimally utilised, leading to bottlenecks and inefficiencies.

In addition, the increasing electrification of transport and heating is leading to a higher demand for electricity and thus increasing the stress on the grids. Electric vehicles, heat pumps and other electrical devices require reliable and efficient electricity grids to meet the growing demand for energy.

Furthermore, a flexible grid infrastructure is necessary in order to be able to react quickly to fluctuations in energy generation and demand. This is particularly important as renewable energies are weather-dependent and their production can vary greatly. Flexible grids make it possible to store surplus energy and feed it back into the grid when needed, which increases security of supply and further reduces dependence on fossil fuels.

**Financing the grid expansion**

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| **Question** |
| The increasing demand for renewable energy sources such as wind and solar energy and the transition to electromobility are leading to a growing need for electricity distribution grids. However, the existing grids are often outdated and not sufficiently dimensioned to cope with these new requirements. Without an expansion of the electricity distribution grids, there is a risk of bottlenecks and insufficient security of supply. Additional financing initiatives are therefore required to support the modernisation and expansion of the grids and ensure a sustainable energy supply. **How will you ensure that investments in European grids are sustainable, forward-looking, efficient and appropriate for customers?** |
| **Further questions** |
| * What additional financing measures do you see here considering a stronger European resilience and is the Commission considering European financing models for this? |

**Background**

The modernisation and expansion of electricity distribution grids are crucial for the successful integration of renewable energies and the support of electromobility in Europe. Without sufficient investment, there is a risk of bottlenecks and the green transition cannot be successfully implemented.

The growing integration of renewable energies poses major challenges for existing grids. Many of the current grid structures are not designed for the decentralised and variable nature of renewable energies. It is therefore necessary to expand and modernise grid capacities in order to ensure a stable and reliable energy supply. Advanced planning could help to avoid future bottlenecks and ensure a long-term security of supply.

Efficient grid investments also result in cost savings for consumers. By reducing transmission losses and optimising the grid infrastructure, the overall costs of energy supply can be lowered. This benefits customers directly, as they benefit from lower energy costs and greater security of supply.

In addition, a sustainable and fit-for-purpose grid infrastructure promotes economic development and creates jobs. Investing in modern grids helps to create a robust and resilient energy system that meets the demands of an increasingly electrified and decarbonised economy. Overall, targeted and sustainable investments in Europe's grids are essential to ensure a secure and efficient energy future.

**More efficient authorisation procedures for network infrastructure**

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| **Question** |
| In order to meet the increasing demand for renewable energies and promote the modernisation of the electricity grid, more efficient approval procedures for the electricity distribution grid infrastructure are required. Current processes are often lengthy and complex, which leads to project delays. Streamlined approval processes could shorten investment times, reduce costs and accelerate the expansion of clean energy. This is crucial to achieving climate targets and driving forward the energy transition. **How do you intend to optimise the approval procedures for grid infrastructures, structure them better and make them more efficient overall?** |
| **Further questions** |
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**Background**

In order to meet the challenges of expanding renewable energies, modernising the electricity grid and combating climate change, there is a certain degree of time pressure. As authorisation procedures are one of the most lengthy steps in the expansion of grid infrastructure, speeding up these procedures must be a top priority. Bureaucratic hurdles often cause delays, which is costly in terms of time and money. More efficient authorisation procedures help to shorten investment times, which in turn reduces costs and accelerates the expansion of renewable energies. This could make a decisive contribution to achieving climate targets and ensuring a sustainable energy supply.

# Acceleration of authorisation procedures for renewable power generation

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| **Question** |
| In order to achieve the decarbonisation targets on time, an accelerated expansion of electricity production from renewable resources is required. The Renewable Energy Directive (RED III) therefore provides for numerous measures to accelerate the expansion. **How do you ensure that the measures to accelerate the authorisation procedures of RED III are effectively implemented in the member states?** |
| **Further questions** |
| * In addition to the permanent measures of RED III, additional temporary measures were imposed in 2022 due to the war in Ukraine. These are currently valid until June 2025. Should their validity be extended? |

**Background**

The European Union (EU) has set ambitious decarbonisation targets that require a rapid and comprehensive transformation of the energy sector. In order to achieve these goals, the accelerated expansion of electricity production from renewable resources is of crucial importance. The Renewable Energy Directive (RED III)[[6]](#footnote-6) contains numerous measures to promote this expansion. These include simplified and shortened authorisation procedures, approaches for coordinating the approval authorities and fixed deadlines for approvals. It is crucial that these measures are implemented more effectively in the member states in order to achieve the planned expansion targets. Efficient monitoring and reporting must be guaranteed in order to monitor progress in implementation and make adjustments where necessary. The implementation of important targets is all the more achievable if technical and financial support is provided by the EU.

The additional temporary measures of RED III due to the war in Ukraine are currently valid until June 2025. An extension of the validity of these measures beyond June 2025 could make sense if geopolitical tensions persist or if the targets for accelerating the expansion of renewable energies have not yet been fully achieved. A precise evaluation of the effectiveness and necessity of these temporary measures should be carried out before the deadline expires in order to decide on a possible extension.

# More efficient authorisation procedures for renewable energy production facilities

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| **Question** |
| In order to meet the increasing demand for renewable energy, more efficient authorisation procedures are needed for the construction of renewable energy plants. Current processes are often lengthy and complex, which leads to project delays. Leaner authorisation processes could shorten investment times, reduce costs and accelerate the expansion of clean energy. This is crucial to achieving climate targets and driving forward the energy transition. **How do you intend to optimise the approval procedures for renewable energy plants, structure them better and make them more efficient overall?** |
| **Further questions** |
| * How do you intend to optimise the approval procedures for the grid infrastructure for renewable gases, structure them better and make them more efficient overall? |

**Background**

Optimising, structuring and increasing the efficiency of approval procedures for renewable energy plants is crucial for the rapid and successful transition to a sustainable energy supply. The expansion of renewable energies is a central pillar of climate policy and is necessary in order to drastically reduce greenhouse gas emissions and achieve climate targets. However, lengthy and complex authorisation procedures are often a major obstacle.

More efficient authorisation procedures can significantly shorten investment times and thus reduce the costs of expanding renewable energies. This is particularly important as time and economic efficiency have a direct impact on the attractiveness and feasibility of projects. Investors and project developers require planning certainty and quick decisions in order to successfully realise projects. In addition, improving the authorisation process helps to increase social acceptance. Clear, transparent and rapid procedures can strengthen public trust and reduce resistance to projects.

The specific requirements for the authorisation procedures for renewable gases, such as biomethane and green hydrogen, are another important topic. These technologies play a decisive role in the decarbonisation of industry and transport. It is therefore necessary to optimise the approval procedures in this area too. Standardised and efficient processes can shorten development times and accelerate the introduction of these important technologies.

# Data sovereignty regarding the implementation of smart grids

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| **Question** |
| Currently, distribution grid operators are prevented from using the data collected in smart grids and by smart meters to control distribution grids due to strict cyber security regulations. This is contrary to the goal of ensuring a high level of system resilience. To achieve this, it is important to allow grid operators to utilise the data collected, particularly with regard to flexibility services and the efficient control of distribution grids. **How do you intend to ensure that the control of this data lies with the distribution system operators in order to implement an effective smart grid?** |
| **Further questions** |
| * What measures are being taken to create control mechanisms? |

**Background**

Based on communication technologies, smart grids make it possible to create an energy- and cost-efficient balance between a large number of electricity consumers, electricity producers and electricity storage systems. A continuous exchange between producers and consumers is necessary in order to guarantee a sustainable and economical electricity supply with an increasingly volatile production. Integrating smart grids and smart meters into electricity distribution grids has the potential to significantly improve the efficiency and resilience of the energy system. They enable dynamic and flexible control of the electricity grid by providing real-time data on energy consumption and grid load.

This data is crucial for predicting peak times in energy demand, effectively integrating renewable energy and responding quickly to grid disruptions. However, distribution system operators are challenged because strict cybersecurity regulations limit their ability to use valuable data to control the grids. These regulations are designed to protect the infrastructure from cyber-attacks, but result in limiting the use of collected data for grid control and optimisation. A careful balance between maintaining high security standards and creating opportunities for data utilisation would be necessary. Above all, this would enable network operators to process the available data securely and efficiently.

# Financing of smart grids through DSOs

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| **Question** |
| Smart grids are crucial for the modernisation of energy infrastructures as they enable a more efficient use of energy and integrate renewable energy sources. The financing of these smart grids is important and distribution system operators play a key role in their implementation and maintenance at local level. Therefore, financing measures must also take into account the financial burden on distribution system operators to support the transition to a more sustainable energy system. Successful financing by DSOs could accelerate market penetration and drive decarbonisation. **Do you intend to take measures to support the financing of smart grids by distribution system operators, focussing on the financing needs of distribution system operators and not only those of transmission system operators?** |
| **Further questions** |
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**Background**

Smart grids are crucial for the modernisation of the energy infrastructure, as they enable more efficient use of energy and support the integration of renewable energy sources. They allow real-time monitoring and control of the energy flow, which leads to a more stable and efficient power supply. However, the introduction of smart grids is associated with considerable investment costs, especially for distribution system operators (DSOs), who are responsible for implementation and maintenance. Discussions and policies around smart grids will also often be driven by transmission system operators (TSOs). It is important to ensure that DSOs, which play an essential role in the transformation of the energy system, are given sufficient attention by means of direct inclusion.

The financing of these smart grids is of major importance. To support the transition to a more sustainable energy system, financing measures must also take into account the specific financial needs of DSOs. Successful financing would accelerate market uptake and accelerate decarbonisation. Targeted financial support and incentives can enable DSOs to invest in the necessary infrastructure in a cost-efficient manner.

# Investments in digitalisation for data usage and control by DSOs

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| **Question** |
| Digitalisation, particularly through the implementation of smart grids, offers additional opportunities alongside the expansion and strengthening of electricity grids. This potential could help to ensure the security of energy supply in a future decentralised energy system. **What measures are you considering to ensure the necessary investments in digitalisation and the use of data for control by the distribution system operator in the distribution grid to guarantee a high level of security of supply in Europe in the future?** |
| **Further questions** |
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**Background**

Smart grids make it possible to create an energy- and cost-efficient balance between a large number of electricity consumers, electricity producers and electricity storage systems on the basis of communication technologies. A constant exchange between producers and consumers is necessary in order to guarantee a sustainable and economical electricity supply with increasingly volatile generation. Integrating smart grids and smart meters into electricity distribution grids has the potential to significantly improve the efficiency and resilience of the energy system. They enable dynamic and flexible control of the electricity grid by providing real-time data on energy consumption and grid load.

This data helps to forecast and control electricity demand and supply and enables customers to adapt their consumption to grid conditions. The availability, collection and utilisation of this data by the distribution system operator (DSO) is fundamental in every respect for grid operation and planning, as well as with regard to digital customer processes and flexibility services, in order to create opportunities for both consumers and energy suppliers and promote efficient and sustainable energy use.

However, distribution system operators are challenged as strict cybersecurity regulations limit their ability to use valuable data to control the grids. These regulations are designed to protect the infrastructure from cyber-attacks, but result in limiting the use of collected data for grid control and optimisation. With these objectives in mind, it is of the utmost importance that all new energy and digital policy initiatives at EU level take into account that data sovereignty and controllability must lie with the DSO in order to ensure cyber security in the grid.

# Transparency vs. the protection of critical infrastructure - a general focus

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| **Question** |
| In the last few years, the EU Commission has strongly promoted an open data policy and the pursuit of comprehensive transparency in municipal administration and services of public interest through various initiatives. At the same time, requirements for critical infrastructures to protect against cyberattacks or physical attacks on (parts of) facilities are constantly being expanded and tightened. Critical infrastructures are often public companies that provide services of public interest, such as energy supply or distribution, water supply or waste disposal, and in this sense are also subject to the requirements for open data and transparency. **To what extent do you see a conflict between the requirements for open data and transparency and the protection of critical infrastructure from external (cyber) attacks?** |
| **Further questions** |
| * Has the implementation of the EU Commission's open data policy led to the initial objectives? |

**Background**

The EU Commission's open data policy measures improve the accessibility and utilisation of data in order to increase the efficiency and innovative capacity of public services. At the same time, the requirements for the protection of critical infrastructures such as energy supply, water supply and waste disposal are being continuously tightened in order to protect them from cyberattacks and physical attacks. These requirements present public companies with the challenge of ensuring both transparency and the security of their infrastructures. All critical infrastructures that provide essential services must carefully consider which data can be published.

The Public Sector Information (PSI) Directive[[7]](#footnote-7) calls on public organisations to provide more data. Modern encryption technologies help to manage sensitive data securely. The EU Commission's open data policy has improved the accessibility and utilisation of public data and has initiated numerous innovation projects and efficiency-enhancing measures in public administration and services. These have contributed to the development of new business models and the promotion of transparency. However, the challenge remains to ensure that this progress does not jeopardise the security of critical infrastructures.

# Measures to improve transnational cyber security

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| **Question** |
| The EU and its member states are facing increasing cyber-attacks that take place across borders. A coordinated EU-wide response is needed to ensure security, as cybersecurity must take into account diverse legal and governance structures. Given the diversity of legal and technical infrastructures in EU countries, coordinating cybersecurity measures is a complex challenge. As critical infrastructures transcend borders, addressing cybersecurity threats requires a coordinated response that also takes into account the protection of personal data and privacy. **What measures do you plan to take to improve transnational cybersecurity?** |
| **Further questions** |
| * How can interoperability and cooperation in the EU - both for the physical security of networks and cyber security - be strengthened? |

**Background**

To improve transnational cyber security, it is important to develop common cyber security standards and protocols, harmonise cyber security legislation and establish specialised EU agencies, such as the European Union Agency for Cybersecurity, to coordinate and support national decisions. If all member states work together to respond quickly and effectively to cyber threats while maintaining standards for personal data protection and privacy, security can be guaranteed in the long term. Strengthening regional cooperation requires strategies that take into account both the physical security of networks and cyber security.

Establishing common technical standards and protocols to ensure that all member states run compatible and secure infrastructures are good measures. It would be ideal to find a good balance between the digital protection of networks and the physical security of infrastructures. Together, these measures can help to increase the EU's physical and cybersecurity resilience and ensure the protection of critical infrastructures.

# The commitment to decarbonisation in the Just Transition Mechanism

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| **Question** |
| As part of the EU Just Transition Mechanism, there is an intensive debate on how the transition to a low-carbon economy can be made fairer. The focus is also on potential measures for mandatory decarbonisation. **What are your current plans regarding this?** |
| **Further questions** |
| * Does this require the mandatory consent of employees or their representatives? |

**Background**

The EU Just Transition Mechanism aims to mitigate the socio-economic impact of the transition to a climate-neutral economy and to ensure a just transition. This includes financial support for regions that are heavily dependent on the carbon economy, as well as investments in sustainable economic sectors and jobs. Key aspects are mandatory decarbonisation measures to ensure that all sectors of the economy contribute to reducing greenhouse gas emissions. Companies and regions should develop and implement specific decarbonisation strategies. These measures are intended not only to promote ecological change, but also to ensure social acceptance and support for the necessary transformation. Financial support for sustainable energy technologies is particularly helpful in the energy sector in order to accelerate the transition.

The mandatory consent of employees or their representation within the framework of the EU Just Transition Mechanism is crucial to ensure social justice and acceptance. By involving employees, their perspectives and needs are taken into account, which makes the measures more practical and effective. This promotes trust and increases the likelihood of success of the transition to a climate-neutral economy. It also strengthens social justice by ensuring that employees are actively involved in decision-making processes and that their interests are safeguarded. This strengthens social cohesion and makes the transition fair for everyone involved.

# Employment criteria for Just-Transition fundings

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| **Question** |
| With the emergence of the Just Transition Fund, the EU faces the challenge of ensuring the fair and sustainable transformation of its economy. In doing so, it is essential to introduce employment criteria which ensure that the funding is targeted to where it is most urgently needed. These criteria should cover both the creation of new jobs and the reskilling and support of workers, particularly in regions and sectors affected by structural change. **To what extent do you plan to combine payments from the Just Transition Fund with job retention in the companies?** |
| **Further questions** |
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**Background**

The Just Transition Fund aims to mitigate the socio-economic impact of the transition to a low-carbon economy and ensure that regions and sectors that are largely dependent on fossil fuels are adequately supported. A key concern is the introduction of employment criteria to ensure that funding is directed to where it is most needed.

This includes the creation of new jobs as well as training and support for workers, particularly in sectors affected by structural change such as energy, coal and the automotive industry. The fund's resources have the potential to provide long-term financial support, create sustainable employment opportunities and strengthen the resilience of the affected regions.

In order to ensure that Just Transition Funds contribute effectively to securing jobs, it is intended to link payments to employment criteria. Companies that receive funding from the fund must prove that they are taking measures to preserve jobs and create new employment opportunities, as suggested, for example, by the guideline on qualification and counselling funding of the state of Carinthia[[8]](#footnote-8). Further measures should not only support the preservation of jobs, but also increase social acceptance for the necessary ecological change and enable a smooth transition to a sustainable economy.

**Reskilling in line with the Just-Transition-Mechanism**

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| **Question** |
| The Just Transition Mechanism aims to ensure a just and inclusive transition to a low-carbon economy by supporting both jobs and communities dependent on traditional, carbon-intensive industries, while promoting the transition to sustainable, green jobs. As part of this approach, reskilling projects and programs are being developed to prepare affected workers for new occupations and employment opportunities, through various forms such as vocational training, apprenticeship programs and financial support. However, one challenge is to ensure that these reskilling projects are adequately funded and effectively implemented to meet the needs of the affected workers. **What retraining projects are you planning and where do you see a need to support the member states?** |
| **Further questions** |
| * What are your planned measures to ensure that the transition through reskilling does not cause a negative impact on jobs? |

**Background**

The Just Transition Fund aims to mitigate the socio-economic impact of the transition to a low-carbon economy and ensure that regions and sectors that are largely dependent on fossil fuels are adequately supported. A key concern is to introduce employment criteria to ensure that funding is targeted to where it is most needed. A particular focus is on supporting reskilling projects and programs that prepare affected workers for new occupations and employment opportunities. These retraining initiatives include vocational training, education programs and financial support. The challenge, however, is to ensure that these projects are adequately funded and effectively implemented to meet the specific needs of the affected workers.

From the perspective of public associations, there is a need to work closely with local and regional authorities, educational institutions and the private sector in these areas to ensure that retraining measures are targeted and practical. Sufficient financial resources being available would help to support the implementation of these programs and facilitate the transition.

# Further support for socially disadvantaged people

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| **Question** |
| Managing structural change, especially in the context of the transition to a climate-neutral economy, requires not only environmental but also social justice. In the face of this challenge, it is essential to take measures to ensure that socially disadvantaged groups are not left behind. **In addition to the Climate Social Fund, how do you intend to provide additional financial measures for socially disadvantaged groups in order to cope fairly with the effects of structural change?** |
| **Further questions** |
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**Background**

The transition to a climate-neutral economy is one of the greatest challenges of our time and requires comprehensive adjustments in various sectors of the economy. This structural change not only affects technological and ecological aspects, but also has far-reaching social implications. Socially disadvantaged groups are particularly affected, as they often have fewer resources and opportunities to adapt to new circumstances. The EU's Social Climate Fund is already trying to support energy efficiency measures, the use of renewable energies and the fight against energy poverty. In addition to the Social Climate Fund, additional financial measures would be needed to protect socially disadvantaged groups, especially from the negative effects of structural change. This results in a fair adjustment that gives everyone the opportunity to prepare adequately and which also guarantees access to affordable energy.

# Ensuring educational standards, possibilities and opportunities in the energy sector

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| **Question** |
| Angesichts der Notwendigkeit von Attraktivität und Zugänglichkeit, beispielsweise durch vernünftige Zahlungsmodelle und Durchlässigkeit, wird die Standardisierung von Ausbildungen allein als unzureichend betrachtet. In Anbetracht dieser Herausforderungen: **Wie planen Sie sicherzustellen, dass angemessene Bildungsniveaus, Möglichkeiten und Chancen für die Energiewende bzw. eine gerechte Transition im Energiesektor gewährleistet sind?** |
| **Further questions** |
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**Background**

Ensuring adequate levels of education, opportunities and chances is central to a successful energy transition and a just transition in the energy sector. Adequate education and skills are critical to prepare the workforce for the new needs created by the transition to renewable energy and energy efficient technologies.

Firstly, a highly educated and skilled workforce will enable them to better adapt to the rapidly changing demands of the energy market. The energy transition implies new technologies and working methods that require specialized knowledge and skills. Targeted training and further education programs enable employees to acquire the skills they need to be successful in the new areas of work. This not only strengthens their employability, but also promotes the innovative strength of the entire industry.

Secondly, the promotion of education and training opportunities contributes to social justice. The transition to a sustainable energy supply must not lead to social inequalities. Access to education and qualifications gives all employees, regardless of their previous professional background, the opportunity to participate in the new jobs in the energy sector. This prevents certain groups from being disadvantaged and promotes inclusive and fair development.

Thirdly, ensuring adequate levels of education supports regional development and structural change in affected areas. Many regions that traditionally depend on fossil fuels are facing major challenges. Through targeted education initiatives, these regions can actively shape the transition to a sustainable economy and create new economic opportunities. This not only promotes the local economy, but also strengthens social cohesion.

# Ensuring an affordable energy supply

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| **Question** |
| In an increasingly energy-dependent world, securing an affordable energy supply is an ever more pressing challenge. The European Union is faced with the task of finding a balanced approach that takes into account both, the need for energy access for all citizens and the requirements of sustainable and environmentally friendly energy production. In light of rising energy prices and the urgency of curbing climate change, the following question arises: **How do you plan to ensure an affordable energy supply in the long term?** |
| **Further questions** |
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**Background**

Securing an affordable energy supply in the long term is of central importance for economic stability, social justice and environmental sustainability. Affordable energy is essential for households, businesses and public institutions, as it forms the basis for everyday activities and economic productivity. Rising energy prices can significantly increase the cost of living and place a heavy burden on low-income households in particular, which can lead to energy poverty. Energy poverty is a serious social problem that impacts the health and well-being of the people affected.

An affordable energy supply is also very important for companies, as it directly influences production costs. High energy prices can reduce the competitiveness of companies, slow down investments and jeopardize jobs. Energy-intensive industries in particular depend on stable and affordable energy prices to keep their operating costs low and ensure their global competitiveness.

In an increasingly energy-dependent world, securing an affordable energy supply is of crucial importance. On the one hand, rising energy prices caused by a combination of geopolitical tensions, limited fossil resources and an increasing demand for energy must be managed. On the other hand, the need for a rapid transition to renewable energy is pressing to combat climate change. This transition requires significant investment in new technologies and infrastructure, which in return can lead to higher costs. These conflicting requirements should be reconciled so that all stakeholders in Europe have access to affordable energy.

# Stable and affordable electricity in the rail sector

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| **Question** |
| In recent years, the rail sector has increasingly focused on the integration of electrification technologies to achieve both environmental and economic benefits. Strategies towards a full electrification are in line with efforts to reduce CO2 emissions and improve air quality. However, the energy price crisis has shown that pricing in the electricity market, together with the need to implement long-term procurement strategies for rail companies, poses a number of challenges in terms of ensuring a stable and affordable electricity supply. **What specific plans and strategies are you therefore considering to ensure affordable and stable electricity prices for the rail sector in the long term?** |
| **Further questions** |
| * How do you plan on ensuring that transportation of people and goods remains affordable AND environmentally and socially sustainable for end users? |

**Background**

The significant rise in electricity prices in recent years has massively weakened the competitiveness of rail compared to road, as diesel prices have not risen to the same extent. This has led to a shift in traffic towards the road, particularly in the transport of goods, contrary to the intention of the mobility strategy. Challenges concern in particular the securing of a stable and affordable electricity supply, which is crucial for the competitiveness and sustainability of the rail sector. It would be important to compensate for price fluctuations on the electricity market and give rail companies more planning security.

In order to ensure that passenger and freight transport remains both affordable and environmentally and socially sustainable, targeted measures are required at several levels. Further investment in the rail sector's infrastructure, accompanied by a considered pricing policy, would help to increase the attractiveness of rail transport and minimize the financial burden. Making the rail sector both affordable and environmentally friendly at the same time would provide the best advantages for climate-friendly development, reduce the financial burden on the rail sector and also increase the use of rail travel.

# Model ideas for regulated basic energy supply for disadvantaged communities

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| **Question** |
| Ensuring a regulated basic energy supply for disadvantaged groups is crucial to ensure social justice and equal opportunities. Facing rising energy prices and growing income inequality, governments will be challenged to find solutions to ensure that the most vulnerable groups are also supplied with energy. **What model ideas do you have in mind to ensure a regulated basic supply for disadvantaged population groups?** |
| **Further questions** |
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**Background**

Ensuring a regulated basic supply for disadvantaged population groups is crucial for social justice and social cohesion. Energy is a basic need which is essential for daily life, health and well-being. Without affordable access to energy, disadvantaged population groups can find themselves in precarious situations, leading to energy poverty.

Energy poverty can have severe consequences. Households that cannot afford adequate heating or cooling are exposed to health risks, especially the elderly, children and people with chronic illnesses. Cold homes can lead to respiratory illnesses, cardiovascular problems and other health impairments. A regulated basic supply ensures that these population groups also have access to the necessary energy and can meet their basic needs.

In addition, a regulated basic supply helps to reduce social inequality. If access to energy is unequally distributed, disadvantaged groups can be further marginalized, leading to a cycle of poverty. A fair and equitable energy supply enables these groups to actively participate in society, take advantage of educational and employment opportunities and improve their quality of life. In many countries, the latest energy price crises increased the economic burden on households, especially for those with low incomes. Model projects to ensure a regulated basic energy supply for disadvantaged population groups are therefore needed to ensure that they are not significantly more disadvantaged in terms of energy consumption than higher-income groups.

# A standardised European definition of energy poverty

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| **Question** |
| Europe faces the challenge of tackling energy poverty at a continental level, a complex issue that requires a harmonised definition. Given the diversity of national contexts and the different socio-economic conditions within the EU, a coherent approach is essential. **Are you planning a standardised European definition of energy poverty and, if so, by when should these plans be developed?** |
| **Further questions** |
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**Background**

Energy poverty is described as a situation in which households cannot afford basic energy services such as heating, cooling, lighting, mobility and electricity due to low income, high energy costs or low energy standards of buildings. The fight against energy poverty is therefore a cross-cutting task and affects different political fields.

Energy poverty is becoming an urgent issue as rising energy prices and the energy transition increase the financial burden on low-income households across Europe. At the same time, increasing income inequality means that poorer households are more affected by these burdens. Given the importance of social justice and social cohesion, the EU should promote measures to ensure a fair, sustainable and affordable energy supply for all.

A standardised European definition of energy poverty would therefore make sense in order to ensure that more uniform decisions are taken in the Member States and that they work together with the same reference values. As European definitions already exist in various areas, for example the definition of small and medium-sized enterprises which is widely used, an agreement on energy poverty would also help to combat the challenges better and in a coordinated manner.

# Implementation of fundamental and human rights in energy supply strategies

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| **Question** |
| In light of the current geopolitical dynamics and the increasing dependence of many countries on third countries for their energy supply, there is a need to develop strategies to diversify and reduce this dependence. However, it must not be forgotten that such measures must be in line with fundamental human and labour rights as well as democratic values. **How do you intend to integrate fundamental, human and labour rights along with basic democratic values into any plans aimed at reducing dependence on third countries for energy supplies?** |
| **Further questions** |
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**Background**

Many countries are dependent on third countries for their energy supply, which calls for a diversification of energy sources and a reduction in dependency. One focus must be on ensuring the stability and sustainability of energy supplies without compromising fundamental human rights, labour rights and democratic values.

The European Union (EU) aims to diversify its energy sources by focussing on both renewable energy and more secure and reliable partners that share the same values of democracy and human rights. This also means that future energy agreements and partnerships should be expanded and scrutinised to ensure that they are in line with the EU's ethical standards and values.

At the same time, it is important to protect and promote labour rights and social standards within supply chains. The EU will ensure that all agreements to reduce energy dependency guarantee decent working conditions and comply with international labour standards. International cooperation is therefore important in order to diversify energy sources and reduce dependency structures.

# Supply obligations of small energy suppliers

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| **Question** |
| In recent years, consumer protection has become increasingly important in the EU, particularly in the area of energy supply. Against this background, the EU Commission is faced with the challenge of strengthening the rights and interests of consumers while at the same time promoting competition on the energy market. However, given the dominance of large energy suppliers, it is also important to hold smaller players to account in order to ensure a fairer and more diverse supply. **What measures do you plan to take to strengthen consumer protection and hold smaller energy suppliers accountable for their supply?** |
| **Further questions** |
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**Background**

The EU Commission has recognised the need to protect consumers from unfair practices and to strengthen their rights, especially in light of rising energy prices and competition between small and large energy suppliers. A key challenge is to find a balanced approach that protects consumers' interests while promoting competition in the energy market. It is crucial that smaller energy suppliers also commit to ensuring a fair and diverse supply.

During the 2022 energy crisis, many smaller suppliers were unable to maintain the prices they had previously quoted. As a result, many of these suppliers went bankrupt and were no longer able to reliably supply their customers. This led to considerable uncertainty and burdens for consumers. The basic problem for smaller suppliers is often their limited capital, which serves as a reserve for times of crisis. If these financial buffers are lacking, the economic problems of smaller suppliers can become a direct burden for the final consumers.

Involving smaller energy suppliers in the obligation to supply can significantly improve the security of supply for consumers. The obligation to supply ensures that a stable and continuous energy supply is guaranteed, even in the event of market volatility. This strengthens consumer confidence and protects them from the effects of bankruptcy and unreliable supplies. Overall, this leads to a more resilient and secure energy infrastructure.

# Measures to prevent speculation against the European energy trade

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| **Question** |
| Speculations against energy trading lead to price fluctuations on the energy market, which impairs stability and potentially leads to bottlenecks. The willingness to invest and the possibility of long-term planning suffer from volatile prices. In addition, they could channel investments into less sustainable energy sources and trigger political reactions such as price regulations, which could impair the efficiency of the market in the long term. In light of recent developments on the energy markets and the increasing volatility of prices, this is a key concern. **What measures do you plan to take to prevent speculation against European energy trading and ensure security of supply?** |
| **Further questions** |
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**Background**

It is of great importance to prevent speculation against European energy trading in order to guarantee the stability and reliability of the energy supply. Speculation can lead to extreme price fluctuations that place a heavy burden on both consumers and companies. During the energy crisis in 2022 and 2023, it became clear how sensitively the energy market can react to speculative activities. This crisis led to drastically rising energy prices, causing financial difficulties for many households and companies.

The energy crisis also showed that excessive speculation can undermine trust in the energy market. When energy prices are artificially inflated by speculative activities, the actual market conditions can be distorted, leading to poor investment and planning decisions. This makes it more difficult to secure a stable energy supply in the long term and can hinder the implementation of the energy transition.

By preventing speculation, the market becomes more transparent and predictable, which protects both investors and consumers. Regulatory measures aimed at limiting speculative activities can help to increase market stability and reduce the risk of extreme price fluctuations. This is particularly important in order to minimise the economic impact on low-income households, maintain the competitiveness of the European economy and ensure security of supply.

# Measures against speculative behaviour on demand-response markets

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| **Question** |
| In a world where the demand for energy is more and more influenced by technology and data, we are faced with the challenge of ensuring that these changes do not lead to false consumption profiles. Such profiles could potentially affect efficiency and fairness in demand response markets. Given that, it is crucial to take measures that curb speculative behaviour in these markets and promote a fair and efficient use of energy resources. **What measures do you plan to take to counter speculative behaviour in demand response markets?** |
| **Further questions** |
| * What measures should be taken to ensure that the handling of flexibility services also serves the system? |

**Background**

It is very important to counteract speculative behaviour on demand response markets in order to ensure the stability and efficiency of the energy system. Demand response markets adapt energy consumption to the availability of renewable energy and contribute to grid stability. However, speculative behaviour can lead to distortions, artificial shortages and price spikes, affecting the reliability of the energy system and increasing costs for consumers and businesses.This was particularly noticeable during the energy crisis in 2022 and 2023.

Regulatory measures are therefore needed to limit speculative behaviour and ensure that demand response markets fulfil their proper function. Transparency requirements and the monitoring of trading activities are crucial to prevent abusive market behaviour. It is also important that the processing of flexibility services is system-friendly. This means that load shifting and flexibility offers must be designed in such a way that they contribute to grid stability and not just generate short-term financial gains. System-friendly processing ensures that the flexibility services actually contribute to the better integration of renewable energies and the avoidance of grid congestion.

Another critical aspect is preventing the use of artificial consumption profiles. These artificially created consumption patterns can be used to manipulate energy consumption in order to achieve financial benefits without representing a real demand. Such practices can distort market prices and undermine the effectiveness of demand response measures. By implementing strict controls and monitoring mechanisms, such artificial consumption profiles can be identified and prevented.

# Establishment of a European protective shield to safeguard energy trading

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| **Question** |
| Europe is facing a challenging time in light of increasing energy dependency and geopolitical uncertainties. Recent events have emphasised the urgency of establishing robust mechanisms to protect energy trade. Regarding these threats, the introduction of a European, state-owned energy trade defence shield could be a possible solution. **Are you considering establishing such a European, state-run protective shield to safeguard the energy trade?** |
| **Further questions** |
| * Should the member states be obliged to join this protective shield? |

**Background**

European political tensions often and regularly have an impact on energy trade. These threats affect not only the security of energy supplies, but also the stability and predictability of energy prices. One possible solution to address these challenges could be the introduction of a European defence shield to safeguard energy trade. Such an umbrella would serve to minimise risks and fluctuations on the energy market by providing state guarantees and financial support to mitigate bottlenecks and price spikes.

The introduction of a European, state-run protective shield to safeguard energy trading would strengthen European cooperation and make energy trading more secure. This could ensure that all member states benefit equally from the protective measures and that a stable energy market is created in the EU. The defence shield could serve as part of a broader European energy security framework, including measures to diversify energy sources, promote renewable energy and improve energy efficiency. The advantage for consumers and market players would be that it would actively avoid having an overly volatile energy market. This in return protects energy traders, enabling them to utilise resources efficiently for a sustainable development.

**Reform of OTC trading**

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| **Question** |
| In view of the constant development of the financial markets, the question of reforming over-the-counter (OTC) trading is of crucial importance. OTC trading, which enables transactions directly between two parties, has received both praise and criticism in recent years. While it offers flexibility and speed, concerns have also been raised about transparency and risk management. **Are you thinking of reforming OTC trading?** |
| **Further questions** |
| * Could it be realistic for trading related to the electricity price market to be suspended during periods of strong price volatility? |

**Background**

The advantages of over-the-counter (OTC) trading include flexible hours, lower prices and a trading mechanism that enables customised agreements and often promote more efficient transactions. Critics, however, have concerns about the lack of transparency and risk management, as the lack of regulatory oversight can potentially lead to market abuses and systemic risk. The increasing importance of OTC trading in the energy market reinforces the need at a European level to ensure that it remains secure and transparent in order to ensure confidence in the financial markets and the stability of the energy market

A possible reform of OTC trading should be envisaged to address these concerns. Increased transparency requirements, stricter reporting obligations and improved risk management practices could be helpful. It would be highly beneficial to preserve the benefits of OTC trading while minimising potential risks.

However, it would be important to suspend OTC trading on the electricity price exchange during strong price fluctuations in order to ensure market stability and transparency. OTC trading, which is often less regulated and less transparent than exchange trading, can lead to additional volatility and uncertainty in times of extreme price fluctuations. This can increase the risk of speculative activity, push up prices further and put a strain on market participants. Suspending OTC trading at such times will increase market transparency, boost confidence and promote a more stable and fair pricing process, ultimately benefiting both consumers and businesses.

# Relief on the capacity market

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| **Question** |
| The funding of renewable energies has played an important role in the transition to a sustainable energy supply in recent years. However, in addition to the flexibility of renewable sources, their reliable generation is of increasing concern. Strategies need to be developed that not only balance out fluctuations in supply, but also guarantee security of supply. **In addition to the 4th internal electricity market package, how do you intend to promote measures to strengthen sustainable security of supply by facilitating the capacity market?** |
| **Further questions** |
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**Background**

Sustainable security of supply in the energy sector is a key concern for the European Union, particularly in the context of the 4th internal electricity market package. In addition to the measures contained therein, it is essential to pursue additional strategies to ensure a stable and sustainable energy supply. One such strategy is the promotion of capacity market facilitation.

A capacity market makes it possible to remunerate electricity producers for the provision of capacity, regardless of whether it is actually utilised. This is particularly relevant in order to strengthen the security of supply, as it creates incentives to maintain a sufficient reserve capacity. This is crucial in times of high demand or outages of renewable energies that are weather-dependent.

The provision of securely available capacities in the electricity market must be appropriately taken into account and compensated in order to ensure optimal utilisation of flexibility options and security of supply. A revision of the application of capacity mechanisms is provided for in the recently published Electricity Market Regulation. The Commission should submit proposals to simplify and accelerate the authorisation of capacity mechanisms. It is important that a proposal is drawn up and implemented quickly, as capacity mechanisms are an essential component of security of supply.

**Need for a new pricing model for electricity transit**

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| **Question** |
| **Will you advocate for a new pricing model for electricity transit to ensure that Member States that are heavily affected by the 70% transit target are fully reimbursed through transit revenues?** |
| **Further questions** |
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**Background**

A new pricing model for electricity transit is essential to ensure that Member States which are heavily affected by the 70% transit target receive full reimbursement through transit revenues. This measure aims to avoid competition-distorting effects that could particularly burden Austrian end-customers.

Austria is in a unique position due to its central geographical location in Europe. It acts as an important transit hub for the flow of electricity between different countries. Compliance with the 70% transit target, which aims to ensure that at least 70% of cross-border transmission capacity is available for trade, means significant investments in infrastructure and ongoing costs for Austria in order to maintain and operate the electricity network.

Without an adjusted pricing model, there is a risk that Austrian end-customers will have to bear disproportionately high transmission costs. These costs do not arise from national electricity consumption, but from the transit function that Austria fulfils for the whole of Europe. A new pricing model would ensure that costs are fairly distributed and fully compensated by electricity transit revenues.

A fair distribution of transit costs will strengthen the competitiveness of Austrian end-customers and prevent them from having to pay disproportionately higher electricity prices. This will also promote acceptance and support for an integrated European energy transition, as all member states will benefit equally from the advantages and costs.

**Regulatory integration of security of supply, affordability and ecology**

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| **Question** |
| During the course of developing the future 5th internal electricity market package, it is crucial to recognize that price is not the only indicator of a balanced market design. Rather, a holistic approach is required that takes security of supply, affordability and ecological aspects into account equally. Such a market design must ensure that the energy supply is stable in the long term, remains affordable for consumers and at the same time meets ecological requirements. **How do you plan to integrate the triangle of security of supply, affordability and ecology into the future market design in regulatory terms?** |
| **Further questions** |
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**Background**

Developing a balanced market design for the internal electricity market requires a comprehensive strategy that goes far beyond pricing alone. First, a security of supply is essential to ensure a continuous and reliable energy supply. Without stable and secure energy sources, households and businesses can face significant economic and social burdens. Anchoring security of supply in regulations ensures that necessary infrastructure investments and backup solutions are prioritized.

Second, energy affordability is a key aspect of social justice. Energy must remain affordable for all population groups, especially low-income households. High energy prices can lead to energy poverty and significantly affect the quality of life. Regulatory measures can ensure that price increases are cushioned and subsidies or price caps are introduced to keep energy affordable for all.

Third, ecology plays a crucial role in the fight against climate change. Reducing CO2 emissions and transitioning to renewable energy sources is essential to achieve global climate goals. Regulatory integration of ecological objectives into market design promotes the development and use of environmentally friendly technologies and energy sources.

The regulatory integration of these three aspects – security of supply, affordability and ecology – creates a balanced energy system that is not only economically and ecologically sustainable, but also ensures social justice.

# Review of the EU electricity market design regarding affordability

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| **Question** |
| The design of the electricity market is at the heart of energy policy discussions, particularly with regards to the challenges of the energy transition and climate change. In recent years, the EU Commission has taken various measures to reform the European electricity market and prepare it for the increasing integration of renewable energies. Aspects such as efficiency, sustainability and security of supply have been brought into focus. **Do you intend to review the electricity market design again in the next legislative period with regards to the key aspects of affordability and, if necessary, put forward new proposals?** |
| **Further questions** |
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**Background**

In the next legislative period, it is essential to re-examine the electricity market design with regards to the key issue of affordability. Rising energy costs are placing increasing pressure on households and businesses, which can increase social and economic tensions. A review must ensure that energy prices remain affordable for all consumers without jeopardising investments in renewable energies and grid stability.

The electricity market design must ensure that the lower generation costs of renewable energies are better passed on to end consumers. Currently, falling energy prices on the electricity wholesale market are not being passed on to the retail market. However, this is crucial to ensure acceptance of the energy transition. Only if consumers feel the cost benefits directly will they be able to muster the necessary support for the switch to renewable energy. Passing on price reductions more effectively is therefore essential for the success of the energy transition and broad social support for sustainable energy sources.

**Replacing the Merit-Order**

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| **Question** |
| In the ever-evolving energy industry, the efficiency of power generation is becoming a key concern. However, the traditional merit-order, which determines the order of power generation by cost, is facing challenges. The integration of renewable energy and the dynamics of the market may require a redesign of the approach. Do you plan to replace the merit order and if so, what exactly would it look like? |
| **Further questions** |
| * In this context, is there a plan to introduce an electricity pricing model that takes greater account of production costs? |

**Background**

A replacement for the current pricing system makes sense, as it has several weaknesses that affect the energy transition and market stability. The existing system often leads to significant price spikes when the most expensive generation units have to be deployed to meet demand. This puts a burden on consumers and businesses and creates uncertainty in the market.

An alternative electricity pricing model that takes greater account of the levelized costs could mitigate these problems. By taking into account the actual generation costs of all energy sources, such a model would promote fair and stable prices that reflect the true costs of energy production. This would not only reduce price volatility but also support the expansion of renewable energy by making clean energy sources more competitive.

In addition, such a pricing model could stimulate investment in sustainable technologies as it strengthens financial incentives for efficient and environmentally friendly generation capacities. Overall, this would lead to a more stable, fairer and environmentally more sustainable energy supply that meets both the needs of consumers and the goals of the energy transition.

# Expansion of sectors in ETS

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| **Question** |
| The introduction of the Emissions Trading System (ETS) was an important step in the fight against climate change. Since its implementation, various sectors have been included in the system, including energy production, industry and aviation. ETS II, planned for 2027, will also include buildings and road transport in the future. Do you plan to expand the ETS to include other sectors? |
| **Further questions** |
| * Are you considering sharpening the price stability mechanism in ETS II in the interests of climate protection? |

**Background**

The introduction and further development of the Emissions Trading System (ETS) was a significant step in the fight against climate change. Since its launch, the ETS, as a market-based instrument, has helped reduce CO2 emissions in the EU by putting a price on carbon and thus creating financial incentives for lower-emission technologies. Various sectors, including energy production, industry and aviation, have already been included in the system and have thereby significantly reduced their emissions.

ETS II, planned for 2027, aims to also include buildings and road transport, which will significantly expand the scope and impact of the system. This expansion is crucial as buildings and the transport sector are significant sources of greenhouse gas emissions. A more comprehensive application of the ETS will accelerate the decarbonisation of these sectors and contribute to achieving climate targets. By continuously adapting and expanding the ETS, the EU could ensure that it consistently offers strong incentives for emission reductions and guarantees long-term planning certainty for investments in climate-friendly technologies.

# Integrating CCUS into the ETS

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| **Question** |
| Carbon Capture Utilization (CCU) and Carbon Capture Storage (CCS) could play a crucial role in reducing CO2 emissions by enabling industries to capture, reduce and store their carbon emissions. Given the need to remove carbon dioxide from the atmosphere, carbon capture and storage technology are seen as a potential key to achieving climate goals. **To what extent do you plan to integrate CCUS into the ETS system to incentivize companies to invest in this technology and further reduce CO2 emissions and if so, how?** |
| **Further questions** |
| * What role does bioenergy with CO2-capture and storage (BECCS) or utilization (BECCU) play in particular? |

**Background**

The integration of Carbon Capture, Utilization, and Storage (CCUS) into the Emissions Trading System (ETS) would be an important step to advance decarbonization and significantly reduce CO2 emissions. CCUS technologies offer the possibility of capturing, utilizing, or permanently storing CO2 emissions directly at the source, which can make a significant contribution to climate protection. By integrating CCUS into the ETS system, companies would receive financial incentives to invest in these advanced technologies. This could be done by issuing additional emission certificates or through special funding programs that mitigate the costs of implementing and operating CCUS plants. Such incentives would increase the economic attractiveness of CCUS and accelerate the acceptance and spread of these technologies.

A special aspect of CCUS is bioenergy with carbon capture and storage (BECCS) or utilization (BECCU). BECCS combines the combustion of biomass to generate energy with the capture and storage of the resulting CO2. This can achieve negative CO2 emissions, which means that more CO2 is removed from the atmosphere than is released. BECCU, on the other hand, focuses on the use of the captured CO2, for example in industrial processes or as a raw material for the manufacture of products.

The integration of BECCS and BECCU into the ETS system would further increase the reduction of greenhouse gas emissions while promoting the development of sustainable technologies. This contributes significantly to achieving climate goals and supports the transition to a low-carbon economy.

# Relevance of CCUS in the context of hard-to-abate processes

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| **Question** |
| Given the urgency of mitigating climate change, the discussion on carbon capture, utilization and storage (CCUS) has gained importance worldwide. CCUS does offer a way to reduce CO2 emissions by enabling carbon from industrial processes and power generation to be captured and stored. However, it also entails various risks, particularly with regard to possible leaks and the associated pollutant inputs into groundwater and soil, as well as increased CO2 levels. **Following this, to what extent can CCUS really be considered a future-proof and sustainable process?** |
| **Further questions** |
| * CCUS could play a crucial role, particularly in processes that are difficult to decarbonize, such as steel and cement production. **To what extent do you plan to use CCUS and how useful do you consider this method to be in conjunction with hard-to-abate processes?** |

**Background**

Given the urgency of mitigating climate change, the discussion on carbon capture, utilization and storage (CCUS) has gained worldwide importance. CCUS offers a way to reduce CO2 emissions by capturing and storing carbon from industrial processes and electricity generation.

CCUS could play a crucial role especially in hard-to-decarbonize processes such as steel and cement production. These processes are difficult to decarbonize because they require high temperatures and chemical reactions that release CO2. Through CCUS linked to produced CO2, a large part of these emissions can be avoided. In addition, using the captured CO2 in industrial applications, such as the production of synthetic fuels and building materials, enables a further reduction of the carbon footprint and promotes a sustainable circular economy.

However, CCUS also comes with various risks. There is a risk of potential leakages that could introduce pollutants into groundwater and soils and lead to increased CO2 levels. The safety and long-term stability of storage remain major challenges. In addition, there are also concerns that reliance on CCUS could reduce efforts to diminish carbon emissions at source by seeing it as a solution to the continued use of fossil fuels.

# Measures to limit fluctuations in the CO2 price

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| **Question** |
| Volatility in carbon markets can have a significant impact on various sectors and affect the effectiveness of climate policy measures. It is therefore crucial to take measures to limit these fluctuations and create a level of predictability and certainty for companies and investors. **What measures do you plan to take to limit fluctuations in the carbon price and thus ensure stability?** |
| **Further question** |
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**Background**

Limiting carbon price fluctuations is crucial to ensure stability and predictability in the market. A stable carbon price provides companies and investors with the security they need for long-term planning and investments in low-emission technologies such as carbon capture, utilization, and storage (CCUS) and renewable energies.

Fluctuating carbon prices lead to uncertainty and can reduce the willingness to invest. Stability, on the other hand, promotes innovation and the development of sustainable technologies. Stable carbon prices are also important for industrial competitiveness, as they enable energy-intensive industries to better calculate production costs and remain competitive.

From a political perspective, limiting carbon price fluctuations facilitates the implementation of climate protection measures and strengthens public trust in climate policy. A reliable carbon price signals serious and consistent efforts to achieve climate goals. Overall, limiting carbon price fluctuations contributes to market stability and predictability, promotes green investments, and strengthens industrial competitiveness.

# Domestic electricity price zones

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| **Question** |
| In view of the current energy debate and the ever-growing challenges in the electricity sector, the question of the effectiveness of domestic electricity price zones is in focus. These zones were introduced to improve the efficiency of the electricity market and ensure grid stability. However, there are controversial opinions on whether these measures are still relevant or whether alternative approaches are needed to meet the needs of the changing energy system. **Do you intend to stick to the plans for domestic electricity price zones?** |
| **Further questions** |
| * Do you also plan to promote similar measures in the Member States? |

**Background**

Domestic electricity price zones were introduced to better manage regional differences in the generation and demand of energy and to enable a more efficient use of electricity infrastructures. Many countries experience geographical imbalances in electricity production, for example due to the concentration of renewable energy sources such as wind power in certain regions. The introduction of electricity price zones can balance these regional disparities and reduce grid bottlenecks.

These measures remain relevant as they help to ensure grid stability and minimise the costs of expanding transmission networks. Different prices in different zones reflect the local supply and demand situation, which encourages investment in regions with lower prices and higher renewable energy potential. This supports decentralised energy generation and use and contributes to the integration of renewable energy.

However, the changing needs of the energy system may also require alternative approaches. The increasing decentralization of energy production, the growing importance of storage systems and the progressive digitalization of the energy sector pose new challenges for traditional electricity price zones.

Despite these developments, it is important to maintain a uniform, national electricity price zone in the member states. This ensures a fair and equal access to energy for all consumers and prevents certain regions from having to pay disproportionately high electricity prices. A uniform national price zone supports social justice and strengthens consumer confidence in the energy system.

# Design of the Energy Taxation Directive

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| **Question** |
| Given the increasing importance of environmentally friendly energy sources and the need to curb climate change, energy taxation is at the centre of many political discussions. Effective and balanced taxation of energy products plays a crucial role in guiding behaviour and promoting environmentally friendly alternatives. Given the complexity of the issue and the diverse interests of the actors involved, it is crucial to pursue a well-thought-out and transparent planning process. **When and in what concrete way do you plan to design the Energy Taxation Directive?** |
| **Further questions** |
| * Is there an intention to maintain the final consumption tax permanently? |

**Background**

An energy taxation directive is crucial to promote the energy transition and achieve the EU's climate goals. This directive sets the minimum tax rates for energy products and electricity, which helps to create a level playing field in the member states and avoid distortions of competition. It supports the transition to a low-carbon economy by making the use of fossil fuels more expensive, thereby increasing the incentive to invest in renewable energy and energy efficiency.

The need for such a directive arises from the urgency of reducing CO2 emissions and promoting sustainable energy sources. Taxing energy according to its CO2 percentage makes more environmentally friendly alternatives more economically attractive, increasing the demand for clean technologies. In addition, the revenues from energy taxation can be used to promote investments in green infrastructure and research.

However, it is crucial to ensure that consumers are not overly burdened by tax. A fair distribution of the tax burden is necessary to avoid social inequalities and ensure the acceptance of the measures.

# Funding to accelerate the expansion of storage capacities

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| **Question** |
| In view of the constantly growing importance of renewable energies and the increasing integration of decentralised energy sources, the issue of storage capacity is at the heart of the energy policy debate. Ensuring a stable energy supply requires not only an increase in generation capacity, but also an effective way of storing surplus energy. In this context, the development and expansion of storage technologies is of crucial importance for the future of the energy infrastructure. **What resources are you planning to use to promote the expansion of storage capacities?** |
| **Further questions** |
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**Background**

The expansion of storage capacities is of central importance for the sustainable and reliable energy supply of the future. With the increasing proportion of renewable energies in the energy mix, particularly fluctuating sources such as wind and solar energy, the need for efficient energy storage systems is becoming ever more urgent. These storage solutions make it possible to store surplus energy at times of high production and retrieve it when generation is low or demand increases. This makes a significant contribution to stabilising the electricity grid and ensuring a continuous energy supply.

In addition, energy storage systems promote the flexibility of the energy system, which enables better integration of renewable energies and reduces dependence on fossil fuels. This flexibility is not only environmentally beneficial, but also has a significant economic dimension. By better adapting to supply and demand, grid bottlenecks can be avoided and grid expansion costs reduced. This leads to more efficient utilisation of the existing infrastructure and reduces the overall costs of energy supply.

However, the existing storage capacities are currently still far too small to meet the requirements of a modern energy system based on renewable energies. It is therefore necessary to think bigger and develop and implement ambitious plans for the expansion of storage capacities. Only with the parallel expansion of production, transmission and storage can the transformation to a sustainable and secure energy future be successfully realised.

# Security of raw materials and resources

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| **Question** |
| In light of increasing globalisation and geopolitical tensions, securing the supply of raw materials and resources is becoming increasingly important. Geopolitical changes can quickly lead to challenges, particularly in the energy sector, especially when it comes to gas supplies. Companies and governments must therefore develop strategies to arm themselves against potential risks and ensure the continuity of their supply. With this in mind, it is important to develop concrete commodity and resource security plans that are flexible enough to respond to potential geopolitical changes in gas supply. **What are your specific strategies for securing raw materials and resources, especially against the backdrop of possible geopolitical changes in the gas supply?** |
| **Further questions** |
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**Background**

Securing raw materials and resources is of crucial importance, especially in view of possible geopolitical changes in the gas supply. Raw materials such as natural gas play a central role in the energy supply of many countries and are essential for industry, heating and power generation. A stable and reliable supply of these resources is therefore essential for economic and social stability.

Geopolitical changes can have a significant impact on the availability of raw materials. Conflicts, trade disputes and political tensions can lead to disruptions in the supply chain, resulting in supply bottlenecks and price fluctuations. This makes it necessary to develop strategies to ensure the security of supply. Diversification of suppliers, the expansion of renewable energies and the creation of strategic reserves are some of the measures that can be taken to minimise the risk.

In view of current geopolitical developments, it is more important than ever to reduce dependence on individual suppliers and to be as flexible as possible in the choice of partner countries. A robust and versatile energy infrastructure helps to cushion the impact of geopolitical changes and ensure long-term security of supply. By working with different countries and regions, we can better spread the risks and ensure that there is no one-sided dependency. This flexibility enables us to react quickly and efficiently to unforeseen geopolitical developments, which further strengthens the stability of the energy supply and economic independence.

# Import duties for gas from Russia

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| **Question** |
| In recent years, the European Union has repeatedly discussed its energy dependence on Russia. The political tensions between the EU and Russia and the security of energy supply have led to an intense debate on the diversification of energy sources. Given the geopolitical situation and dependence on Russian gas, the following question arises: **Do you plan to introduce import tariffs on gas imports from Russia in order to strengthen the EU's energy policy and ensure its strategic autonomy?** |
| **Further questions** |
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**Background**

In recent years, the European Union has repeatedly and intensively discussed its energy dependence on Russia. The political tensions between Ukraine and Russia and the associated security concerns regarding energy supply have sparked a debate on the diversification of energy sources. Given the geopolitical situation and the strong dependence on Russian gas, the question arises as to whether the introduction of import tariffs on gas imports from Russia could be a suitable measure to strengthen the EU's energy policy and ensure its strategic autonomy.

The introduction of import tariffs could fulfil a dual purpose. Firstly, it would increase the cost of Russian gas and thus incentivise the development of alternative energy sources within and outside Europe. Secondly, it could generate revenue that could be invested in the expansion of renewable energies and the improvement of energy infrastructure. These measures would reduce dependence on individual suppliers and make the overall energy supply more stable and secure.

However, the implementation of such tariffs is not without risks. Higher costs for gas imports could increase energy prices in the EU in the short term and affect the competitiveness of European industry. Careful consideration must therefore be given to how future energy policy is shaped in order to both ensure security of supply and minimise economic disadvantages.

# Resource security for a future optimisation of the energy system

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| **Question** |
| Ensuring a smooth supply of the resources required for energy infrastructure is a key aspect of future development. Given the complexity of global supply chains and the increasing demand for energy-related materials, it is essential to develop mechanisms that ensure sustainable and efficient procurement. **How will you ensure that the future upgrading of the entire energy system is supported by sufficient resources?** |
| **Further questions** |
| * How will you ensure that necessary alternatives remain available and accessible in the future despite existing restrictions? |

**Background**

Ensuring a smooth supply of the resources required for energy infrastructure is a key aspect of future development. Given the complexity of global supply chains and the increasing demand for energy-related materials, it is essential to develop mechanisms that ensure sustainable and efficient procurement. It must be ensured that the future upgrading of the entire energy system is supported by sufficient resources.

The increasing demand for raw materials such as rare earths, lithium and cobalt, which are needed for batteries and other energy storage technologies, requires careful planning and international co-operation. Dependence on a small number of suppliers and geopolitical risks can jeopardise the security of supply. It is therefore crucial to find alternatives to existing sources of supply and to increase recycling in order to diversify the raw material base.

The availability of raw materials that will soon be banned remains a key challenge. Raw materials such as certain metals and rare earths are currently essential for the production of technologies that are necessary for the energy transition. At the same time, we are faced with the task of replacing these raw materials with sustainable alternatives. A company must continue to build products that are necessary for the energy transition, even if these raw materials will soon no longer be accessible.

The question of how necessary alternatives can remain available and accessible in the future despite existing restrictions requires a holistic strategy. This should include political, economic and technological measures to ensure the resilience and sustainability of the energy system. Only in this way can the EU organise its energy supply in a stable and future-proof manner.

# Refinancing the development of European hydrogen networks

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| **Question** |
| Europe faces the challenge of driving forward its energy transition while reducing its dependence on fossil fuels. One promising solution that is becoming increasingly important is the integration of hydrogen as a clean energy carrier. The establishment of a European hydrogen network has enormous potential to steer the continent towards a more sustainable energy infrastructure. **How do you intend to organise the financing for the development of European hydrogen networks?** |
| **Further questions** |
| * How do you plan to ensure that the costs of building the hydrogen networks are not transferred on to private customers? |

**Background**

The development of a comprehensive European hydrogen network is a central point for the energy transition and the decarbonisation of the economy. Hydrogen is considered a versatile energy carrier that can replace fossil fuels in various sectors, such as industry, transport and power generation. In order to fully utilise the potential of hydrogen, it is necessary to build a robust infrastructure that enables the production, storage, transport and distribution of hydrogen. Supportive financing is of crucial importance here.

The implementation of an efficient hydrogen economy must be comprehensively supported by the state. State subsidies, cheap loans and targeted investment incentives are necessary to cope with the high initial investments and accelerate the construction of hydrogen networks. State support reduces the risk for investors and makes projects economically viable. This not only promotes the development of hydrogen technology, but also creates jobs and strengthens European competitiveness in the global energy market.

It is also important that the costs of building hydrogen networks are not passed on to private customers. The energy transition should be socially fair, and burdening end consumers with high additional costs would lead to resistance and social injustice. Instead, the costs should be distributed fairly and borne by state support and industry participation. This ensures broad acceptance and support among the population for the transition to renewable energies. Only through a fair distribution of costs can the energy transition be implemented successfully and sustainably, without neglecting the social and economic needs of private customers.

**Future uses for hydrogen**

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| **Question** |
| In recent years, hydrogen has proven to be a promising energy carrier that has the potential to play a key role in the decarbonization of various sectors. Hydrogen is gaining worldwide importance as a clean and versatile energy storage medium. **What specific areas of use do you see for hydrogen-use in the coming years?** |
| **Further questions** |
| * What impact will hydrogen have on industries that are difficult to decarbonise and how much will their focus be on it? |

**Background**

Hydrogen plays an important role in the renewable energy transition. This is mainly because hydrogen only releases water and no harmful emissions when used in fuel cells, making it an attractive alternative to fossil fuels. In addition, hydrogen can be produced from renewable energy sources such as wind and solar energy, which contributes to a further reduction in greenhouse gas emissions and increases energy security. Thus, hydrogen appears to have great benefits in several areas. In the transport and industrial sectors in particular there are potentially diverse uses of hydrogen in the field of fuel and energy storage.

The steel, cement and chemical industries in particular have traditionally been heavily dependent on fossil fuels and have high CO2 emissions, which makes reducing their climate impact particularly challenging and costly. Hydrogen could serve as a replacement for carbon-intensive energy sources. If the use of hydrogen in these industries were to increase significantly in the coming years, an energy transition could be achieved quicker and more sustainable practices could be ensured.

In addition, technological advances and falling costs of renewable hydrogen are encouraging the implementation of hydrogen-based solutions. Companies could play an important role in the field if they are encouraged to invest more in hydrogen research and development. This could improve the efficiency and economics of hydrogen applications, which should accelerate the transformation of these sectors.

# Measures to convert the existing gas infrastructure into a hydrogen infrastructure

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| **Question** |
| Given the urgent need to accelerate the transition to more sustainable energy sources, the conversion of existing gas infrastructure to hydrogen infrastructure is the focus of numerous political and economic discussions. This transformation has the potential to make significant progress towards a low-carbon future by promoting the use of green hydrogen. **What measures do you plan to promote the legal and planning-safe conversion of existing gas infrastructure to hydrogen infrastructure?** |
| **Further questions** |
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**Background**

The legal and secure conversion of the existing gas infrastructure into a hydrogen infrastructure is crucial for the successful implementation of the energy transition and the decarbonization of the European economy. Using existing gas networks to transport hydrogen offers numerous advantages, including cost savings, time savings and the minimization of environmental impacts compared to building a completely new infrastructure.

The European Gas Package, initiated by the EU Commission, aims to modernize the gas market and promote the integration of renewable gases such as hydrogen. A central component of this package is legal and regulatory support for the conversion of existing gas infrastructure. Clear legal requirements and planning instruments are intended to ensure that network operators can make the necessary adjustments quickly and efficiently.

The promotion of legal and planning-secure conversions is essential to create investment security for companies. Those must be able to trust that their investments in the conversion of the infrastructure are legally secured and profitable in the long term. Without this certainty, important projects could be delayed or not even started, which would significantly hinder the energy transition.

In addition, the repurposing of existing infrastructures helps to achieve climate goals by enabling the rapid and cost-efficient use of hydrogen as a renewable energy source. This is particularly important to achieve the ambitious goals of the European Green Deal, which aims to achieve climate neutrality by 2050.

**Certification of renewable hydrogen**

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| **Question** |
| The growing importance of green hydrogen as a key component in the global transition to clean energy has created an increased demand for clear certification standards. These standards are crucial to ensure the quality and sustainability of green hydrogen and to increase consumer and industry confidence. Given the diversity of production methods and the global nature of the hydrogen market, standardised certification is of great importance. **What are your concrete plans for green hydrogen certification?** |
| **Further questions** |
| * How do you plan to ensure that the production of green hydrogen does not jeopardise the security of supply in third countries? |

**Background**

The transition to renewable energy has the potential to make significant steps towards a low-carbon future by promoting the use of green hydrogen. Green hydrogen, produced by electrolysis using renewable energy, plays a central role in the decarbonisation strategy of many countries and industries worldwide.

The resulting demand for hydrogen has created the need for clear certification standards. These standards are crucial to ensure the quality and sustainability of green hydrogen production and to strengthen the confidence of consumers and the industry. Harmonised certification standards would be beneficial to ensure transparency and comparability of the different production methods and their environmental footprint.

It would be important to consider transparency and traceability systems that can document the entire life cycle of hydrogen. Such systems strengthen confidence in the origin of green hydrogen and consolidate its role in the global energy market.

A key concern here is that the production of green hydrogen does not jeopardise security of supply in third countries. This can be ensured through international co-operation for the development of renewable energy capacities in these countries. Investments in renewable energy in third countries are crucial to ensure that sufficient energy is available both for local supply and to produce green hydrogen.

# Framework conditions for the development of a renewable hydrogen economy

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| **Question** |
| The transition to a hydrogen economy not only promises a reduction in greenhouse gas emissions, but also a diversification of energy sources. Nevertheless, we face challenges that make it difficult to scale up this business model. **In your opinion, how can the framework conditions be designed to facilitate the launch of the renewable hydrogen economy and at the same time ensure a profitable business model?** |
| **Further questions** |
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**Background**

Green hydrogen can replace fossil fuels in many sectors such as industry, transport and power generation. This helps to reduce dependence on imported fossil fuels and improve energy security. However, there are challenges such as high production costs and a lack of infrastructure. Extensive measures are needed to facilitate the launch of the renewable hydrogen economy while ensuring a profitable business model.

In order to achieve the aim of moving from small-scale production to a large-scale level, coordination and strategic measures are beneficial. A profitable business model incentivises investors to invest in innovative technologies and infrastructure projects, which is necessary to reduce production costs and increase efficiency. This promotes competition and innovation in the market and can lower prices for end consumers. In addition, an economically viable model provides planning certainty for companies wishing to use hydrogen, which is particularly important for energy-intensive industries that depend on reliable and cost-effective energy sources.

# Funding for the hydrogen boost

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| **Question** |
| Given the ambitious targets for reducing greenhouse gas emissions and creating a sustainable energy infrastructure, it is essential to provide targeted support and incentives for the hydrogen ramp-up. The upcoming support measures should not only drive the development and scaling of hydrogen technologies, but also enable the development of a robust hydrogen economy. **What new subsidies are you planning for the hydrogen scale-up?** |
| **Further questions** |
| * Are there plans to introduce eligibility criteria to regulate the qualification for hydrogen production? |

**Background**

Green hydrogen plays a crucial role in the decarbonisation strategy as it can be used as a clean energy carrier in various sectors. In order to promote the development and scaling of hydrogen technologies, support measures would be needed that propose both financial support and policy and regulatory ideas. These should help to reduce production costs, expand infrastructure and increase market demand in order to build a robust hydrogen economy. The upcoming support measures should not only support technological development, but also strengthen the entire value chain of the hydrogen economy. Investments in research and development as well as financial support can contribute to this, as these can help companies to develop economically stable business models. In addition, regulatory measures could establish uniform standards and certifications for green hydrogen that facilitate international trade and cross-border cooperation.

Suitability criteria could successfully regulate qualification for hydrogen production. These criteria could ensure that only projects that meet sustainability, efficiency and innovation standards are subsidised. This would have a positive effect in ensuring that projects are also effective in the long term. Criteria should be developed in close co-operation with experts and stakeholders and regularly reviewed to ensure that they reflect the latest scientific findings and technical developments. In this way, transparency and trust can be created to ensure that funds are used effectively and in a targeted manner. In addition, the criteria would facilitate knowledge exchange to support the development of an efficient and sustainable hydrogen economy.

# Incorporation of quality criteria for the promotion of hydrogen

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| **Question** |
| The EU Commission already presented an ambitious hydrogen strategy aimed at scaling up hydrogen production and diversifying its areas of application. Discussions up to now have often focussed on technical aspects such as efficiency and environmental compatibility. However, the social dimension of the hydrogen sector is also increasingly gaining centre stage. **Are you planning to include quality criteria in the promotion of hydrogen that also take social sustainability into account?** |
| **Further questions** |
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**Background**

The promotion of hydrogen as an energy source is an essential step towards reducing greenhouse gas emissions and combating climate change. However, it is crucial to consider not only environmental but also social sustainability criteria when developing and implementing hydrogen technologies. Social sustainability aims to ensure that social and economic benefits are distributed equally and that social injustices are avoided.

In the hydrogen industry, this means ensuring that working conditions throughout the supply chain are humane and that there is no exploitation. In addition, access to the benefits of hydrogen technology should be guaranteed for all population groups, especially for disadvantaged and marginalised communities. Fair wages, labour protection and social security for workers are also key aspects.

In addition, the inclusion of social sustainability criteria can help to gain social acceptance and support for hydrogen projects. Acceptance among the population is crucial for the success of such projects, as resistance and conflicts often arise from social inequalities and injustices. In the long term, projects that take social sustainability into account contribute to a more stable and fairer society and thus support the overarching goals of sustainable development.

**Implementing the Energy Efficiency Directive**

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| **Question** |
| The implementation of the Energy Efficiency Directive is crucial to fulfil the EU's commitments in the fight against climate change. It is equally important that these measures are implemented without any additional bureaucratic hurdles. A key challenge is to modernise the existing infrastructure in order to sustainably reduce energy consumption and increase efficiency. **In your view, how can the EU support the refurbishment of existing infrastructure by providing funding?** |
| **Further questions** |
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**Background**

The European Union's (EU) Energy Efficiency Directive[[9]](#footnote-9) is a key part of the EU's strategy to reduce energy consumption and promote sustainable energy practices. It aims to increase energy efficiency in various sectors, including industry, transport and, in particular, buildings, which are responsible for a significant proportion of energy consumption. The directive obliges member states to develop and implement national energy efficiency measures in order to achieve common goals.

Renovating the EU's existing infrastructure is crucial for the economic, environmental and social future of the region. Many existing infrastructures, such as roads, bridges, buildings and supply networks, are outdated and no longer meet today's requirements in terms of safety, efficiency and environmental compatibility. Comprehensive modernisation can help to extend the lifespan of this infrastructure, increase its efficiency and reduce its environmental impact.

In addition, infrastructure modernisation plays a key role in promoting innovation and competitiveness. By integrating modern technologies and sustainable materials, significant energy savings can be achieved and resilience to climate change can be improved. EU funding makes it possible to overcome financial barriers and even out regional differences so that all Member States can benefit from the advantages of modern infrastructure.

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# Utilisation of agricultural and forestry residues and organic waste for the production of biomethane

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| **Question** |
| Austria has the potential to play a leading role in sustainable energy production, particularly through biomass such as biomethane or pyrolysis oil. These resources not only offer the possibility of producing renewable energy, but in the case of solid biomass also contribute to the promotion of forest ecosystems, which in return improves climate resilience. By fulfilling all the criteria for sustainable biomass, Austria has the potential to promote a green energy source that is not only environmentally friendly but also economically viable. Given the fact that pellet production is heavily dependent on market dynamics and quality standards, sustainable utilisation of the heat source would be crucial for the development of this sector. **To what extent do you plan to promote the use of forestry residues for the production of biomethane?** |
| **Further questions** |
| * To what extent do you plan to promote the utilisation of the potential of agricultural residues and organic waste from households, trade and the food industry for the production of biomethane? |

**Background**

Utilising forestry residues to produce biomethane offers a sustainable way of accessing renewable energy sources and reducing dependence on fossil fuels. Forestry residues, such as wood waste, sawdust and bark, are abundant and often unutilised, making their potential for energy production significant. By fermenting these materials, biomethane can be produced, a renewable gas that can serve as an environmentally friendly substitute for natural gas. This contributes to the reduction of greenhouse gas emissions and supports the EU's Green Deal targets.

In addition to forestry residues, agricultural residues and organic waste from households, trade and the food industry are also valuable resources for biomethane production. Utilising this potential is particularly important for two main reasons: reducing waste and promoting the circular economy. The fermentation of organic waste and agricultural residues reduces the amount of waste ending up in landfills and thus reduces the associated environmental impact, such as methane emissions from landfills. In addition, the conversion of waste into energy promotes the principle of the circular economy by reusing waste products and converting them into valuable resources. This contributes to the creation of a more sustainable and resource-efficient energy system and at the same time supports the reduction of greenhouse gas emissions and the conservation of fossil resources.

# Binding objectives for renewable gases

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| **Question** |
| The issue of binding targets for renewable gases is of crucial importance in the efforts to drive forward the transition to a sustainable energy supply. The EU Commission in particular faces the challenge of setting clear and realisable targets for various forms of renewable gases. Various sources such as biomethane, hydrogen and synthetic gas are being considered, each of which can be produced from renewable energy resources. **To what extent are you considering binding targets in connection with renewable gases?** |
| **Further questions** |
| * What incentives should be put in place to secure the potential already available in the long term? |

**Background**

The European Union's REPowerEU plan[[10]](#footnote-10)aims to increase biomethane production to 35 billion cubic metres by 2030. Binding targets for renewable gases are crucial to create a clear framework for investment and development. They promote the trust of investors, create market stability and ensure that the necessary political and financial resources are mobilised to further develop the infrastructure and technologies for the production of biomethane. These binding targets are essential in order to fully utilise the potential already available and reduce dependency on fossil fuels.

In addition to binding targets, targeted incentives are required to ensure that the potential is secured in the long term. Support programmes, tax benefits and subsidies can reduce the initial costs and economic risks for producers and investors. Long-term contracts and guaranteed purchase prices also play an important role in accelerating the expansion of biomethane production. Such measures are crucial to increase the scalability and competitiveness of renewable gases, make a significant contribution to energy supply and achieve the EU's climate targets. By pursuing these strategies, the EU can secure a more sustainable and resilient energy future.

# Ensuring a structured, socially responsible and safe shutdown of the gas distribution network

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| **Question** |
| In light of the urgent need to switch to sustainable energy sources, the challenge of restructuring the gas distribution network and converting private residential areas to climate-neutral heating systems is imminent. This requires careful planning and consideration of social and safety aspects. The transition can have a significant impact on many people's daily lives and therefore requires a well thought out strategy that takes into account their needs and safety requirements. It is crucial to develop an approach that enables a smooth transition while taking social and safety concerns seriously. **How do you intend to ensure such a structured, socially and safety-responsible shutdown of the gas distribution network and the switch to climate-neutral heating systems in the private residential sector?** |
| **Further questions** |
| * How can it be guaranteed that tenants are adequately protected during this implementation? |

**Background**

The European Union's gas package presented in December 2021 includes comprehensive measures to decarbonise the gas sector and promote renewable gases. The central elements include the promotion of biomethane and hydrogen, the improvement of the infrastructure and the introduction of new market rules. As part of this package, it was also decided to close down the gas distribution network if a clear gas phase-out path is defined in the new network development plans to be drawn up by distribution network operators at local level.

A structured, socially responsible and safe shutdown of the gas distribution network and the switch to climate-neutral heating systems in the private residential sector are of great importance. These measures are crucial to reducing greenhouse gas emissions and achieving the EU's climate targets. Switching to renewable heating systems contributes to the long-term reduction of energy consumption and supports the development of a sustainable and resilient energy supply.

At the same time, it must be ensured that tenants are adequately protected in this process. A fair distribution of costs is essential to avoid social injustice and ensure that the burdens of the transition are not passed on to tenants unilaterally. Targeted political measures and support are needed to create affordable solutions while maintaining the quality of housing.

# Measures to support energy communities

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| **Question** |
| In recent years, the EU has stepped up its efforts to promote renewable energies and reduce CO2 emissions. Energy communities have come into the spotlight as a promising way to decentralise and democratise the energy market. Despite their potential, energy communities face various challenges, including regulatory and financial barriers. **How do you plan to take concrete measures to support energy communities and ensure that they can be practically implemented?** |
| **Further questions** |
| * Do you intend to allow participation in renewable energy communities also for large companies of non-profit housing associations and public companies in order to fully utilise the potential of decentralised and decarbonised energy supply? |

**Background**

Energy communities play a key role in promoting decentralised energy production and strengthening local energy networks. They enable citizens, local authorities, businesses and other stakeholders to come together to realise renewable energy projects. These communities contribute to the democratisation of energy supplies by putting the participation and control of energy production in the hands of local communities. In order to realise the full potential of energy communities, it is important to take targeted measures to support their establishment and operation and to ensure that the legal and regulatory framework encourages their practical implementation.

The authorisation of renewable energy communities also for large , non-profit housing and public companies is particularly important. These actors have the necessary resources and organisational capacity to implement large-scale projects that can contribute significantly to the energy transition. Another important aspect is that the integration of non-profit housing companies into renewable energy communities would not have a market-distorting effect. Rather, through their participation, these companies could help to ensure that the benefits of favourable renewable energy projects also benefit disadvantaged population groups.

# Integrating the Balkan region to improve European security of supply

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| **Question** |
| Europe is facing the challenge of ensuring its energy security, especially in the face of geopolitical tensions and growing demand. One promising way to strengthen this security is to integrate the Balkans into the European energy network. The region has considerable resources and potential that needs to be utilised in order to reduce dependence on external energy sources and increase security of supply. **Would you be interested in improving European security of supply by integrating the Balkans into the European energy network?** |
| **Further questions** |
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**Background**

The integration of the Balkans into the European energy network is crucial to strengthen European security of supply. The Balkans are strategically important, both as a transit route for energy and as a potential producer of renewable energy such as wind, solar and hydropower. Several advantages can be realised by integrating the Balkan countries.

Firstly, the integration reduces Europe's energy dependence on external suppliers. The Balkans have significant renewable energy sources which can contribute to regional and European energy supply. This increases resilience to geopolitical risks and market disruptions.

Secondly, integration enables a more efficient use of existing infrastructure and the development of new projects that improve regional energy efficiency and stability. The expansion of cross-border interconnectors and the harmonisation of energy markets optimise electricity flows and avoid shortages, which in turn reduces the risk of supply disruptions.

Thirdly, integration promotes economic growth and political stability in the Balkan countries. The access to a stable and diversified energy market attracts investments, creates jobs and supports the economic development of the region, which contributes to political stability.

# Preserving Europe's Transformer Manufacturing Capacity by implementing current Eco-Design Regulations

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| **Question** |
| Europe’s grid technology industry, crucial for achieving EU climate goals, faces significant threats from proposed changes to the Eco-Design Regulation. The proposal on the Eco-Design Regulation foresees stricter Tier 3 requirements for losses, which would increase material needs and costs, and the introduction of amorphous core transformers, which would disrupt manufacturing and increase dependency on non-EU suppliers. **Do you plan to focus on implementing current regulations and avoid new ones that would harm manufacturing capacity and strategic sovereignty?** |
| **Further questions** |
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**Background**

Europe’s grid technology industry provides crucial net-zero technologies essential for achieving EU climate goals, as acknowledged in the Net-Zero Industry Act and the Grid Action Plan.

Two main concerns are raised. First, the proposal to introduce stricter Tier 3 requirements for losses would demand significantly more materials like copper and steel, which are already in short supply. A 10% reduction in losses (less than 0.1% improved efficiency) would increase material needs by 15% to 44% and costs by 25% to 51%, negatively impacting the supply chain and reducing Europe’s manufacturing output.

Second, the requirement for amorphous core transformers, which can lower losses but are more complex to produce, would disrupt European manufacturing and transformer availability. There are no amorphous core transformer manufacturers in the EU, increasing external dependency and weakening strategic sovereignty. This would affect Europe’s transformer manufacturers, including small and medium-sized producers, and the steel supply chain, with limited global suppliers further impacting delivery times.

Support is needed to ensure Europe creates the right framework for its net-zero industry without new regulations that reduce transformer manufacturing capacity. Given current challenges addressed in the Action Plan for Grids, the Commission should focus on implementing the current Ecodesign regulation and ensuring proper market surveillance to prevent the import of non-compliant transformers. This support will help bolster Europe’s transformer manufacturing industry, facilitate the energy transition, and strengthen strategic sovereignty.

# Elaboration of questions from the sector of transport

# Decarbonising the transport system – financing

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| **Question** |
| The transport sector is a vital component of the European economy, accounting for approximately a quarter of the EU's total greenhouse gas emissions. The EU has set a target to reduce transport-related emissions by 90 % by 2050 in comparison to 1990 levels. **Please outline the financial incentives you intend to implement to decarbonise the transport sector (freight and passenger transport) in Europe.** |
| **Further questions** |
| * Please outline your plans to address the financing gap for the procurement and operation of decarbonised transport, with a particular focus on small and medium-sized transport service providers. * How do you intend to ensure that the funding allows sufficient time for implementation, especially when it comes to building new infrastructure? * Please outline how you intend to ensure that funding is also designed and used for cross-border projects. * Is new operating aid being considered? |

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| **Background** |

The transport sector is a critical infrastructure, an essential part of our way of life. With a contribution of over 9 %, it contributes significantly to the gross value added and to the EU as a business location. However, it is also one of the largest emitters in cities and is responsible for almost a quarter of greenhouse gas emissions in Europe, representing an increase of 21 % compared to 1990. In order to become climate-neutral by 2050, it is essential to create conditions for emission-free or low-emission mobility. The decarbonisation of the transport sector is a crucial step in achieving the EU's climate targets[[11]](#footnote-11). However, the rising energy consumption in road transport and the growing traffic volumes are presenting challenges to the implementation of these plans. Currently, over 90 % of the energy consumed in road transport is derived from fossil fuels. At present, electric propulsion represents a relatively minor alternative. From the perspective of the provision of services of general interest, the financing of environmentally friendly public infrastructures represents a key lever for achieving the desired modal split.

# Decarbonising the transport system - charging and refuelling infrastructure

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| **Question** |
| The EU has set a goal of reducing transport-related greenhouse gas emissions by 60 % below 1990 levels by 2050. However, the sector currently accounts for about 25 % of the EU's total emissions. Developing a sustainable charging and refuelling infrastructure is a crucial step in decarbonising transport (freight and passenger) in Europe. Financial incentives are essential to encourage investment in this infrastructure and accelerate the transition to low-emission transport modes. **Please provide a detailed overview of the financial incentives you intend to offer for the development of a functional and sustainable charging and refuelling infrastructure with the objective of decarbonising freight and passenger transport in Europe.** |
| **Further questions** |
| * Please indicate which EU programmes you intend to utilise to support regional providers in establishing sustainable charging and refuelling infrastructure, including for buses and municipal vehicles. * How will you ensure that a technology-neutral charging and refuelling infrastructure is implemented in the European transport system? * Please provide your views on the potential role of overhead line technology for (trolley) buses as an alternative to conventional charging and refuelling infrastructure. |

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| **Background** |

In July 2023, the European Parliament adopted the AFIR Regulation, which sets out the mandatory expansion of the charging infrastructure for electric vehicles in Europe[[12]](#footnote-12). This legislation requires the installation of public charging stations for electric cars at a rate of one per 60 km along all main roads in the EU by 2026. Furthermore, it requires the creation of charging solutions for electric lorries at a rate of one every 120 km by 2028. The objective of the legislation is to standardise the expansion, operation and density of the charging infrastructure across Europe, thereby enabling the achievement of medium and long-term climate and energy targets. The European Commission is already providing support for the development of charging stations, hydrogen refuelling stations and the electrification of airports with 424 million euros for 42 new infrastructure projects for alternative fuels from the Alternative Fuels Infrastructure Fund[[13]](#footnote-13). However, from the perspective of services of general interest, this is not sufficient. The further expansion of alternative charging and refuelling infrastructure is an essential element of the green transport transition and requires public funds for investment and operation.

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# Decarbonising the transport system – technology neutrality

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| **Question** |
| Efficient and cost-effective transportation is a key factor in ensuring the continued success of our society and the continued growth of the European economy. However, the transport sector is dependent on fossil fuels, which have a significant impact on the environment. The EU has set a target of reducing transport-related greenhouse gas emissions by 90 % by 2050 compared to 1990 levels, but the sector currently accounts for about 25 % of the EU's emissions. Please outline the financial incentives you plan to provide for sustainable drive systems. Furthermore, what role does technological neutrality play in decarbonising freight and passenger transport in Europe? |
| **Further questions** |
| * How will we ensure that alternative drive systems can also function effectively in topographically challenging areas? Are there any considerations for making exceptions to the choice of drive systems depending on the area of use? * Please provide an update on the timeline for the ban on conventional combustion engines and the control measures being implemented to meet this timeline. |

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| **Background** |

The transport sector is responsible for approximately a quarter of total CO2 emissions in the EU. Technological neutrality is a fundamental requirement for the decarbonisation of the EU's transport system (freight and passenger transport). However, technology neutrality should not be viewed as an end in itself; rather, it should facilitate the optimal design of technology options. When selecting a technology, it is essential to make an objective decision based on the actual capacities and capabilities of a fleet system. It is essential to consider the total cost of ownership, including energy and energy infrastructure costs, when making decisions. Funding programmes should be linked to an objective analysis and a well-founded selection of technology, with the costs of these analyses being covered. It is not always necessary or efficient to use certain technologies in specific situations. One example of this is the Zillertalbahn railway, where a thorough analysis enabled the avoidance of path dependencies (hydrogen versus battery drive for the railway)[[14]](#footnote-14). Topographically challenging areas present particular challenges, as it is often the case in Austria. The vehicles must be able to cope with steep inclines and extreme weather conditions. The use of hybrid systems that combine electric and combustion engines could be an efficient solution in this case. From the perspective of services of general interest, it is important that EU policy and EU funding programmes in both freight and passenger transports are developed in a way that is consistent with the principle of technological neutrality.

# Digital infrastructure & Digital automatic coupling (DAC)

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| **Question** |
| The European Union is facing the challenge of strengthening its rail transport sector in order to promote efficient, sustainable and reliable transport solutions. Given the growing importance of rail transport in achieving environmental and climate policy goals, digital technologies play a crucial role. These technologies offer innovative solutions to optimise infrastructure, improve operations and increase customer satisfaction, which will further strengthen rail transport in Europe as the backbone of the trans-European transport network. **Please assess the importance of digital technologies in infrastructure, in particular digital automated couplings, for strengthening the rail transport in Europe.** |
| **Further questions** |
| * Please provide a list of EU programmes that have been specifically designed to promote digital infrastructure. To what extent do you consider the digital automatic coupling (DAK) to be a factor in your decision-making process? * Are new funding programmes or financing instruments planned to facilitate the rollout of the digital automatic coupling across the board? How do you intend to make the digital automatic clutch the European standard? How will labour dimensions and social effects on employees be taken into account and mitigated? |

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| **Background** |

The introduction of digital technologies into the infrastructure, such as Digital Automatic Coupling (DAC), has the potential to significantly enhance rail freight transport in Europe. DAC enables the automatic mechanical coupling and connection of air, power and data lines, which were previously done manually[[15]](#footnote-15). The technology is therefore a central component in the automation and digitalisation of rail operating processes. To ensure successful implementation, it is essential that the European Union demonstrates a strong commitment to this innovation and provides sufficient financial support for transnational implementation. One of the key challenges in this context is the implementation of DAC in the existing vehicle fleet, which is often outdated and not suitable for modernisation due to technical or economic constraints. As with the physical infrastructure, multi-layered and interlinked cooperation is also required for the data infrastructure. The digital infrastructures include the mobility data space[[16]](#footnote-16)and the European Rail Traffic Management System (ERTMS). It is also essential to have funding programmes in place that enable local authorities, federal states, transport associations and transport companies to adapt their systems and generate high-quality data. Measures are needed to prepare workers for the change and to secure those employees who cannot cope with it.[[17]](#footnote-17)

# Strengthening single wagonload transport

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| **Question** |
| Single wagonload transport (SWT) represents an important alternative to Heavy Goods Vehicles as a customer-oriented, flexible, low-carbon and energy-efficient end-to-end logistics option. A sustainable single wagonload network forms the backbone of a strong freight transport system, providing a solid foundation for the development of other freight transport segments. Despite accounting for around 25-30 % of all rail freight transport in Europe, two-thirds of which are of a cross-border nature, the high fixed costs of rail freight transport make it economically very sensitive and it requires state aid to maintain it. Please outline the initiatives you plan to promote single wagonload transport (SWT) in the long term. |
| **Further questions** |
| * Please provide your opinion on the role of single wagonload transport in strengthening rail transport. * Please outline how the framework for operational and investment subsidies should be adapted to ensure the stability and profitability of the SWT system. * Do you foresee the need for funding programmes for research into remote control technology for the collection and delivery of individual wagons (groups)? |

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| **Background** |

In single wagonload transport (SWT), individual wagons or groups of wagons from different consignors are combined to form a train. The individual wagons are loaded at the loading station, transported to a collection point, bundled into a goods train, transported from the point of departure to the destination and distributed at the receiving station. The system comprises several interfaces, which results in more complex processes than those involved in block train transport. The SWT is distinguished by its flexible planning and individual booking according to quantity, time and relation. This enables the transportation of goods at short notice and the connection of economic centres throughout Europe and even as far away as Asia. SWT handles the collection and distribution of individual wagons or wagon groups, offering its customers customer-oriented and flexible end-to-end logistics as a CO2-friendly and energy-efficient alternative to lorries[[18]](#footnote-18). An efficient SWT network also provides the foundation for developing the potential of other freight transport segments. SWT represents the backbone of strong freight transport. However, due to its complex cost structure with high fixed costs that cannot be covered by revenue alone, it is economically very sensitive and cannot be maintained without state support. In EU member states such as Italy or Spain, where SWT is not subsidised, SWT has already been withdrawn completely or is in the process of being withdrawn. However, the maximum aid intensity stipulated by the European Commission in the EU guidelines on state aid to railway undertakings ("Railway Guidelines")[[19]](#footnote-19) is not sufficient to stabilise SWT in the long term. From the perspective of services of general interest, it would be beneficial that infrastructure utilisation costs should continue to be eligible and the external cost difference must be fully compensated with the objective of promoting the shift of freight transport from road to rai

# Level playing field: Rail and air transport

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| **Question** |
| The EU has set itself the target of reducing transport-related greenhouse gas emissions by 90 % by 2050 compared to 1990 levels. However, the transport sector currently accounts for approximately a quarter of the EU's total greenhouse gas emissions. Air transport is one of the sectors with the highest increase in emissions and environmental pollution, and contributes to air and noise pollution. While rail transport is considered an environmentally friendly alternative, air transport only bears a fraction of its external costs. The resulting low air fares for consumers have the effect of distorting competition to the disadvantage of rail transport. **Please outline the measures you intend to implement to ensure a level playing field between air and rail transport.** |
| **Further questions** |
| * Are you planning an EU-wide mandatory kerosene tax in line with the polluter pays principle? * Should flights from third countries using European airspace be included in the Carbon Border Adjustment Mechanism? * Are restrictions planned for short-haul flights and/or private jets (e.g. ban on domestic flights or flights under a certain number of kilometres)? |

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| **Background** |

There are considerable ecological and economic advantages to rail transport over air transport. Nevertheless, there are currently instances of unfair competition in favour of air transport. These distortions are due to inadequate consideration of external costs and various subsidies. Air transport has a significant environmental impact, particularly in terms of greenhouse gas emissions, noise pollution and air pollution. However, these external costs are not always reflected in ticket prices. Furthermore, air transport is subsidised and taxed in numerous countries. For instance, kerosene is exempt from energy tax in the EU, while international flight tickets often do not incur VAT. Airports and air traffic control systems frequently receive state subsidies, while rail transport must bear higher infrastructure costs, which are reflected in ticket prices. These subsidies and the incomplete internalisation of environmental costs enable airlines to offer lower prices, which makes air travel more attractive to consumers. This price distortion of competition disadvantages the more environmentally friendly rail transport and encourages the decision in favour of air travel, despite the long-term environmental and social costs being higher. From the perspective of services of general interest, it is of central importance in this context that political measures address this unequal treatment and level the playing field so that the actual costs of air transport are reflected in the price. This is the only way to create fair competitive conditions and promote sustainable mobility in Europe in the long term.

# Level playing field road and rail transport: Megatrucks

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| **Question** |
| There is currently no fair "level playing field" between rail freight transport and road freight transport. The lack of EU-wide harmonisation at operational, technical and regulatory level, coupled with the fact that the external costs of road freight transport are currently passed on to the taxpayer, makes rail freight transport more expensive than Heavy Goods Vehicles (HGVs) transport. The authorisation of even longer and heavier truck configurations further erodes the competitiveness of rail freight transport. This could result in a significant shift back from rail to road. **Please provide your assessment of the current debate on the Weights and Dimensions Directive with regard to the external costs of megatrucks.** |
| **Further questions** |
| * Please outline the priority you give to megatrucks in your vision for the future of freight transport. * How do you intend to ensure that the decarbonisation measures in road transport do not lead to an intensification of the unfair competitive conditions between road and rail and prevent a shift back from rail to road? |

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| **Background** |

There is currently no fair "level playing field" between rail freight transport and road freight transport. The lack of EU-wide harmonisation at operational, technical and regulatory level, coupled with the fact that the external costs of road freight transport are currently passed on to the taxpayer, makes rail freight transport more expensive than Heavy Goods Vehicles (HGVs). Rail freight transport is 30 times more environmentally friendly than lorry freight transport and uses 6 times less energy[[20]](#footnote-20). The logistics sector is highly price-sensitive, which is why the willingness to accept higher costs for rail freight transport is very low. Due to the complex cost structure of rail freight transport, which includes high fixed, operating and maintenance costs, state subsidies are necessary to support the industry. In particular, single wagonload transport (SWT), which is the backbone of strong freight transport, and intermodal transport by rail, which is in direct competition with road transport, require support. The high operating and investment costs cannot be covered by revenue alone, which means that these modes of transport cannot be maintained without support. From the perspective of services of general interest, it is important to expand rail freight transport. Consequently, the adapted aid guidelines should be established to provide economically viable aid models. Furthermore, the authorisation of even longer and heavier truck configurations, such as megatrucks[[21]](#footnote-21), on the European road network is counterproductive and further weakens the competitiveness of rail freight transport. This is particularly relevant to unaccompanied combined transport (UCT) and the European transport (UCT) and the European rail freight network.

# Expansion of the TEN-T infrastructure: compensation payments for corridor closures

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| **Question** |
| The Trans-European Transport Networks (TEN-T) are of crucial importance for the realisation and further development of the internal market and for improving the economic and social cohesion of the EU. The development and expansion of cross-border rail freight transport plays a pivotal role in ensuring the sustainability and resilience of the EU's transport infrastructure. The associated construction-related closures of corridors have a significant impact on the capacity, stability and costs of freight transport services. **Please outline how you intend to ensure that appropriate legal provisions are in place to compensate for the loss of freight transport in the event of corridor closures.** |
| **Further questions** |
| * Please advise whether the procedure for authorising accelerated payments is separated from the process for granting financial compensation payments. |

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| **Background** |

The inherent distortion of competition between rail freight transport and road freight transport is further compounded by the phased closure of system-relevant corridor routes due to network construction measures. While the general refurbishment of the rail network is principally to be welcomed, it considerably weakens the competitiveness of the operating railway companies. The impact on the capacity, stability and costs of freight transport services is significant. The corridor closures result in significant additional operating costs and are associated with time losses and measurable detours or diversions for freight transport. Specific effects include higher operating and logistics costs per train kilometre due to diversions and detours, uncovered fixed costs for train cancellations, energy, personnel and vehicle usage costs for shorter trains on longer diversion routes, and negative economic effects due to lower capacities on the diversion routes. One example of the relevance of this issue is the situation in Germany, where 40 sections of track with a total length of over 4,300 km are affected. The aforementioned closures have a direct negative impact on freight transport throughout Europe. The example of the Passau junction demonstrates the potential for avoiding external costs by shifting to road transport. With exports of approximately 12.3 million net tonnes and imports of 11.6 million net tonnes, the potential for savings in CO2 emissions and external costs is significant. These savings could amount to over 631,000 tonnes of CO2 and over 290 million euros, respectively. From the perspective of services of general interest, it is important to improve the framework conditions for the competitiveness of rail freight transport. This includes improved coordination of construction work, the provision of alternative routes and detours, as well as financial support measures (e.g. compensation payments) to offset the additional costs incurred by corridor closures.

# European Mobility Data Space

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| **Question** |
| Securing the European mobility data space is a crucial step towards achieving a sustainable modal split. As mobility data becomes increasingly important for innovation and the economy, it is vital to take measures to retain control over this data and manage its use in the interests of European citizens and companies. In light of the above, it is crucial to establish a framework that ensures the secure handling of mobility data, reinforces Europe's position as a business hub, encourages the creation of European value and drives innovation. **Please outline the measures you intend to take to further develop the Mobility Data Space and at the same time ensure cyber security.** |
| **Further questions** |
| * What measures will you implement to ensure that public data can be used transparently and comprehensibly by a diverse range of stakeholders, including the scientific community, public sector organisations, innovative companies, and others? * What role do European companies play in this area and what incentives do you intend to provide to encourage them to expand data collection and processing? |

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| **Background** |

The European Mobility Data Space plays a pivotal role in the European Commission's vision and strategy for a single European data space. The objective of the "single market for data" is to enhance competitiveness and data sovereignty in Europe. The Mobility Data Space brings together governance and infrastructure to enable the secure and shared use of data. The Mobility Data Space is one of nine common European data spaces, each covering a specific area. The Mobility Data Space provides access to mobility data from private and public stakeholders that was previously made available as open data without control of commercial use. The data room provides a platform for the clear and transparent definition of terms of use for this data. However, there are challenges. For example, while digitalisation could increase road safety, it could also jeopardise the security and integrity of consumer data. One of the key elements in the national implementation of the Mobility Data Space is the ITS Directive[[22]](#footnote-22), which ensures the availability and accessibility of multimodal traffic and travel data at national access points. This data is essential for modern driver assistance systems and will increase efficiency and safety in transport. It is therefore essential to devote sufficient attention to the issue of data ownership and the legal framework for access to and use of the data. From the perspective of services of general interest, the implementation of such a mobility data space is an essential basis for sustainable, safe and efficient mobility in Europe in the future. This necessitates transparent and comprehensible rules, as well as appropriate framework conditions and funding for public and municipal transport companies.

# Multimodal mobility - costs for public/municipal transport companies

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| **Question** |
| The integration of external service providers into the platforms of public transport operators (e.g. car-sharing providers) is associated with considerable additional costs for public and municipal companies. The financial responsibility for such interfaces lies with the public and municipal operator, who must also bear the financial consequences if external service providers withdraw. **What steps can be taken to prevent costs associated with integrating external players from being borne exclusively by public and municipal platform operators?** |
| **Further questions** |
| * How should the organisation that gains the actual or relative added value/benefit of integration into public platforms be made to bear the costs of this integration? For example, should the integration of private sharing providers into applications of municipal/public operators be subject to a co-financing model? * What is your view on the role of co-financing models between private and public operators in incentivising new forms of multimodal mobility? |

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| **Background** |

The promotion of multimodal mobility is a key objective of the EU, which is supported by the amended MMTIS Regulation[[23]](#footnote-23). The objective of this regulation is to ensure the availability of EU-wide multimodal travel information services and intelligent transport systems to travellers across borders. To provide accurate and easily accessible multimodal travel information, additional static, historical, observed and dynamic data is required. However, the collection, provision, storage and conversion of these data sets represents a significant financial challenge for public transport operators. The costs of collecting and transmitting dynamic travel data at maximum half-hourly frequencies, calculating timetables and converting data are particularly high. Furthermore, there are additional costs associated with the development, implementation and integration of digital infrastructure, as well as maintenance and support. It is also important to consider personnel costs, legal and regulatory costs in the area of data protection, as well as operational costs including marketing and communication. To ensure the seamless integration of external mobility providers (e.g. car-sharing services) into the platforms of public operators, it is essential to continuously verify the accuracy and reliability of the information provided. Should external providers fail to honour their commitments or provide inaccurate data, public operators may be held liable for any resulting issues or inconvenience. From the perspective of services of general interest, it is crucial that the implementation of multimodal mobility is practicable and that public and municipal transport companies do not incur extraordinary costs.

# Multimodal traffic management

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| **Question** |
| The effective management of multimodal transport is a crucial element in achieving a sustainable modal split and the objectives of the Green New Deal and the Fit for 55 package. Passengers expect the highest levels of spontaneity and reliability in the event of a spontaneous change in travel plans. For instance, customers travelling with a pushchair require information on the location of the nearest station with a lift. Multimodal transport management streamlines the travel planning process for passengers who wish to combine different modes of transport. **Please outline the initiatives you are planning to enable or support the national implementation of seamless multimodal transport management in Europe.** |
| **Further questions** |
| * Please outline your strategy for promoting multimodal transport management in freight transport, with the objective of creating a level playing field between road and rail. * How do you intend to promote multimodal transport management in passenger transport that enables a level playing field between public and private transport providers? |

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| **Background** |

Public transport is a vital infrastructure that not only contributes significantly to the EU's gross value added, but also plays a crucial role in ensuring security of supply, security architecture and the resilience of our society. It is a central pillar of social, economic and environmental sustainability and plays a key role in achieving the EU's climate and energy targets. In this context, multimodal mobility, and therefore the MMTIS Regulation, represents an important step towards making public transport more attractive for passengers. Specifically, multimodal mobility means enhancing transport services for passengers, thereby facilitating the planning of journeys that combine different modes of transport[[24]](#footnote-24). The regulation, which will come into force at the end of January 2024, must now be implemented at national level. It is a key element of the EU strategy to promote a smart and sustainable transport system. To provide accurate and easily accessible multimodal travel information services, additional types of data are required, including static, historical, observed and dynamic data. The implementation of the MMTIS Regulation must therefore overcome technical and financial hurdles in order to avoid disruption to the operations of transport service providers. From the perspective of services of general interest, it is crucial that implementation is practicable and that public and municipal transport companies do not incur any extraordinary costs.

# Expansion of terminal capacities

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| **Question** |
| It is essential to have sufficient terminal capacity in place for multimodal transport management and the further modal shift towards rail. However, there are currently insufficient terminals, and existing terminals often fail to meet the criteria for TEN-T Core Terminals. It is not reasonable to expect terminal operators to bear the investment burden and risk for the construction, expansion or upgrade of terminals in accordance with the TEN-T Regulation. **Please outline your strategy for ensuring that there are sufficient terminals in Europe that meet the revised TEN-T Regulation criteria.** |
| **Further questions** |
| * Please advise whether specific subsidies are planned to create additional terminal capacity. * Please provide details of the funding instruments that will be used to finance the additional capacities. |

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| **Background** |

The development of terminal capacity is of great importance for transport logistics and the development of the TEN-T network[[25]](#footnote-25). Terminals act as central hubs where different modes of transport such as ships, rail, lorries and aircraft meet, which is crucial for the efficient handling of loading units such as containers, swap bodies and semi-trailers. These locations are crucial for the efficient handling of loading units such as containers, swap bodies and semi-trailers. To facilitate the shift to rail and the further development of a continuous intermodal transport chain, it is essential to ensure the appropriate availability and capacity of access to the rail network, including terminals, as well as to implement funding models that cushion the associated investments. In particular, intermodal terminals act as a hub between the various modes of transport, facilitating combined transport. However, there has been a lack of investment in terminal expansion and modernisation in recent years. Existing capacities are often insufficient to meet the increasing demand for combined transport. To address this issue, the European terminal network must be strengthened through expansion, modernisation and extension. This includes improvements to infrastructure such as loading tracks and transhipment areas, as well as expansions to services such as customs clearance and cargo preparation. From the perspective of services of general interest, the availability of sufficient terminal capacity is an essential prerequisite for a further shift to rail transport in line with the EU's sustainability goals. Currently, there is a shortage of suitable terminals in many locations across Europe, which hinders the growth of combined transport. It is therefore essential that existing terminals are modernised in a targeted manner and new terminals developed in line with the TEN-T core requirements in order to increase efficiency and capacity. It is crucial to facilitate investment from both the public and private sectors, as well as to implement subsidy models to ease the financial burden on terminal operators.

# Night trains

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| **Question** |
| Night trains play a pivotal role in achieving a sustainable modal split in Europe. They offer an environmentally friendly alternative to air travel while providing a comfortable way to travel over long distances. By strengthening and expanding night train services, CO2 emissions from the transport sector can be reduced, while the environmental impact of travelling is reduced. However, as the provision of night trains is not currently profitable, targeted measures and public investments are needed to strengthen this sustainable mode of transport. **Please outline your strategy for financing and expanding night train services in Europe in a sustainable manner.** |
| **Further questions** |
| * Please provide an overview of the EU programmes planned to make night trains more competitive on the market. * Do you believe that measures such as a tax reduction or lower track access charges for night trains would be effective in enabling the railways to set prices more competitively? |

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| **Background** |

Night trains represent a significant contribution to European passenger transport, offering an environmentally friendly alternative to short and medium-haul flights and car journeys. The trains, which are typically equipped with sleeping and couchette carriages, enable travellers to cover long distances overnight with few stopovers, thereby significantly reducing CO2 emissions. Additionally, passengers have the opportunity to engage in other activities during the day. The expansion of night train connections has been a long-standing objective and is also supported by the European Commission. The objective is to make night trains competitive on high-speed lines in terms of price, quality and journey time. Despite these encouraging developments, night trains are facing challenges. The current economic framework conditions are challenging and require fundamental improvement. The high cost of operation, the inadequacy of infrastructure and the competition from cheaper flights represent obstacles to the viability of night trains. The differing national standards, such as those for track gauges, result in additional costs and make it challenging to operate trains across borders in an efficient manner. One of the key factors influencing the cost structure of night trains is the track access charge (TAC), also known as infrastructure utilisation charge[[26]](#footnote-26). A separate, more favourable TAC segment for night trains would significantly improve the profitability of these services without increasing ticket prices. The Belgian model, which provides for full reimbursement of the TAC, serves as a clear example of the necessity of this measure. It is also important to ensure that infrastructure managers are adequately compensated to offset any potential loss of revenue. From the perspective of services of general interest, it is important to fully utilise the potential of night trains in the medium and long term. This necessitates investment in modern trains and enhanced international collaboration.

# Direct award in public passenger transport

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| **Question** |
| The European public transport sector plays a pivotal role in ensuring the security of supply, secure architecture and resilience across the continent. Public transport providers facilitate the implementation of long-term, stable timetables, the sustainable expansion and maintenance of the rail network, and ensure stability in times of crisis. The direct award of contracts to approved public transport service providers is a crucial factor in this regard. **Please outline your position on the direct awarding of contracts in passenger transport.** |
| **Further questions** |
| * Please advise if you are planning a revision of the Public Service Obligations Ordinance (PSO-V). Do you believe that this should be accompanied by a restriction on direct awards to public transport operators? * Please describe the potential for a PSO-V in freight transport to be similar to the PSO-V in passenger transport, and indicate the conditions under which this could be achieved. * How do you intend to ensure that socio-ecological criteria are taken into account when awarding contracts? * How do you intend to ensure criteria on social and employment conditions, to prevent competition on employment conditions? |

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| **Background** |

The direct awarding of rail passenger transport services is of paramount importance for the stability and sustainability of the rail network, particularly in times of crisis such as a pandemic. While other modes of transport were severely restricted, the direct awarding of rail passenger transport services to public transport service providers ensured the continued operation of train services. This was of great importance to commuters, schoolchildren and travellers who still needed to get to work and to important appointments. Even during the Ukrainian refugee crisis in spring 2022, the affected people on the run were supported by special trains deployed at short notice. The direct award is therefore an important cornerstone for a socio-ecological mobility transition that ensures the sustainable expansion and maintenance of the rail network. However, the EU Commission's new PSO guidelines[[27]](#footnote-27) could jeopardise this tried-and-tested practice by replacing direct award with mandatory tenders. Such a change would have a significant impact on rail transport in Austria and other countries, with potential consequences for jobs, safety, fares and passenger service quality. Mandatory quality and social criteria in the regulation are still missing with the effect, that decent working conditions can be easily jeopardised. From the perspective of services of general interest, it is crucial that the flexibility of direct award be retained. This is the only way to maintain an attractive public transport service and respond to the growing importance of climate-friendly mobility solutions. It is essential that contracting authorities are able to react swiftly to changes in demand and crisis situations in order to guarantee the mobility of EU citizens.

# Strengthening the public transport sector

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| **Question** |
| The European public transport sector plays a pivotal role in the continent's security of supply, security architecture and resilience. Every day, public transport companies offer affordable and environmentally friendly mobility solutions for residents and visitors. They help to prevent gridlock, improve air quality and reduce CO2 emissions by providing commuters and travellers with a safe and efficient transport option. **Please outline your strategy for further expanding affordable, sustainable and safe connections to European cities and regions.** |
| **Further questions** |
| * Please provide your views on the role of public and municipal transport companies in the European transport system. * How do you intend to ensure that local and unprofitable routes (day and night) are also served in the interests of security of supply? * Are there any plans to introduce binding specifications for the intervals at which public transport must be offered, at what population density and for what distances? |

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| **Background** |

The provision of public transport represents a central aspect of our daily lives and is of crucial importance for the growth of the economy and the cohesion of society. There are several advantages to public transport. For instance, public transport is more environmentally friendly than private vehicles, with fewer emissions per passenger kilometre. This contributes to reducing air pollution and CO2 emissions. Furthermore, public transport is often more cost-effective than private vehicles, offering an affordable mobility solution for all social classes, particularly those without access to private vehicles. Furthermore, public transport alleviates pressure on the road network, reduces congestion and optimises the utilisation of transport infrastructure. Statistical analysis indicate that public transport is safer than private vehicles. Furthermore, it contributes to economic development and quality of life in urban areas by promoting urban development. However, public transport systems face a number of challenges. The lack of space in urban areas and the high CO2 emissions from road transport are challenges that need to be overcome in order to maintain the quality of life and attractiveness of cities. As part of the revisionof the TEN-T Regulation[[28]](#footnote-28), the EU has set a deadline of 2027 for each urban node to develop a Sustainable Urban Mobility Plan (SUMP). The plans are designed to promote efficient and environmentally friendly transport systems and to enhance the performance of the entire Trans-European Transport Network (TEN-T). From the perspective of services of general interest, it is clear that strong municipal, regional and public transport companies are essential for an environmentally friendly transport transition. It is therefore vital that their framework conditions are improved.

# EU road transport initiatives

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| **Question** |
| The society relies on the economic and efficient transportation of people and goods from one place to another in many ways. The transport sector is a critical infrastructure, an essential part of our way of life and plays a key role in Europe as a business location. The EU has set itself the target of reducing transport-related greenhouse gas emissions by 90 % by 2050 compared to 1990 levels. However, the transport sector currently accounts for approximately a quarter of the EU's total greenhouse gas emissions. Road transport accounts for almost three-quarters of this. **Are you planning to revise the guidelines for road transport in order to reduce CO2 emissions as quickly as possible?** |
| **Further questions** |
| * Please indicate whether you intend to propose further amendments to the Polluter Pays Directive with regard to road transport. * Are you planning to further revise the Eurovignette Directive? * Are you considering implementing standardised speed limits in the EU with the dual objective of reducing traffic emissions and increasing road safety? |

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| **Background** |

The EU has set itself the target of reducing transport-related greenhouse gas emissions by 90 % by 2050 compared to 1990 levels. However, the transport sector currently accounts for approximately a quarter of the EU's total greenhouse gas emissions. Road transport accounts for almost three-quarters of this. In order to reduce emissions, it is crucial to apply the polluter pays principle. The polluter pays principle is a fundamental tenet of environmental economics. It states that the costs of damage caused by an action should be borne by the polluter. In the context of road transport, this means that those who cause pollution or other negative impacts must bear the resulting costs. These external costs are incurred by cars and lorries, which in some EU member states are charged for using the infrastructure through different toll systems. The Eurovignette Directive permits both time-based road user charges and distance-based tolls[[29]](#footnote-29). In the case of time-based road user charges, a specific road network can be used as often as desired for a specific period (e.g. one year) after a one-off payment. In the case of distance-based charges, the fee is calculated based on the number of kilometres driven on a specific road network. This means that charges are levied for each kilometre driven on a specific road network. From the perspective of services of general interest, it is crucial that those who cause pollution pay for the social and ecological costs incurred by the general public. Furthermore, the expansion of rail infrastructure and public transport should be facilitated by regulatory policy and promoted by EU programmes.

# Ticketing system for cross-border transport

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| **Question** |
| The availability of tickets for cross-border local and long-distance transport is a crucial factor in enhancing the appeal of public transport in the trans-European area. Tickets for the TEN-T network in Europe therefore play a pivotal role in achieving a sustainable modal split and the objectives of the Green New Deal and the Fit for 55 package. **Please outline your strategy for ensuring a fair ticketing system in cross-border transport.** |
| **Further questions** |
| * Please outline the initiatives you plan to implement to make public transport in the trans-European area more attractive. * How can the responsibilities for through tickets in the trans-European area be clearly defined and tickets offered by ticket brokers that are incorrect avoided from leading to liability on the part of the operating transport companies? * How do you intend to ensure that the pricing of through tickets remains in the hands of the transport companies? * How do you intend to ensure that these tickets are designed according to transparent, predictable and affordable criteria, while still enabling companies to cover their costs? |

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| **Background** |

The European rail sector is currently engaged in a concerted effort to enhance international ticketing, with the introduction of the CER Ticketing Roadmap 2021 representing a pivotal step in this direction. Developed by the Community of European Railways (CER), this initiative aims to foster collaboration between railways while maintaining a competitive environment[[30]](#footnote-30). In addition to the technical aspects, two major challenges in terms of content must be overcome: In order to prevent market manipulation, third-party providers must not be allowed to change the fare structure. Furthermore, they must not be allowed to impose additional costs on operating transport companies. Also, it is imperative that third-party providers refrain from selling tickets at terms that are deemed unreasonable, as this could potentially lead to claims for damages against the operating transport companies. It is also important that the pricing of through tickets enable seamless travel using different modes of transport, remains in the hands of the operating transport companies. From the perspective of public services, municipal, regional and public transport companies are key drivers for a climate-neutral Europe. For instance, railway companies require a legal framework that enables them to understand their customers' needs and to oversee data processing in order to guarantee data protection and service quality.

# Digital recording and monitoring of working time for on-bord personnel on trains

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| **Question** |
| The transport sector is a vital component of our infrastructure, a fundamental aspect of our way of life, and a crucial element of Europe's business landscape. To guarantee the quality, reliability, safety and resilience of the sector in the long term, it is essential to provide fair, stable and decent working conditions for employees. **Please outline your plans for a digital, tamper-proof recording of working time in order to prevent social dumping by enabling effective controls.** |
| **Further question** |
| * Please outline how you intend to ensure that working conditions are adhered to through appropriate controls. |

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| **Background** |

It is of the utmost importance to ensure fair, stable and good working conditions for employees in order to guarantee the quality, reliability and resilience of the transport sector in the long term.

There is already an obligation to record the working time of staff on trains, but this is vulnerable to manipulation and is often not fully traceable in the event of checks, especially in the case of staff working across borders. A tamper-proof digital recording and monitoring of working time is important for several reasons and a logical consequence of the efforts to digitalise the processes in the railway system and to create a single European railway area in which the employees of different railway undertakings can be deployed, especially in cross-border passenger and freight transport. In order to ensure the safety of railway operations and fair competitive conditions for all market participants in this common railway area, accompanying measures are required to create transparency and further cross-border integration of the railway sector. Firstly, it enables precise monitoring of drivers' driving and rest times, which reduces the risk of accidents caused by fatigue and thus increases safety. Secondly, it allows for the identification of any potential issues with driver fatigue, allowing for prompt action to be taken to address them. Furthermore, digital systems enable companies to ensure that they are complying with all applicable labour laws and regulations, thereby avoiding any legal consequences and fines. Forgery-proof digital monitoring of working time contributes to efficiency and productivity by reducing administrative overhead and enabling more efficient workforce planning. This results in more efficient resource utilisation and increased productivity. Furthermore, digital records provide transparency on working hours and enable effective controls also across borders, protecting workers' rights and reinforcing fair labour practices. In the event of an accident or incident, digital records can help identify the causes and clarify responsibilities, which is important for insurance claims and legal investigations. Digital systems also assist in reducing fuel consumption and emissions by optimising deployment planning and reducing idle time. However, there is currently no system in place to guarantee the veracity of employees' working time records across all transport companies. Without proper recording and monitoring, working hours are sometimes massively exceeded, putting the safety of employees and passengers at risk and impairing fair competition. From a public service perspective, the protection of skilled workers is an essential cornerstone for a prosperous transport sector.

# Attractiveness of jobs in the transport system

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| **Question** |
| The transport sector is a critical infrastructure, an essential part of our way of life and plays a key role for Europe as a business location. The attractiveness of the transport sector in the labour market is crucial for the smooth and efficient operation of the European transport system. In light of the growing shortage of skilled workers, governments and companies are confronted with the task of devising suitable strategies to attract and retain qualified personnel. Creating an attractive working environment and promoting training and development opportunities are important measures to address the skills shortage in the transport sector. **Please outline the initiatives you plan to take to increase the attractiveness of the transport sector in the labour market and to counter the skills shortage.** |
| **Further questions** |
| * What measures are you implementing to ensure the transport sector remains resilient in the future and that there are sufficient workers available? * Are there any specific plans to promote the sector, for example by encouraging women to enter the industry, in order to create incentives for new training programmes in the transport sector? * How will you ensure that there will be sufficient training opportunities for the new professional challenges of the future? |

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| **Background** |

The transport sector is a vital component of our infrastructure and a fundamental aspect of our way of life. It plays a pivotal role in Europe's economy. Mobility and transport are essential for our daily lives, facilitating access to work, family and friends, and tourism, as well as supporting the smooth functioning of global supply chains. The free movement of people and goods within the EU fosters cohesion and a sense of European identity. Transportation represents the second largest expenditure item for private households in the EU, contributing 5 % to European GDP. The sector employs 10 million people and transport volumes in Europe are increasing year by year. To meet the growing demand and achieve the climate protection targets by 2030, in particular in public transport, there is a need for more well-trained professionals in the transport sector. As a result of the growing skills shortage, governments and companies are facing the challenge of developing appropriate initiatives to attract and retain skilled workers. In a sector survey by the Association of German Transport Companies (VDV), one in two companies reported that they had had to temporarily reduce their driving operations in recent years due to personnel constraints[[31]](#footnote-31). These restrictions, which are being exacerbated by demographic change, are leading to reduced timetables and cancelled lines. From the perspective of the provision of essential services, it is important that the EU supports an attractive working environment and the promotion of training and further education opportunities in order to counteract the shortage of skilled workers in the transport sector and to ensure a smooth and efficient transport system in Europe.

# Health promotion and socially acceptable working conditions in the transport system

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| **Question** |
| The transport sector is a vital component of our infrastructure, a fundamental aspect of our way of life, and a significant contributor to the European business landscape. To guarantee the quality, reliability and resilience of the sector in the long term, it is essential to provide fair, stable and good working conditions for employees. **How can we ensure that workers in the transport sector can carry out their profession for as long as possible and in good health?** |
| **Further questions** |
| * How do you intend to ensure that the transition of professionals to new roles is seamless and that training in other areas is recognised? |

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| **Background** |

The transport sector is a vital component of our infrastructure and a fundamental aspect of our way of life. It plays a pivotal role in Europe's economy. Mobility and transport are essential for our daily lives, facilitating access to work, family and friends, and tourism, as well as supporting the smooth functioning of global supply chains. The free movement of people and goods within the EU fosters cohesion and a sense of European identity. Transportation represents the second largest expenditure item for private households in the EU, contributing 5 % to European GDP. The sector employs 10 million people and transport volumes in Europe are increasing year by year. To meet the growing demand and achieve the climate protection targets by 2030, in particular in public transport, there is a need for more well-trained professionals in the transport sector. In light of the growing shortage of skilled workers, governments and companies are facing the challenge of developing effective strategies to attract and retain qualified professionals. Considering the growing shortage of skilled workers, public authorities and companies are facing the challenge of developing effective strategies to attract and retain qualified professionals. A survey of the industry conducted by the Association of German Transport Companies (VDV) revealed that one in two companies had to temporarily restrict operations due to a lack of personnel. This led to thinly spread timetables and cancelled lines. The situation is further exacerbated by extraordinary waves of illness such as COVID-19, as well as demographic change, which further thins out the workforce. From the perspective of public services, it is important to ensure the quality, reliability and resilience of the transport sector in the long term by promoting health and providing socially acceptable working conditions. Furthermore, funding is needed for training and further education opportunities to successfully meet the challenges of the shortage of skilled workers and to ensure an efficient transport system in Europe.

# Green jobs in the transport sector

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| **Question** |
| The European Union (EU) defines green jobs as those in the production of products, technologies and services that avoid environmental damage and conserve natural resources. It should be noted that public transport is not currently included in this definition. However, public transport is a critical infrastructure and plays a key role in social, economic and ecological sustainability, as well as in Europe as a business location. **Please confirm whether a revised classification of green jobs that includes all occupations in the public transport sector is being considered.** |
| **Further questions** |
| * Please outline your strategy for ensuring the availability of sufficient EU programmes to make the public transport sector more attractive to employees. * Please outline your strategy for ensuring that the public transport sector receives the necessary financial support. |

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| **Background** |

The European Union (EU) defines green jobs as those in the production of products, technologies and services that avoid environmental damage and conserve natural resources. It should be noted that public transport is not currently included in this definition. However, it represents a critical infrastructure and plays a key role in social, economic and ecological sustainability, as well as for Europe as a business location. Green jobs in the transport sector include roles that seek to minimise the environmental impact of transport systems, promote sustainable transport solutions and develop clean energy solutions. These roles can be found across a range of sectors, including the development and manufacture of electric vehicles, public transport and electric transport. Nevertheless, the public transport sector is not currently fully recognised as a "green" employer. Its primary objective is not to protect the environment, but to provide efficient transport services. Public transport has the potential to reduce emissions per person-kilometre compared to private transport, thereby making an important contribution to climate protection by reducing air pollution and CO2 emissions. From the perspective of public services, it is important to consider public transport jobs as green jobs in their entirety. These jobs provide services that avoid environmental damage and conserve natural resources. This would reinforce the sector's contributions to sustainability and emphasise its role in promoting a greener economy.

# A level playing field for working conditions in cross-border freight transport

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| **Question** |
| In light of the challenges faced by lorry drivers, including fatigue, irregular working hours and unsafe working conditions, it is crucial to implement effective measures to improve their situation. Furthermore, the unequal working conditions in road and rail transport result in an absence of fair competitive conditions in the transport sector. To create a level playing field between road and rail, it is essential to regulate working hours, improve social security and promote health and safety standards. **Please outline the measures you intend to implement to enhance working conditions in cross-border road transport and harmonise working conditions in the TEN-T network.** |
| **Further questions** |
| * The erosion of working conditions in road transport must serve as a warning example for the railway sector. Please outline your strategy for preventing social dumping in these sectors. * Please outline your plans to revise the Posting of Workers Directive and your plans to amend the driving time regulations and the directive on the certification of train drivers. Please clarify whether you intend to adjust the rest periods in this context. |

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| **Background** |

The transport sector is facing challenges as a resulting from the lack of equal opportunities between rail freight transport and road freight transport. The lack of harmonisation across the EU at the operational, technical and regulatory levels, as well as the externalisation of the costs of road freight transport, make rail freight transport more expensive in comparison. A balanced framework is required to achieve the EU's sustainability goals. In road freight transport, there are initiatives to enforce the cabotage rules[[32]](#footnote-32) and clear regulations on posting and rest periods. However, these are encountering difficulties in enforcement. The Posting of Workers Directive[[33]](#footnote-33) is designed to enhance the working conditions of drivers engaged in cross-border freight transport. However, it is facing criticism due to potential cost increases and changes in competitive conditions. In rail transport, the differing national infrastructures and regulations present a significant challenge, resulting in time-consuming processes such as changing locomotives. In contrast to road transport, which is streamlined by an EU-wide driving licence, rail transport is strongly influenced by national regulations. From the perspective of the provision of services of general interest, the harmonisation of transport sector regulation is to be welcomed in order to create fair competitive conditions and to support sustainability and efficiency goals. High training standards and good working conditions are essential for the safety and sustainability of the railway sector.

# Secure and flexible funding for the transport system

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| **Question** |
| The adaptability and efficiency of the European transport system depend on the flexibility of funding for supported transport projects. In light of evolving needs and priorities, it is essential to implement flexible funding mechanisms to ensure optimal use of resources. It is of fundamental importance that funding is used effectively and in a targeted manner in order to achieve the goals of the EU-wide transport system. **Please outline your strategy for enabling more flexible use of funding in subsidised projects.** |
| **Further questions** |
| * How do you intend to ensure legal certainty in the flexible application of subsidies? |

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| **Background** |

The adaptability and efficiency of the European transport system depend on the flexibility of funding for supported transport projects. In light of evolving needs and priorities, flexible funding mechanisms are crucial for maintaining adaptability and efficiency. It is also of fundamental importance that funding is used effectively and in a targeted manner to achieve the objectives of the EU-wide transport system. For tendering authorities (in particular in the case of tenders on behalf of third parties), there is also the issue that only the ultimate beneficial owner of vehicles or infrastructure can receive the funding. This is because in these cases, the performance target and the financing are provided by an organisation other than the recipient of the funding. This is particularly problematic in the case of competitive funding, as the respective bidders cannot even take the expected funding into account as a "discount" in their offers, since the funding is not yet fixed at the time of the offer. This results in complex and legally questionable payment flows. The funding is either distributed to private operators as profit or retained by them. From the perspective of public services, both legal certainty and flexibility are essential elements for the expansion of the necessary transport infrastructure in Europe.

# Public funding and support in the transport system

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| **Question** |
| Securing public funding for the expansion and maintenance of transport infrastructure is of fundamental importance for the long-term sustainability and accessibility of the transport system. Given the significant investment required for infrastructure modernisation and maintenance, it is vital that this responsibility remains in the public domain. It is only through the implementation of clear political strategies and the use of appropriate financing instruments that transport infrastructure can be developed and maintained in the public interest. This will ensure that the needs of society are met, thus guaranteeing security of supply and the provision of public services. **Please outline your strategy for ensuring that the development and maintenance of transport infrastructure remains a public financing task.** |
| **Further questions** |
| * How do you intend to guarantee the quality of the transport infrastructure in the case of long-term tenders? * How can you prevent unscrupulous companies from exploiting the tendering process? * What incentives would you like to create to link part of the public funding system to infrastructure investments? |

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| **Background** |

The promotion of trans-European rail freight transport is contingent upon the provision of financial support in the form of investment and operating aid. These funds ensure a level playing field between road and rail freight transport and guarantee the resilience of the rail freight transport network. A significant proportion of these funds should be allocated to modernising the European railway fleet and purchasing and converting rolling stock. The rail sector is facing significant challenges due to decades of underinvestment in infrastructure and rolling stock. These include the dismantling of track systems, limited network capacity, outdated vehicle fleets and high costs for adapting to new safety standards such as ETCS BL 3, which require significant investment. In light of the investment and modernisation requirements outlined above, it is clear that an increase in the Connecting Europe Facility (CEF) is necessary to complete the TEN-T network and to bring the European rail network up to the latest technical standards[[34]](#footnote-34). Furthermore, additional operating aid is required to cover the ongoing costs of rail freight transport. The challenging economic climate facing rail freight transport has made it clear that the sector cannot bear the burden of the necessary investments to implement the modal shift on its own. From the perspective of the provision of services of general interest, it is of the utmost importance that transport infrastructure remains a genuine public financing task. In this context, it is necessary to implement simplified rules for infrastructure investments (keyword: growth and stability pact) and improved state aid rules.

# Planning of financing and funding in the transport system

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| **Question** |
| It is of the utmost importance to ensure the implementation of multi-annual financing plans in order to facilitate long-term planning and the efficient use of financial resources in the transport sector. Given the complexity and long-term nature of transport infrastructure projects, it is essential to ensure the continuity of funding to guarantee their successful implementation. This necessitates the implementation of mechanisms that facilitate the targeted and efficient utilisation of funds, with the objective of strengthening and modernising the EU's transport infrastructure. **Please outline your strategy for ensuring the availability of multi-annual financing plans, allowing for the planned and targeted spending of funds.** |
| **Further questions** |
| * Please outline the initiatives you plan to support in the context of multi-year financing plans. |

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| **Background** |

It is of the utmost importance to have the capacity to plan financing and funding in the transport system. This is essential for the creation of a stable, efficient and sustainable transport infrastructure that is economically, socially and environmentally beneficial. The six-year framework plan in Austria provides multi-year funding, which enables infrastructure operators to better plan and communicate maintenance, as well as the construction and expansion of rail infrastructure. This results in more effective planning of construction sites, minimises the negative impact on available rail capacity and facilitates continuous improvement of the transport system. Reliable financial planning is the foundation for the effective implementation of projects that promote sustainable mobility, such as the expansion of public transport and rail infrastructure. Predictable financing allows for the efficient allocation of resources, reducing costs and ensuring the timely completion of projects. Clear financing plans also help to avoid unexpected cost overruns and delays, which increases the efficiency and reliability of the transport infrastructure. Long-term infrastructure projects, which are made possible by predictable financing, create and secure jobs in the construction and transport industries. Transport systems can also respond better to crises and make the necessary adjustments to maintain operations. Austria is a good example of this, with its framework plan and financing of the rail infrastructure considered a best practice example in the European Union. Unfortunately, railways in other EU member states often lack the same form of infrastructure financing, which makes it difficult to create seamless cross-border rail transport. To achieve an efficient and integrated European rail transport system, similar financing models are needed in other EU member states. From the perspective of the provision of services of general interest, it is important to expand plannable financing models so that a sustainable and efficient transport infrastructure can be built that meets the needs of the population while being environmentally friendly and future-proof.

# Expansion of the TEN-T network towards Eastern Europe

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| **Question** |
| The development and expansion of the TEN-T network towards eastern Europe represents a significant challenge. Given the historical differences in infrastructure and economic development, it is crucial to take appropriate measures to improve connections and integration between eastern and western Europe. It is also important to ensure that the candidate countries are optimally integrated into the existing TEN-T network in order to promote seamless transport connections and economic development. **Please outline the measures you intend to implement to reduce the east-west divide in the expansion and extension of the TEN-T network and to ensure that the Western Balkans are connected as planned via infrastructure links through third countries.** |
| **Further questions** |
| * Please confirm whether you have any further specific EU funding programmes in place for the expansion of the TEN-T network, in addition to the Connecting Europe Facility. * How do you intend to ensure that the new member states are optimally integrated into the existing TEN-T network? * Please outline your views on the role of capacity management in the TEN-T network. |

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| **Background** |

The expansion of the trans-European transport network (TEN-T) towards Eastern Europe is a key objective for the EU in improving transport infrastructure and promoting the integration of member states. The EU is providing substantial funding under the Connecting Europe Facility[[35]](#footnote-35) to support the expansion and accelerate projects. This will facilitate greater mobility and economic cooperation. The objective is to modernise and expand the road, rail and waterway networks to create efficient, multimodal connections between Western and Eastern Europe. The objective is to promote trade, tourism and economic development. While progress has been made, there are still some challenges to overcome, including funding constraints, complex approval processes and technical adjustments. A particular focus is being placed on the development of infrastructure links that pass through third countries, with a view to connecting the Western Balkans. The revised TEN-T Regulation places a strong emphasis on the importance of better connecting the Western Balkans to Central Europe through new transport corridors, for both EU and non-EU countries. While EU Member States have access to EU co-financing, this support is not available to non-EU countries. It is therefore vital that TEN-T projects in non-EU countries are also financed and implemented in order to guarantee seamless connectivity. From the perspective of the provision of services of general interest, the further expansion of the TEN-T network is of great importance. This includes both the integration of new accession countries and the necessary means for capacity management.

# Automation of the transport system

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| **Question** |
| The implementation of automated systems in the mobility and transport network represents a significant development that will have a profound impact on the future of transport systems. In light of the growing integration of technologies such as autonomous driving and intelligent transport systems, it is vital to establish the optimal framework conditions to guarantee the secure, efficient and sustainable utilisation of these systems. As the European Commission, it is your responsibility to develop strategies that promote the introduction and integration of automated systems, while ensuring that the necessary requirements for safety, data protection and interoperability are met. **Please outline the framework conditions you plan to introduce for the introduction of automated systems in the mobility/transport network.** |
| **Further questions** |
| * Please outline your plans to prioritise the promotion of automated systems in the mobility/transport network, and indicate the specific areas where this should occur. * Please indicate which EU programmes or funding instruments you believe should be used to finance automated transport systems. * How do you intend to ensure that the legal issues surrounding the introduction of automated systems in the mobility/transport network are resolved and implemented in a binding legal framework? |

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| **Background** |

The automation of the transport system will result in significant changes to the design of the entire transport system over the coming years and decades. Automation in public transport encompasses a wide range of areas, including parking guidance systems, traffic information, traffic control, traffic assistance and traffic coordination. The introduction of networked and automated public transport could enhance its appeal through the provision of flexible and customised services. Furthermore, road freight transport could become more efficient and cost-effective. However, the expectations of automation are not entirely positive. The unregulated use of automation could result in an increase in the use of motorised private transport and freight vehicles, which would lead to an increase in energy consumption and emissions and a displacement of more environmentally friendly modes of transport such as trains and bicycles. To mitigate the so-called rebound effects, it is essential to establish clear framework conditions for the deployment of automated vehicles. In particular, these must set out the circumstances in and the manner in which automation should be used. It is of central importance to promote transport applications that are ecological and socially meaningful, as well as to utilise digitalisation of transport as an opportunity for sustainable mobility. The establishment of appropriate standards, including the necessary infrastructure, compatible interfaces and a seamless flow of information, is of paramount importance in this regard. One example of the opportunities offered by automation is the closing of gaps in public transport in rural and urban areas. Furthermore, automation can assist in addressing the shortage of personnel in the transport sector. From the perspective of the provision of essential services, it is crucial to define standards for the necessary infrastructure, interfaces and a smooth flow of information. Automation must be designed in a way that ensures it is future-proof and that the advantages of the new technology can be optimally utilised.

# Acceptance of automated transport systems

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| **Question** |
| When introducing automated transport, it is crucial to ensure that human jobs are preserved in the transport system. Automation elements have the potential to enhance efficiency and safety, but may also result in job losses. In light of these developments, it is crucial to devise strategies that facilitate the transition to automation while safeguarding jobs and creating new employment opportunities. **Please outline your strategy for ensuring that human jobs are preserved in the system when introducing automated transport systems.** |
| **Further questions** |
| * Please advise whether EU programmes or funding are planned to achieve this public acceptance through information campaigns. * Please outline how you intend to ensure that human contact persons will continue to be available to customers on site in the event of relevant questions or emergency situations. |

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| **Background** |

The progressive automation of the transport system will result in significant changes to the design of the entire transport system over the coming years and decades. One way to make public transport more attractive is to offer flexible and customised services. Furthermore, road freight transport could become more efficient and cost-effective. The introduction of an automated public transport system will create a new mobility offering for all. Automated vehicles should not only reduce human error in road traffic, energy consumption and emissions, but also increase the productivity of users, improve driving comfort and improve the mobility of people with mobility impairments. It is therefore essential that the public is willing and able to accept automation in transport if automated transport systems are to be successfully introduced and implemented. Ultimately, the success of an automated (public) transport system depends on its acceptance by users. From the perspective of public services, it is crucial to address the concerns and fears of the population and implement measures to increase acceptance. The success of the transformation of mobility through the integration of automated vehicles depends on the acceptance and use of an attractive automated (public) transport system. Only in this way can the economic, social and ecological potential in the mobility sector be implemented. It is therefore essential that EU funding and EU initiatives are made available to municipal, regional and public transport providers in order to enable them to carry out acceptance campaigns.

# Towards harmonisation of the European railway area

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| **Question** |
| With the presentation of the 4th railway package, the European Commission aimed to harmonise the European railway area and increase the competitiveness of the railway system. 10 years later, it is time to evaluate the political objectives of that time. **Have the objectives been achieved or can be achieved in the medium term with the measures set out in the 4th railway package?** |
| **Further questions** |
| * What has been the effect of the liberalisation steps to date, particularly with regard to intermodal competition, b) the necessary support for achieving climate targets and c) the social impact on employees |

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| **Background** |

The measures taken to date to harmonize the European railway area and the work of the European Railway Agency should be thoroughly reviewed. This review should particularly focus on the lack of harmonization of the ERTMS technical train monitoring system, the exponential growth of company-specific regulations following the risk-based approach of the CSM Regulation due to the removal of national regulations, and how these issues impede European harmonization. Additionally, the announced revision of the Train Drivers Directive (2007/59) should be prioritized. There is also a notable lack of clear regulations to prevent negative social impacts, analogous to those in other transport sectors, such as digital recording of working hours, posting provisions, control mechanisms, and the social organization of working conditions. Addressing these points is crucial for achieving a more efficient and socially equitable harmonization of the European railway sector. From the point of view of services of general interest, the above-mentioned steps are necessary to ensure the safe, fast and, from a social point of view, good operation of European railway area.

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# Elaboration of questions from the sector of economy

# Subsection I - Economic governance

## **Public & municipal actors as levers for EU socio-ecological goals**

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| **Question** |
| In order to effectively address the climate crisis, it is crucial for European cities and municipalities to have sufficient financial resources, such as municipal climate investment funds. It would also be beneficial for them to have appropriate co-determination rights at European level, in order to be able to take social aspects into account. Cities and municipalities are already facing significant financial constraints when it comes to providing relevant services of general interest, including social issues. It is also worth noting that municipal companies frequently invest in critical infrastructure, including energy and mobility. As such, they represent a valuable avenue for socio-ecological investment projects. **What role do you believe cities, municipalities and municipal companies should play in achieving the EU's socio-ecological goals?** |
| **Further questions** |
| * How will you ensure that there are plans for EU programmes and funding that provide local actors at the municipal level with greater scope for action? * Please outline your views on the importance of inter-municipal cooperation between cities and municipalities in this context. |

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| **Background** |
| One of the most significant challenges facing our society today is the climate crisis. The majority of measures to combat this issue are implemented at the municipal level. It is therefore essential that cities and municipalities are provided with adequate financial resources at European level, for example through municipal climate investment funds, as well as appropriate rights to have a say. It is therefore essential that the European Commission ensures that the provision of services of general interest is not made impossible or disproportionately difficult for local authorities as a result of liberalisation and privatisation efforts and other requirements. Cities and municipalities are facing significant financial constraints, particularly in terms of their capacity to fund essential services. Furthermore, inter-municipal cooperation, public law contracts and administrative communities are key instruments for the efficient fulfilment of public tasks, taking into account the economical and sustainable use of available financial resources. Since 2012, inter-municipal cooperation, specifically administrative communities and co-operations, have been subject to VAT. Banks and insurance companies, however, are exempt from this, despite being in a similar position. Despite the fact that these services are provided within the municipalities' own sphere of influence, they have become 20% more expensive as a result of inter-municipal cooperation. In the context of services of general interest, it is necessary to implement measures to enhance the financial strength and collaboration of regional and local stakeholders. |

## **Ecological transformation of the single market**

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| **Question** |
| The new EU Taxonomy Regulation and relevant directives, such as the Corporate Sustainability Reporting Directive (CSRD), are designed to accelerate the ecological transformation of the Single Market. The instruments are designed to bring about a fundamental change in companies and markets in the member states, prioritising ecological aspects alongside primarily economic objectives. **What additional initiatives would you recommend to help the EU achieve its goal of becoming climate-neutral?** |
| **Further questions** |
| * Please outline your views on the role of the EU Taxonomy Regulation and the CSRD in the greening of the Singel market. * How do you intend to ensure that the administrative burden for small, medium-sized and non-profit companies with regard to reporting obligations remains as low as possible? * Are you also planning regulatory initiatives (e.g. further bans) to steer Europe as an industrial location towards climate neutrality? |

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| **Background** |
| The EU Taxonomy was adopted as a regulation by the European Council and the European Parliament on 12 June 2020. The Taxonomy Regulation defines what constitutes environmentally sustainable investments and expands the scope of the Disclosure Regulation through the Corporate Sustainability Reporting Directive (CSRD). The EU taxonomy is designed to steer financial markets towards environmentally sustainable investments and financial products, thereby accelerating the ecological restructuring of the internal market. The regulation presents an opportunity to channel business models and fresh private capital into sustainable projects. On the other hand, the regulation introduces a significant administrative burden, particularly in terms of data collection and traditional reporting. From the perspective of services of general interest, the focus is on affordable services for EU citizens, such as favourable public mobility, access to affordable housing and energy. Public and municipal companies, which are the main providers of these services, are adamant that environmental objectives must not be at odds with social objectives. In this context, it is crucial to minimise the administrative burden, for instance, in relation to reporting. Another crucial aspect for those involved in the provision of services of general interest is the capacity to plan. This calls for a discussion on the potential for further regulatory initiatives in the direction of climate neutrality, which would place a burden on Europe as an industrial location. |

## **Comparable indicators and data basis for decision-making processes**

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| **Question** |
| Comparable indicators and robust data are essential for decision-makers to make the right choices, as they provide an objective basis for assessing problems and the effectiveness of policies. This is of particular importance at the EU level, as it enables the achievement of European objectives and ensures coherent policy-making. Comparable indicators and data are therefore a prerequisite for effective planning, resource allocation and policy development to tackle challenges and promote positive change. **How would you like to ensure that urban data is collected across the EU in a quantitative and qualitative manner so that comparable indicators are available for decision-makers and experts?** |
| **Further question** |
| * Data is not only a prerequisite for effective decision-making; it can also contain sensitive information. How do you want to ensure that sensitive critical infrastructure data remains in the public and municipal hands? |
| |  | | --- | | **Background** | | Comparable indicators and data in the EU are crucial for decision-making processes, as they enable the situations and needs of the various member states and regions to be recorded and evaluated. The use of harmonised data facilitates the coordination, monitoring and evaluation of political objectives, measures and results. In addition, comparable data can facilitate knowledge sharing and cooperation. Comparable data is therefore not only important for scientific discourse, but also contributes to effective planning, resource allocation and policy-making in Europe. In this context, it is not only the comparable quality of indicators and databases that is important, but also initiatives to protect sensitive data in Europe, in particular data concerning critical infrastructure. Infrastructures such as data for the operation of power plants or public transport are often provided by public or municipal companies. In light of the above, it is crucial that these entities are able to secure the resources they require to safeguard the infrastructure. | |

## **Constructions to circumvent customs duties in online trade**

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| **Question** |
| In recent years, the turnover of online trade in the European single market has grown consistently. The industrial policy of third countries is designed to facilitate the sale of products purchased online in Europe, which places pressure on the European industry. Third-country suppliers have developed more efficient methods of evading customs duties and Value Added Tax. For instance, Asian suppliers circumvent certain thresholds by splitting their deliveries into small packages. **Please outline your plans to combat duty and VAT fraud in online trade with third countries?** |
| **Further question** |
| * How can customs authorities be given greater capacity and control powers? |

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| |  | | --- | | **Background** | | The importance of online trade has increased steadily in recent years, placing pressure on many players in the European economy. One particular challenge is the practice of many suppliers from third countries of avoiding customs duties and sales taxes by various methods. These practices have been refined and optimised over time. For example, Asian suppliers deliberately exploit thresholds by dividing their deliveries into smaller packages in order to remain below the customs exemption limit and thus avoid additional costs. Such practices not only lead to unfair competition, but also result in significant tax losses for EU member states. A comprehensive strategy is needed to curb tax and VAT fraud in online trade with third countries. In this context, increased controls and the introduction of an automated system for monitoring shipments to detect suspicious patterns at an early stage should be considered. Increased cooperation with international customs and tax authorities could also help to combat fraudulent activities more effectively. Furthermore, the implementation of uniform EU-wide regulations on the taxation of online purchases from third countries would be a prudent measure to address existing loopholes and ensure fairer competition. From the perspective of essential services, a more stringent regulation would be beneficial to ensure that the public sector receives the funds it needs to maintain high-quality public services through taxes and levies. | |

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## **Distortion of competition due to imported products from third countries – CBAM**

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| **Question** |
| The import of products from other third countries can have a detrimental effect on competition in the EU by allowing importers to achieve cost advantages through lower environmental or labour standards. The European Union has implemented the Carbon Border Adjustment Mechanism (CBAM) as a regulatory framework for imports from countries with lower environmental standards. The objective is to ensure that imported products are subject to the same CO2 emission standards as domestic goods by imposing a levy on carbon-intensive imports. **Please outline your position on the Carbon Border Adjustment Mechanism (CBAM) and any further initiatives you plan to implement to prevent distortions of competition for products imported from third countries.** |
| **Further questions** |
| * Are you planning to implement measures to address the impact of import subsidies from third countries on competition? * What other initiatives are you planning to create a level playing field for EU producers and importers from third countries? |

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| **Background** |
| Supply chains also play a pivotal role in enabling the EU to achieve its social and environmental goals. The import of products from third countries can have a significant impact on competition in the EU. Importers gain cost advantages through lower environmental or labour standards, which can distort the market. Such unfair trade practices disadvantage European companies, which are subject to stricter environmental and labour standards and therefore have higher production costs. The Carbon Border Adjustment Mechanism (CBAM) is a significant initiative of the European Union designed to address these competitive imbalances[[36]](#footnote-36). The CBAM works by imposing a charge on imports from countries with lower environmental standards. This charge is calculated as the difference between the lower CO2 emission costs of the exporting countries and the higher standards of the EU. The objective is to ensure that imported products are subject to the same CO2 emission standards as domestic products. This measure ensures a level playing field, providing equal competitive conditions for domestic and foreign products. In light of this, it is also important to consider the need for initiatives to address the impact of subsidies on importers from third countries, particularly in the context of services of general interest. |

## **Public investment at local level (fiscal rules)**

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| **Question** |
| The fight against the climate crisis is primarily taking place at the local level. This is why cities and municipalities in the EU require sufficient financial resources, such as municipal climate investment funds, as well as the right to have a say. Cities, municipalities and other public actors are essential for the delivery of services of general interest. The lack of financial resources makes it challenging for EU citizens to access local services. Furthermore, the current fiscal rules in member states can impede the timely investment in public infrastructure at the local level. **How do you intend to ensure that cities, municipalities and other public actors can continue to carry out their current expenditure and investments in future areas such as digitalisation and climate change, given the constraints of strict fiscal rules?** |
| **Further questions** |
| * Please clarify whether the fiscal rules provide for exemptions for social or ecological investments, in accordance with the so-called "golden rule". * How do you intend to prevent the current set of rules from encouraging people to circumvent them? |

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| **Background** |
| To ensure that cities, municipalities and other public actors can make their current expenditures and investments in future fields such as digitalisation and climate change, it is important to find a balance between budgetary discipline and the necessary flexibility for future investments. The application of the ‘golden rule’ for public investments in budgetary law could prove beneficial in this regard [[37]](#footnote-37). The golden rule differentiates between current budgetary expenditures and investments. It is advisable that public budgets finance their current expenditure from current income, while an expansive financial policy can be implemented in durable goods and infrastructure projects. This would enable cities and municipalities to invest in important future areas without compromising budgetary discipline. From the perspective of ensuring the provision of basic services, it is important that budgetary law allows for exceptions to be made for social and ecological investments. Furthermore, transparent rules of the game must be in place to enable these investments without creating incentives for rule violations. |
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## **Strengthening the monetary union by investing in safe asset markets**

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| **Question** |
| The strengthening of monetary union in the EU is of great importance. It not only ensures the stability of the euro and strengthens confidence in the markets, but also contributes to the creation of a single market for safe assets. Safe asset markets are essential for investors seeking stable returns and low default risk. The closer integration of the monetary union can foster the development of such markets by increasing the availability of safe assets while strengthening the euro area's resilience to economic shocks. **Please outline the initiatives you intend to implement to strengthen the monetary union.** |
| **Further questions** |
| * Please provide an overview of the considerations for investing in safe investment markets in order to stabilise the single currency. * How do you intend to ensure that additional EU spending is initiated for relevant sectors in order to strengthen the EU market? |

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| **Background** |
| A strong euro is a key factor in the prosperity of Europe. In this context, the strengthening of the monetary union in the EU is a key building block for the confidence of financial market participants and the creation of a common market for safe assets. Investors are keen to access markets for safe assets, as they offer stable returns and low default risk [[38]](#footnote-38). Such markets typically comprise high-quality government bonds and other financial instruments that are considered very safe. In the EU, for instance, joint bond issues or highly rated government bonds from member states could serve as safe assets. The closer integration of the monetary union can foster the development of such markets by increasing the availability of safe assets while strengthening the euro area's resilience to economic shocks. From the perspective of the provision of public services, stable capital markets that promote relevant sectors and safeguard future investments are of great importance. |

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| **Question** |
| The current regulatory framework, which includes restrictive deficit rules, makes it challenging for infrastructure projects to be financed through debt. Government guarantees can help to bridge this gap. The Austrian ASFINAG provides a successful example of how state-guaranteed financing can facilitate significant investment, which in turn stimulates the economy. A similar model could be implemented for social housing by the state subsidising low interest rates. In light of the current economic climate, which is characterised by rising inflation and high interest rates, such forms of financing are particularly urgent. **Please outline your views on the role of state guarantees in the financing of infrastructure projects.** |
| **Further question** |
| * Please outline the initiatives you plan to implement to enable public players to finance infrastructure projects (housing, roads, energy) outside of PPP models. |

## **New public financing methods (Austrians ASFINAG model)**

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| **Background** |
| In order to facilitate the necessary infrastructure investments in the EU, new models of public financing are required. For instance, debt with state guarantees can facilitate the necessary capital, as evidenced by the success of ASFINAG. ASFINAG (“Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft”) is an Austrian company responsible for the planning, construction, financing and operation of motorways and expressways in Austria. ASFINAG is primarily financed through tolls and government-guaranteed bonds. The government guarantees enable ASFINAG to borrow money on favourable terms on the capital markets, allowing it to finance the necessary infrastructure projects. This method has proven to be effective, enabling ASFINAG to make significant investments in transport infrastructure without contravening government budgetary constraints [[39]](#footnote-39). Similar models could also be applied to the construction of social housing through government interest subsidies. In light of rising inflation and high interest rates, such forms of financing are essential to create a much-needed living space while minimising the burden on the state budget. State guarantees would ensure that investments in social projects could continue even in unfavourable market conditions. From the perspective of ensuring the provision of essential services, such forms of financing are attractive alternatives to risky public-private partnership models, allowing for the secure investment of necessary infrastructure. |

## **Deepening the capital markets union**

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| **Question** |
| The Capital Markets Union is a cornerstone of European financial integration, facilitating the cross-border movement of capital. It is also an important factor in Europe’s attractiveness as a business location, from a geopolitical perspective. However, there is still tax competition between member states, which has the effect of reducing the services available to EU citizens at the expense of public revenue. **Please outline your plans for further deepening the Capital Markets Union.** |
| **Further questions** |
| * Please provide your views on the role of harmonising tax systems. * Are you planning to harmonise corporation tax and insolvency law? |

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| **Background** |
| The Capital Markets Union is designed to integrate and harmonise capital markets in the EU, thereby providing companies and investors with enhanced access to finance. This is to be achieved by removing obstacles and creating a single capital market that strengthens the efficiency and competitiveness of the European financial system. The capital markets union is an essential prerequisite for overcoming the fragmentation of European financial markets and providing companies and investors with better access to financing opportunities. The path towards a capital markets union is paved with important steps, including measures to harmonise regulations, the development of common standards and the promotion of investments in sustainable projects. The capital markets union is also an important building block for Europe as a business location, offering geopolitical advantages. It strengthens the EU's competitiveness in the global context and increases financial stability. From the perspective of the provision of services of general interest, the harmonisation of tax systems between EU member states is particularly relevant. This will enhance economic resilience and transparency for national supervisory authorities. Furthermore, deepening the capital market union will reduce tax competition between EU member states and the lack of transparency of capital flows. This, in turn, will curb tax evasion and thus free up funds for necessary infrastructure investments. |

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## **Improving the framework conditions for inter-municipal cooperation**

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| **Question** |
| Inter-municipal cooperation, public law contracts and administrative communities are key instruments for the efficient fulfilment of public tasks, ensuring the economical and sustainable use of available financial resources. The focus here is on providing more services to citizens while optimising administrative costs. Since 2012, inter-municipal cooperation, specifically in the form of administrative communities and cooperatives, has been subject to VAT. Banks and insurance companies are exempt from this, although they are in the same situation. Despite being provided within the municipalities' own sphere of influence, these services have become 20% more expensive in one fell swoop as a result of inter-municipal cooperation. **Are you planning an initiative to promote inter-municipal cooperation between EU municipalities and EU cities?** |
| **Further question** |
| * Please outline your plans to ensure that VAT can be waived for inter-municipal cooperation (Public Procurement Directive). |

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| **Background** |
| There are currently numerous funding programmes and financial support options in Europe that are designed to help local authorities meet their goals. Unfortunately, these opportunities often go unused because many local authorities lack the resources or expertise to submit suitable project applications and to complete the necessary administrative tasks. Increased cooperation can help to pool existing resources and to share the expertise of different local authorities, which significantly increases the chances of obtaining funding. The topics are diverse and range from modernising infrastructure to promoting education, culture and environmental protection. There are already some positive examples of successful intermunicipal cooperation in some European regions. Municipalities have joined forces to realise joint infrastructure projects, promote tourism or drive forward the energy transition[[40]](#footnote-40). These projects show that a coordinated and cooperative approach is beneficial for municipalities and can lead to positive results. However, unlike banks and insurance companies, intermunicipal cooperation – specifically administrative associations and partnerships – has been subject to VAT since 2012. Despite the fact that these services are provided within the municipalities' own sphere of influence, they have become 20 per cent more expensive overnight as a result of intermunicipal cooperation. From the perspective of public services, it is crucial to fully exploit the potential of European funding programmes and to sustainably improve the quality of life in the municipalities. |

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## **Prevention of property industry-induced financial crises**

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| **Question** |
| The 2007-2008 financial crisis was primarily triggered by a combination of excessive mortgage lending to high-risk borrowers, inadequate regulation and the collapse of the US property market, which led to a massive loss in asset values and destabilised the entire financial system. The European property market has also been characterised by a period of generous private and public lending over the last 15 years. **How will you mitigate the risk of a property-induced financial crisis in Europe?** |
| **Further questions** |
| * Please outline the steps you intend to take to ensure that very large affiliated companies (e.g. with a balance sheet total of 1 billion or more) are required to present a consolidated balance sheet. * Are there any further considerations to be made with regard to stabilising the financial market in the event of potential over-indebtedness of major players in the real estate market? |

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| **Background** |
| The current situation on the European property market is characterised by a number of factors, including high interest rates, high inflation and a sharp rise in energy costs. These circumstances differ from those that led to the 2007–2008 financial crisis, which was primarily caused by excessive mortgage lending to high-risk borrowers, inadequate regulation and the collapse of the US property market. This resulted in a significant loss of value of assets and the destabilisation of the entire financial system. Nevertheless, the European property market has been characterised by generous private and public lending over the last 15 years and is sensitive to economic downturns. From the perspective of the provision of essential services, it is important to reduce the risk of future financial crises. In this context, transparency of large private companies and sensible regulations are important in order to avoid over-indebtedness and insolvency. |

## **Expansion of fiscal instruments for future investments**

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| **Question** |
| Given the high investment needs in social policy, climate protection and critical infrastructure, a robust EU budget and financially robust member states are essential. The use of effective fiscal instruments enables a fairer distribution of the financial burden and helps to close tax loopholes, which in turn strengthens the integrity of the EU financial system. **Please indicate which fiscal instruments (e.g., a kerosene tax, a financial transaction tax, an ownership tax, etc.) you consider to be fundamental in order to be able to finance social and climate policy programmes across the EU.** |
| **Further questions** |
| * Please outline the fiscal measures you intend to implement to strengthen the EU budget in order to finance major transnational transformation projects (railway networks, energy networks). * What measures do you intend to implement to reduce tax competition between EU member states? * What initiatives do you consider important to provide member states with greater flexibility in their tax laws to implement social and climate policy programmes? |

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| **Background** |
| The EU's social and climate policy programmes rely on a range of fiscal instruments to finance their operations. New EU programmes are also needed to support the necessary transnational infrastructure investments, such as the expansion of the European rail network and the optimisation of the energy network. In this context, the question arises as to new fiscal instruments for meeting these challenges. For example, the introduction of taxes and levies on certain sectors or financial transactions could help to generate additional revenue that can be used to finance these programmes. However, fiscal measures for the EU budget should be used with a sense of proportion and should aim to achieve a fairer distribution of the financial burden while at the same time strengthening the integrity of the financial system. Furthermore, it is important that these instruments are designed to be efficient in achieving their objectives and that they are used in a coordinated framework at the EU level to avoid distortions of competition and maximise their effectiveness. From the perspective of services of general interest, it is important to ensure that future investments are possible and that sufficient funds are made available for this in the EU budget. |

## **Municipal investments - accrual/depreciation and amortisation**

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| **Question** |
| It is of the utmost importance that European cities and regions maintain their prosperity through the implementation of municipal investments. According to the ESA 2010, investments are considered as expenditure and therefore directly affect the government deficit and debt at the time of purchase or conventional construction of an asset. Conversely, every private company treats investments as assets on the balance sheet, which are amortised over time in accordance with accounting rules. This practice makes it challenging to finance public investments. **Will you adopt accrual accounting for municipal investments, enabling the depreciation of large, long-term investments (such as the construction of an underground) on an annual basis?** |
| **Further question** |
| * Please outline the other initiatives and EU programmes you intend to pursue in order to secure municipal investments in the long term. |

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| **Background** |
| Cities and municipalities are frequently required to plan and implement significant infrastructure projects, including the expansion of the underground railway network, improvements to the water supply and the creation of new recreational areas for their citizens. It is therefore clear that municipal investments are crucial for maintaining prosperity in European cities and regions. According to the ESA 2010, investments are considered as expenditure and thus directly affect the public deficit and public debt at the time of acquisition or conventional production of an asset[[41]](#footnote-41). Conversely, every private company treats investments as assets on their balance sheet, which are depreciated over time in accordance with accounting regulations. This practice makes it challenging to finance public investments. From the perspective of providing public services, it is important that cities and municipalities have the necessary flexibility to make the necessary infrastructure investments. In this context, it would be beneficial to consider the possibility of a periodisation/depreciation for municipal investments. Such a periodisation would enable the financial burden to be distributed more evenly over the life of the investment, thereby improving the financial viability of municipalities. |

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# Subsection II - EU financing and funding programmes

## **Public financing for green investment projects**

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| **Question** |
| Public infrastructure is the foundation of European development and a prerequisite for quality of life, economic growth and price stability. However, energy, transport, buildings and water infrastructure are responsible for around 60% of Europe's greenhouse gas emissions. In order to achieve the European Union's climate change targets, a structural reorganization and expansion of the existing infrastructure systems is essential. **How do you plan to ensure that public funds are channelled into green investment projects?** |
| **Further questions** |
| * What EU programmes and initiatives are you planning to stimulate green investment projects? * How do you intend to ensure that there will continue to be a high level of public funding to meet climate and energy objectives and resilience (CEF)? |

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| **Background** |
| The European Union is firmly committed to the transition to a low-carbon, more resource-efficient and sustainable economy. The objective is to achieve the climate and energy policy goals agreed as part of the United Nations Sustainable Development Goals for 2030. The Austrian economy is increasingly recognising the need to address climate change. Climate change is a significant issue for public companies, with Austria facing particular challenges. A recent survey by the European Investment Bank (EIBIS 2022) found that 64% of Austrian companies are affected by climate change. This figure is notably higher than in Denmark (36%), Latvia (41%) and Bulgaria (44%), for example. 40 % of Austrian companies have developed or invested in measures to protect themselves against the physical risks of climate change[[42]](#footnote-42). This figure is in line with the EU average of 36 %. Extensive public investment is required to achieve the socio-ecological transformation. To achieve this, it is essential to implement a common policy that is conducive to climate action. This should include: (i) the pricing of CO₂ emissions; (ii) a shift away from environmentally harmful and non-resilient subsidies; (iii) a shift towards sustainable investments; (iv) prioritisation of resilient infrastructure projects; (v) targeted financing of sustainable services of general interest. |

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## **Continuation and evaluation of current funding programmes (RRF)**

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| **Question** |
| The centrepiece of NextGenerationEU, the Recovery and Resilience Facility (RRF), has and will provide a total of €672.5 billion in grants and loans to Member States. The funds are raised by the EC on behalf of the EU by issuing bonds on the capital markets. Member States can use these funds to make the investments necessary for a resilient Europe. However, the facility is only a temporary instrument, expiring at the end of 2026. **How do you assess the relevance of the ARF and do you plan to continue it?** |
| **Further questions** |
| * What advantages do you think new funding programs would have? * Assuming that the RRF continues beyond 2026, what conclusions do you draw from the programme so far and what would be different if it continued? |

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| **Background** |
| The independent High-Level Group on the Future of Cohesion Policy has presented its report, which assesses the functioning of cohesion policy. The report makes recommendations on how to ensure that this policy continues to promote prosperity and convergence across the EU. The Commission has also presented the mid-term review of the Recovery and Resilience Facility (RRF), the EU financial instrument for recovery which forms the centrepiece of the € 800 billion NextGenerationEU (NGEU) plan. Approximately half of the anticipated increase in public investment between 2019 and 2025 is attributable to EU budget-financed investments, particularly those from the Recovery and Resilience Facility [[43]](#footnote-43). In contrast to previous crises, public investment in Europe increased during the COVID-19 pandemic and the subsequent energy crisis from 3.0 % in 2019 to an estimated 3.3 % in 2023. This is expected to reach 3.4 % of GDP in 2024. The performance-based nature of the RFF, which disburses EU funds contingent on the achievement of milestones, has proven effective in driving the implementation of long-awaited reforms across a range of policy areas. These include supporting the green and digital transitions and strengthening social and institutional resilience. |

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## **Public-private partnerships (PPP projects)**

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| **Question** |
| Public-private partnerships (PPPs) - the mobilisation of private capital to meet public needs - is being touted as a way out of the "budget crisis", particularly in the area of public infrastructure. However, PPP models are not a panacea; they entail high transaction costs, costs for ongoing monitoring and external advisory services. In the infrastructure sector in particular, private companies working on behalf of the public sector is nothing new and has in the past created many problems rather than solutions due to a lack of investment. **What is your view on PPP projects and are you aware of any negative examples?** |
| **Further questions** |
| * In your opinion, to what extent is the implementation of infrastructure projects through PPP models more cost-effective in the long term than resilient and climate-friendly financing by the public sector? * What measures are you planning to ensure that PPP models do not lead to socio-environmental rebound effects? |

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| **Background** |
| The term 'public-private partnership' (PPP) was first used during the reform phase of the 'New Deal' in the United States. The concept of PPP as it is understood today bears no resemblance to the original idea. The current PPP concept originated in the United Kingdom at the end of the 1990s. Following the financial and health crises of the privatisations carried out under Margaret Thatcher's Tory governments (railways, water, etc.), ‘New Labour’ developed an ‘alternative concept’ with financial players in the City of London. To date, approximately 700 PPP projects have been launched in the UK, with the European Union also adopting the model. The EU views PPPs as a means of complying with the Maastricht criteria, as they do not result in an increase in debt, at least in nominal and budgetary terms. It is important to note that PPPs represent a form of 'structured financing'. While the initial advantage is that the public sector does not incur any debt, the payment obligations arising from a PPP contract contribute to a further erosion of public budgets as the contract term progresses. The interests of the external investor are promoted, while the interests of the public sector must be set aside. |

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## **New SME definition for public companies**

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| **Question** |
| A competitive economy is one in which the sustainable rate of productivity is capable of raising growth and hence incomes and quality of life. Sustainable competitiveness has long been a key policy priority of the European Union (EU). Micro, small and medium-sized enterprises (SMEs) play a central role in the structure of European economic policy. Through their activities and infrastructures, public enterprises have a huge potential to reduce greenhouse gases in order to manage the coming socio-environmental transition, but they are excluded from the SME definition**. What concrete steps are you planning to take to change the definition of SMEs?** |
| **Further questions** |
| * What is the significance for you of the change in the definition of SMEs to include public economic operators? * What is the timeframe for implementation? |

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| **Background** |

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| The European Union (EU) defines micro, small and medium-sized enterprises (SMEs) in Recommendation 2003/361[[44]](#footnote-44) . In accordance with this definition, a company is considered an SME if it employs a maximum of 249 individuals and has an annual turnover of up to €50 million or an annual balance sheet total of up to € 43 million. These thresholds relate to individual companies. If a company is part of a larger group, the number of employees and the turnover or balance sheet total of the group must be taken into account, depending on the size of the shareholding. The EU Commission's definition of an SME is essential for accessing financial resources and EU funding programmes that are specifically aimed at these companies. The current SME definition excludes many municipal companies, which means that many funding programmes are not accessible to them. Furthermore, disadvantages arise in the areas of subsidies and taxes. In light of the challenging financial circumstances currently facing public companies and municipalities due to the impact of the COVID-19 pandemic, the EU Commission should reconsider its approach in this area. Public companies should be provided with additional financial support for the implementation of climate-neutral investments, particularly in view of the imminent investment potential as part of the Green Deal. |

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## **Dual-use criterion - climate protection and security of supply for critical infrastructures**

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| **Question** |
| Recent years of crises (pandemic, energy poverty and war) have shown European Union citizens that resilience must be one of the main objectives of the Union and its Member States. The Russian war of aggression forces us to ensure the resilience of all infrastructures and institutions. In the context of climate change, resilience also means above all climate protection, climate adaptation and security of supply. **How do you intend to ensure that projects that do not meet the dual-use criteria but contribute to climate protection and security of supply will continue to have sufficient access to EU programmes/EU funds?** |
| **Further questions** |
| * What new EU programmes and initiatives do you believe are necessary to achieve Europe's climate change targets? * How can we ensure that public actors that guarantee quality of life are financed in a sustainable way? |

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| **Background** |
| Over recent decades, the European Union has faced a number of significant challenges. Climate change, demographic shifts, migratory pressure and the Covid-19 pandemic are all having a significant impact on our society. The Russian war of aggression has had a significant impact on the geopolitical security architecture, highlighting the need for greater resilience in Europe. However, resilience is defined as the ability to not only withstand and overcome challenges, but also to shape transitions in a sustainable, just and democratic way. This multidisciplinary approach takes a holistic view. To build a more resilient society, it is essential to strengthen critical infrastructures and improve the adaptive and transformational capacity of all actors. To enhance the military mobility of the European Union's armed forces both within and beyond the Union, it is vital to develop a more sustainable capacity for a dual-use transport infrastructure along the EU military network and the TEN-T network. This will contribute to the security and defence of Europe. However, a simplified and abbreviated view of the dual-use criterion for transport infrastructure is not sufficient to create a resilient Europe. In particular, it is essential to guarantee security of supply, climate protection and adaptation, as well as energy security. |

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## **Flexibility of EU funding programmes**

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| **Question** |
| The European Union offers a comprehensive range of funding options. The EU strives to meet the evolving needs of society. However, there are instances where funding and funding programmes fail to meet the requirements to implement their objectives efficiently and fairly. Bureaucratic obstacles and exemptions by the EU and Member States make it challenging for many actors to participate. **How will you ensure the necessary flexibility in the application and use of funds in EU funding programmes?** |
| **Further questions** |
| * How can you ensure that stakeholders in public services of general interest are effectively involved in the development, implementation and evaluation of funding programmes? |

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| **Background** |
| The international and national climate protection objectives are ambitious, which means that the European economic area will require significant investment and effort to achieve them. It is clear that traditional funding programmes with strict technical usage requirements and complex and lengthy procedures will not bring the necessary results. At the same time, it is crucial to ensure that the funding is effective in terms of climate targets. The socio-ecological transformation is too complex to set detailed content requirements for individual funding areas as part of small-scale funding projects. Furthermore, the application of static specifications, which are inevitably based on the current state of the art, would prevent innovation. It is precisely new, innovative solutions that are in demand. In addition to efficiency, an open approach to innovation is crucial for climate protection. As the guarantor of a resilient and climate-neutral Europe, the public sector must be given significantly more flexibility and choice when it comes to promoting social and resilient climate protection innovations. The public sector is tasked with managing an increasing number of projects and achieving results more quickly than before, while operating with a smaller workforce. It is therefore essential to modify the funding structure in a way that aligns with the needs and actual administrative capacities, rather than the other way around. With regard to municipal climate protection, it is also important to be able to apply for and account for individual initiatives in a bundled manner, especially in the area of interrelated projects (e.g. expansion of active mobility infrastructure – cycle paths, pavements). |

## **Predictability of EU funding programmes**

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| **Question** |
| The current crises and climate change present significant economic challenges for the European Union, its Member States and the local level. The ongoing Covid-19 crisis has highlighted the need for investment in services of general interest. The Russian invasion of Ukraine has highlighted the urgent need to accelerate the energy transition and end dependence on Russian gas and other fossil fuels. Local public investment in resilient infrastructure and support for clean-up efforts has a positive economic impact, but must be predictable and sustainable. **How can the EU ensure that there are sufficient programs for projects that are also predictable and sustainable for the beneficiaries?** |
| **Further questions** |
| * Please provide an update on the planned optimisation of EU funding programmes. * How significant is the planning factor in the EU funding landscape with regard to further optimisation? |

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| **Background** |
| The European Union (EU) has made a commitment to reducing greenhouse gas emissions and mitigating the effects of climate change. The European Climate Law is a key component of the European Green Deal, which sets ambitious targets for 2030 in the areas of greenhouse gas emissions, renewable energy technologies, energy efficiency, and more. A number of regulations have been introduced with the objective of making the EU climate-neutral by 2050. To achieve this goal, it will be necessary to make significant efforts, including regulatory and public support to encourage innovation and accelerate the market introduction of zero and low-carbon alternatives. However, to ensure effective and socially responsible implementation of the Union's objectives, planning is essential. In particular, those working in public services of general interest must be supported in the socio-ecological transformation due to their central role in society and within the Single Market. To ensure the structured and predictable funding of projects to be implemented by the public sector for a climate-neutral Union, it is essential to involve key stakeholders and implement long-term tendering mechanisms. This will enable all regions within the European Single Market to benefit. |

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## **Urban Nodes - Mobility promotion**

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| **Question** |
| The current crises and climate change present significant economic policy challenges for the European Union, its member states and the municipal level. The Covid-19 crisis is revealing investment gaps in the area of services of general interest. The Russian invasion of Ukraine has highlighted the urgent need to accelerate the energy transition and end dependence on Russian gas and other fossil fuels. Mobility is a fundamental aspect of our economic, social and cultural activities. **What is your view on the role of urban mobility in the socio-ecological transformation and how do you intend to ensure that sufficient EU funding is available for this?** |
| **Further questions** |
| * Please provide your views on the significance of urban nodes in this context. * With regard to relevant alliances for the implementation of urban nodes, would you be willing to support the POLIS Network's position paper [[45]](#footnote-45) ? |

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| **Background** |
| European citizens have the right to accessible, safe and sustainable passenger and freight transport within the Union. The Trans-European Transport Network (TEN-T) plays a pivotal role in enhancing the mobility of people and goods across Europe. The European Union has developed a comprehensive strategy to improve the mobility and sustainability of European transport infrastructure with the agreement to revise the TEN-T Regulation in 2023. Governance is a key factor in meeting the new requirements for urban nodes, including Sustainable Urban Mobility Plans (SUMPs), multimodal passenger transport hubs and multimodal freight terminals. It is essential that governance structures at the level of urban nodes are adapted to local circumstances and ensure subsidiarity and democratic legitimacy. The European Commission must recognise and balance the differences between Member States and within the urban nodes network. A tailored approach at the national and local level can address the diverse needs and circumstances of the 431 nodes. Furthermore, it is crucial to ensure adequate funding to fulfil the requirements set out in the TEN-T rules. It is important to recognise that local and regional authorities are not in a position to bear the entire cost of ecological transition on their own. It is crucial to maintain a robust funding framework to guarantee sufficient funding for TEN-T-related initiatives. This also includes projects to improve urban mobility. It is not only studies that should be funded, but also the implementation of projects. |

## **De minimis aid**

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| **Question** |
| The objective of public undertakings is to provide services of general interest to citizens within the Union and to provide services of general public interest. They provide services of general interest to the population and do not operate in a profit-oriented or competitive manner on the market. This underscores the importance of coordination and communication between the various actors involved in the delivery of services of general interest. De minimis aid is intended to support services of general interest in the fulfilment of their tasks. It must not lead to services not being provided for reasons of company law. **Are you planning to revise the de minimis regulation to prevent innovations for services of general interest from being prevented by the principle of cumulation?** |
| **Further questions** |
| * What steps would you recommend to make de minimis aid and SGEI aid more attractive for innovative projects within a company? |

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| **Background** |
| Financial support under the De minimis Regulation is defined as aid which, under certain conditions, is not subject to the notification procedure with the European Commission. This is because it is assumed that competition and trade between Member States are not affected due to its negligible amount, and therefore does not fulfil all the criteria of “state aid”. Such subsidies are permitted for single entities. In accordance with the principle of sincere cooperation enshrined in Article 4(3) of the Treaty on European Union, the Commission must ensure that the rules on state aid are complied with. Member States should facilitate the fulfilment of this task by the Commission by taking appropriate measures to ensure that the total amount of support granted to an undertaking under the de minimis rule does not exceed the maximum amount allowed. Member States should monitor the granting of assistance to ensure that the rules on cumulation are complied with. The term 'single entity' encompasses all entities that are either wholly independent or linked by at least one of the following relationships (I) an undertaking holds the majority of the voting rights of another undertaking; (II) an undertaking has the right to appoint or dismiss the majority of the members of the administrative, management or supervisory body; (III) an undertaking has a dominant influence by contract; (IV) an undertaking exercises sole control over the majority of the voting rights by virtue of an agreement. This regulation hinders the effective utilisation of de minimis support by public service providers in the area of services of general interest and disadvantages them in the Single Market. It is therefore necessary to amend the definition and revise the de minimis regulation in order to enable socio-ecological innovations for and in services of general interest. |

## **General Block Exemption Regulation**

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| **Question** |
| The energy and climate crisis, along with the Russian war of aggression, have brought the need for a resilient and secure Europe to the forefront of public discourse. In collaboration with its member states, the European Union has set ambitious targets for the implementation of climate protection and adaptation measures on the one hand and for a secure Europe on the other. The next step is to create a legal framework that allows for rapid and efficient implementation, avoiding bureaucratic hurdles that could hinder the socio-ecological transformation. It is the responsibility of the member states to provide support to the individual sectors. **Please outline the steps you intend to take to extend the General Block Exemption Regulation to other sectors.** |
| **Further questions** |
| * Which initiatives and EU programmes do you intend to utilise in order to provide enhanced support to regional players in financing projects for a resilient Europe? |

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| **Background** |
| The General Block Exemption Regulation (GBER) is a cornerstone of the Commission's reform to modernise EU state aid law. Its objective is to promote economic growth and focus EU approval procedures on large subsidy cases that could lead to unfair competition. On 23 June 2023, the European Commission adopted an amendment to the General Block Exemption Regulation (GBER) to further simplify and accelerate support for the EU's green and digital transitions while protecting fair competition conditions in the Single Market. The GBER enables member states of the European Union to implement certain state aid measures directly. The amendment exempts certain categories of state aid from the obligation to notify the Commission in advance if, in the Commission's opinion, the benefits to society outweigh any distortions of competition. It should be noted that failure to meet the criteria set out in the GBER does not automatically render a state aid measure incompatible with EU state aid law. Rather, it simply requires that the measure should to be notified to the Commission prior to implementation. However, there is a need for a more precise analysis and an extension of the groups within the GBER, in particular to actors who want to promote socio-ecological change and must also effectively implement it due to numerous regulations. In particular, public service providers are at a disadvantage, despite having the greatest potential to drive socially responsible transformation towards a net-zero-emissions union for society. It is therefore essential that they receive more support. |

## **Scalability of subsidised projects**

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| **Question** |
| The energy and climate crisis, as well as the Russian war of aggression, have brought the need for a resilient and secure Europe to the forefront of public discourse. The European Union has set itself targets in conjunction with its member states for the implementation of climate protection and adaptation measures on the one hand and for a secure Europe on the other. The objective is to facilitate the broad implementation of existing technologies and innovations to overcome financial constraints and accelerate the socio-ecological transformation. **Please indicate which initiatives and EU programs you would like to use to ensure that existing and significantly more efficient technologies are promoted in the roll-out phase so that they can be used across the board.** |
| **Further questions** |
| * Please outline the relevance of the scalability of funded projects in the area of critical infrastructures to your considerations. * What are your thoughts on the future organization of operating aid for innovative and resilient climate projects of general interest? |

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| **Background** |
| Subsidies are a key instrument to support the market launch of innovative and climate-friendly process technologies. The programme is designed for businesses that are only able to optimise their existing processes to a limited extent in terms of their CO2 emissions. In order to achieve decarbonisation in line with the European Union's targets, these businesses require completely different or significantly modified processes. This results in a significant requirement for investment from Member States or third-party investors. However, the unpredictability of national policies and geopolitical crises presents a risk to the investment potential for important long-term transformation processes. Furthermore, the implementation of climate-friendly processes (products) often results in significantly higher variable operating costs than standard, emission-intensive process offerings. This is due to a number of factors, including an insufficient CO2 price, a homogeneous product price, and higher operating costs due to changes in energy sources. In addition to the cost differential resulting from the aforementioned factors, the risk of price fluctuations, crises and wars is also a significant consideration. **Subsidies for technologies in the roll-out phase** offer the opportunity to significantly bring forward the market launch and implementation of such processes by cushioning the cost differences and risks. The most significant impact is the pull-forward effect, given the long technical lifespan of green economy systems and processes in the context of public services of general interest. A ‘window of opportunity’ exists in particular when reinvestment cycles are due. In addition to its role as a market launch instrument, scalable promotion of technologies in the roll-out phase could also contribute to technology development and, as a result, to technology transfer within the Single Market. |

## **European Social Climate Fund**

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| **Question** |
| Climate change will have economic and social impacts. Substantial public funding will be needed to meet climate change targets. Financing public infrastructure is a guarantee for affordable mobility, investing in energy efficiency measures and heating systems based on renewable energy and participating in energy communities are effective ways to reduce dependency and at the same time strengthen the Union's resilience. Earmarked funds are needed to support disadvantaged households, disadvantaged businesses and disadvantaged transport users. **How would you use the European Social Fund to support regional public services in particular?** |
| **Further questions** |
| * How can it be ensured that these funds also reach municipal and local actors and businesses? * What other initiatives and EU programs are you planning to ensure a socially just transition to a climate neutral Europe? |

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| **Background** |
| Social protection plays a pivotal role in the achievement of several environmental objectives set out in the 2030 Agenda for Sustainable Development. It is believed that various social protection instruments have the potential to enhance the resilience of vulnerable groups to climate change, facilitate a just transition to a green economy and drive intergenerational resilience building. A just transition will not be just if it is not inclusive. Currently, one in five Europeans is at risk of poverty or social exclusion. The concept of "leaving no one behind" implies the necessity to direct particular attention to the most vulnerable groups in the context of the energy transition. Those most vulnerable to the effects of climate change, including financially and politically, are those who are already disadvantaged. The Social Climate Fund (SCF) proposed by the European Commission offers a solution to bridge the financial and political gap. The SCF would provide EU funding of over € 72 billion over the period 2025-2032, to be used mainly through the Emissions Trading Scheme in the buildings and road transport sectors. However, it is crucial that these funds are allocated to the individuals and organisations that have been fulfilling the social mandate for a fair and ecological life in their respective fields of activity for decades. The SCF must provide better and more effective support to services of general interest and their companies, particularly in assisting socially disadvantaged groups in society. This is the only way to ensure that the socio-ecological transformation is fair and sustainable. |

## **Effective infrastructure funding**

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| **Question** |
| The European Union has set itself ambitious targets for reducing emissions and achieving the Paris Agreement. In order to drive a socio-ecological transformation in the European Single Market the European Commission has made various funding instruments available. However, many of these subsidies are aimed at end-of-pipe projects and stand-alone innovations at the end of the value chain in order to realize potential emission reduction. **What priority do you give to infrastructure funding at the beginning of the value chain (e.g. grid expansion) and are new funding programs planned in this regard?** |
| **Further questions** |
| * How do you intend to ensure that these funds reach municipal and local players and companies? * Are you planning a White or Green Book on the design of effective financial instruments for a socio-ecological transformation? |

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| **Background** |
| The European Commission has made a range of funding instruments available to drive forward a socio-ecological transformation throughout the economic system and communities. However, many of these subsidies are aimed at niche innovations and end-of-pipe projects at the end of the value chain in order to realise potential emission savings. This concentration on emission savings for actors and projects at the end of the value chain is an inefficient and ineffective approach to achieving climate targets. The establishment of sustainable industries and economic sectors in the Union is contingent upon investment in infrastructure. For instance, the expansion of digital infrastructure (e.g. broadband) or rail infrastructure represents a crucial foundation. It is therefore crucial that funding is made available at the earliest stage of the value chain. These funds should be directed towards the stakeholders who have been fulfilling the social mandate for a fair and ecological life in their respective fields of activity for decades. It is essential to provide better and more effective support to services of general interest and their companies in order to enable them to fulfil their vital task. This is the only way to ensure that the socio-ecological transformation is fair and sustainable. |

## **The importance of the EIB for climate-protecting infrastructure investments**

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| **Question** |
| The European Investment Bank is the development and investment bank of the EU Member States. It is the largest multilateral financing institution in the world and the most important financier for climate protection within and outside the European Single Market. The European Green Deal aims to make the European economy sustainable and fair. To achieve this goal effectively, quickly and in a socially just manner, enormous financial resources are required in the form of grants and loans, which can be pooled and distributed only across the EU. **What significance does the EIB have for climate-protecting infrastructure investments in Europe and what measures do you want to take to strengthen the EIB's scope of action in this area?** |
| **Further questions** |
| * What other initiatives and EU programs are you planning to ensure a socially just transition to a climate-neutral Europe? * Do you intend to increase the EIB's capital to strengthen its role and make it more resilient to financial crises? |

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| **Background** |
| The shareholders of the European Investment Bank are the 27 Member States of the European Union. EU Member States are eligible for financing from the Bank without restriction or geographical or sectoral quotas. The EIB is the climate bank of the European Union. In this capacity, it provides funding and expertise for economically, technically, financially and environmentally viable investment projects in Europe and beyond, which contribute to the EU's policy objectives and priorities. In pursuing its objectives, the EIB is financially independent and raises the majority of its lending on the international capital markets through the issuance of bonds. The ongoing pandemic, energy crisis and Russia's war of aggression have led to a loss of confidence among economic actors in the Single Market, which has in turn hindered investment in the socio-ecological transition. It is therefore prudent to consolidate EU-wide resources and make European projects accessible to citizens in pursuit of a climate-neutral EU, regardless of political controversies and market fluctuations. This also includes expanding the European Investment Bank's scope of action so that it can withstand future financial crises and provide more start-up financing for climate-friendly infrastructure investments. |

# Subsection III - Digital policy

## **Market distortions due to the platform economy**

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| **Question** |
| Many customers in the EU make their purchasing decisions based on so-called product and company ratings (e.g. reviews on Amazon, Google). These platforms are even used to make decisions about public services and public spaces (e.g. Google Maps). Manipulation and a lack of consistent rules can lead to market distortions. **What initiatives are you planning to ensure that reviews on digital platforms do not lead to market distortions or manipulation?** |
| **Further questions** |
| * Are you planning a White or Green Paper on discrimination against European brands and companies in the Single Market? |

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| **Background** |
| Online reviews have become an important decision-making factor for many people when shopping and are very important for customers, companies and public service providers. They are a way for many customers to make the professionalism and working methods of the company visible to everyone. On the business side, good customer reviews can increase sales and bad reviews can slow them down. On both sides, however, there is a risk of manipulation and the associated distortion of competition. Private individuals can rate products or services, sometimes anonymously, and thus (deliberately) harm companies and public service providers, as well as sites (e.g. Google Maps). On the other hand, manufacturers, retailers and portals can also get involved in reviews in various ways. The consumer advice center therefore warns of serious distortions of competition due to manipulated reviews. Directive (EU) 2019/2161 ("Modernization Directive") was dedicated to the advancing digitalization and the resulting digital challenges, which required adjustments to the EU's legal framework. Although the Directive modernized consumer protection regulations within the Union and introduced new statutory transparency obligations, an investigation by the Federation of German Consumer Organizations (vzbv) in spring 2023 revealed major shortcomings in the implementation of these obligations. Furthermore, there are no European regulations that protect companies and public service providers from distortions of competition caused by manipulated ratings. A European solution would lead to greater legal certainty and ensure that both private companies and public service providers remain safe from false negative reviews that are detrimental to business. |

## **Fiscal instruments for digital companies in the European single market**

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| **Question** |
| While European companies generally provide location-based services in the Single Market and pay taxes and duties on them, we are seeing an increasing dominance of digital business models that operate in a decentralised and tax-optimised manner. **What fiscal instruments do you envisage to create a level playing field between the real and the digital economy in terms of tax and duty burdens in the European Single Market?** |
| **Further questions** |
| * Are there any plans to change the way digital groups are taxed? * Do your plans for taxing the digital economy include differences between small and large companies? * What other initiatives do you consider necessary to achieve a fair tax burden for digital companies? |

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| **Background** |
| The digital economy is one of the biggest challenges for tax policy. Digital groups also generate their sales and profits in places where they have no branch or permanent establishment, making taxation difficult and creating distortions of competition. However, large digital groups shift the majority of their profits to tax havens and therefore pay less tax than small and medium-sized enterprises. The OECD and the EU have therefore been working for some time on implementing solutions for taxing the digital economy, but no agreement is yet in sight. The EU should revive its proposal to introduce an EU-wide digital tax and develop it further based on the OECD proposal in order to have a ready-to-use option in case the OECD proposal is not ratified. Measures against tax avoidance and profit shifting are urgently needed to create a level playing field between the real and digital economy in the European single market. The EU member states should also strengthen their tax authorities and take targeted action against tax avoidance by large digital corporations. The EU should take coordinating action here, particularly via the European Public Prosecutor's Office. |

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## **Implementation of digital legal acts**

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| **Question** |
| In recent years, as part of the "Digital Decade", the EU has implemented a number of digital laws that require new or strengthened national supervisory authorities. However, the staffing levels of the Member State authorities responsible for monitoring platforms vary and in some cases are not up to the high standards required, resulting in inadequate monitoring. **How can you ensure that there are enough posts in Member States to implement and monitor the relevant digitisation legislation?** |
| **Further questions** |
| * Are there any plans to implement the Digital Service Act and the Digital Markets Act, for example, through new posts? * Are tax instruments being considered to finance the new expenditure? |

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| **Background** |
| Numerous laws, projects and programs relating to the digital economy have been proposed and implemented in the EU in recent years. Examples include the Digital Markets Act (DMA), the Digital Services Act (DSA) and the Artificial Intelligence Act (AI Act). The implementation and monitoring of the companies affected by the laws pose major challenges for the supervisory authorities. For this reason, it is feared that the necessary bodies are not adequately staffed and that enforcement of the law is stalling. An increase in the number of posts for monitoring and controlling laws in the digital sector will ensure a legally secure EU and can guarantee the enforcement of legal acts. |

## **Expansion of digital infrastructure in technologically underdeveloped regions**

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| **Question** |
| Despite some progress in recent years, rural areas are lagging behind in the expansion of broadband networks. Many rural areas are affected by an inadequate digital infrastructure. **How do you intend to ensure that funding for digital infrastructure also reaches Europe's rural and technologically underdeveloped regions?** |
| **Further questions** |
| * Please indicate the extent to which you plan to use European manufacturers for the procurement of digital infrastructures or to promote/favour them over third countries. * Would you consider using a portion of the allocated funds for rural development to implement the necessary digital infrastructure? |

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| **Background** |
| Despite the many efforts on the part of national governments and the European Union, broadband expansion continues to be slow, especially in rural areas. The expansion of broadband infrastructure is of the utmost relevance in order to establish a stable digital foundation for a competitive business location and liveable cities and regions. In the interests of equal opportunities, all people throughout the EU should have access to adequate digital infrastructures, regardless of whether they live in urban or rural areas. Ultra-fast broadband networks form the backbone of economic, social and cultural activities and are essential for digitalization processes. Investments in a good digital infrastructure are also investments in the future, quality of life and competitiveness. In terms of services of general interest, it is necessary to ensure nationwide fiber optic expansion through fair conditions, also to guarantee a level playing field for small and medium-sized municipal companies. |

## **Costs for the provision of data by public & municipal stakeholders**

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| **Question** |
| Digitisation processes for public and municipal stakeholders are associated with high investment and operating costs. It is important to note that the provision of administrative data and complex real-time data comes at a significant cost. **How do you intend to support public and municipal stakeholders (e.g. administrative authorities, public transport companies, etc.) with the digital transformation and the associated running costs?** |
| **Further questions** |
| * Are there any EU programmes in place that provide financial support for the operational costs associated with the provision of public and municipal data? * In light of the high security risks faced by critical infrastructures, it is crucial to consider the associated costs of cyber security. Are EU subsidies earmarked for this purpose? |

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| **Background** |
| The digital transformation and associated digitalization processes have led to considerable additional costs for many companies. On the one hand, existing systems and processes have to be adapted and integrated to the new digital solutions and employees have to be trained in how to use the new systems. On the other hand, digital systems require continuous maintenance and regular updates in order to remain efficient and close security gaps. Digitalization also increases the demands on IT security, with companies having to make (ongoing) large investments in this area. Other costly issues are data collection and data storage. The high costs of data storage are due to expensive hardware, infrastructure, security measures, compliance requirements and ongoing operating costs. Public companies in particular (e.g. public transport companies) collect large amounts of data in the course of providing their services, the management and storage of which leads to very high running costs. In addition, the majority of public companies are considered critical infrastructure and must therefore comply with stricter rules, which entail additional costs. In this context, the promotion and support of public enterprises should ensure that essential services are provided in a reliable, equitable and sustainable manner, while promoting social and economic stability. |

## **Data protection in the critical infrastructure**

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| **Question** |
| In many areas of daily life, such as health, energy supply, and transport, public and municipal actors have data sovereignty over sensitive data. However, given the business models of large digital corporations, there is a legitimate concern that this sensitive data will be commercialised. **What initiatives are you planning to sustainably protect public and municipal data of critical infrastructures from private commercial interests?** |
| **Further questions** |
| * Please outline your plans for data protection for critical infrastructures in your legislative term. * How do you intend to guarantee that sensitive data from critical infrastructures remains in the public and municipal hands? * How do you intend to ensure that the protection of critical infrastructure is taken into account in all data initiatives at EU level in future and thus guaranteed? |

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| **Background** |
| Municipal administrations and public companies possess operational data, the disclosure of which could jeopardize the functionality and security of the municipal infrastructure and which should therefore also be protected from private commercial interests. This includes, for example, plans for water supply, waste management, traffic control systems and emergency measures, as well as citizens' personal data. Commercial use of municipal data is unethical and can have far-reaching negative consequences. Protecting this municipal data and critical infrastructure is crucial to ensure the privacy of citizens, safeguard the integrity and security of data and comply with legal requirements. |

## **Restriction of tax optimisation measures by large digital groups**

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| **Question** |
| The digital business models of large digital corporations are typically location-independent, enabling them to be offered flexibly from various EU countries and third countries. Some companies are employing tax optimisation strategies that are detrimental to the common good and the real economy. **What initiatives are you planning to restrict the tax optimization strategies of large digital groups?** |
| **Further questions** |
| * Are there already concrete considerations to increase the global sales tax for digital companies (over 15%)? * In this context, are new taxes, such as a transaction tax on tax havens, also being considered in order to create a level playing field? |

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| **Background** |
| The tax optimization strategies of large digital corporations deprive the EU member states in which the companies operate of considerable tax revenues. However, these revenues are necessary to finance public services and infrastructure, such as education, healthcare, security and transportation. Tax optimization measures shift the tax burden and distort competition, as companies that use aggressive tax optimization strategies can gain an unfair competitive advantage over companies that pay their taxes correctly. This can lead to a distortion of the market and impair the competitiveness of location-bound companies. With falling tax revenues, the state has fewer resources for public investment, which is crucial for economic growth and social development. This affects areas such as infrastructure, education, research and development as well as social security systems. Overall, tax optimization measures harm the state and society by reducing tax revenues, increasing inequality, distorting competition and undermining confidence in the fairness of the tax system. In the interests of a level playing field, tax optimization measures for large digital corporations should therefore be restricted. |

## **Joint European cyber defence**

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| **Question** |
| It is becoming increasingly clear that public institutions in Europe are being targeted by cyber attacks. It is of the utmost importance to prevent attacks on energy suppliers, hospitals, municipal administrations and other security-critical areas. **Are you considering establishing a joint European cyber defence initiative based on the American model?** |
| **Further questions** |
| * If a strategic and joint European cyber defence is planned, please indicate the time horizon you see for this. * Please outline the role of the protection of critical infrastructures and sensitive supply chains (e.g. medicines) in these plans. |

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| **Background** |
| Critical infrastructure and public institutions are essential to daily life and the functioning of society and the economy (e.g. energy supply, water supply, healthcare, transportation and communication). For this reason, they are attractive targets for cyberattacks by cybercriminals and state-sponsored hackers.  A common European cyber defense would both ensure the security of the Member States and strengthen the economic and political stability of the European Union. By sharing information on cyber threats and security incidents, EU member states can respond more quickly to threats and take preventive action. Common defense strategies enable a coordinated response to cyber attacks, which increases the effectiveness of defense measures (e.g. faster response times, effective crisis management). In addition, a strong, independent European cyber defense would reduce dependence on external providers and increase the EU's digital sovereignty. Critical infrastructures that operate across borders (such as energy supply, communication and transportation) can be better protected through coordinated measures and common security standards and protocols could help to identify and eliminate vulnerabilities. A common European cyber defense offers a variety of benefits, ranging from increased security and resilience to resource efficiency and a stronger international position. This cooperation is crucial to effectively counter the growing threats in cyberspace and secure the EU's digital future. |

## **Cryptocurrencies - expansion of the market for stablecoins**

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| **Question** |
| Stablecoins are cryptocurrencies that, unlike most other cryptocurrencies, are linked to a stable asset, such as a fiat currency like the US dollar or a commodity like gold. Their value is therefore relatively stable compared to the high price volatility that is typical of other cryptocurrencies. While US dollar stablecoins are already widely used, the market share of euro stablecoins is still relatively low. **To what extent do you plan to support European traders on the international market for stablecoins?** |
| **Further questions** |
| * Are there any plans to regulate the market for stablecoins? * What role do European providers play in the stablecoin market in your opinion? |

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| **Background** |
| Stablecoins are a special type of cryptocurrency developed to counteract the high volatility of traditional cryptocurrencies such as Bitcoin and Ethereum. Their aim is to maintain a stable value that is often tied to a traditional currency or other assets. In this way, price fluctuations can be minimized. Stablecoins offer a bridge between traditional financial systems and the world of cryptocurrencies by combining the benefits of blockchain technology with the stability of established currencies and assets. There are numerous European merchants and platforms that offer or trade stablecoins. Projects such as Stasis EURS and Monerium are developing euro-pegged stablecoins, and leading European crypto exchanges such as Bitpanda, Kraken, Bitstamp and Bittrex Global offer trading in various stablecoins. Regulatory developments in the EU could further drive the use of stablecoins and promote their integration into the traditional financial system. The promotion of stablecoins by the EU can offer several strategic benefits that can strengthen both economic stability and technological innovation within the Union. These include strengthening digital sovereignty, improving international competitiveness and increasing efficiency in payment transactions. |

## **Launch of the digital euro**

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| **Question** |
| The Launch of the digital euro, scheduled for 2028, should be implemented as soon as possible to reinforce the Union's payment infrastructure. **How do you intend to support the European national banks with the introduction of the digital euro?** |
| **Further questions** |
| * Please provide an overview of the planned timeline for the launch of the digital euro. * Will the digital euro result in reduced transaction costs for European merchants with payment service providers? |

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| **Background** |
| The digital euro is a central bank digital currency (CBDC) planned by the European Central Bank (ECB) for the eurozone. It is to be operated alongside the traditional currency and offer a fast, secure and innovative payment method that does not require intermediation by commercial banks. Unlike cryptocurrencies, the value of the digital euro will be guaranteed by the European Central Bank. Central bank money is currently only accessible to non-banks in the form of cash; the digital euro could be a supplement to cash in the future. It is being developed for both companies and private individuals and will be used for everyday transactions. The introduction of the digital euro can optimize payment processes, reduce transaction costs, minimize the environmental footprint and improve financial inclusion by enabling people without traditional bank accounts to participate in the digital economy. For these reasons, extensive support from European national banks is necessary for the introduction of the digital euro. |

## **Tax haven transaction tax**

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| **Question** |
| The European Union is losing 170 billion euros a year due to tax havens within the EU. Corporations and wealthy individuals are shifting their profits to low-tax countries, which has the effect of increasing the proportion of public budgets financed by other taxpayers. **What initiatives and tax measures are you planning to create a level playing field in the single market by imposing a general transaction tax on transactions in tax havens?** |
| **Further questions** |
| * Please outline your views on the importance of tax justice and the role of transaction taxes in this context. * Are there plans to increase taxation on platform-related marketing? |

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| **Background** |
| Every year, EU countries lose considerable tax revenue through tax avoidance and tax evasion via tax havens. According to estimates, the losses can amount to up to 170 billion euros per year. These losses have a profound impact on public finances, competition and social justice. In addition, the use of tax havens and complex tax structuring practices erodes the tax base of many EU member states. The fight against tax havens therefore requires a comprehensive package of measures that increases transparency, strengthens international cooperation and improves national tax regulations. Through a general transaction tax on tax havens, EU member states could significantly reduce the negative impact of tax havens and create a fairer global tax system. |

## **Contradictions in digital laws**

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| **Question** |
| A number of digital laws have been enacted in recent years. Some of these contain contradictory formulations and regulations, which creates confusion and uncertainty among stakeholders. This creates a great deal of legal uncertainty among the stakeholders concerned. **Are you considering a "legal scrub" to resolve contradictions in the digital laws?** |
| **Further questions** |
| * Do you intend to implement a mechanism to resolve inconsistencies in the regulations? |

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| **Background** |
| Due to the large number of new digital legal acts in recent years, legal practitioners are increasingly confronted with contradictory or at least not fully harmonized laws. This is often due to the fact that new regulations are being developed in a fast-moving digital environment where existing laws may not yet have been fully adapted. The EU is fundamentally committed to creating a coherent and harmonized set of rules for the Digital Single Market. Nevertheless, the complexity and rapid development of the digital environment can lead to contradictions and tensions between different regulations. These contradictions require continuous adjustment and coordination between the various legislative initiatives to ensure that they are compatible with each other and promote the EU's overarching objectives in the areas of data protection, competition, innovation and fundamental rights. For this reason, it is advisable to subject EU digital laws to what is known as "legal scrubbing". Legal scrubbing is the process of legally reviewing and cleaning up texts, in particular contracts, draft laws, agreements and other legal documents. This process ensures the legal quality and clarity of documents. A thorough review and clean-up can minimize legal risks and ensure the comprehensibility and consistency of texts. |

# Elaboration of questions from the sector of housing

# Working conditions in the construction industry

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| **Question** |
| The construction and real estate industry is a major employer in Europe and a key factor in the European economy. Social and wage dumping can occur on construction sites, particularly in smaller Member States with many EU neighbours. The creation of construction companies that go bankrupt immediately after the completion of the construction project and/or engage in tax evasion has a negative impact on public budgets and causes high negative social externalities. **How do you intend to prevent social and wage dumping in the construction industry?** |
| **Further questions** |
| * How will you ensure safe working conditions on European construction sites? * How do you intend to ensure that those responsible for European construction sites (managers) are prosecuted for, for example, labour law offences, tax and customs fraud or environmental pollution? |

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| **Background** |

The practice of social and wage dumping results in significant tax losses in Europe and undermines the financial strength of the public sector. This ultimately affects the ability of governments to invest in infrastructure and social services. The construction and property industry is a significant contributor to the European economy, employing a large number of people. However, social and wage dumping can occur on construction sites in smaller member states with many neighbouring EU countries. The failure of construction companies to complete projects or their engagement in tax evasion has a negative impact on public budgets and social externalities. To address these challenges, it is essential to implement enhanced controls and enhanced cooperation between national labour inspectorates and European institutions. This will ensure compliance with labour and social standards. The harmonisation of working conditions and minimum wages within the EU would create fair competitive conditions and prevent wage dumping. Good working conditions are of great importance from the point of view of services of general interest, as they lead to higher productivity, lower absenteeism and greater employee satisfaction. This strengthens the economy as a whole and contributes to the long-term stability and sustainability of Europe as a business location.

# Limited-profit housing construction to combat inflation

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| **Question** |
| Securing affordable housing is a fundamental aspect of ensuring a stable and prosperous European economy. However, rising housing costs have the potential to create macroeconomic challenges, affecting not only individual households but also the wider economy. In countries where rents are linked to the inflation rate, as in Austria, high rents can increase inflationary pressure. The limited-profit housing sector has the potential to play a significant role in mitigating inflationary risks in Europe. By alleviating the financial strain on both individual households and the broader economy, it can contribute to a more stable and prosperous future for all. **What initiatives are you planning to curb inflation in Europe and what role do you think the limited-profit housing sector can play in this?** |
| **Further questions** |
| * Are you planning EU programmes to support the development of social housing? * Are you planning earmarked funding for social housing in order to secure affordable housing in the long term? * Are you planning fixed indexation in the housing sector to reduce inflationary pressures? |

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| **Background** |

Limited-profit building associations make an important contribution to social stability by providing affordable housing and preventing rental costs from rising disproportionately. As they are not profit-oriented, rents are generally below the market level and therefore have a dampening effect on the entire rental market (*cost rent*)[[46]](#footnote-46). The tax concessions for limited-profit developers are therefore an effective instrument for stabilising the housing market and ensuring affordable housing in the long term. Limited-profit property developers thus relieve the burden of housing costs on households and reduce inflationary pressure on the economy. Limited-profit building associations are not only an important client in the construction industry, but also provide many EU citizens with access to high-quality and affordable housing. From the perspective of services of general interest, affordable housing is an essential basis for economic and social development in Europe. In countries where rents are linked to the inflation rate, as in Austria, high rents can increase inflationary pressure. The limited-profit housing industry can therefore make an important contribution to combating inflation risks in Europe and relieve the burden on both, individual households and the economy as a whole.

# Framework conditions for Limited-profit actors in the housing market

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| **Question** |
| Limited-profit developers play a stabilising role in the construction industry, are reliable traditional companies and make a valuable contribution to the sustainable development of the housing market. They ensure that socially disadvantaged groups and the broad middle class have access to affordable housing. They are also an important lever for socio-environmental change, helping to achieve Europe's climate goals. **How do you intend to improve the economic and legal framework for social housing providers?** |
| **Further questions** |
| * What initiatives do you see to reduce rents in the long term, especially in urban centres? * What do you think the role of social and municipal housing is in reducing 'free rents' in the long term? |

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| **Background** |

Limited-profit building associations play a vital role in maintaining social stability by providing affordable housing and preventing rental costs from rising disproportionately. As they are not profit-oriented, rents are generally below the market level, which has a dampening effect on the entire rental market (cost rent)[[47]](#footnote-47). The tax concessions for limited-profit developers are therefore an effective instrument for stabilising the housing market and ensuring affordable housing in the long term. Limited-profit property developers therefore relieve the burden of housing costs on households and reduce inflationary pressure on the economy. Limited-profit building associations are not only an important client in the construction industry, but also provide many EU citizens with access to high-quality and affordable housing. From the perspective of services of general interest, affordable housing is an essential basis for economic and social development in Europe. To this end, an appropriate legal framework is needed in Europe so that limited-profit and municipal actors can create this housing.

# Economic effects of affordable housing

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| **Question** |
| The construction industry is a significant contributor to the European economy, accounting for a significant share of the gross domestic product and creating a large number of jobs. A balanced housing policy which focuses on affordable housing helps to stabilise private household expenditures. Limited-profit and municipal housing reduces expenditures on housing, which in return can support consumer spending and thus the overall economic demand. Affordable housing is therefore a fundamental element of Europe's security of supply, a stable and resilient business location and prosperity. **In your opinion, what role does housing policy play in the development of Europe as a business location and what incentives would you like to set for the expansion of affordable housing?** |
| **Further questions** |
| * Are you planning initiatives and EU programmes that support limited-profit and municipal actors in particular in the creation of affordable housing? * How do you intend to optimise the economic effects of affordable housing during your term of office? * Are you planning to establish a dedicated housing fund at the European level to encourage investment in the expansion of social housing and thermal refurbishment? |

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| **Background** |

Municipal and limited-profit building associations play a vital role in maintaining social stability by providing affordable housing and preventing rental costs from rising disproportionately. As they are not profit-oriented, rents are generally below the market level, which has a dampening effect on the entire rental market (cost rent)[[48]](#footnote-48). The tax relief for limited-profit developers is therefore an effective instrument for stabilising the housing market and ensuring affordable housing in the long term. Limited-profit property developers therefore relieve the burden of housing costs on households and reduce inflationary pressure on the economy. Limited-profit building associations are not only an important client in the construction industry, but also provide many EU citizens with access to high-quality and affordable housing. From the perspective of services of general interest, affordable housing is an essential basis for economic and social development in Europe. In order for limited-profit and municipal actors to create this housing, an appropriate legal framework is needed in Europe.

# Interest rate turnaround and sustainable housing industry

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| **Question** |
| The property sector plays a central role in financial markets. Past experience has shown that financial market crises can be triggered or exacerbated by the failure of assets in this sector. Given the performance of property prices before and after the interest rate shift and the recent economic downturn, it is crucial to identify strategies to mitigate the potential for speculation and financial bubbles in the property market in order to ensure long-term stability. **What measures are you taking to prevent the overheated housing market in Europe from triggering another financial crisis?** |
| **Further questions** |
| * How do you intend to prevent another speculative housing bubble from forming during the next period of low interest rates and money flowing into speculative housing? * What role do limited-profit actors play in your considerations for a sustainable housing industry? |

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| **Background** |

The reversal of the long-standing low interest rate policy towards rising interest rates since July 2022 has had a significant impact on the property industry. Although the ECB's key interest rate was lowered slightly in mid-2024, the industry is still struggling with the rising interest rates of the last two years. The rising costs of financing construction projects and mortgages are reducing the demand for property and exerting downward pressure on prices, particularly in periods of economic uncertainty, such as following the recent recession. A decline in economic activity in the property sector has a direct impact on employment, the supply industries and the availability of affordable housing[[49]](#footnote-49). In light of these developments, it is crucial to identify strategies to prevent the formation of speculative bubbles and maintain long-term stability in the property market. The property sector plays a significant role in the financial markets. The 2007/2008 financial crisis demonstrated that the failure of mortgage loans can have a significant impact on large banks and credit institutions, leading to instability within the entire financial system. A return to a low interest rate policy could once again lead to the formation of speculative bubbles by profit-oriented players. From the perspective of services of general interest, sustainable investment in affordable housing represents an important lever for long-term growth, economic stability and social cohesion. Limited-profit property developers are particularly well-suited to counteract property speculation and can be considered reliable partners in times of economic uncertainty.

# Promotion of serial and modular construction

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| **Question** |
| The building sector currently accounts for 40% of energy consumption and 36% of greenhouse gas emissions in the EU. The EU has set a target for all new buildings to be zero-emission by 2030. The use of prefabricated and modular construction allows a more holistic approach to climate-friendly construction. The prefabrication of components in a factory shortens the construction time on site enormously and at the same time enables the efficient use of scarce resources such as labour and materials. Serial and modular construction represents a significant opportunity to control today's high construction costs and create more affordable housing. **Another important advantage is the increased planning security and predictability. Please outline the role of prefabrication and modular construction in your thinking on how to achieve the goals of zero-emission and affordable housing.** |
| **Further questions** |
| * What EU programmes and initiatives are you planning to promote circular and resource-efficient construction? |

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| **Background** |

The use of serial and modular construction techniques can make a valuable contribution to climate protection in the building sector. The building sector is currently responsible for 40 % of energy consumption and 36 % of greenhouse gas emissions in the EU. Against this backdrop, there is a significant opportunity to reduce costs and achieve the EU's climate targets. In light of these considerations, the EU has set itself the ambitious target of making all new buildings zero-emission buildings by 2030[[50]](#footnote-50)[[51]](#footnote-51). The use of prefabricated components can optimise the construction process and shorten the overall construction time. The average construction time is reduced to around six months, which not only increases efficiency but also optimises the use of scarce resources such as personnel and materials. This is particularly important in view of the shortage of skilled labour in the construction industry and the limited availability of building materials. Furthermore, the industrialised production of components enables the delivery of higher quality standards and better control of production processes, which ultimately leads to more durable and sustainable buildings. From a service of general interest’s perspective, affordable housing is an essential cornerstone of social well-being. In terms of the EU's climate and energy targets, serial and modular construction represents a promising solution for meeting the high standards for climate protection in the building sector, while also creating affordable and high-quality living spaces.

# Energy transition in the housing industry - existing buildings

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| **Question** |
| Affordable housing is essential for societies to thrive and for people to live where they want to work. However, the building sector currently accounts for 40% of energy consumption and 36% of greenhouse gas emissions in the EU. The energy and heat supply in existing residential buildings plays a significant role in this context. **What incentive systems do you want to put in place across Europe to accelerate the energy transition in the housing stock?** |
| **Further questions** |
| * Are you planning to strengthen the Energy Performance of Buildings Directive (EPBD) and will this also apply to the residential sector? * Are you planning to set up a dedicated housing fund at European level to support investment in the expansion of social housing and thermal refurbishment? |

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| **Background** |

The building sector currently accounts for 40% of energy consumption and 36% of greenhouse gas emissions in the EU, which is why the Energy Performance of Buildings Directive has been revised[[52]](#footnote-52)[[53]](#footnote-53). A significant part of these emissions and energy consumption is due to existing residential buildings, which are often equipped with outdated and inefficient heating and cooling systems. In contrast, new buildings can be designed and built to the latest energy efficiency standards, resulting in significant reductions in energy consumption and emissions. Modern new buildings benefit from advanced building materials and techniques, including better insulation, more efficient heating and cooling systems and the use of renewable energy. Existing buildings, on the other hand, pose a particular challenge, as retrofitting them to modern energy standards is often associated with high costs and structural constraints. Nevertheless, the renovation and modernisation of these buildings is crucial to achieving climate change targets and reducing energy consumption in the building sector. Public funding programmes and incentives are needed to support the refurbishment of existing buildings and reduce the financial burden on owners and tenants. From the point of view of services of general interest, affordable housing is a prerequisite for a prosperous society and for people to be able to live where they want to work. Socially disadvantaged groups cannot be neglected in the context of climate justice. In order to achieve the EU's socio-environmental goals, it is therefore urgently necessary to renovate and expand the building stock in terms of energy and heat supply.

# Social aspects of the energy transition in the housing industry

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| **Question** |
| Decarbonising the building sector is necessary to mitigate the climate crisis. The buildings sector currently accounts for 40% of energy consumption and 36% of greenhouse gas emissions in the EU. The revised Energy Performance of Buildings Directive (EPBD) aims to put Europe on the path to a zero-carbon building stock by 2050. To achieve this, renovation and refurbishment will be promoted in all Member States, especially in buildings with the worst energy performance. However, energy efficiency measures must not lead to social problems and unaffordable housing if the costs are passed on to tenants. **How will you ensure that energy targets in the housing sector do not have a negative impact on vulnerable groups?** |
| **Further questions** |
| * How do you plan to prevent energy-efficient renovations of existing buildings from increasing rents and causing tenant displacement (“eco-gentrification”)? * How do you intend to prevent so-called "renovictions", i.e. the eviction of tenants following renovation or thermal refurbishment? * What is the role of limited-profit and municipal housing developers, who have provided affordable housing in the past, in your considerations regarding energy transition? * What initiatives are you planning to reduce energy poverty in Europe? |

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| **Background** |

Decarbonising and improving the energy efficiency of the building sector are necessary to mitigate the climate crisis. The building sector currently accounts for 40% of energy consumption and 36% of greenhouse gas emissions in the EU[[54]](#footnote-54). The revised Energy Performance of Buildings Directive (EPBD) aims to put Europe on the path to a fully carbon neutral building stock by

2050[[55]](#footnote-55). However, it is important to note that energy efficiency measures in residential buildings do not cause social problems. Although improved energy efficiency can help to reduce energy costs, such measures are often charged to higher rents in existing buildings. This phenomenon is also known as eco-gentrification or the displacement of socially disadvantaged groups. From the perspective of services of general interest, a fair energy transition is important, i.e. that all people have access to energy-efficient and sustainable housing without compromising their quality of life. In this context, particularly limited-profit and municipal housing developers are key players in the provision of this type of housing.

# Combating homelessness in Europe - Implementing the Lisbon Declaration

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| **Question** |
| Nearly 900,000 people were homeless in Europe last year. This is 30 % more than the last estimate for 2018, and the number had already risen by 70 % in the previous decade, making it a growing structural problem. **What initiatives are you planning to end homelessness in Europe by 2030, as agreed in the Lisbon Declaration?** |
| **Further questions** |
| * What measures do you intend to take to ensure that there are sufficient coordination centres at a Member State and local level? * How can it be ensured that the distribution of funds to those affected is also carried out by public, limited-profit and social organisations and does not become a business for private providers? * Do you plan to set up a European framework that adequately recognises the role and needs of cities in the fight against homelessness? |

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| **Background** |

Nearly 900,000 people were homeless in Europe last year. This alarming figure represents a 30% increase since the last estimate in 2018. In the previous decade, the number had already risen by 70%, indicating a growing structural problem[[56]](#footnote-56). The causes of homelessness are complex and include economic insecurity, social exclusion, lack of affordable housing and, last but not least, individual crises such as job loss or health problems[[57]](#footnote-57). This worrying trend underlines the urgency of tackling homelessness by addressing the underlying structural problems. From a public service’s perspective, it is important to tackle structural homelessness in Europe, as it causes great harm to individuals and society. Affordable housing, efficient education systems, secure jobs, and a socially inclusive access to public services, to only name a few, are valuable elements provided by socio-economic actors.

# Combating homelessness in Europe - prevention measures

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| **Question** |
| Homelessness is a complex and widespread social problem in Europe with multiple causes. These include housing deprivation, unemployment, poverty, social exclusion and lack of access to affordable housing. Despite the efforts of governments and non-governmental organisations, homelessness is still a problem in many European countries. This underlines the need for effective prevention and support measures. **What initiatives are you planning to prevent homelessness?** |
| **Further questions** |
| * Are you planning EU programmes with corresponding funding so that housing security can be proactively addressed in the member states? * What importance do you hold to the prevention of delocation and are any initiatives planned in this regard? * What role does the "Housing First" approach to preventing long-term homelessness play in your considerations? * If you are in favour of the "Housing First" approach, how do you intend to ensure that these flats are also allocated in a way that prevents delogging? * Are you planning to fund programmes of EPOCH member states ("European Platform on Combatting Homelessness") with the aim of combating homelessness in a holistic way? |

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| **Background** |

Comprehensive prevention measures are essential to effectively tackle homelessness in Europe. This includes the creation and provision of affordable housing to prevent people from losing their homes. Early intervention is also crucial, such as financial support in the form of rent subsidies or debt counselling to prevent evictions due to inability to pay. In this context, the *Housing First approach* is also a key strategic building block in reducing homelessness[[58]](#footnote-58). Housing First is a successful approach to homelessness that aims to deinstitutionalise homeless people and provide them with their own accommodation as quickly as possible, thereby promoting their independence. From the perspective of services of general interest, it is extremely important to tackle structural homelessness in Europe, as it causes great individual and social harm. Place-based services provided by actors of general interest include affordable housing, efficient education systems, secure jobs, and a socially inclusive access to everyday services.

# Combating housing and homelessness in Europe – Monitoring

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| **Question** |
| Nearly 900,000 people were homeless in Europe last year. The actual number of homeless people is probably even higher, as homelessness is often invisible. The lack of data, collected using different methods, makes it difficult to get a comprehensive picture of homelessness in the European Union. **How do you intend to ensure that there are comparable indicators for measuring homelessness across the EU, so that the extent to which European cities and regions are affected can be compared and decision-makers can target their instruments accordingly?** |
| **Further questions** |
| * What initiatives are planned to ensure adequate data quality? * Are there plans to provide additional EU funding to data collection bodies to ensure harmonised data quality across the EU? |

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| **Background** |

The social costs of homelessness are huge and varied. It places a significant burden on the health care system. Homeless people are more likely to suffer from chronic illnesses, mental disorders and addictions. They are also more likely to require expensive emergency treatment. Crime rates are also higher, as homeless people are more vulnerable to criminal behaviour and violence. In addition, social services and welfare programmes are heavily utilised, as homeless people often need support in the form of emergency accommodation, food and counselling services. In the long term, homelessness can affect people's employability and lead to increased dependency on benefits. Overall, the economic and social damage is considerable and goes far beyond the immediate costs of support. Last year, nearly 900,000 people were homeless in Europe. This alarming figure represents a 30% increase since the last estimate in 2018. In the decade before, the number had already risen by 70%, indicating a growing structural problem[[59]](#footnote-59). Developing effective prevention policies requires comparable indicators and databases across the EU. These make it possible to identify and assess the situation and needs of each Member State and region. Data collection is therefore an essential part of monitoring social vulnerability and needs to be developed across the EU in relation to services of general interest.

# Reconstruction in Ukraine: the relevance of limited-profit housing construction

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| **Question** |
| Russia's war of aggression in Ukraine has resulted in considerable destruction and a massive loss of housing. Investment in housing is therefore essential to support reconstruction and restore the living conditions of the affected population. Investment in housing also promotes social stability and contributes to the long-term development of the region. Social housing provides people with safe and stable housing and boosts the economy. **What role does social housing play in Ukraine's development plans?** |
| **Further questions** |
| * What EU programmes are planned to boost the construction industry in Ukraine? * What initiatives and cooperations are planned to ensure affordable and accessible housing? |

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| **Background** |

Russia's war of aggression against Ukraine, which has been ongoing since February 2022, has caused enormous human suffering and devastating environmental and economic damage. Rebuilding Ukraine will require major infrastructure programmes to ensure long-term prosperity and stability. It is vital to learn from the mistakes of the past, such as the ever-increasing cost of housing in the urban centres of European cities. Reconstruction should therefore build on the successful concepts of limited-profit and community housing. Limited-profit housing associations play a central role in social stability by providing affordable housing and thus preventing disproportionate rises in rents. As they are not profit-oriented, rents are generally below market levels and therefore have a dampening effect on the overall rental market (cost rent)[[60]](#footnote-60). EU programmes and reconstruction funds should therefore be targeted and earmarked for social housing. These funds can help to promote a sustainable and socially balanced urban development and ensure that all sections of the population have access to affordable housing. From the perspective of services of general interest, affordable housing is an essential basis for the economic and social development of Ukraine in a strong and united Europe.

# Affordable housing as a recommendation in the European Semester

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| **Question** |
| The European Semester is an economic governance instrument for coordinating and monitoring Member States' budgetary policies. Of particular importance in this context are the annual country-specific recommendations to Member States. These are aimed at correcting economic imbalances, advancing reforms and promoting growth. **As part of the European Semester, do you plan to include the issue of affordable housing in national reform and investment plans?** |
| **Demand Further questions** |
| * In your opinion, what role does the European Semester play in the governance of policy areas that were previously subject to the principle of subsidiarity? * In your view, what other governance tools are appropriate to promote a harmonised EU housing policy focused on affordability? |

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| **Background** |

Under the subsidiarity principle, the organisation of housing markets is primarily the responsibility of EU Member States. However, the current high housing costs in European metropolitan areas should be seen as a warning signal that market failures can occur in predominantly privately organised housing markets in combination with a high demand for housing. These high housing costs place a considerable burden on the economy as a whole and, in extreme cases, can lead to homelessness. To counter this trend, the question arises as to how the EU could establish a harmonised EU housing policy focused on affordability, and what role the European Semester plays in this context. The European Semester aims to coordinate the national budgetary and economic policies of the Member States in order to strengthen economic stability and competitiveness across the EU[[61]](#footnote-61). National reform recommendations take into account a number of factors, including public finances, the employment situation, investment in research and development and progress with structural reforms. A key feature of the European Semester is its preventive nature. By monitoring developments in Member States at an early stage, potential economic risks can be contained and the stability of the euro area as a whole can be enhanced. In addition, the European Semester serves as a mechanism to promote sustainable growth and strengthen social cohesion across the EU. From the perspective of services of general interest, affordable housing is a key factor for the economic success of the EU. Therefore, an EU housing policy is needed aiming to support vulnerable groups in their search for affordable housing and encourage housing construction in this direction within the framework of the European Semester.

# Limited-profit housing in the Stability and Growth Pact

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| **Question** |
| The EU's Stability and Growth Pact is undoubtedly an important set of rules for ensuring budgetary discipline and financial stability in the Member States of the European Union. With regard to necessary future investment and the long-term maintenance of good living conditions, excessively tight fiscal limits can lead to problems. In the context of the EU-wide shortage of affordable housing, sustainable housing initiatives in social and municipal housing are essential. **Are you planning to exempt public investment in social-ecological housing from the Stability and Growth Pact?** |
| **Further questions** |
| * How will you ensure that the reintroduction of the Stability and Growth Pact does not weaken social and municipal housing? * Are you planning new EU programmes and EU funding for public, municipal and limited-profit actors that create affordable housing? * What role do you see for the European Investment Bank in promoting and financing the social housing model? |

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| **Background** |

The European Union's Stability and Growth Pact is a set of rules enshrined in the Treaty of Amsterdam, which was introduced in 1999[[62]](#footnote-62). The Pact is designed to ensure budgetary discipline in the Member States and to safeguard the financial stability of the EU as a whole, and sets out criteria and procedures to ensure that Member States control their budget deficits and debt in a sustainable manner. Against the backdrop of an EU-wide shortage of affordable housing, sustainable housing initiatives in limited-profit and municipal housing construction are urgently needed. The Stability and Growth Pact should therefore be designed to enable such important social investments. In addition, further EU investment programmes in the form of grants and loans are needed to create sufficient social-ecological housing. From the point of view of services of general interest, it is crucial to strengthen the important role of limited-profit and municipal actors in the provision of affordable housing. Consideration should therefore be given to revising the Pact, and EU investment programmes should be developed to provide the necessary resources to meet the challenges linked to housing.

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# Indirect subsidy (object based) before subject promotion in residential construction

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| **Question** |
| Object-specific subsidies involve direct financial support for the construction or modernisation of dwellings and buildings. Subject support, on the other hand, aims to provide financial support or incentives to individuals or households. Critics of object support point out that this support is not efficient and effective for socially vulnerable groups. The benefits are short-term and in most cases go directly to the owners without being invested in a sustainable way. Do you envisage an adjustment of state aid law in order to redirect state subsidies in the housing sector from subsidies related to tenants (subject subsidies) to subsidies for construction measures and infrastructure (object based subsidies)? |
| **Further questions** |
| * Are you planning EU programmes and subsidies to provide affordable housing for vulnerable groups? * How do you intend to ensure that funding for socially vulnerable groups in the form of targeted subsidies does not trigger rebound effects? (e.g. rent and house prices continue to rise) |

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| **Background** |

The distinction between indirect (object based) and subject subsidies in the field of housing is by no means insignificant. Indirect subsidies provide direct financial support for the construction or modernisation of dwellings and buildings. By contrast, subject subsidies aim to provide financial assistance or incentives to individuals or households. Critics of subject subsidies point out that this type of funding may not be efficient and effective for vulnerable groups. Their argument is based on the assumption that thematic support for vulnerable groups does not bring long-term benefits and that it directly benefits the owners without these funds being invested in a sustainable way. In contrast to subject support, which focuses on supporting individuals, object based subsidies focus on structural measures and infrastructure. In this way, the housing situation can be improved in the long term and sustainable investments can be made in the housing market. From the perspective of services of general interest, it is crucial to strengthen municipal and limited-profit housing developers in their role of creating affordable housing. In this context, it is necessary to optimise state aid law in order to redirect state subsidies for housing construction towards subsidies for construction measures and infrastructure (object subsidies). In addition, EU funding is important to provide energy-efficient and well-maintained housing, especially for vulnerable groups, without passing these costs on to rents. From the point of view of services of general interest, a fair energy transition is crucial. It is particularly important to ensure that all people have access to energy-efficient and sustainable housing without compromising their quality of life.

# Social and ecological criteria in housing construction

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| **Question** |
| Socio-ecological criteria in housing are essential to ensure that housing projects benefit both the environment and people. By integrating such criteria, housing projects can promote environmentally friendly practices, improve the health and well-being of residents and reduce social inequalities. **How will you ensure that social and environmental criteria are taken into account in future EU housing programmes?** |
| **Further questions** |
| * What initiatives are planned to mainstream socio-environmental criteria in housing? * Are you planning to set up a dedicated housing fund at the European level to promote investment in the expansion of social housing and thermal renovation? * What measures do you intend to take to monitor and ensure compliance with these criteria? |

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| **Background** |

The building sector currently accounts for 40 % of energy consumption and 36 % of greenhouse gas emissions in the EU. It is therefore a key lever for tackling climate change and achieving the EU's climate change targets. The EU has set an ambitious target for all new buildings to be zero emission by 2030[[63]](#footnote-63)[[64]](#footnote-64). In addition to the already adopted EU Energy Performance of Buildings Directive, social targets are also crucial to promote social cohesion. Housing is an important sector for addressing current socio-environmental challenges. In this context, the question arises as to which EU initiatives and programmes can promote the integration of socio-environmental criteria. One possible approach is the promotion of municipal and social housing. A dedicated EU-wide housing fund could also help to improve the thermal-energy refurbishment of social housing. From the perspective of services of general interest, a broadly diversified and ecologically modernised supply of affordable housing for broad sections of the population is crucial. This requires transparent and controlled socio-environmental conditions for housing construction and a strengthening of the role of municipal and limited-profit actors in the housing market.

# Socio-ecological modernisation of housing stock

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| **Question** |
| Modernising Europe's housing stock is essential to improve the quality of housing, increase energy efficiency and adapt housing to future needs. Modernisation measures can make dwellings more energy efficient, reduce CO2 emissions and increase liveability and comfort. This contributes to sustainability and to tackling the climate crisis in the long term. **What EU programmes and initiatives are you planning to modernise the housing stock in a socio-ecological way in order to reach the EU targets?** |
| **Further questions** |
| * What role does the issue of energy poverty play in your thinking as an argument for socio-environmental modernisation of the housing stock? * How do you intend to ensure that these energy-efficient homes are also accessible to the socially disadvantaged? |

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| **Background** |

The buildings sector currently accounts for 40 % of energy consumption and 36 % of greenhouse gas emissions in the EU. The building sector is therefore a key lever in the fight against climate change and in achieving the EU's climate targets[[65]](#footnote-65). The EU has set an ambitious target for all new buildings to be zero emission by 2030. In addition to the already adopted EU Directive on the Energy Performance of Buildings, social objectives are also crucial to promote social cohesion. Europe's existing housing stock is not only a major emitter and in need of rapid thermal and energy renovation, but also provides a home for many socially disadvantaged EU citizens who depend on affordable housing. The energy crisis triggered by Russia's war of aggression against Ukraine has led to a significant increase in heating costs, resulting in a significant increase in the number of households experiencing fuel poverty. Energy poverty is the inability of a household to afford an adequate and secure supply of energy for basic needs such as heating, cooling, cooking and lighting. This type of poverty mainly affects low-income households and can lead to poor housing conditions, health problems and social exclusion. The European Commission estimates that around 9.3% of EU citizens are affected by energy poverty[[66]](#footnote-66). From the point of view of services of general interest, the ecological modernisation of Europe's housing stock is essential. EU programmes and new financing models are needed to enable socially disadvantaged people to benefit from the advantages of energy-efficient housing.

# Avoiding socially segregated and vulnerable urban neighbourhoods

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| **Question** |
| Segregation in European cities is a problem because it increases social inequalities, threatens social cohesion and unequally distributes access to resources and opportunities. As a result, certain population groups, such as people on low incomes or ethnic minorities, can be excluded from education, employment opportunities and other key services. So-called vulnerable neighbourhoods can become a safety issue. This is often due to a lack of geographically dispersed, affordable housing. **What initiatives and EU programmes are you planning to prevent socially segregated and vulnerable neighbourhoods in European cities?** |
| **Further questions** |
| * What importance do you attach to municipal and social housing in promoting a social mix in European cities? * What role do limited-profit organisations play in your approach? |

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| **Background** |

The phenomenon of so-called "vulnerable urban neighbourhoods" has been known for decades in major European cities. Unfortunately, the situation has been exacerbated by misguided housing and urban development policies combined with a free housing market. Segregation in European cities is therefore a serious social problem that increases social inequalities, threatens social cohesion and unequally distributes access to resources and opportunities. Segregation in such neighbourhoods often results in segregated living environments where certain population groups, such as those on low incomes or ethnic minorities, may be excluded from education, employment opportunities and other essential services. A lack of dispersed, affordable housing is often the cause. Residents of these neighbourhoods often face inadequate infrastructure, a lack of access to educational facilities, health services and employment opportunities. The resulting lack of social mix in residential areas can exacerbate social and economic problems in these neighbourhoods. From the point of view of services of general interest, social housing is crucial for sustainable urban development. It serves to prevent vulnerable neighbourhoods and the spatially equitable distribution of affordable housing.

# Short-term rental

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| **Question** |
| Short-term tourist rentals in European cities are a particular challenge for municipal and limited-profit housing providers. Platforms such as Airbnb can lead to a shortage of housing as apartments are used for short-term tourist stays, resulting in a long-term loss of housing for local residents. They can also lead to the commercialisation of residential areas and rising rents and property prices, increasing social inequality and gentrification. The EU's Short-Term Rental Initiative (STRI) is an important step towards solving this problem. **Do you intend to further restrict and regulate private short-term tourist rentals in Europe?** |
| **Further questions** |
| * How will you ensure that social or subsidised housing is not misused for short-term tourist rentals (e.g. Airbnb)? * Are there any plans for EU programmes to compensate local authorities for additional costs, e.g. the administrative work involved in registering and inspecting homes rented out to tourists on platforms? * Are you planning to introduce a disclosure requirement for short-term rental platforms in order to effectively address the phenomenon of permanent withdrawal of housing from the housing market? |

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| **Background** |

The business practices of Airbnb and other short-term tourist rental platforms in European cities pose challenges, particularly for municipal and limited-profit housing providers. The use of these platforms can lead to a shortage of housing, as apartments are used for short-term stays, limiting the long-term availability of housing for local residents. This can lead to the commercialisation of residential areas and rising rents and property prices, increasing social inequality and gentrification. This development undermines the objective of municipal and limited-profit housing providers to provide affordable housing for low-income groups, as they face competition from short-term rentals. The EU's Short-Term Rental Initiative (STRI) is an important step in addressing this issue, aiming to regulate short-term rentals in Europe and develop common standards and regulatory approaches[[67]](#footnote-67). However, from a public service perspective, further action is needed at local and national levels to ensure that short-term rentals meet the social and economic needs of cities and do not jeopardise the availability of long-term affordable housing.

# Climate-resilient neighbourhoods

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| **Question** |
| Making European cities climate resilient requires a neighbourhood approach to urban development. The neighbourhood approach to urban development refers to the planning and development of urban neighbourhoods at the local level. It focuses on the needs and social interaction of residents. This is essential to promote the acceptance of construction and investment measures and to improve the quality of life in the long term. **What initiatives are you planning to promote safe, resilient and climate-resilient neighbourhoods?** |
| **Further questions** |
| * How do you see the role of the neighbourhood approach and the links with the transport policy in ensuring adaptation to climate change in European cities? * How dangerous do you see the increasing number of heat wave days in major European cities and what short- and long-term measures do you plan to take to protect vulnerable groups from this temporary health risk? |

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| **Background** |

To make European cities climate-resilient, a neighbourhood approach to urban development is needed that takes into account urban mobility demands and the need to adapt to climate change, particularly in view of the increase in heat waves. The approach aims at planning and developing urban neighbourhoods at the local level. It focuses on the needs and social interaction of residents. Creating climate-resilient neighbourhoods therefore requires a holistic approach that takes into account both infrastructural and social aspects and brings together public, municipal and private stakeholders. This is essential to promote the acceptance of construction and investment measures and to improve the quality of life in the long term. An effective urban development policy must therefore integrate sustainable transport systems, green spaces and climate change adaptation measures into the neighbourhood approach. The development of footpaths and cycle paths, the creation of public green spaces and the installation of heat-resilient infrastructure such as green roofs and facades all contribute to improving the quality of life in urban areas while mitigating the effects of climate change. From the perspective of services of general interest, such a policy approach is to be welcomed, especially as many of these everyday services, such as affordable housing, urban mobility and healthcare facilities, are provided by state, municipal and limited-profit actors.

# Elaboration of questions from the sector of Health & Social Policy

# Securing public contracts for non-profit and social organisations

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| **Question** |
| Many types of social services are currently being outsourced to commercial providers, who provide them at lower quality and with poorer working conditions. **How do you ensure that non-profit and social organizations continually receive orders in the future and that these are not outsourced to commercial providers?** |
| **Further Questions** |
| * How do you intend to contribute to ensuring that the financing of public social services is secured in the long term for the future? |

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| **Background** |
| The liberalisation and privatisation efforts of recent decades have led to a significant reduction in the quality and supply of public infrastructure in many EU countries. This situation is particularly dramatic in the area of social and healthcare services of general interest. Many services have been outsourced to commercial providers, who have then provided them at lower quality and poorer working conditions, often at higher prices.[[68]](#footnote-68)  Demographic change, in particular the ageing of society and the consequent increase in demand for social services, but also continuing demand in the area of homelessness, integration of refugees, etc., require sustainable funding for non-profit and social organisations in this area, also to prevent a shift to inferior commercial providers. The European Commission also has a role to play in ensuring that social and non-profit organisations can continue to provide services of general interest on a sustainable basis. Liberalisation and privatisation efforts, as well as purely selective funding, make this more difficult and should therefore give way to the long-term securing of public contracts. |

# Financing of social services of general interest

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| **Question** |
| The financial capacity of local authorities is under severe pressure in many places. However, social services of general interest require stable funding and continued investment from local authorities. **How do you ensure that local and regional authorities have sufficient financial room for maneuver to provide social services of general interest?** |
| **Further Questions** |
| * Will public investment in social infrastructure be excluded from the Stability and Growth Pact in the future? |

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| **Background** |

The European Commission must ensure that the provision of services of general interest is not hindered or made disproportionately difficult for social organizations and municipalities as a result of liberalization and privatization efforts and other requirements. Inter-municipal cooperation, public procurement and joint management are also important instruments for the efficient fulfillment of public service tasks, taking into account the sustainable use of available financial resources. These forms of financing and providing of social services should also be strengthened and promoted.

The Stability and Growth Pact sets clear debt limits and targets in the interest of fiscal stability. However, it does not differentiate between expenditures that are necessary for a functioning social infrastructure and other expenditures. A more refined treatment of public spending is needed. In order to cope with the increasing fiscal pressure due to demographic change,[[69]](#footnote-69) public investment in social infrastructure could be exempted from the Stability and Growth Pact in the future.

# Provision of care services

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| **Question** |
| Demographic change and the aging of society in the EU are increasing the demand for care services, while the supply of care workers is not keeping pace. **How do you ensure that the provision of public care services is maintained in the face of an aging population?** |
| **Further Questions** |
| * How do you ensure that private companies do not make large profits at the expense of affordability, quality and working conditions as a result of demographic change and the resulting gaps in provision? * Since there have been cases of organized crime in the care sector in Sweden, how do you ensure that organized crime does not enter the care sector or, if it does, that it is contained? |

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| **Background** |
| For many years now, the EU has been experiencing an aging society, which has significantly increased the demand for care services. At the same time, the supply of care workers is not growing at the same rate, leading to a gap in supply. The major challenge is to ensure the quality and affordability of care services in the face of staff shortages. There is a risk that private providers will fill the gaps in public care with commercial services, exploiting their position to make large profits at the expense of quality, working conditions and affordability.  In countries such as Sweden, there have already been cases where long-term care provision was abused by organized crime as a financial outlay. These are cases where criminal networks have taken over care companies in order to profit from state funding for the care of the elderly. To counter such developments, a clear legal framework, monitoring measures and increased international cooperation are needed.[[70]](#footnote-70)[[71]](#footnote-71) Even more important would be to ensure a sustainable, functioning provision of public care services. |

# Use of digital technologies in care work

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| **Question** |
| The rapid development of digital technologies, particularly in the field of artificial intelligence and robotics, offers numerous new opportunities for nursing and healthcare. **What measures do you intend to take to support the use of digital technologies to improve care services and combat the shortage of skilled workers?** |
| **Further Questions** |
| * How do you ensure that prevailing standards are not undermined in the process? * How do you ensure that the use of digital technologies in care facilitates the work of caregivers in a people-centered way and at the same time improves the quality of care? |

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| **Background** |
| The rapid development of digital technologies, particularly in the field of artificial intelligence and robotics, also offers numerous new opportunities for nursing and healthcare. These technologies can significantly increase the efficiency and quality of care services and help to counteract the shortage of skilled workers. Measures that support the use of digital technologies include targeted investment in digital infrastructure, training programs for nursing staff and the promotion of research and development. It is essential that prevailing standards and ethical guidelines are strictly adhered to. To ensure that the use of digital technologies remains human-centred, care staff should be actively involved in the design and implementation of the technologies. Their needs and expertise are crucial for the acceptance and effectiveness of new technologies in day-to-day care. Technologies should be designed in such a way that they reduce the workload, for example by automating routine activities and administrative tasks, so that nursing staff have more time for direct patient care. In addition, continuous evaluation and adaptation of the technologies is necessary to ensure that they improve the quality of care services and do not give rise to additional complexity and complications. Training and education must also be offered regularly to ensure that nurses can use the new technologies effectively and develop their skills accordingly. |

# Substances of human origin

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| **Question** |
| There is a constant need for substances of human origin in healthcare. Commercial trade in these particularly sensitive substances poses numerous risks. **Are you planning further legislative steps with regard to the regulation on substances of human origin?** |
| **Further Questions** |
| * How can a stable supply of substances of human origin to medical facilities be ensured? * How can you ensure that supply of substances of human origin is not commercialized? |

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| **Background** |
| In spring 2024, the EU Parliament and the Council of the EU adopted the regulation on standards of quality and safety for substances of human origin (SoHO) intended for human application. The regulation is intended to support the continuous and stable availability of SoHO therapies based on high safety and quality standards. In addition to further harmonizing healthcare in the EU, it is intended to ensure the conditions for safe, effective, accessible and affordable innovation in this sensitive sector. In this way, the regulation should also contribute to the realization of the European Health Union and the digital future of healthcare. There are concerns about the commercial use and trade of substances of human origin. These highly sensitive substances should not be commercialized. Compliance with ethical principles must also be ensured. The supply of medical facilities with necessary therapies on the basis of SoHo depends on voluntary and unpaid donations. In Austria, for example, the Red Cross is an irreplaceable provider of blood reserves that patients with serious illnesses, after an accident or even after giving birth need. They rely on voluntary donations from the public. Therefore, trust and security must be safeguarded, which commercial providers could obstruct. |

# Support programs to combat the shortage of skilled workers

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| **Question** |
| The shortage of skilled workers in the EU threatens the green transformation of the European economy and the preservation of prosperity in the EU. **Do you intend to set up support programs to counteract the shortage of skilled workers?** |
| **Further Questions** |
| * How could such support programs be structured? |

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| **Background** |
| The shortage of skilled workers represents a significant challenge for the economies of the European Union and has far-reaching effects on the competitiveness and innovative strength of companies and the economy as a whole. Support programs could combat the shortage of skilled workers and facilitate the necessary qualifications of the workforce.  In terms of the qualifications in demand, jobs with manual tasks are particularly affected by labour shortages, including primarily elementary occupations, such as in transportation and construction, especially cleaners. The labour shortage is also comparatively high for highly qualified types of employment such as healthcare professions, lawyers and social workers. Many of the professions needed for the green transition are particularly affected by the shortage of labour and skilled workers. These include new jobs in the highly skilled sector, but also elementary professions in the production sector, construction and transportation, as well as in water supply, wastewater treatment and waste disposal. This means that key sectors of the ecological transition are affected by increasing labour shortages. These are the key findings of the *Employment and social developments in Europe* (ESDE)[[72]](#footnote-72) report. Through education and training initiatives, existing employees can expand their skills and acquire new competencies that meet the current demands of the labour market. This not only increases productivity, but also employee motivation and satisfaction. In addition, such programs help to reduce the unemployment rate by offering new perspectives to people who previously had no access to qualified education. Such support programs could take various forms. One such measure could include scholarships and financial support for training and further education. These include both traditional courses at universities as well as extra-occupational courses and training. Companies could be encouraged to invest in the further training of their employees through tax breaks or direct subsidies. |

# Administrative burden due to reporting obligations

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| **Question** |
| In recent years, there have been several new EU regulations which have causes new administrative costs and require new staff positions due to reporting obligations and increasing demands on the administration. In times of demographic change and the expected decline in the working population, this additional administrative burden is becoming increasingly difficult to handle. **How can you contribute to reducing the administrative burden caused by reporting obligations and excessive and complex regulations?** |
| **Further Questions** |
| * What do you intend to do with the data collected as a result of the reporting obligations? * How can sensitive company data that is collected due to reporting obligations be protected from unauthorized access? * How do you ensure that small non-profit organizations in particular can keep the burden of reporting obligations for EU targets to a minimum? |

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| **Background** |
| Reducing the administrative burden due to reporting obligations and complex regulations is a fundamental challenge for the European Union. The current skills and worker shortage further exacerbates the problem.  In principle, excessive reporting obligations and complex EU regulations can limit the efficiency and effectiveness of organizations in the internal market. The administrative burden ties up valuable resources, some of which could be used for the core tasks of the organizations. This is particularly true for small non-profit organizations, which often have limited financial and human resources. The high administrative burden can place an excessive burden on these organisations and limit their ability to act.  Another important aspect is the collection of data due to reporting obligations. This data is often sensitive and requires careful handling. The storage and processing of such data is not only technically demanding, but also prone to cyberattacks. Sensitive company data must therefore be comprehensively protected against unauthorized access. For small non-profit organizations, managing such data is particularly challenging as they often lack the resources for comprehensive cybersecurity. It is therefore important to reduce the administrative burden and simplify regulations to ensure that these organizations can efficiently fulfill their social missions of public utility. |

# Skilled workers: Recognition of qualifications

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| **Question** |
| The shortage of skilled workers in Europe, combined with demographic change in the EU member states, makes it necessary to recruit nursing staff from third countries. Currently, the labour market integration of foreign skilled workers is hampered by bureaucratic difficulties in the recognition of their educational qualifications. **How do you ensure that nostrification, i.e. the recognition of qualifications, is simplified in the care sector?** |
| **Further Questions** |
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| **Background** |
| The shortage of skilled workers in Europe, particularly in the care sector, requires measures to recruit care workers from third countries. However, bureaucratic hurdles, particularly in the recognition of educational qualifications, stand in the way of the labour market integration of foreign skilled workers. Several approaches are relevant in order to simplify nostrification, i.e. the recognition of qualifications in the care sector:  Transparent and efficient procedures for the recognition of qualifications acquired abroad must be established so that foreign professionals can be quickly integrated into the labour market. This includes the nostrification of diplomas, examination certificates or other qualifications. Uniformity within the EU also plays an important role here. Common standards and criteria can facilitate the process and thus also increase the attractiveness of the European labour market for skilled workers. Another aspect is access to information on recognition procedures. This must be easily accessible for nursing staff from third countries. This includes advice centers and online resources that are also available in multiple languages. Cooperation between the EU and third countries is essential for nostrification, as this is the only way to identify falsified qualifications and evaluate the level of qualification. Bilateral agreements and mutual recognition can speed up the process. |

# Skilled workers: labour recruitment agreements

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| **Question** |
| **Will you work on initiating new labour recruitment agreements for skilled workers from third countries in order to counter the shortage of skilled workers in the EU, particularly in the care sector?** |
| **Further Questions** |
| * With which countries can you imagine concluding such recruitment agreements? * How can you ensure that the destination country, the country of origin and the workers themselves all benefit (triple win)? |

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| **Background** |
| More and more workers are needed throughout the EU, both in the higher and lower-skilled sectors. Recruitment of workers from abroad is therefore becoming increasingly important. To achieve a broad impact, a coordinated common EU migration policy would be required. However, this is in tension with national sovereignty, which in turn results in implementation difficulties and efficiency problems in the pooled distribution of migrant workers. The "Blue Card" has so far fallen short of expectations. The EU Commission has therefore proposed the "EU Talent Pool"[[73]](#footnote-73), which is intended to "match" people from third countries with vacancies in EU countries based on their qualifications. The EU Commission published these and other measures to curb the shortage of skilled workers on April 27, 2022, in the Communication on the recruitment of skilled workers from third countries[[74]](#footnote-74). The agreement on the "Pact on Migration and Asylum"[[75]](#footnote-75) in the EU Parliament and Council at the end of last year has hardly produced any new solutions. Although the central problems were discussed and worked out, sustainable solutions in asylum policy and the recruitment of workers have not emerged. |

# Coordinated labour recruitment of skilled workers

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| **Question** |
| Global competition for skilled workers is currently intensifying. **How can you support a coordinated approach within the EU member states when recruiting skilled workers from third countries and how do you prevent EU states from competing for skilled workers and poaching skilled workers from each other?** |
| **Further Questions** |
| * Do you intend to use a quota model in the recruitment of skilled workers, i.e. a regulation that creates incentives for a reasonably balanced distribution in order to avert competition for skilled workers within the EU? * What could be the criteria for distribution? * What could the quotas look like? |

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| **Background** |
| Global competition for skilled workers continues to intensify. At present, the EU is still clearly lagging behind the USA, Canada and Australia. The EU must therefore improve its position internationally as a location for skilled workers. However, competition is also increasing within the EU. This harbors great risks for unequal economic development and a further drifting apart of the European regions and states. A coordinated approach is therefore required within the EU member states, particularly in order to prevent the poaching of skilled workers from one another. To this end, the EU should generally promote the exchange of information and cooperation between member states. Joint initiatives and coordinated approaches to the recruitment and integration of skilled workers can defuse the competition. Uniform standards and transparent procedures for the recognition of qualifications of foreign workers are conducive to integration and distribution in the EU. A quota model could create incentives for a balanced distribution of skilled workers. The criteria for quotas could be based on labour market needs, demographic factors and the specific conditions of regional labour markets. It is also important that quotas are flexible and responsive to changing local needs and socio-economic developments. |

# Labour market integration of people with displaced person status

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| **Question** |
| Many people with displaced person status are currently dependent on basic social services. Many are not yet integrated into the European labour markets. The reasons for this are a lacking provision of childcare services, barriers in the integration into national education systems as well as the lack of recognition of qualifications acquired in third countries. **What measures are you planning to integrate people with displaced person status into the European labour markets more quickly?** |
| **Further Questions** |
| * How can you ensure that the children of displaced persons are integrated into the education system? |

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| **Background** |
| One factor that mitigates the demographic trend towards an ageing society and a shrinking workforce is migration. Migrants are already primarily active in sectors affected by labour shortages. There are still major hurdles to labour market integration, some of which are being exacerbated in the current political climate. Through further immigration, but even more so by removing existing barriers for people with a migrant background who already live in the EU, these groups can contribute to alleviating the labour shortage. The rapid integration of people with displaced person status into the European labour markets not only promotes social cohesion, but also alleviates labour shortages and thus the current overburdening of the workforce in many sectors. Rapid integration into the labour market enables people with displaced status to quickly become financially independent and actively contribute to the economy. This also reduces the burden on European social systems. Access to education is crucial for the children of displaced persons. Early integration into the education system supports linguistic and cultural integration and lays the foundation for their future participation in social and economic life. Education is a key factor for equal opportunities and social advancement, and the integration of children into the school system promotes stable life courses in the long term. |

# Volunteering and shortage of skilled workers

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| **Question** |
| In some EU countries, many social services are provided by volunteers. At the same time, social organizations in particular are increasingly affected by the shortage of skilled workers. **How do you intend to promote volunteering and what importance do you see in volunteering to counteract the shortage of skilled workers?** |
| **Further Questions** |
| * In which sectors can you imagine to increase volunteering to counteract skills shortages? * How do you ensure that volunteering does not reduce the quality of the service provided? |

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| **Background** |
| Volunteering plays a crucial role in the provision of social services and can help to alleviate skills shortages in some EU countries. Volunteering enables people to learn new skills and gain practical experience that improves their professional qualifications and labour market integration. In the long term, this can help volunteers to choose careers in the areas in which they have volunteered, which can also mitigate skills shortages. In addition, volunteering promotes social cohesion and a sense of community. People who volunteer often develop a strong sense of responsibility and a close bond with the community. In general, volunteering promotes social contacts and integration, both for those helping and for the beneficiaries. Volunteering thus contributes to the general resilience of society.  It is important to ensure that the quality of the services provided does not fall. This can be ensured through targeted training and clear standards. Volunteers can be supported through professional training and mentoring programs so that their work does not undermine the standards of permanent staff. |

# Employment criteria for Just-Transition funding

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| **Question** |
| With the emergence of the Just Transition Fund, the EU faces the challenge of ensuring a fair and sustainable transformation of its economy. It is essential to introduce employment criteria to ensure that funding is targeted where it is most urgently needed. These criteria should cover both the creation of new jobs and the retraining and support of workers, particularly in regions and sectors affected by structural change. **To what extent do you plan to combine payments from the Just Transition Fund with job retention in the companies?** |
| **Further Questions** |
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| **Background** |
| The Just Transition Fund aims to mitigate the socio-economic impact of the transition to a low-carbon economy and ensure that regions and sectors that are largely dependent on fossil fuels are adequately supported. A key concern is to introduce employment criteria to ensure that funding is targeted to where it is most needed. This includes the creation of new jobs as well as training and support for employees, particularly in sectors affected by structural change such as the energy, coal and automotive industries. The fund's resources have the potential to provide long-term financial support, create sustainable employment opportunities and strengthen the resilience of the affected regions. In order to ensure that just transition funds contribute effectively to securing jobs, disbursements could be linked to employment criteria. Companies that receive funding from the fund must prove that they are taking measures to preserve jobs and create new employment opportunities, as proposed, for example, by the Carinthian state guideline on qualification and consultancy funding. [[76]](#footnote-76) Further measures should not only support the preservation of jobs, but also increase social acceptance of the necessary socioecological changes and enable a smooth transition to a sustainable economy. |

# Retraining projects within the scope of the Just-Transition mechanism

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| **Question** |
| The Just Transition Mechanism aims to ensure a just and inclusive transition to a low-carbon economy by supporting both jobs and communities dependent on traditional, carbon-intensive industries, while promoting the transition to sustainable, green jobs. As part of this approach, retraining projects and programs will be developed to prepare affected workers for new occupations and employment opportunities. **What retraining projects are you planning and where do you see a need to support the member states?** |
| **Further Questions** |
| * What measures do you plan to take to ensure that the transition through retraining does not cause a deterioration in job quality? |

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| **Background** |
| The Just Transition Fund aims to mitigate the socio-economic impact of the transition to a low-carbon economy and ensure that regions and sectors that are largely dependent on fossil fuels are adequately supported. A key concern is to introduce employment criteria to ensure that funding is targeted to where it is most needed. A particular focus is on supporting retraining projects and programs that prepare affected workers for new occupations and employment opportunities. These retraining initiatives include vocational training, education programs and financial support. The challenge, however, is to ensure that these retraining projects are adequately funded and effectively implemented to meet the specific needs of the affected workers. From a public sector perspective, there is a need to work closely with local and regional authorities, educational institutions and the private sector to ensure that retraining measures are targeted and practical. Sufficient financial resources must be available to support the implementation of these programs and facilitate the transition. |

# Quality in the care of relatives

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| **Question** |
| In many families, necessary care and support services are provided by relatives. The shortage of skilled workers in the nursing and care sector will potentially increase the proportion of family caregivers compared to formal care. **To what extent will you support national and local initiatives to improve the quality of care for relatives?** |
| **Further Questions** |
| * Are you planning funding in the area of further training and support for family caregivers? |

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| **Background** |
| In many families, relatives provide the necessary care and support at great personal and financial cost. The shortage of skilled workers in the nursing and care sector could lead to a further increase in the proportion of family caregivers compared to formal care. Support for national and local initiatives to improve the quality of care for relatives is therefore crucial. Funding for further training and support for family caregivers is essential to ensure and improve the quality of care. Through targeted training programs, family caregivers can acquire the necessary knowledge and skills to ensure high-quality care. This includes both medical and psychological aspects of care in order to meet the diverse requirements. In addition, support services for family caregivers, such as financial benefits, counseling services, training and psychosocial support, provide relief and prevent overwork and burnout. This not only contributes to the health and quality of life of those in need of care, but also to the long-term physical and mental health of the carers themselves. |

# Distribution of care work and female labour force participation

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| **Question** |
| Women still bear the main burden of family care work, from childcare and household organization to cleaning. This has a negative impact on the compatibility of family and career and therefore also on women's participation in the workforce. **How can you support a more equal and fairer distribution of care work in the household and family?** |
| **Further Questions** |
| * What incentives do you want to provide to improve the compatibility of family and career for women and to increase women's participation in the workforce? * What incentives do you want to provide to reduce intersectional disadvantages in the distribution of care work, i.e. disadvantages based on gender combined with migration background, religious affiliation, socio-economic status, etc.? * What incentives do you want to provide so that migrant women in particular are more integrated into the labour market? |

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| **Background** |
| Increasing the participation of women in the labour market is a key lever in the fight against the shortage of labour and skilled workers, but above all in the fight against poverty in old age, which also affects women more. However, this can only be achieved if the family obligations of care work are distributed more evenly. It is also important to address intersectional disadvantages in the distribution of care work. Migrant women are even more affected by discrimination and at the same time bear a higher burden of care work. This makes their integration into the labour market more difficult and reinforces existing inequalities. There is therefore a great need for action to eliminate intersectional disadvantages in the labour market, for example due to socio-economic status, migration background, religious affiliation, sexual orientation, etc., and to increase their participation in the labour market.  Various incentives could be used to overcome these challenges. These include, for example, flexible working time models, paid parental leave and tax benefits for families who share care work equally. Specific support programs for migrant women, such as language courses, vocational training and mentoring programs, can support their integration into the labour market and improve their career opportunities. However, men must also be included in this process to break down outdated role models in the distribution of care work in the household and family. |

# Support services for homeless people in the countries of origin

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| **Question** |
| In recent years, there has been an increase in the number of homeless immigrant EU citizens who do not have access to national basic security systems in their destination country. Due to a lack of support systems, discrimination or criminalization in the countries of origin, many remain without prospects of employment in the destination country. **What coordinating measures can you take to expand the social systems and support services in the member states, especially in the cities?** |
| **Further Questions** |
| * How can European social protection systems be further harmonized without lowering standards in some member states? |

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| **Background** |
| In addition to other challenges, mobile EU citizens are often confronted with the fact that they must have a main residence in order to find employment. At the same time, however, they need employment and income to be able to rent an apartment or obtain social security entitlements. The result is often homelessness, which manifests itself particularly in cities. However, these do not have the resources to provide adequate, long-term support. Important aspects to counteract this development are, in particular, the harmonization or strengthening of basic security and social systems as well as the expansion of support services for homeless people in the countries of origin. More generally, the coordination and expansion of social systems and support services in the member states is of great importance for social and economic stability in Europe. In the face of increasing social inequalities and economic challenges, a strong, integrated social safety net is essential. These measures not only promote social cohesion, but also strengthen society's resilience to economic and social crises. One important aspect is the harmonization of European social protection systems without lowering standards in some member states. Particularly in cities, which often face the greatest social challenges, the expansion of social systems and support services is crucial. This includes comprehensive measures to combat poverty, support for the unemployed, access to affordable housing and healthcare as well as education and training programs. Through a coordinated approach, Member States can ensure that all citizens, regardless of where they live, have access to adequate social support. This not only strengthens social structures, but also promotes economic development by improving the participation of all citizens in the labour market and social life. |

# Expansion of social systems in net recipient states

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| **Question** |
| As part of the EU Cohesion Fund, large sums of EU money are distributed to the respective member states with the aim of promoting economic convergence between the EU states and regions. With these funds, the EU also has a lever to promote upward convergence in the social systems of the Member States. **How can it be ensured that the net recipients of EU funds among the Member States expand and improve their social security systems?** |
| **Further Questions** |
| * How can the Cohesion Fund be used in a targeted manner for this goal? |

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| **Background** |
| Expanding and improving social protection systems in net recipient countries of EU funds is crucial for the long-term stability and prosperity of the European Union as a whole. These countries often face major economic and social challenges and therefore need targeted support to develop their social protection systems to a level that improves the quality of life of their citizens and reduces inequalities. The EU Cohesion Fund could be an instrument for this goal. It aims to strengthen economic, social and territorial cohesion by providing financial support to the Member States with the lowest per capita income. The EU could define the strategic objectives for the use of cohesion funds more clearly and include indicators of social inclusion and poverty reduction. The allocation of funds could then be linked to the implementation of reforms and improvements in the social systems in accordance with the defined indicators. This would increase the efficiency, transparency and effectiveness of the systems. Furthermore, it should be possible to trace the correct use of funds even after they have been allocated. The EU should monitor the use of the funds and ensure that they fulfil their intended purpose and impose sanctions in the event of non-compliance. The targeted use of the Cohesion Fund will ensure that the resources are used effectively to strengthen the social security systems in the net recipient countries and improve the living conditions of their citizens. This ultimately contributes to a fairer and more prosperous European Union. |

# Combating child poverty

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| **Question** |
| Many children in the EU are still affected by poverty. **What measures are you planning to gradually end child poverty in Europe?** |
| **Further Questions** |
| * What specific instruments and budgets are planned to this aim? * How do you ensure that the money reaches the children? * Would earmark benefits in kind be a possibility? |

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| **Background** |
| With the Covid-19 pandemic, child poverty in Europe has increased again[[77]](#footnote-77), a fact that highlights the urgent need for action. Ending child poverty in Europe step by step is crucial for the future of the EU. Child poverty significantly affects children's development and well-being and leads to long-term socio-economic disruption. Therefore, targeted measures and budgets must be put in place to tackle this issue and ensure a fair future for all children. In this context, the EU Commission has published the Strategy for the Rights of the Child and the European Child Guarantee. The latter aims to ensure that all children have access to basic services. This includes free education, healthcare, meals in schools and adequate housing.[[78]](#footnote-78) Other instruments for combating child poverty are the European Social Fund Plus (ESF+) and the European Regional Development Fund (ERDF). These funds can finance programs that improve access to high-quality education, healthcare and social services. Direct financial support and dedicated benefits in kind could also be funded. Financial support for low-income families and investment in education and early childhood development are key to promoting equal opportunities and combating child poverty. |

# Unequal access to digital technologies

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| **Question** |
| During the Covid-19 pandemic, many social inequalities became more apparent. Inequalities by gender and socioeconomic background in access to digital technologies needed to maintain teaching during the pandemic have become more apparent. **How can you support equal access to digital technologies - regardless of gender and socioeconomic status?** |
| **Further Questions** |
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| **Background** |
| The Covid-19 pandemic has clearly shown that digitalization does not benefit everyone unconditionally. There are still major inequalities in access to digital technologies according to socioeconomic status, gender and age.[[79]](#footnote-79) Equal access to digital technologies is crucial to creating an inclusive and equitable society. Digital technologies are now an integral part of everyday life and the world of work. Unequal access reinforces existing inequalities and creates new barriers. Female students often have less access to digital technologies and the corresponding educational resources than their male peers. This is particularly true for families with a lower socioeconomic status. Targeted support programs that improve access to computers, the internet and digital education can better integrate these groups into the digital transformation. Specific measures include the provision of free or subsidized technology and internet access for low-income households, as well as special education and training programmes. Initiatives that promote girls and women in STEM (science, technology, engineering and mathematics) are also of great importance to reduce gender inequalities in the field of digitalization. |

# Reducing long-term unemployment

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| **Question** |
| The EU internal market is still characterized by structural long-term unemployment. **What measures do you intend to take to reduce long-term unemployment in the EU?** |
| **Further Questions** |
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| **Background** |
| Long-term unemployment has far-reaching negative effects on the individuals concerned and on society as a whole. For the people affected, long-term unemployment often leads to a loss of qualifications, self-esteem and social participation, and even to a deterioration in health. This makes it more difficult to return to the labour market and increases the risk of poverty and social exclusion, thereby placing a burden on public social systems. Targeted measures and programs are needed to effectively combat long-term unemployment. One suggestion is the model of a job or employment guarantee. This model could entail introductory courses for the long-term unemployed that include one-to-one training, counselling and, if necessary, support from experienced social workers, doctors and psychologists. Companies that are willing to create new jobs for the long-term unemployed could be supported through tax breaks and financial subsidies. The job guarantee model also includes the creation and financing of additional employment relationships in the non-profit sector for all long-term unemployed people for whom, for serious reasons, no company can be found to offer them a job. To this end, it is necessary to identify suitable jobs that match the jobseeker's qualifications and at the same time offer opportunities for further development. However, such a model must also be promoted in the longer term in order to achieve sustainable effects. [[80]](#footnote-80)  Finally, reducing long-term unemployment not only improves the quality of life of those affected, but also strengthens the EU's social and economic resilience. Lower unemployment leads to higher tax revenues, better utilization of the workforce and greater social cohesion. |

# Labour taxation

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| **Question** |
| As a result of tax competition within the EU and the associated race to the bottom in capital taxes, many member states are shifting the tax burden onto the labour factor, to the detriment of the competitiveness and attractiveness of the European labour market. **How does the EU intend to develop incentives for member states to reduce the burden on labour?** |
| **Further Questions** |
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| **Background** |
| The EU is one of the economic regions in the world with the highest taxation of labour relative to the taxation of capital. The tax burden on labour refers to the difference between an employer's total costs for an employee and the employee's net disposable income. It includes payroll taxes, but also social security contributions. The EU could develop incentives for Member States to reduce the burden on labour, for example by adjusting income tax systems or reducing social security contributions. However, it is important to carefully assess the impact of such measures and ensure that the reduction in the tax burden does not in turn create new costs for workers and jeopardize social protection.[[81]](#footnote-81) Targeted tax cuts, especially income taxes, can increase employment for specific target groups. This includes, for example, the abolition of joint income taxation for couples, as joint income taxation reduces employment on average. |

# European minimum wages

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| **Question** |
| The existing Minimum Wage Directive represents a step towards harmonisation of minimum standards in the EU. Existing high standards should not be undermined by EU minimum wage requirements due to specific institutional circumstances in the member states. **Are further legislative steps planned regarding European minimum wage requirements?** |
| **Further Questions** |
| * If so, how do you ensure that European minimum wage requirements do not cause a reduction in wage standards in member states with higher wages, i.e. that they result in upward wage convergence? |

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| **Background** |

In an analysis of the Directive on adequate minimum wages, the European Trade Union Institute (ETUI) notes that the legislation is already having an impact even before it is fully implemented in all member states. According to the ETUI, the reference values for adequate minimum wages set out in the Directive—60% of the gross median wage and 50% of the gross average wage—have already influenced developments at the national level. The briefing cites examples from Bulgaria, Croatia, Germany, Hungary, Romania, and the Netherlands, where the reference values, or at least one of them, are considered when setting minimum wages or used in trade union demands for an increase in the statutory minimum wage.[[82]](#footnote-82)

The introduction of further legislative steps in European minimum wage guidelines can help ensure fair working conditions and social protection across the EU, but it could also lead to a lowering of the high standards in countries like Austria or Scandinavian nations. The minimum wage directive, which was already adopted in 2022, was designed to ensure that the directive would lead to an upward convergence of standards and that countries with a stronger social dialogue, especially collective wage bargaining, would not be affected by the directive.[[83]](#footnote-83)

There also strong arguments for EU-wide minimum wage guidelines. These can help reduce unfair competitive conditions. The introduction of a European minimum wage can also strengthen purchasing power and economic stability. Higher wages boost consumption and investment, which in turn has a positive impact on the economic situation.[[84]](#footnote-84)

# Social hotspots in cities

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| **Question** |
| Many EU cities are currently affected by increasing socioeconomic inequalities and segregation. Combined with other factors, social hotspots have sometimes erupted into open conflict. **How do you intend to ensure that social hotspots in European cities are reduced?** |
| **Further Questions** |
| * What specific instruments and budgets are envisaged for this objective? |

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| **Background** |

Numerous studies point to an increase in segregation in European cities.[[85]](#footnote-85) As a result, social conflicts and hotspots are also on the rise. This also manifests itself in an increase in crime, physical violence and political/religious radicalisation.[[86]](#footnote-86) In order to break the vicious circle of violence and poverty, measures are urgently needed to promote a social mix in the housing sector and limit the emergence of social hotspots. The EU also has a range of political instruments at its disposal in the area of funding budgets, reform proposals as part of the European Semester, EU-wide intermunicipal cooperation and even cross-border police cooperation through Europol. A targeted and comprehensive strategy that combines all these political and financial instruments can certainly help to reduce social hotspots in cities.

# Sustainability for socially disadvantaged groups

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| **Question** |
| Climate-friendly decisions and climate-friendly behaviour are difficult to afford for many people or are not possible due to external circumstances and knowledge. **How do you ensure that sustainable and climate-friendly goods and services are affordable and accessible for socially disadvantaged groups?** |
| **Further Questions** |
| * How do you ensure that there are targeted programmes at Member State level for socially disadvantaged groups so that climate protection does not become a social conflict between rich and poor? * How can broad sections of the population, who currently only come into contact with sustainability in a negative way through advertising and sensational media coverage, be reached and made aware of the issue of sustainability in a positive way? |

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| **Background** |

Climate-friendly and sustainable goods and services are still more expensive than conventional alternatives, even though conventional products often have a negative impact on the environment and people's health. This leads to sustainability becoming a question of affordability and socioeconomic status. What is needed here are measures that make sustainable and climate-friendly goods and services affordable and accessible to socially disadvantaged groups and, conversely, make harmful goods more expensive and more difficult to access in order to internalize the true costs. Only if sustainability is affordable and people have access to it can it become more widely accepted.

Broad sections of the population, especially socially disadvantaged groups, who currently only come into contact with the topic of sustainability in a negative way through advertising and sensationalist media coverage, should be sensitized to the topic in a positive way. This can be done through comprehensive education and awareness campaigns that emphasize the benefits of climate protection measures for all citizens. Financial incentives, such as subsidies for energy-efficient household appliances or tax breaks for environmentally friendly behavior, could also help to encourage interest and participation in sustainable practices. In addition, community projects that take place directly in disadvantaged communities, such as community gardens or solar energy initiatives, which offer both environmental and social benefits, should be encouraged.

# Climate change adaptation for socially disadvantaged groups

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| **Question** |
| Climate change has particularly unpleasant or even harmful effects on lower income groups and vulnerable groups, including older people, people with impaired health, occupational groups who work outdoors, etc. **How do you ensure that vulnerable groups are protected from the effects of climate change?** |
| **Further Questions** |
| * Are there plans to provide financial resources to this aim? |

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| **Background** |

Year after year, climate change causes more heat-related deaths, flood victims and other weather-related health hazards as extreme weather events increase. Vulnerable groups are even more affected, even if they have contributed less to global emissions. The situation is not expected to improve in the coming years. Researchers are therefore calling for climate change adaptation measures that are appropriate for the target groups.

These groups, including older people, children, people with low incomes and people with impaired health, are particularly vulnerable to extreme weather events. Cities are often hotspots for events of extreme heat, as the urban built environment often amplifies heat effects. Heatwaves can be particularly intense in urban areas due to the "urban heat island effect", which can lead to health problems and higher mortality rates. Flooding can threaten the livelihoods and safety of many people, especially those living in precarious housing conditions. It is therefore important to provide financial resources to develop and implement preventive measures and adaptation strategies. These funds could, for example, be invested in improving urban infrastructure, creating green spaces, building cooling community facilities and modernising buildings to make them climate-proof. In addition, specific programmes should be developed to ensure access to resources and support for vulnerable groups. This includes the provision of climate-adaptable housing, emergency plans and climate-related health services.

# Provision of care services in smaller communities

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| **Question** |
| The care crisis is being felt even more acutely in rural areas. There is a shortage of healthcare workers and therefore a shortage of supply. "Community Nursing" projects attempt to counteract the problem of the undersupply of care services in smaller communities. However, for many projects of this kind, it is often unclear how they will continue to be funded once the EU funding ends. **How can the provision of care services in rural regions and smaller communities be improved?** |
| **Further Questions** |
| * What role can community nursing play in that regard? * Should community nursing be expanded further? * How can you ensure that community nursing continues to exist in smaller communities in the longer term? |

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| **Background** |

The care crisis is particularly acute in rural regions. There is a lack of labour and therefore also a lack of services, which further exacerbates the undersupply in smaller communities.

"Community nursing” projects are trying to counteract this problem by offering nursing services directly in the communities and thus closing the gap in care supply. However, the financing of such projects is often uncertain after the end of EU funding, which jeopardises their long-term continuation. In Austria, community nursing projects have already been successfully funded and implemented with EU funds.[[87]](#footnote-87)

The lack of care in rural areas is not a new phenomenon, but the shortage of skilled labour has further exacerbated the care crisis. In order for community nursing projects to counteract the care crisis in the long term, sustainable funding is required, as well as the political will to implement this form of social infrastructure on a broad scale. Long-term funding can be secured through a combination of state support, regional funding programmes and the involvement of non-profit organisations and private partners. Local networks and self-help groups can also help to strengthen community nursing initiatives by providing additional resources and support.

# Social participation of the elderly

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| **Question** |
| European societies are ageing. The growing demographic group of older people is increasingly shaping social life and the labour market. Social participation is central to a good life. It is important therefor that large sections of the population are not excluded from social life. This includes cultural participation, digital participation, participation in the labour market, political participation and many other areas. **How can you help to increase and promote the social participation of older people?** |
| **Further Questions** |
| * How can you ensure that older people can remain active and healthy in the labour market for as long as possible? |

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| **Background** |

Promoting the social participation of older people is crucial for an inclusive and resilient society. With the demographic change and an ageing population, it is becoming increasingly important for older people to remain active and healthy in social and economic life. Social participation strengthens the well-being and quality of life of older people, as well as social and economic stability.

Promoting digital participation is essential to give older people access to digital communication and information. Educational programs such as training courses and workshops can help older people to acquire digital skills, while access to affordable digital devices ensures that no one is excluded due to financial constraints. In addition, user-friendly software and accessible technologies also help to take into account the specific needs of older users.

Poverty in old age can be combated through various measures that ensure that pension systems are sufficient to guarantee the standard of living of older people. In addition, approaches should be developed that help older people to participate actively and independently in social and economic life. To this end, companies should also be incentivized to hire and retain older employees. They should also take measures to ensure that companies are attractive to older workers.

Another important aspect of the social life of elderly is informal care. Support for family carers through training, financial support and respite services can reduce the burden and improve the quality of care. In addition, care networks and self-help groups can be established and promoted to facilitate exchange and mutual support.

# Inclusion of people with disabilities

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| **Question** |
| **What concrete measures are you planning to enable people with disabilities in the EU to participate fully and equally at all levels of society?** |
| **Further Questions** |
| * How can you improve the harmonisation of the rights of people with disabilities in the Member States? * How can the European Disability Card be extended to cover access to other services? |

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| **Background** |

Equal participation of people with disabilities in all aspects of social life is a fundamental part of realizing an inclusive and just society in the EU. People with disabilities often face multiple barriers that limit their participation in the labour market, education, and political participation. These barriers lead to social exclusion and economic disadvantage.

A key step towards improving the situation is the harmonization of the rights of people with disabilities in the EU member states. There are currently considerable differences in the legal and social standards that support people with disabilities. Harmonization can create uniform minimum standards to ensure that all people with disabilities in the EU have the same rights and access to support services.

The new European Disability Card is intended to serve as proof of disability status throughout the EU, so that people with disabilities have access to the same conditions and preferential treatment as residents of the country they are travelling to. EU countries usually offer special conditions for the use of public transport and preferential treatment at cultural, leisure and sports events and activities, for example when visiting a museum or attending a concert. [[88]](#footnote-88)

Extending the European ID card would not only improve mobility and access to services for people with disabilities, but also promote their participation in the labour market and society as a whole.

# European Pillar of Social Rights in the European Semester

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| **Question** |
| The European Semester is an instrument that encourages and supports the Member States to implement social and economic policy reforms. Although social indicators have already found their way into the European Semester, many dimensions have not yet been taken into account. **How can the European Pillar of Social Rights be anchored more firmly in the European Semester?** |
| **Further Questions** |
| * How will you ensure that the European Semester's reform proposals are based on sound evidence and are then implemented in the Member States? |

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| **Background** |

During the last legislative period of the European Parliament, there were several new initiatives concerning the European Pillar of Social Rights.[[89]](#footnote-89) In 2022, also based on the principles of the European Pillar of Social Rights, the European Commission published the European Care Strategy.[[90]](#footnote-90) The strategy proposed measures to ensure high-quality, affordable, and easily accessible care and support services in the European Union and developed new indicators to monitor reforms in the care and support sector within the European Semester.

However, many dimensions of the European Pillar of Social Rights are not yet integrated into the European Semester through indicators or reform benchmarks. This could be a starting point for the further development of the Pillar of Social Rights.

There have been many ideologically driven reform proposals in the past, especially in the area of government budget cuts. Many of these proposals have failed because of unrealistic assumptions and impractical approaches. A scientific basis for the recommendations, which also takes into account the diversity of scientific evidence and different approaches, could revitalise the European Semester.

# Further development of EU public procurement

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| **Question** |
| Public procurement and contracting is an important lever for the pursuit of social and environmental goals. **What priorities will you set in the further development of public procurement and where do you see the greatest need for action in this area?** |
| **Further Questions** |
| * What measures would you like to take to make public procurement more socially responsible and to implement social concerns, e.g. to empower women, older workers or the unemployed, to create transparency in supply chains or generally to ensure that contractors comply with minimum social standards? |

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| **Background** |

Public purchasers are important investors in Europe, public procurement accounts for more than 16% of the EU's GDP and plays a fundamental part in the European economy. Since the EU was founded, public procurement has been continuously developed through legal reforms.[[91]](#footnote-91) Currently, there is still a window of opportunity to initiate socioecological reforms in the economy, to focus more on social issues and to promote socially responsible behavior. Integrating social criteria into public procurement can serve these objectives.

A more socially responsible public procurement system means that not only the price, but also social criteria such as working conditions, equality, inclusion and environmental sustainability are taken into account when awarding public contracts. This promotes fair working conditions, supports disadvantaged groups and contributes to climate change mitigation.

Implementing social concerns through public procurement strengthens social cohesion and promotes the integration of disadvantaged groups into the labour market. It can also help to support the local economy by giving small and medium-sized enterprises a better chance of winning public contracts.

Overall, the further development of EU public procurement can contribute to a fairer and more sustainable economy.

# Social Climate Fund

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| **Question** |
| The European Green Deal places "social fairness" at its center. In its calls to the member states, the EU Commission also speaks of a "socially balanced path" in the transition to climate neutrality. To this end, the "Climate Social Fund" was proposed to cushion the social impact of climate protection measures. **How can the targeted use of these funds be ensured?** |
| **Further Questions** |
| * In addition to the Social Climate Fund, do you intend to provide additional financial measures for socially disadvantaged groups in order to cope with the effects of structural change in a fair manner? |

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| **Background** |

The transition to a climate-neutral economy is one of the greatest challenges of our time and requires comprehensive adjustments in various sectors of the economy. This structural change not only affects technological and ecological aspects, but also has far-reaching social implications. Socially disadvantaged groups are particularly affected, as they often have fewer resources and opportunities to adapt to new circumstances. In view of this challenge, it is essential to take measures to ensure that socially disadvantaged groups are not left behind.

In December 2022, the Commission and Parliament gave their provisional approval to the Social Climate Fund.[[92]](#footnote-92) Financed by the revenue from EU emissions trading, this fund already supports measures for energy efficiency, the use of renewable energies and combating energy poverty. However, the distribution of funds has not yet been focused on specific target groups. Many people feel that their interests and needs are not being taken into account by the current reform measures of the European Union, the structural change of the European economy towards an ecologically sustainable economic system. Measures must be taken to bring European societies along with them. This includes further financial support measures, but also economic redistribution measures to cushion the negative consequences of economic structural change.

# Competence in the area of social protection

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| **Question** |
| One problem that is evident in many social policy agendas is the lack of competences at EU level, which would, for example, enable binding directives on European social protection systems. **Will you support the expansion of competences in this area?** |
| **Further Questions** |
| * Where do you see possible levers for this objective? |

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| **Background** |

To date, the democratically elected institutions of the EU have hardly any legal and political room for manoeuvre in the area of social protection, as this is not provided for in the Treaty on the Functioning of the European Union. On the one hand, further levers for expanding competences should be considered here, such as a stronger underpinning of the reform proposals of the European Semester with financial instruments linked to reform projects, institutional reforms in the area of the distribution of competences between the Commission, Parliament and Council, or other reforms. On the other hand, the treaties also need to be adapted to current intra-European, but also extra-European and geopolitical developments.

The European Commission has presented recommendations to promote social dialogue at national level and at EU level.[[93]](#footnote-93) Social protection itself could also be dealt with more vigorously at EU level. Finally, it is important that the EU expands its competences in the area of social protection in order to strengthen social inclusion and the protection of citizens.

# EU Social Taxonomy

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| **Question** |
| The plan for a social taxonomy for investment subsidies based on social criteria has been put on hold by the EU Commission for the time being. **Will you support the implementation of a social taxonomy equivalent to the environmental taxonomy?** |
| **Further Questions** |
| * How could the design of an EU social taxonomy look like? |

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| **Background** |

US economist Janelle Jones argues in favor of also treating sectoral wage negotiations and state subsidies for the already rapidly growing care sector as part of industrial policy, as a synergy of industrial and employment policy.[[94]](#footnote-94) In this respect, the plan for a social taxonomy[[95]](#footnote-95) for categorizing and incentivizing investments according to social criteria can also be characterized as industrial policy in the broader sense. While the environmental taxonomy is intended to channel investments into environmentally friendly and climate-friendly projects, a social taxonomy would promote investment goals such as combating poverty, promoting equality, decent working conditions and social inclusion.

An EU social taxonomy aims to set clear criteria and standards for social sustainability to guide companies and investors. This would ensure that economic actors consider not only environmental but also social indicators when making investment decisions.

An EU social taxonomy could cover various areas, including labour law, health and safety at work, access to education and social justice. For example, criteria could be developed to ensure that companies pay fair wages, promote diversity and inclusion and monitor their supply chains for human rights violations.

**LGBTIQA+ – Protection against discrimination**

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| **Question** |
| In 2024, assaults and discrimination against the LGBTIQA+ community continued to occur regularly in many EU countries. **What measures are you planning to ensure that people of the LGBTIQA+ community in the Union are better protected and that discrimination is further reduced?** |
| **Further Questions** |
| * In 2020, the EU Commission initiated the LGBTIQ Strategy 2020-2025. How do you intend to combat the various forms of discrimination that still exist in the individual member states, especially in Hungary? * What will you do to implement the directive on discrimination outside the world of work, which has been in the Council for many years? * Are you planning a Europe-wide campaign on the subject? |

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| **Background** |

Assaults on the LQBTIQA+ community have been comparatively high in recent years. In 2019, 43% of the LGBTIQA+ community surveyed stated that they had personally experienced discrimination.[[96]](#footnote-96) The majority of cases of discrimination, especially structural discrimination, are not quantified. In some EU member states, the situation has become even worse due to political and media developments. Well-targeted awareness-campaigns are needed to the objective described here that are designed not to provoke further negative backlash.

In 2004, the EU Commission published the directive on gender equality outside the working environment.[[97]](#footnote-97) This directive aims to combat gender-specific discrimination in access to and supply of goods and services. It establishes a framework for equality between all genders in areas such as education, healthcare and social services. The directive obliges member states to take effective measures to prevent discrimination and promote equality. LGBTIQA+ rights could also be further enshrined and promoted in EU law, similar to this directive.

**Violence at work**

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| **Question** |
| The EU Commission has called on the member states of the EU to ratify Convention No. 190 of the International Labour Organisation (ILO) and to implement further national measures to protect against violence in the workplace. **What measures do you plan to take to reduce violence in the workplace in the member states, particularly in service and transport professions, which continue to exist despite the ILO 190 ratification?** |
| **Further Questions** |
| * Is the European Commission planning an EU-wide campaign to raise awareness and educate people about violence in the workplace? * What is the Commission doing to further combat violence, discrimination and sexual harassment in general? |

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| **Background** |

The ILO 190 Convention*[[98]](#footnote-98)* sends a clear signal worldwide that any behaviour that degrades, humiliates, sexually harasses or physically or psychologically attacks people in the working environment is prohibited and ostracized. The Convention is the first of its kind in the world to offer employees and other people in the world of work extensive protection against violence and harassment. Natural persons who exercise the powers, duties or responsibilities of an employer are also protected.

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