



*Employers entrusted to deliver
Sustainability Growth Innovation*

Policy Kit

with regard to the Cyprus Presidency of the Council of the EU

1 January 2026 – 30 June 2026

SGI Europe represents employers and enterprises of services of general interest since 1961. Our members are organisations and enterprises active in fields such as:

- Central & local administrations,
- Healthcare,
- Social services,
- Education,
- Housing,
- Waste management,
- Energy,
- Transport,
- Water,
- Environment,
- Postal services,
- Public service media,
- Telecommunications.

Modern public services and services of general interest (SGIs) support the fundamental goals of the EU, enabling business, cohesion, economic and social solidarity, and a better quality of life for citizens.

Introduction

The Cyprus Presidency of the Council of the European Union takes place at a **pivotal moment** for the Union, marked by **heightened geopolitical tensions, accelerating climate impacts, persistent skills shortages, and growing territorial disparities**. Against this backdrop, the Presidency's emphasis on **autonomy, resilience, competitiveness, and cohesion** closely aligns with SGI Europe's long-standing priorities. Services of general interest are essential for social protection and solidarity, but also function as **strategic actors of Europe's economic resilience, security, and long-term competitiveness**. Energy, water, transport, housing, healthcare, digital connectivity, and social services form the backbone of daily life and economic activity across all regions, including peripheral and island territories.

This Policy Kit sets out SGI Europe's key positions on the main EU files expected to shape the Presidency's agenda, highlighting how a strong, coherent, and investment-driven approach to SGIs can support the Cyprus Presidency's objectives. By strengthening the delivery of essential services, the EU can reinforce trust, reduce vulnerabilities, and ensure that competitiveness and resilience go hand in hand with social and territorial cohesion.

A long-term budget for an autonomous Union

SIG Europe considers the **Multiannual Financial Framework 2028-2034** a decisive tool for Europe's **strategic autonomy, resilience, and cohesion**. An ambitious EU budget must prioritise **investment over fragmentation**, support **essential infrastructure**, and deliver **clear European added value**.

SIG Europe calls for simplified access to EU funds, ownership-neutral eligibility rules, and a strong role for local and regional actors. **Investment in SIGs should be recognised as long-term drivers of competitiveness, social stability, and territorial convergence**. The MFF should enable multi-use funding, **support EU public goods**, and avoid excessive conditionality that hampers implementation. A credible EU budget is indispensable to translating policy ambitions into concrete outcomes for citizens and enterprises across Europe.

MORE: [SIG Europe – Opinion on the Multiannual Financial Framework 2028-2034](#)

Autonomy through security, defence readiness and preparedness

Security, preparedness and resilience

SIG Europe underlines that Europe's security and preparedness agenda must fully recognise services of general interest as critical infrastructure and societal stabilisers. **Recent crises have demonstrated that healthcare, energy, water, transport, digital connectivity, and social services are indispensable to both economic continuity and democratic resilience**. The concept of "Security" should therefore be understood broadly, encompassing civilian preparedness, continuity of essential services, and the capacity of SIG providers to anticipate, absorb, and recover from shocks.

EU action should **strengthen foresight, investment, and coordination across governance levels, while respecting subsidiarity**. Preparedness policies should move beyond emergency response and address long-term vulnerabilities such as ageing infrastructure, workforce shortages, and climate risks.

SIG Europe calls for a **strategic approach that embeds SIGs in EU preparedness** frameworks, supports long-term investment, and ensures regulatory coherence, so that security policies reinforce the delivery of essential services across all territories and contribute to the Freedom to Stay.

MORE: [SIG Europe – Opinion: The need for a multi-dimensional security approach to protect critical infrastructures in times of crisis](#)

Water resilience

SIG Europe strongly supports the **establishment of a European Water Resilience Strategy as a cornerstone of the EU's autonomy, preparedness, and long-term sustainability**. Water resilience must be addressed as a systemic challenge, driven by climate change, pollution, growing demand, and ageing infrastructure. The strategy should prioritise the **coherent implementation and enforcement of existing EU water and environmental legislation, with a stable Water Framework Directive remaining its central reference**.

Pollution prevention at source is essential, including the strict application of the polluter-pays principle, stronger control of hazardous substances such as PFAS, and the promotion of nature-based solutions to improve water quality, quantity, and climate adaptation. Water resilience also requires a cross-border approach, with strengthened river basin cooperation and binding agreements to manage shared resources. At the same time, **public authorities must retain oversight over water resources**, working closely with water operators to ensure equitable access and long-term resilience. Significant investment in water infrastructure is indispensable to preserve the EU's water resilience.

MORE: [SIG Europe - Building a water-conscious future - Key recommendations for a European Water Resilience Strategy](#)

Energy security, grid modernisation and electrification

Electrification is a cornerstone of Europe's decarbonisation and competitiveness strategy, placing energy networks at the heart of the transition. SIG Europe emphasises that distribution system operators and energy providers require **massive, predictable investment to modernise grids**, integrate renewables, and support new uses such as electric mobility, heat pumps, and energy communities.

Fragmentation, regulatory uncertainty, and insufficient tariff frameworks risk slowing down the transition and increasing costs for consumers and enterprises. SGI Europe calls for an EU-level approach that recognises grids as strategic infrastructure, supports long-term planning, and ensures affordability. Electrification policies must be closely aligned with industrial, housing, and social objectives, ensuring that the transition strengthens resilience and competitiveness rather than creating new inequalities between regions and consumers.

MORE: [SGI Europe – Reaction Paper on the EU Electrification Action Plan](#)

Pact on Migration and Asylum

SGI Europe highlights that **migration and asylum policies can only be effective through strong, well-resourced services of general interest at local and regional level**. Housing, healthcare, education, transport, and social services are essential to reception, integration, and social cohesion. Experience shows that under-investment in SGIs undermines both integration outcomes and trust.

The EU migration framework should explicitly account for the **capacity of SGI providers and local authorities to deliver essential services sustainably**. This includes adequate funding, planning certainty, and coordination across policy areas. SGI Europe calls for a pragmatic, implementation-focused approach that strengthens local delivery systems, avoids short-term emergency logic, and ensures that migration management contributes to social stability rather than exacerbating territorial or social inequalities.

MORE: [Project Labour-INT: Labour Market Integration of Migrants and Refugees](#)

Autonomy through competitiveness

Completion of the Single Market

SGI Europe argues that the **Single Market can only deliver sustainable competitiveness if it fully integrates services of general interest as economic enablers**, not as exceptions or last-resort interventions in case of market failures. The current disconnect between the Single Market and cohesion objectives has contributed to territorial divergence, citizen discontent, and under-investment in essential infrastructure.

SGIs underpin productivity, labour mobility, innovation uptake, and the freedom to stay in all regions. Completing the Single Market requires removing unjustified barriers while ensuring regulatory frameworks reflect the specific missions, ownership structures, and local anchors of SGI providers. SGI Europe calls for **better coherence between competition, state aid, procurement rules, and cohesion policies**, and for a strategic vision that reconciles competitiveness with social and territorial cohesion, restoring the original balance envisioned at EU level.

MORE: [SGI Europe – Position Paper: SGIs and the Future of the Single Market](#)

Simplification

SGI Europe supports the EU's simplification agenda as a necessary response to increasing regulatory complexity and implementation challenges. **Simplification is essential to strengthen competitiveness, investment capacity, and effective delivery on the ground**.

However, it **must not lead to backtracking on the fundamental objectives of EU legislation, including social, environmental, consumer, and security goals**. The priority should be on making legislation work better as a coherent whole, reducing unnecessary administrative burden, avoiding duplication and overlaps. It can be achieved through **harmonising definitions, aligning requirements, and clarifying the interaction between different pieces of legislation, while preserving their core safeguards**. A credible simplification agenda must enhance legal clarity, proportionality, and implementation capacity, ensuring that EU rules deliver their intended outcomes more effectively, rather than weakening the policy ambitions they are designed to serve.

The **proposal to reopen the Water Framework Directive (WFD) is a critical example of the risks associated with destabilising carefully negotiated EU legislation**. Reopening the WFD, the cornerstone

of water protection across Europe creates significant legal uncertainty for SGI providers, shifting the economic burden of remediation from polluters to public authorities and taxpayers.

MORE: [SGI Europe – Compilation of contributions to the calls for evidence on omnibus packages](#)

EU digital leadership

SGI Europe supports **digital transformation as a driver of efficiency, accessibility, and innovation in SGIs, but warns against regulatory overload and incoherence**. The growing digital acquis has created **compliance challenges**, particularly for local and municipal operators managing critical infrastructure and sensitive data. A successful digital agenda must **prioritise coherence, proportionality, and practical support**.

SGI Europe calls for **streamlined reporting, harmonised definitions, and clearer interaction between data, cybersecurity, and AI rules**. Digitalisation should enhance service quality and resilience while safeguarding data security, public trust, and fundamental rights. Ensuring equal treatment of public and private operators, adequate transition periods, and access to guidance is essential to prevent digital rules from undermining investment capacity and operational effectiveness in essential services.

MORE: [SGI Europe – Position paper on the Digital Omnibus](#)

An autonomous Union of values that leaves no one behind

Union of Skills

SGI Europe strongly supports the **Union of Skills initiative as a core pillar of EU competitiveness, resilience, and social cohesion**. Persistent labour and skills shortages across services of general interest are constraining investment, innovation, and service continuity. Addressing these shortages requires a **comprehensive, long-term approach that fully respects national competences and the role of social partners**. Priority should be given to strengthening vocational education and training, increasing the attractiveness and quality of apprenticeships, and improving career guidance throughout the life course.

At the same time, basic, **STEM, digital, and entrepreneurial skills must be reinforced from an early stage to support the green and digital transitions**. Employers already play a central role in training provision and should be supported through targeted financial incentives, including **better use of ESF+ resources**. The Union of Skills should also promote **skills portability and transparency**, notably through digital credentials and improved recognition mechanisms, while avoiding new regulatory burdens and respecting the diversity of national education and training systems.

MORE: [Union of Skills – Joint Employers' Input \(SGI Europe, BusinessEurope, SMEunited\)](#)

European Pillar of Social Rights

SGI Europe views the **European Pillar of Social Rights as a central framework for strengthening Europe's social model, but stresses the need to move from principles to delivery**. Many EPSR principles, particularly those related to healthcare, long-term care, housing, and access to essential services, depend directly on the capacity of SGI providers. Implementation should therefore focus on **operationalisation through existing tools such as the European Semester, investment instruments, and social dialogue**.

SGI Europe calls for a **coherent approach that recognises SGIs as enablers of social rights, avoids fragmented sectoral initiatives, and respects subsidiarity**. Strengthening the EPSR requires sustained investment, workforce development, and policy coordination to ensure that social rights translate into tangible improvements in citizens' daily lives.

MORE: [SGI Europe – Position Paper on the new Action Plan for the European Pillar of Social Rights](#)

Anti-poverty strategy

SGI Europe underlines that **access to essential services is one of the most effective tools to prevent and reduce poverty**. Energy, housing, healthcare, transport, education, and digital access are not only social rights but also enablers of participation in economic and social life. **Anti-poverty strategies must therefore move beyond income-based measures and address structural barriers to service access.**

SGI providers are key actors in delivering **targeted, place-based solutions, particularly for vulnerable groups and disadvantaged regions**. SGI Europe calls for stronger policy coherence between social, economic, and territorial objectives, adequate funding, and recognition of SGIs as preventive instruments against social exclusion. Fighting poverty requires sustained investment in service provision, not only corrective social spending.

MORE: [SGI Europe – Position paper on the Anti-Poverty Strategy](#)

Affordable Housing Action Plan

SGI Europe stresses that **affordable housing is a cornerstone of social cohesion, labour mobility, and economic resilience**. Europe faces a structural housing crisis driven by rising costs, energy inefficiency, and insufficient investment. Public, social, and non-profit housing providers play a central role in addressing these challenges, but often face regulatory and financing constraints.

SGI Europe calls for **policies that recognise affordable housing as essential social infrastructure, ensure proportionate state aid rules, and facilitate access to EU funding instruments**. Housing policy should be closely linked to energy, social, and regional development objectives, supporting long-term affordability rather than short-term market fixes. A strategic EU approach **respecting the different housing realities across Europe is indispensable to ensuring that no region and no citizen is left behind**.

At the same time, increased support for affordable housing must not come at the expense of existing funding streams for social housing, which remain essential for protecting the most vulnerable groups and ensuring social inclusion.

MORE: [SGI Europe – Position Paper on the revision of the State Aid Rules for SGEI with a focus on affordable housing](#)

Conclusion

Across all policy areas addressed in this Policy Kit, a common thread emerges: **Europe's capacity to remain competitive, resilient, and united ultimately depends on the strength and accessibility of services of general interest in all territories**. From security and preparedness to skills, housing, energy, water, and social inclusion, SGIs **translate EU policy objectives into concrete outcomes for citizens and enterprises**. They are central to **enabling the Freedom to Stay – the ability for people to live, work, and build their future in the region of their choice**, without being forced to move due to a lack of essential services or opportunities.

By **anchoring EU action in long-term investment, regulatory coherence, and strong local and regional delivery capacity**, the Cyprus Presidency has the opportunity to reinforce a model of **sustainable competitiveness that leaves no place and no person behind**. SGI Europe stands ready to support this ambition and to contribute to a Presidency agenda that strengthens Europe's autonomy while keeping citizens, territories, and essential services at its core.