FIT FOR FUTURE Platform Opinion

Topic title	How to favour interconnectivity between the digital and the green transition, including through simplification?
	[AWP 2022](#)
	- *Legal reference*
Date of adoption	05 December 2022
Opinion reference	2022/SBGR1/01
Policy cycle reference	☐ Contribution to ongoing legislative process
	- *Commission work programme reference*
	No
	☐ Contribution to the (ongoing) evaluation process
	- *Title of the (ongoing) evaluation*
	No
	☐ Included in Annex VI of the Task force for subsidiarity and proportionality
	No
	☑ Other
Have your say: Simplify!	*No relevant suggestions on this topic have been received from the public.*
Commission follow up	REFIT Scoreboard: [Interconnectivity between green and digital transitions](#) Have your say portal: [Strategic Foresight Report 2022](#) [Gigabit Infrastructure Act](#) [European Sustainability Reporting Standards](#)

Annual Burden Survey:	[The EU's efforts to simplify legislation](#) (2022)
Other:	[First implementation report on the Single Digital Gateway](#)
	[Towards a green and digital future: Key requirements for successful twin transitions in the European Union](#)
	[Reference foresight scenarios of the global standing of the European Union in 2040](#)
	[Horizon Scanning](#)

Suggestion 1:	Strengthen assessments of combined effects of legislation and policies and reinforce the assessments of non action in impact assessments of the European Commission
Suggestion 2:	Explore extending sustainability assessment standards to assess sustainability and digitalisation levels of enterprises
Suggestion 3:	Improve access to data through improved broadband infrastructure and governance
Suggestion 4:	Stronger use of strategic foresight to ensure the design of future-proof policies

SHORT DESCRIPTION OF THE LEGISLATION ANALYSED

This opinion does not address a specific piece of legislation but rather horizontal issues of policy coherence in the green and digital transition. It builds upon, what was done under the previous opinion on interconnection under the former REFIT Platform, which aims at examining broadly how the Commission should ensure that potential incoherencies between policy areas are removed.

A horizontal opinion on strengthening coherence across policies within the Fit for Future Platform would build up on the initial work in predominantly two respects:

1. *Clearer scope* – namely, the digital and green transition. The digital and green transitions involve a very high number of different policy streams. Reinforcing coherence across policies would therefore be beneficial for all those (European, national and regional institutions; enterprises; workers, etc.) involved in those transitions. Furthermore, the focus of the 2022 Strategic Foresight Report which focused on "twinning", i.e. how they can reinforce each other, also with the help of new technologies and in the new geopolitical context. As a core principle of the Treaty on the European Union, sustainable development is a priority objective that should guide the Commission's work on transition. The EU commitment to the UN 2030 Agenda for Sustainable Development should translate into a holistic approach, whereby the social, environmental and economic dimensions are given equal consideration. This opinion, however, primarily focuses on the digital and green transition while at the same time acknowledges the importance of socially just transition.

2. *Clearer process* - linked to the implementation and follow up of the Fit for Future opinions. This would be possible thanks to the reinforced strategic foresight initiated by the European Commission with the Strategic Foresight Reports, leading to an increased coherent strategic approach and robust forward-looking policy framework.

Further sources of evidence:

European Pillar of Social Rights website

[Commission's Communication, A STRONG SOCIAL EUROPE FOR JUST TRANSITIONS, COM(2020)14](#)

[Commission's Communication, The power of trade partnerships: together for green and just economic growth, COM(2022)409](#)

[EU holistic approach to sustainable development website](#)

[Digital transition website](#)

[Green transition website](#)

[Strategic foresight report 2021](#)

[Strategic Foresight 2022](#)

[The Treaty on European Union](#)

[UN Agenda for Sustainable Development 2030](#)

PROBLEM DESCRIPTION

The Fit for Future Platform has acknowledged the following issues:

Favouring twinning between the digital and the green transition that are at the same time also socially just, in the realm of policymaking represents a strategic objective for the EU, particularly in the context of the ambitious targets set by the Green Deal, the Fit for 55 package, the European Pillar of Social Rights and the Digital decade. Delivering on policy targets to reach a just, green and digital transitions will be key to shape and secure a European open strategic autonomy as a means to ensure a fair level playing field for a resilient economy, in full respect of EU democratic, social and environmental values.

The EU's ambition of becoming a world leader in both digital and green areas, setting the pace of the transition towards climate neutrality and a fairer and socially just Europe, and on providing human-centred standards for the digital sphere, takes place in an ever-changing and ever more unpredictable world. To ensure policy coherence, the work to achieve this ambition should be guided by the rights and principles enshrined in the Charter of Fundamental Rights of the EU, which is binding for all EU policy areas.

As it will affect every aspect of our societies, economies and industries, the successful twinning of the green and digital transitions in the EU will require new human-centred technologies, with investment and innovation to match. New technologies will create new products, services, markets and business models as well as shape new types of jobs, protection and skills needs.

Policy coherence and strategic foresight are key in order to fully exploit the potential of the shift from linear production to a circular and regenerative economy focussed on wellbeing, equality and social justice. If not carefully managed, the green and digital transitions risk increasing fragmentation and inequalities between regions and people. To ensure sustainable development and social progress in line with the fundamental EU objectives set out in the

Treaties, it is therefore important to ensure that no one is left behind in the transition towards a greener, more digital and social Europe.

Against this backdrop, technological and green innovation should go hand in hand with social innovation, while ensuring full respect for fundamental rights. Consequently, the digital and green transformation should promote high standards for occupational health and safety, ensure better social protection and fairer working conditions while digital and green transition policies should be carefully designed to encourage re-skilling and up-skilling of affected workers, to meet the new needs of the labour market.

As a patchwork of legislation can create uncertainties and unintentionally stifle innovation, business expansion and socially just twin transition, it makes more difficult for the companies, the entrepreneurs and end users to grasp a good knowledge of the legislation. They are often unaware of the rights and obligations enacted by the EU regulations and corresponding national laws. Therefore, strengthening the coherent implementation of these laws should be a priority.

The Russian military aggression against Ukraine – with the EU's energy supply dependency vis-à-vis Russia severely constraining our collective policy options and diplomatic efforts – stands as a stark reminder of the need to strengthen policy coherence and strategic foresight in order to strengthen the EU's open strategic autonomy.

Moreover, the recent crisis revealed the challenges of supply of critical raw materials, which are essential for the twin transition as they provide materials needed for producing batteries, electric motors and photovoltaics. The relevance of supply of critical raw materials is even more crucial, since accelerating the green transition is also EU's strategy to end imports of Russian energy.[1]

The current situation in the EU has proven the need for creation of policies that go beyond the mere setting out of rules and regulations, which will trigger technological change (shifting from petrol cars to electric vehicles, from oil boilers to heat pumps or improving the energy efficiency of products). Ultimately, these efforts won't deliver the expected benefits if in parallel, the policies do not encourage shifting behaviours (avoiding unnecessary car trips for instance). we have to prevent the "rebound effect", meaning that the energy efficiency gains will be offset by a much more intensive use.

Similarly, recent experiences from the COVID-19 crisis demonstrate the importance of involving stakeholders at all levels in the elaboration and implementation of measures to address challenges and anticipate change. Social partners and civil society will play a key role in ensuring that greening and digitising measures meet the needs and concerns on the ground, and thereby also effectively contribute to a socially just transition.

Lastly, in line with the revised Better Regulation Guidelines and Toolbox[2] published by the European Commission in November 2021, strategic foresight and incorporating the United Nations sustainable development goals (SDGs) are now structurally embedded into every step

---

[1] Hume, Europe faces critical shortage of metals needed for clean energy, Financial Times, April 2022;
[2] Please see Tool #20 of the European Commission Better Regulation Toolbox;

of the EU policymaking cycle (impact assessment, public consultation, fitness check and evaluations), thus providing both policymakers and stakeholders with a clear long-term overview on the alternative policy options, scenarios and trade-offs of green and digital initiatives.

This opinion of the F4F Platform intends to offer a constructive contribution on how to strengthen policy coherence and to bring a dynamic and forward-looking perspective of synergies and trade-offs between the EU's policy goals and initiatives to promote green and digital transitions.

SUGGESTIONS

Suggestion 1: Strengthen assessments of combined effects of legislation and policies and reinforce the assessments of non action in impact assessments of the European Commission

Description: Existing legislative and policy evaluations of the Commission largely assess the administrative burden mostly of a single piece of legislation while failing to account for the combined administrative burden that stakeholders have to cope with. For example, different legislative texts can unintentionally increase the administrative burden for certain enterprises. At the same time, intentions to address administrative concerns in one policy area must not result in unforeseen negative consequences in another policy area, as regards e.g. businesses, workers, consumers, the environment or the public interest.

In the existing legislative evaluations of the Commission, the obligations of the stakeholders the twin transition initiatives, related to both green[3] and the digital initiatives[4], that are at the same time also socially just[5], are largely evaluated separately. An assessment of combined digital impacts of relevant legislative initiatives – including those promoting the green and social transition – would help identifying trade-offs and inform future action. The platform thus proposes to reinforce the assessment of combined effects occurring to different stakeholders' groups (for instance: SMEs and other small companies, large undertakings, enterprises active in different sectors, workers, consumers, and local and regional authorities (LRA) in rural areas) in evaluations of related legislation aimed at promoting green and digital transitions. The recently developed SME filter[6] could serve as an example for developing such tools also for other stakeholders' groups (citizens and other enterprises).

---

[3] Stemming from, for instance: EU Green deal https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

[4] As embedded in Digital Decade: https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en

[5] As established in the European Pillar of Social Rights and its Action Plan: https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights_en

[6] 2021 Annual Report SME Envoy Network Final.pdf (europa.eu)

The combined effects have to always be considered in the context of general interest and pursue policy objectives that benefit the society as a whole. In order to policy coherence in context of green and digital transitions, the Platform call to reinforce the already existing assessments of the Commission of non-action in the impact assessments, mostly in the baseline scenarios. Such baseline scenarios, where consideration of long-term impacts of (non)regulation is examined, can prevent additional costs or lost opportunities. A stronger focus on long-term benefits of regulation will also help to revitalise the short-term adjustment costs as a necessary investment to achieve added value on a longer term. Furthermore, reinforced mainstreaming of United nations sustainable development goals SDG would signal deviations, move towards Sustainable Impact Assessments and will overall benefit to identifying trade-offs, spill overs and cumulated effects and costs of non-action.

Expected benefits: Assessments of combined effects of legislation aimed at promoting green and digital transitions in the whole policy cycle, would offer a broader and more detailed picture of their impact of any legislation (including synergies, trade-offs, spill-overs and costs of inaction) on different stakeholders (workers, consumers, SMEs, large undertakings, different sectors, public authorities etc.), also improving certainty, trust and compliance as well as promoting a more coherent, sustainable and long-term approach to law and policymaking, in line with the Agenda 2030.[7]

Furthermore, strengthened assessments of non-action in the impact assessment of the European Commission will reduce the burdens for the future societies.

Suggestion 2:   Explore extending sustainability assessment standards to assess sustainability and digitalisation levels of enterprises

---

Description: In order to assess the progress of the green transition and compliance with social standards, the sustainability of each enterprise has to be measurable and doable via a feasible and streamlined process. While this is particularly relevant for SMEs, also large undertakings need tools for assessing that their products, processes, supplies and operations are compliant to sustainability checks. This will be particularly relevant in the context of the implementation of the EU Directive on Corporate Sustainability Reporting and the development of the dedicated European Sustainability Reporting Standards. Digital tools to assess undertakings' sustainable performances, such as the product passport included in the Proposal for Eco-design for Sustainable Products Regulation[8], can for instance play a significant role in alleviating administrative burden as well as lowering the costs of sustainability reporting and assessments. This suggestion invites the Commission to explore using digital tools for other sustainability reporting obligations, so as to facilitate compliance as well as monitoring. An important step in improving such assessments are standardization and limitation of numerous sustainability labels.

Expected benefits: Reduction of administrative burden, in particular for smaller enterprises. As a result, high costs of outsourcing (relevant for smaller enterprises) and related activities

---

[7] A/RES/70/1 Transforming our world: the 2030 Agenda for Sustainable Development (un.org)
[8] Proposal for Ecodesign for Sustainable Products Regulation (europa.eu)

could also be avoided. Similarly, digital reporting may not facilitate only accessibility of tools, but also monitoring and compliance with reporting obligations.

Suggestion 3:   Improve access to data through improved broadband infrastructure and governance

Description: To foster the green and digital transition that is at the same time also socially just, better access to data[9] while ensuring full respect for data protection and privacy of people, will play a crucial role. Broadband roll-out can be a case in that regard. The insufficient use of available data by deploying telecommunication companies can lead to damage of other utility infrastructures. This would not be in line with the target of a digital and simultaneously green transition.

The co-use of existing infrastructure for broadband, water[10] and gas, could limit the negative impact of deployment of broadband networks on the environment. The Broadband Cost Reduction Directive – currently under revision - already obliges all network operators to provide a minimum set of information on existing physical infrastructure (location and route, type and current use of the infrastructure and the contact point) and allows Member States to require public sector bodies to make available the information they hold about physical network infrastructure via a Single Information Point (SIP) by electronic means as well as for telecommunication operators to exchange information bilaterally with other network operators (utilities, transport networks). However, while these requirements have been implemented by member states, there still is room for improvement in some member states.

Better governance and enforcement of existing measures, there is a risk that stakeholders involved in the rollout of broadband could inadvertently damage critical infrastructure if not consulting available data on where that infrastructure is located. Data exchanges would therefore be welcomed to enhance communication amongst all parties involved.

Access to data, on the other hand, can make an important contribution to a more sustainable single market by providing meaningful information on the need to repair, re-use and recycle products.

In addition, sharing comparable data can reduce burden on companies. Thus, it is equally important to further foster digitalisation of national authorities (public administration, including in rural areas) and interoperability of such digital public services to reach a harmonised state of play in the EU. Such fast and streamlined digital procedures would also allow to accommodate organisational and administrative differences between the Member States.

At the same time, digital tools do not only pave the way for smooth administrative procedures, but also have the potential to improve compliance, monitoring and enforcement across borders

---

[9] Under this general statement of "better access to data" is meant an exchange of data between all levels of governments and deploying companies (1) on locations of already existing infrastructure and (2) co-usable infrastructure or (3) planned construction works which would allow for a co-deployment.
[10] Note that water for human consumption is not physical infrastructure within the meaning of Broadband Cost Reduction Directive;

and overall better implementation of the EU legislation and policies. Two notable examples for smoother administrative procedures include initiatives such as the eDeclaration of Posting and the European Social Security Pass (which is still in pilot phase). The eDeclaration aims at reducing administrative burden on service providers while facilitating the exchange of information between service providers and competent authorities of EU Member States for the purpose of improved monitoring and control. Consequently, this initiative shall not undermine national information requirements linked to the enforcement of the Posting Directives and shall improve cross-border enforcement. For this reason, the eDeclaration form shall be taken up only by interested Member States on a voluntary basis. Besides, Member States shall always have the possibility to add further features to their declarations on posting.. The European Social Security Pass pilot project, in turn, aims to explore a digital solution to facilitate the portability of citizens' social security rights across borders, simplify interactions with administrations and help reduce the risk of errors and fraud in the social security coordination, ultimately facilitating the implementation of EU social security coordination rules by lifting the administrative burden and improving identification and verification. Equally, the Company Law Directive, in particular digital tools used in company law procedures, including the Business Registers Interconnection System (BRIS), provides for an increased availability of company data which consequently contributes to the assessment of companies' sustainability footprint.

Therefore, the Platform invites the Commission to further help stakeholders to fulfil the administrative and technical means necessary to make data accessible to both administrations and competent authorities, as well as to other businesses, if applicable, on fair and reasonable terms, respecting data protection rules and following the highest standards of cybersecurity. Human-centric approach reflected in empowering and protecting consumers and workers to be able to control and benefit the data needs to be a guiding principle.

Acknowledging that the general increased data sharing and usage of data per se does not increase the overall effectiveness of the EU legislation and policies, the Platform proposes for every relevant design of legislation and policies to undertake the cost-analysis taking into account differences between the Member States and allowing them sufficient flexibility in order to avoid additional administrative burden for both the (local) authorities and the companies. Moreover, duly reasoned exemptions from data sharing obligations, provided by existing national or EU legislation should be considered.

Lastly, the impact on fundamental rights, privacy and human cantered policy-making always needs to be duly considered and scrutinised when it comes to digital policy initiatives. Nevertheless, also environmental impacts should be thoroughly analysed in all relevant impact assessments supporting legislative proposals, including digital ones. Thus, improved data access should by no means cause unjustified increase in consumption of energy or further generate emissions.

Expected benefits: Improved access to data[11] through improved broadband infrastructure and governance and better use of information can prevent unnecessary damages, support compliance as well as risk assessments and further contribute to the sustainability goals.

Suggestion 4:   **Stronger use of strategic foresight to ensure the design of future-proof policies**

Description: When designing, implementing and evaluating policies and legislation to promote the digital and green transitions, increasing use of strategic foresight is urgently needed. The aforementioned example of broadband deployment illustrates the necessity for better and more forward-looking planning. Considerations of long-term impacts of regulations should systematically include the cost of non-action in terms of not only its economic but also social and environmental consequences. It is important to keep in mind that non-action at the EU level may result in additional costs or lost opportunities.

Expected benefits: Increasing use of strategic foresight to ensure future-proof policies would improve the ability of policymakers to manage the urgency of delivering on various strategic goals, including digitalisation. For example, opting for a more sustainable forward-looking technologies could also prevent costs that would occur at a later stage when dismantling outdated infrastructure. By accounting for the long-term costs of non-action, the policies and legislation reduce burdens for the future generations.

---

[11] Under this general statement of "better access to data" is meant an exchange of data between all levels of governments and deploying companies (1) on locations of already existing infrastructure and (2) co-usable infrastructure or (3) planned construction works which would allow for a co-deployment.