



*Employers entrusted to deliver
Sustainability Growth Innovation*

Opinion

Strategic Priorities for 2024-2029

Adopted by the General Assembly on 6 December 2023

Executive Summary

- **With EU elections scheduled in June 2024, the future of Europe will take shape** in the aftermath of the completion of Brexit, the COVID-19 pandemic and the Russian war in Ukraine. We call for **providers and employers of services of general interest (SGIs) to play an essential role** in engaging in shaping this process, **building upon the European roots of SGI enterprises serving, directly and indirectly, the EU economy and citizens**. With the emergence of new policy priorities at EU level, SGIs must now be considered as a pillar for the future of the EU, and provided with the right framework to flourish.
- As EU cross-industry social partner, SGI Europe and its members will contribute to **creating a fair and just EU**. SGI Europe calls for creating the right conditions for **re-invigorating the EU social dialogue**, through the involvement of social partners in all initiatives with direct or indirect impacts on the labour market. We also call on EU institutions to **clearly and explicitly recognise the role played by SGIs** – as providers of essential services – **in the EU social and economic model**.
- SGIs and public services are **central in the success of the Single Market**. To further improve its relevance for citizens, SGI Europe calls for:
 - Improving the relevance of the EU on the global stage, through the **procurement of EU Public Goods**;
 - **Updating the EU economic governance and the framework for state aid** (through phasing out of the temporary state aid frameworks and adjusting the guidance for assessing state aid) to provide member states with room to invest in SGIs;
 - **Guaranteeing the non-discrimination between private and public undertakings**, in line with the EU Treaty provisions, and set ensuring up a level-playing field for all enterprises to deliver for the benefits of citizens.
- SGI Europe calls for the continuous development of the EU capacity to anticipate and prevent future crises, through a commitment to **enhance the “foresight capacity of the EU”** and the development of alternative indicators to **measure growth and prosperity beyond GDP**, integrating social and environmental factors.
- SGI Europe calls for ensuring a **“human-centric” approach to AI and further develop digital networks**. Such approach should focus on two pillars:
 - Bridging the digital divide and ensuring fairness in the digital world, and **updating the concept of “universal mandate” to include the digital dimension**;
 - A **human-centric approach to disruptive new technologies**, with the “human-in-control” principle and the protection of personal data at its core.
- To face the investment challenge, SGI Europe calls for the systematic implementation of the following four principles to finance the EU re-industrialisation:
 - **Promote the deployment of financial instruments** where they can add value and business models exist;
 - Encourage **cooperation between long-term public and private investors**;
 - Establish an appropriate **transparency framework for the use of funds**;
 - Strengthen the capacity to **support project promoters**.
- To **prevent the creation of additional administrative burden on SGIs**, SGI Europe stands ready to support the European Commission in **developing “SGI-oriented Impact Assessments”**, to be integrated into the Better Regulation toolbox and the impact assessments.

Introduction

A significant milestone will mark 2024 for the European Union, as EU citizens will cast their votes for the EU elections, leading to the appointment of a new European Commission. This 2024 EU elections will be the first elections since the completion of Brexit in 2020 and will be the first democratic test for the EU following the COVID-19 pandemic and the energy crisis stemming from the Russian war in Ukraine, which tested and challenged the strength and ability of the EU to deliver in times of crises.

Following the elections and taking fully into account the outcomes of the votes, the new European Commission will be put in place by Member States and the European Parliament. The Member States will also appoint the successor of Charles Michel as European Council President for a 2,5-year mandate starting in December. The scope of the institutional reshuffle will be crucial, with stakes significantly higher in 2024, considering the turmoil of the past few years (the pandemic and the war in Ukraine) and the roll-out of EU legislation to support the green and digital transition while ensuring fairness. Geopolitically, tensions have been on the rise, leading to a more fragmented and conflictual landscape and calling for EU unity in guaranteeing appropriate EU actions, both internally and externally.

The next five years of tenure of the European institutions will be vital in shaping the future of Europe, and providers and employers of services of general interest (SGIs) must play an essential role in supporting this process of change and renewal. Owned, managed and “made in” Europe, SGIs serve directly and indirectly the EU economy and EU citizens. They are natural actors to reinforce the EU sovereignty and strategic autonomy while supporting the EU democracy¹ and values. Facing the emergence of new policy priorities at EU level, including improving its resilience, its security of supply for strategic resources and the accelerating of the twin transition, SGIs must now be considered as a pillar for the future of the EU, and provided with the right framework to flourish.

What are SGIs?

Modern public services and services of general interest (SGIs), serve the fundamental goals of the EU, as they support business, social and territorial cohesion while fostering economic and social solidarity and a better quality of life for all.

SGI Europe, one of the EU cross-industry social partners, is active in the EU social dialogue. SGI Europe members are enterprises and associations providing SGIs, public or private, which are active at national, regional and local levels regardless of their legal ownership status.

SGI Europe members are organisations active in fields such as:

- Central and local administrations
- Healthcare
- Education
- Housing
- Waste management
- Energy
- Transport
- Water
- Postal services
- Environment
- Public service media
- Telecommunications

¹ As highlighted in the report of the European Commission's Directorate-General for Regional and Urban Policy “The geography of EU discontent and the regional development trap”, available on https://ec.europa.eu/regional_policy/whats-new/newsroom/06-12-2023-geography-of-discontent-regional-development-traps-lead-to-less-support-for-european-integration-and-values_en

Re-create the conditions for a fair and just EU

Future-proofed labour markets

The green, digital and demographic transitions are transforming the labour market and work life. While unemployment reaches record lows² across the EU, enterprises face labour shortages and a lack of skilled workers to face new, emerging challenges.

As illustrated during the project “Green Skills in VET”, many sectors and occupations are going through a complete transformation, with new skills needs appearing and some skills becoming obsolete. Such changes, inherent to the green and digital transition, are further accelerated by the push for reinforcing the EU strategic autonomy and the “re-industrialisation” of the EU economy, further straining and pressing enterprises.

In this context of “reindustrialisation”, improving skills-intelligence and forecasting will be crucial to guarantee the future competitiveness of the EU economy and success on the global stage. It will also be paramount to address the social dimension of the transitions and ensure the resilience of the EU social and economic model relying on, amongst others, affordable, accessible and high-quality SGIs.

On the other hand, workplaces are also in a complete transformation. For SGIs, it will be important to remain attractive as employers, and have a workforce with the right skills. This should be done through a holistic perspective and can be done in different ways, such as inclusive work places, a good working environment, wages, the flexibility for the worker to shape their schedule, extra-financial benefits and others. These new developments also put a spotlight on another dimension where social partners can play an important role in providing an EU answer: well-being at work, including through addressing psychosocial risks and building on the past social partners’ agreements on stress and on violence and harassment.

Re-building the space for the EU Social Dialogue

Social dialogue is a core component of the EU social and economic model. The role of social partners – employers and trade unions – and social dialogue must be put at the heart of the ongoing initiatives to deliver the European social model for both enterprises and citizens.

Since 2014, several attempts by the EU social partners and EU institutions have been launched to give a new impetus to social dialogue³. SGI Europe, together with the other EU social partners, were deeply involved in this work and the resulting communication and Council Recommendation on social dialogue contains several of ideas put forward by SGI Europe and the EU social partners. SGI Europe welcomes the recent calls from the European Commission to organise a “Summit of Val Duchesse II” during the Belgian Presidency of the Council of the EU. This Summit is a significant signal of trust by the EU institutions towards EU social partners and is a daunting call to responsibility to deliver on our potential.

More than a summit, “Val Duchesse I” was the beginning of a process and not an end in itself. Driven by the political will of Commission President Jacques Delors, this Summit delivered the conditions for the EU social dialogue to take off. The “Val Duchesse II” will have to create good conditions and, with the right political

² European Commission, European Economic Forecast – Spring 2023, https://economy-finance.ec.europa.eu/system/files/2023-05/ip200_en_1.pdf

³ Amongst others, and building up on the pledge of Jean-Claude Juncker (President of the European Commission, 2014-2019) to “relaunch social dialogue”, the European Commission organised a high-level conference “A New Start for Social Dialogue” in March 2015. EU social partners, the European Commission and Member States signed a joint statement “A New Start for Social Dialogue” in 2016. The European Pillar of Social Rights, proclaimed in 2017, further highlighted the role played by social dialogue and social partners as cornerstones of a fair Europe. Finally, the “Strengthening Social Dialogue” package (January 2023) put forward several initiatives initiative to further strengthen and promote social dialogue with concrete actions at the national and EU level.

support from the EU leadership, together with social partners, continuing the process for an effective social dialogue at all levels.

The impacts of the pandemic, the green and the digital transition will impact the economy, the functioning of the labour market and the organisation of work. Through the instruments at their disposal (in particular autonomous collective bargaining), social partners are the best placed to shape this multiple transformation. As part of the “Val Duchesse II”, reexamining how social dialogue and its institutions function at the EU level must continue to be a key priority.

Continued access to affordable, accessible and quality SGIs

The COVID-19 pandemic, as well as the crisis linked with high energy prices, clearly highlighted the extent to which access to affordable, accessible and quality SGIs is crucial for the well-being of our society and economy. As SGIs and essential services have demonstrated their pivotal role in ensuring the continuity and resilience of the EU socio-economic model, implementing in full the principles of the European Pillar of Social Rights will continue to be key to ensuring the recovery and twin transition success, balancing the environmental, social, and economic dimensions.

The European Pillar of Social Rights, in its principle 20, put a renewed emphasis on the fact that the preconditions for the quality and cost of essential services – including most of the sectors of activity of SGIs – have a tremendous impact on inclusive, well-functioning society. With the European Pillar of Social Rights, its 2021 Action Plan, as well as the Council Recommendation on ensuring a fair transition towards climate neutrality and the Porto Social Commitment, the EU made a strong commitment to putting SGIs at the core of the green and digital transition. SGI Europe, on its side, has launched several initiatives to highlight the contribution of SGI enterprises to the EU social model. Amongst them, the renewed version of the SGI Europe CSR Label – to be launched in the context of our project Finance4EPSR – will put a specific focus on the impacts of the sustainable finance criteria at the service of the promotion of quality service provision.

In the current volatile context where vulnerability might further increase, and with more investment being needed to comply with new legal obligations, a specific focus is necessary to further re-emphasise the contribution of SGIs to the comfort and security of both citizens and companies. In particular, we call for further strengthening the capacity of SGIs to engage in social dialogue in the context of sustainability, social and environmental changes, and supporting their operations in line with the new policy framework (such as the European Pillar of Social Rights and the EU Green Deal).

In 2021, at the Porto Social Summit, SGI Europe called for better ensuring that essential services remain of high-quality, accessible and affordable. The Council's recommendation on addressing social and labour aspects of the just transition towards climate neutrality was an important opportunity to include a dedicated approach with access to SGIs and essential services (as defined in the EPSR) at the heart of the transition.

SGI Europe calls for involving social partners in initiatives with direct or indirect impacts on the labour market in the face of the transformations stemming from the green, digital and demographic transitions. We also call on EU institutions to clearly and explicitly recognise the role played by SGIs – as providers of essential services – in the EU social and economic model.

Set up EU Public Goods⁴ and transform the Single Market

EU Public Goods

Shaped by the crises and external pressures of the past few years, the EU responses have improved the coherence and relevance of the EU and represent an experimental pilot for EU Public Goods. By the nature of the sectors of activity of its members, SGI Europe is a natural frontrunner on EU public goods.

Contributing throughout the whole EU socio-economic ecosystem, SGIs and public services must now take centre stage at the EU level. Throughout recent crises, EU leaders seized opportunities to improve cooperation at the EU level, from the common procurement of COVID-19 vaccines to the joint purchase of gas or the Act in Support of Ammunition Production (ASAP). These proposals all contributed to the relevance of the EU.

SGI Europe now calls for engaging in a reflection to improve this coordination and coherence, going beyond crisis response. In recent years, we have witnessed the rapid uptake of Important Projects of Common European Interest (IPCEIs) on critical projects for resilience and open strategic autonomy – on microelectronics, batteries, and hydrogen. In total, 208 companies from 21 Member States have joined IPCEI projects, with €26,7bn of state aid approved and an additional €50bn of expected private investment. Those IPCEIs highlight the importance of the EU level in such projects. Building upon those developments, SGI Europe calls for starting a reflection on the creation of “pure” and genuine EU Public Goods.

In the face of the adaptation to climate change, emerging geopolitical tensions, and the need to boost the EU's Open Strategic Autonomy, we believe that there is room for more action to preserve the EU's edge on critical and emerging technologies relevant to green and digital transitions. We see those possibilities – which could, in the long run, serve as a basis for EU Public Goods – in sectors such as energy (through a genuine Energy Union, starting with guaranteeing the security of supply and energy security as a whole), healthcare (especially on pandemic preparedness and healthcare scientific research), or security (including of our critical and strategic infrastructures, including water and public transport).

Single Market and the Industrial Policy

SGIs have a direct role to play in shaping the future of the Single Market and industrial policy. Considering that SGIs are central to the EU competitiveness and economic eco-system⁵, SGIs and public services (and the resources needed to continue being fully operational) must be placed high on the list of EU priorities.

Public services and SGIs are core elements of the EU social market economy. Accessible, high-quality and affordable SGIs are instrumental to the lives of citizens and enterprises. They are more than enabling elements of the EU industrial ecosystems; they are vital actors, directly impacting the performances of many of the “Drivers of competitiveness” highlighted by the European Commission in its communication “Long-term competitiveness of the EU: looking beyond 2030”⁶.

As economic actors supporting the EU autonomy through their responsibility as providers of services, as managers of critical infrastructures and as public buyers of goods and services, enterprises of SGIs are enabling the growth of the EU economy. In its position paper, “The EU Single Market at 30: SGIs in the Single

⁴ SGI Europe suggests defining “public goods” in line with the economic theory. A public good is a commodity or service that is provided without profit to all members of a society, either by the government or by a private individual or organisation. The use of a public good is non-rivalrous (accessible by all while one's usage of the product does not affect the availability for subsequent use) and non-excludable (it is impossible to exclude any individuals from consuming the good). We would also suggest including “quasi-public goods” in the reflection.

⁵ As highlighted in the EC communication “Long-term competitiveness of the EU: looking beyond 2030”, published on 16 March 2023

Market”⁶, SGI Europe highlights the contributions and the pre-conditions for SGIs to contribute to the future of the Single Market, with a focus on the following:

- Acknowledging SGIs as drivers for innovation and the uptake of new products and services;
- Leaving local, regional and national authorities freedom of funding, managing and organising SGIs;
- Respecting the principle of subsidiarity;
- Meeting the investment challenges.

In particular, the organisation, provision and financing of SGIs are primarily the responsibility of Member States, which decide at national, regional or local level, what services will serve the society as a whole. Thus, throughout its long history, each country has defined and developed its own way of organising and regulating SGIs and "public services" in line with their traditions, organisation, institutions and culture. It must also include the possibility of increased cooperation between municipalities to strengthen the provision of SGIs and public services to achieve cost savings and greater efficiency. SGI Europe calls for such inter-municipal cooperation to not be impeded by EU state aid and/or competition law.

To that aim, with its members across the EU, SGI Europe also represents a unique platform for exchanging best practices and supporting convergence in the provision of affordable, accessible and high-quality SGIs and public services. With the ongoing in-depth reflection on the future of the EU Single Market, this dimension is more relevant than ever.

Beyond their contributions as providers of goods and services essential to the EU economy, providers of SGIs are also key as buyers of goods and services. With the EU Green Deal, a renewed focus has been put on this dimension and put pressure on SGI enterprises to procure clean-tech technologies to ensure the successful greening of their activities. This “race to clean-tech” created bottlenecks, spikes in prices as well as scarcity and limited access to critical technologies and materials, further complicating the transformation of SGIs in the green and digital transition.

Acknowledging the essentiality of SGIs in the EU social and economic ecosystem, as well as ensuring that they can continue to thrive in the clean and carbon-free future of EU industries, will be paramount to ensure their continued contribution to the EU economic development.

Level the playing field between public and private undertakings

Local public enterprises, are providers of services of general (economic) interest, benefitting the society at large by ensuring the affordability, quality, and accessibility of the service. Member states are free to designate SG(E)Is, either through public or private providers. This autonomy should not be curtailed by overburdening the public sector. Ensuring a level playing field among the different kinds of providers is the essence of fair competition.

A variety of different actors could be responsible for the delivery of the service, from administrative services to public or private undertakings. The EU primary law (notably Article 14 and Protocol 26 TFEU) recognizes and protects the national competences regarding the organization of services of general interest. Furthermore, Article 345 TFEU prescribes the principle of neutrality under which it does not matter whether the operator is publicly or privately owned.

⁶ SGI Europe “The EU Single Market at 30: SGIs in the Single Market”, 19 July 2023, https://sgieurope.org/files/SGI%20Europe_Position%20Paper%20-%20SGIs%20in%20the%20Single%20Market.pdf

Despite the EU primary law, the EU secondary law involuntarily discriminates between the public and private providers. There are plenty of examples: the SME Definition, which excludes small/micro/medium enterprises only because of their public ownership; the Open Data Directive, where public enterprises have to share data with their private counterparts with whom they also compete; or the proposed review of the Waste Framework Directive, where public waste enterprises will lose the textile collection while private entities will be able to cherry-pick the services they want to provide.

SGI Europe calls for:

- **Improving the relevance of the EU on the global stage, through the procurement of EU Public Goods;**
- **Updating the EU economic governance and the framework for state aid (through phasing out of the temporary state aid frameworks and adjusting the guidance for assessing state aid) to provide member states with room to invest in SGIs;**
- **Reflecting on the structural role played by public procurement in supporting the transformation of the EU economic and social model, in line with the principle of subsidiarity**
- **Guaranteeing the non-discrimination between private and public undertakings, in line with the EU Treaty provisions, and ensuring a level-playing field for all enterprises to deliver for the benefits of citizens.**

Formalise foresight and anticipate crises

Anticipate SGIs in times of scarcity

The pandemic and the demographic transition which have exacerbated existing strains on the care system, the war in Ukraine and its impact on energy markets, and the water crisis in southern Europe are new constraints and challenges for SGI providers. While those services and resources were thought to be “infinite”, those events highlighted that even EU citizens could not be guaranteed continued access to energy, water, healthcare and/or other essential SGI and public services.

In 2022, the EU faced a major energy crisis as a consequence of the Russian war on Ukraine. As part of its hybrid warfare against Ukraine and its allies, energy was weaponised by the Russian regime. Gas flow between Russia and the EU was brought to a halt, leading to unstable price surges in the gas and electricity markets and fears of potential blackouts.

In 2023, the European Economic and Social Committee adopted a set of opinions, calling for an EU Blue Deal to address issues related to the access and quality of water. Severe droughts have become more and more common in Europe, and floods, heatwaves and fires further reveal the impacts of climate change in Europe. Issues related to water must now be addressed as a priority for the EU, with a focus on access to quality water while ensuring that water providers have the means to fulfil their missions.

A similar reflection must also take place on the importance of the care sector, which must be seen as an investment and not as an expenditure. Hospital and care structures are important employers, and their proper functioning is at the centre of our social model. Investing in care must remain a priority, both for ensuring the continuation of the activities and also to prevent and anticipate future challenges.

SGIs are crucial to both mitigation and adaptation to those extreme events, which point to the need to develop the EU foresight capacity to anticipate and prevent future crises through reinforcement of our capacity to adapt. Managing essential infrastructures and providing essential services, SGIs are crucial to the well-being of citizens and companies. It is critical to ensure that they have the means to fulfil their daily missions, but also have the capacity to project themselves in the future, identify weak spots and shortcomings and develop strategies to prevent impacts on the continuation of their operations.

Institutionalise the “Beyond GDP” approach

SGI Europe will also continue to support the reflection on the need to develop new metrics to measure growth, prosperity and well-being through the development of a “Beyond GDP” set of indicators⁷, which is linked to the EU’s voluntary commitment to report to the UN High-Level Political Forum in July 2023 and its progress in implementing the UN Sustainable Development Goals (SDGs)⁸. SGIs and public services are also instrumental in that context, especially considering that the European Pillar of Social Rights (including its principles on access to housing and to essential services) is a cornerstone of the EU commitment to the SDGs.

⁷ The issue was, for instance at the heart of the 3-day Beyond Growth Conference, organised on 15-17 May 2023 by a group of 20 MEPs (from the Left, S&D, Greens, Renew and EPP) and which featured EC President von der Leyen, EP President Roberta Metsola, as well as several Commissioners and high-level speakers.

⁸ [Sustainable development in the European Union – Monitoring report on progress towards the SDGs in an EU context – 2023 edition - Products Flagship publications - Eurostat \(europa.eu\)](#)

The "Beyond GDP" debate notably focuses on two pillars:

- Focus on new indicators and give more prominence to alternative indicators to measure prosperity beyond its sole economic component;
- Promote an alternative narrative for a sustainable EU model and social contract.

The articulation of the two dimensions, putting access to affordable, accessible and high-quality SGIs at its heart, could be a unique opportunity to ensure the explicit recognition of the role of SGIs in the EU social and economic model.

Since 2020, the European Commission has launched internal work on developing Sustainable and Inclusive Wellbeing metrics for the EU to complement GDP. In its 2023 Strategic Foresight Report⁹, the European Commission presented a model to "adjust GDP for different factors", building upon the methodology developed by the Joint Research Centre to develop "Health-adjusted income: complementing GDP to reflect the valuation of life expectancy". This new "Health Adjusted GDP per Capita" indicator highlights that the future anticipated growth of the EU will be more significant than the anticipated growth of China, India and the US.

As highlighted in SGI Europe's position paper Feedback to the Strategic Foresight Report Resilience Dashboards¹⁰, SGI Europe calls for further developing similar indicators including factors such as access to the share of Adults participation in Learning, the Net total investment in non-financial assets, the GINI Index, or the share of NEETs¹¹. In its report "Challenges and prospects in the EU: Quality of life and public services"¹², Eurofound also put forward further indicators related to the contribution of SGIs and public services to the quality of life of citizens, trust and social cohesion.

The "health-adjusted GDP" indicator is a first signal that such new composite indicators, including factors which are not economic by nature, will further emphasise the added value of the EU social and economic model, where SGIs play a crucial role.

SGI Europe calls for the development of the EU capacity to anticipate and prevent future crises through reinforcement of our capacity to adapt, through a commitment to enhance the "foresight capacity of the EU". Building on the achievements and findings of the Strategic Foresight Reports, SGI Europe stands ready to support the development of alternative indicators to measure growth and prosperity and integrate social and environmental factors.

⁹ European Commission, Communication from the Commission to the European Parliament and the Council, 2023 Strategic Foresight Report: Sustainability and people's wellbeing at the heart of Europe's Open Strategic Autonomy, 6 July 2023, https://commission.europa.eu/system/files/2023-07/SFR-23_en.pdf

¹⁰ SGI Europe "Feedback to the Strategic Foresight Report Resilience Dashboards", 30 September 2021, https://sgieurope.org/files/SGI%20Europe%20Feedback%20to%20the%20Strategic%20Foresight%20Report%20-%20Resilience%20Dashboards_final.pdf

¹¹ In 2021, SGI Europe, together with the ETUC, BusinessEurope and SMEUnited, proposed an alternative set of indicators to measure economic, social, and environmental progress. "Supplementing GDP as welfare measure: proposed joint list by the European Social Partners", <https://sgieurope.org/files/FINAL-BEYOND-GDP-SOCIAL-PARTNERS-EU.pdf>

¹² Eurofound (2019), Challenges and prospects in the EU: Quality of life and public services, Publications Office of the European Union, Luxembourg, <https://www.eurofound.europa.eu/en/publications/2019/challenges-and-prospects-eu-quality-life-and-public-services>

Ensure a “human-centric” approach to AI and develop digital networks

Guarantee the “human-in-control” principle of the EU digitalisation

In December 2022, the European Parliament and the Council of the EU have established the Digital Decade Policy Programme 2030, which set out the direction for the digital transformation of the Union and for the delivery of digital targets at Union level by 2030, on the basis of measurable indicators, including to bridge the digital divide and ensure that all citizens are able to thrive in the digital world.

As SGIs continue – just like many other services – to increase their uptake of digital tools, it will become increasingly important that no one – citizens, users, workers or companies – is left on the side of the road. As making SGIs increasingly more available online can help their modernisation, this shift to digital SGIs must not be detrimental to their affordability, accessibility and quality for end-users, and must be accompanied by a reflection on the definition of the “universal mandate”, including access to digital services.

We have witnessed in the past that the EU Single Market can support the dissemination of EU standards on the global stage. Digitalisation presents an opportunity to get one step further: the emergence of digital identity (for citizens and legal entities) can help deepen the Single Market. However, it will be crucial to learn the lessons from the past and put in place a proactive approach to emerging digital technologies, which are known to enter the market by storm, create disruptions and become impossible to regulate ex-post. Preventing the further development of the digital divide – both in terms of infrastructures and between citizens and legal entities thriving in the digital world and the rest – must also be a priority to guarantee the fairness of the digital transition.

As changes stemming from emerging technology and digital solutions continue to revolutionise society on all its sides, SGIs are in the middle of a transformation. The long-term consequences of the COVID-19 pandemic, as well as the continuous uptake of digital means by society, further boosted this trend. To that aim, and in light of the rapid development of, amongst others, AI, it is necessary to accompany the digital transition and ensure the perennity of the “human-in-control” principle.

The uptake of new technologies (such as generative AI) therefore calls for developing and promoting a “human-centric” vision of digital technologies for public and private actors. Such an approach to emerging digital tools should foster participation in the digital public space, increase safety, and security, empower individuals, and ensure freedom of choice in the digital environment.

A core pillar of the success of the EU on the global digital stage will focus on the management of data produced and collected, which will be essential for developing future technologies relying on machine learning, artificial intelligence and the Internet of Things. As most EU data are stored and processed by a few non-EU companies, it will call for a modernised approach to data governance, putting all private and public actors on equal footing to promote privacy, digital sovereignty, industrial competitiveness, and democracy.

Develop the EU digital infrastructure and networks

With the development of the digital economy, SGI Europe calls for ensuring the future success of the EU telecom policy, in light of its critical role in EU competitiveness in the global tech race.

We call for a continued EU commitment to invest in Europe’s critical digital infrastructure, as well as the need for increased leadership in the connectivity value chain. Adequate support to the roll-out of resilient 5G and

fibre infrastructure, and the transition to virtualised networks are urgently needed to support the digitalisation, and new security requirements.

In light of the 2030 Digital Decade targets, we now call for concrete action in areas such the financial sustainability of the sector, innovation as well as simplification and streamlining of regulation.

This implies, among others:

- Making network investment more attractive by tackling low returns, finding a new financing model and addressing spectrum issues;
- Acknowledging the strategic value of the sector from a digital sovereignty viewpoint.

SGI Europe calls for EU institutions to involve SGI providers in shaping the digital future for Europe, relying on:

- **Bridging the digital divide and ensuring fairness in the digital world, and updating the concept of “universal mandate”;**
- **A human-centric approach to disruptive new technologies, with the “human-in-control” principle and the protection of personal data at its core.**

Set forward a framework conducive to investments

Providers of SGIs are known for their significant investment programs. In the face of the green and digital transition, and with increasing threats to our crucial infrastructures, the investment needs of SGIs are at an all-time high. Amongst others, electricity grid operators are facing a wall of investment over the coming years to adapt their networks to the energy transition.

Carrying out these investments represents an industrial challenge and raises questions about the ability of European suppliers to meet the needs of grid operators in terms of volumes and deadlines. The EU legislative framework must evolve to further encourage suppliers to develop production capacities within the EU. While the Net-Zero Industry Act is a first step in the right direction, we call for further expanding its scope to bring changes in public purchasing procedures, notably by instituting a form of “Buy European” principle, by extending the duration of framework purchase contracts, or by facilitating the revision of contracts during execution.

The “twin transition” and its indispensable social accompaniment, whether in terms of training for new professions or support for the most severely affected populations, together with the repeated crises faced in recent years, call for powerful, coherent and rapid responses. The scale of the investment challenge will call for difficult arbitration, and, considering their essentiality to both the EU economy and EU citizens, we call on putting SGIs and public services on top of the agenda.

To face the investment challenge, SGI Europe calls for the implementation of the following four principles:

Promote the deployment of financial instruments in areas where they can add value and where business models can be found

In addition to the European guarantee program, which the EU has set up for 2020, and which should be made permanent, the institutions should usefully generalize the virtuous mechanism already at work in the European Interconnection Mechanism, which makes an investment by an EU implementing partner, which in turn triggers other co-investments, conditional on the granting of a European subsidy designed to stabilize the economic model of the project to be financed.

Encourage cooperation between long-term public and private investors

The EU has broken new ground in this respect by setting up, from 2020 onwards, a network of accredited implementing partners capable of relaying and amplifying EU action.

The EU should systematically involve these partners in the deployment of its programs and grant them a level of trust correlated to the requirements of the label it has awarded them.

Establish an appropriate transparency framework for the use of funds

The EU's financial regulations should adapt reporting requirements to the reality of financial instruments deployed in contexts of market failure.

Strengthen the capacity to support project promoters

In this respect, the InvestEU program should further strengthen its technical assistance component.

Prevent administrative burden through SGI-oriented Impact Assessments

Following up on the Conference on the Future of Europe, the European Commission has agreed to integrate into its impact assessments a “Competitiveness check”, aimed at analysing the impact of new legislation on companies and the business environment.

Together with Protocol 26 on Services of General Interest, the 2011 “A Quality Framework for Services of General Interest in Europe”¹³, Article 14 TFEU acknowledge “the place occupied by services of general economic interest in the shared values of the Union as well as their role in promoting social and territorial cohesion” and call for “the Union and the Member States, each within their respective powers and within the scope of application of the Treaties, shall take care that such services operate on the basis of principles and conditions, particularly economic and financial conditions, which enable them to fulfil their missions”.

In light of this acquis and learning from the lessons of the COVID-19 pandemic and the energy prices crisis, SGI Europe calls for integrating an “SGI-oriented Impact Assessments” to be added in the Better Regulation Toolbox. This Test will help better measure and anticipate the impacts of EU legislation on providers of services of general interest and prevent negative consequences and a deterioration of the conditions in which SGIs operate.

Such an SGI-oriented impact assessments could prevent creating additional administrative burden on SGIs across Europe. SGI Europe calls on future legislators to carefully assess areas to regulate upon, leaving areas of general interest to the Member States, regional and/or local governments which are best suited to organise the provision of SGIs.

There exists no “one-size-fits-all” solutions regarding the provision of SGIs and public services. SGI Europe calls to rethink the real need and added value of new regulation, and focus on the implementation, as new legislation needs time to deliver on its objectives.

SGI Europe stands ready to support the European Commission in preventing administrative burden on SGIs and for developing “SGI-oriented Impact Assessments”, to be integrated into the Better Regulation toolbox and the impact assessments.

¹³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “A Quality Framework for Services of General Interest in Europe”, COM(2011) 900 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0900>