



# CEDEC Brief News | March 2024

- Spotlight on: European climate risk assessment and Commission communication on climate resilience
- European Parliament gives final approval to Buildings Directive
- Commission prepares the ground for the Digital Networks Act
- Artificial Intelligence : Parliament green lights 1st ever legal AI framework

→ [Reading of the month](#) → [Ongoing consultations](#) → [Upcoming meetings & events](#)

## European Parliament gives final approval to Buildings Directive

On 12 March, the European Parliament formally approved the agreement reached in trilogues back in December on the Energy Performance of Buildings Directive (EPBD).

The text passed with a comfortable margin, with 370 votes in favour, 199 against, and 46 abstentions. However, the vote showed a strong political left-right split, with most Italian, French and German MEPs from the EPP opposing the text, along with the far-right group Identity and Democracy (ID) and the European Conservatives and Reformists (ECR).

As a last step before publication and entry into force, the text still needs to receive the Council's stamp of approval at ministerial level, expected on 12 April.

## Commission prepares the ground for the Digital Networks Act

The outgoing European Commission has presented on 28 February a non-legislative White Paper 'How to master Europe's digital infrastructure needs'. The White Paper is part of a package on the future of digital networks and infrastructure and is supposed to lay down the foundations of a future Digital Networks Act anticipated to be published by summer 2025. Also, it must be read in the context of the upcoming review of the European Electronic Communications Code (EECC) that consolidates the EU regulatory framework for the telecoms sector.

The White Paper first explains the challenges that Europe is facing in the roll-out of connectivity networks. These are for example technological challenges, high investment needs – a total of over 200 billion EUR is required to reach the connectivity targets – and the financial situation of the EU electronic communications sector, which according to the Commission looks sobering. Particular attention is given to the lack of a single market, which the Commission sees as a stumbling block for operators to reach sufficient scale. At several instances the Commission sees the need for pan-European players to emerge.

To solve these issues the paper explores several possible scenarios that may be realised under the next European Commission taking office in November 2024. It fosters the idea of a true single market for telecoms by considering measures to reassess its current regulatory framework. Such measures might include changes in wholesale access, with less ex-ante regulation and a European wholesale access product. Moreover, a roadmap for accelerating the copper switch-off including a 2030 target is being proposed.

Now that the Commission's ideas for the future of the telecoms sector have been outlined, the Commission is collecting views on the total of 12 scenarios set out in the White Paper. The [consultation](#) will run until 30 June 2024.

## Artificial Intelligence: Parliament green lights 1st ever legal AI framework

The plenary of the European Parliament has formally approved the Provisional Agreement that was reached in December 2023 on the Artificial Intelligence (AI) Act (see the [last issue](#)). A provisional version of the text was endorsed on 13 March 2024 with 523 votes in favour, 46 against and 49 abstentions. This will be followed by an endorsement by the Council on 29 April, almost three years following the publication of the Commission's proposal on 21 April 2021. Key aspects of the AI Act are yet to be fleshed out in further technical implementing legislation and guidelines, with several questions remaining on how the law will finally be implemented. On the current text, the legal services of all three EU institutions already expressed their concerns regarding the quality of the legal drafting.

In the meantime, the Commission is already working on implementing certain provisions, such as the establishment of the [European AI Office](#) on 21 February, a newly created unit set up within the Commission as part of DG CNECT. Amongst others, it is supposed to serve as a central coordination body for AI policy at EU level and will be responsible for supervising rules for general-purpose AI models and systems.

To facilitate the transition to the new regulatory framework, the AI Pact – initiated by the Commission in November 2023 - seeks voluntary commitment of EU and non-EU industry to start implementing the AI Act requirements ahead of the legal deadline.

## Spotlight on: European climate risk assessment and Commission communication on climate resilience

On 12 March, the European Commission published a communication setting out its vision for ensuring the EU and its Member States can better anticipate, understand, and address growing climate risks. The communication responds to the alarm bells sounded by the first ever European climate risk assessment (EUCRA), a scientific report released the day before by the European Environment Agency (EEA).

The EUCRA indeed finds that the climate risks facing the EU significantly outpace its preparedness, with insufficient action being taken for most of the major risks identified across all sectors and policy areas, including energy. In this area, Southern Europe is the most strongly affected, being already exposed to substantial risks from the impacts of heat and prolonged droughts on energy production, transport, and peak demand. However, coastal and inland floods are also a major threat to the energy system throughout Europe.

The need for rapid action is increased by the long policy horizon of climate risks, as the required measures often have long lead times for planning and implementation, and current decisions can create lock-ins with long-term implications, such as for infrastructure.

The assessment also emphasises that most of the identified risks across all sectors are interrelated, leading to potential risk cascades. For example, energy infrastructures are often interconnected, and have interdependencies with other types of infrastructure: power outages can disrupt telecommunications or transport systems or, conversely, power distribution can be affected by disruptions in the digital systems controlling it. More broadly, failures in the energy system can impact most other sectors, from human health and well-being to the wider economy and financial system, while disturbances in other areas can impact the energy system.

This interrelated nature of climate risks and impacts leads both the EUCRA and the communication to call for a systemic approach to adaptation and resilience-building, in order to transcend sector silos.

The Communication therefore proposes four overarching categories of actions to improve the EU's capacity to deal with climate risks:

- **Improved governance:** the 'ownership' of climate risks and responsibilities should be clarified across EU, national, regional and local levels, and better coordination across these levels should be ensured.
- **Better tools for empowering risk owners:** the accessibility of high-quality climate data, modelling tools and indicators must be improved to enable policymakers, businesses and investors to make well-informed decisions. Capacity building must also be enhanced to provide the necessary skills, knowledge and workforce to implement these decisions.
- **Harnessing structural policies:** EU Member States must improve their spatial planning policies, and also embed climate risks in planning and maintaining critical infrastructure. In this regard, Member States should ensure that long-term resilience to climate risks is explicitly addressed under the evaluations to be carried out under the Critical Entities Resilience (CER) Directive.
- **Financing climate resilience:** EU and national public spending as well as incentives for private finance should be designed so as to make climate risk prevention the best economic choice.

The Commission also proposes targeted measures for each of the 'risk clusters' identified in the EUCRA. Concerning the energy sector – included in the infrastructure cluster – the Commission underlines the need for better climate risk planning. For example, few Member States already consider the resilience of their energy system under the climate adaptation measures proposed in their national energy and climate plans (NECPs).

### Reading of the month

→ [European Environment Agency – European Climate Risk Assessment \(report\)](#)

### Ongoing consultations

→ [Feedback on EC White Paper "How to master Europe's infrastructure needs?" – deadline 30 June 2024.](#)

### Upcoming meetings & Events

- [CEDEC Working Group Grid Tariffs – 20 March 2024](#)
- [CEDEC Platform Local Broadband – 27 March 2024](#)
- [CEDEC Board of Directors – 17 April 2024](#)