

Empowering citizens and businesses in the digital transformation through a streamlined and ambitious use of the EUDI Wallet by Austria, Cyprus, the Czech Republic, Denmark, Hungary, Latvia, Poland and Slovenia:

The European Digital Identity Wallet (EUDI Wallet) presents a tremendous opportunity to empower and make life easier for European citizens and businesses. For citizens, it has the potential to simplify a wide range of everyday situations such as authenticating identity, credentials or personal attributes such as age. In the same vein, the wallet holds great potential in alleviating administrative burdens for businesses – from making it easier to operate across EU through digital power of attorneys to eliminating the need for sharing and verifying physical documentation through digital credentials.

*In order to fully reap the benefits, **we call for the Commission to introduce a streamlined and ambitious use of the EUDI Wallet.** Hence, on the one hand, future EU legislation, introducing functionalities similar to those offered by the EUDI Wallet or functionalities which can be implemented through the EUDI Wallet should be aligned with the EUDI Wallet framework. Thereby, also avoiding requirements for Member States to create parallel technical infrastructures supporting such similar functionalities where the EUDI Wallet could have been appropriate and convenient. Importantly, the intention is not to expand the scope of the EUDI Wallet, but to ensure alignment across EU legislation in order to reap the benefits. At the same time, an ambitious uptake of the EUDI Wallet should be ensured by applying a strategic and ambitious approach to use cases such as on age verification and reporting obligations.*

In the following, key actions are set out in terms of how to ensure such a streamlined and ambitious use of the EUDI Wallet.

Streamlining the use of EUDI Wallet across EU legislation

A fragmented approach can be observed across the legislative landscape, wherein new pieces of EU legislation introducing functionalities similar to those offered by the EUDI Wallet or functionalities which can be implemented through the EUDI Wallets have not been fully aligned with the EUDI Wallet framework. For example, during the negotiations of the *proposal for a Regulation on the European Health Data Space (EHDS)*, the issue of alignment with eIDAS2 regarding the development of digital proxy solutions was encountered, and the proposed timeframe was not in line with the requirements of eIDAS2. Similarly, other proposals such as the *Directive on Faster and Safer Relief of Excess Withholding Taxes* did not fully align with eIDAS2.

The lack of systematic alignment leads to additional functionalities that are not compatible or at least difficult to integrate into the fundamental structure and principles of the EUDI Wallet. At worst, not aligning such functionalities with the EUDI Wallet framework can result in the requirement for Member States to establish parallel systems in cases where the use of the EUDI Wallet could have been appropriate and convenient. Also, it should be noted that other sectorial regulatory proposals should not present new requirements for the EUDI Wallet framework as such requirements are set out in the eIDAS2.

Such inconsistencies not only hinder the realization of the EUDI Wallet's full potential and cause challenges to the implementation hereof but also potentially undermine the substantial investments made by Member States in its development *and* not least reduce the overall user-friendliness for citizens and businesses in their everyday encounter with EU-wide digital solutions.

Importantly, the intention is not to expand the scope of the EUDI Wallet, considering Member States' obligation to offer alternative solutions for those who opt not to use the EUDI Wallet in order to ensure inclusivity. The EUDI Wallets are an integral component of the European Digital Identity framework, where every element, including notified eID means and trust services, should work together to deliver added value to EU citizens, residents, and businesses. The intention is therefore to streamline what we have agreed to across EU legislation and reap the benefits hereof.

Ensuring an ambitious uptake of the EUDI Wallet

Beyond a dedicated focus on streamlining EU legislation, more efforts should be made to fully unlock the potential of the EUDI Wallet and to make use of its horizontal nature for functionalities related to identification, authentication, digital credentials, digital power of attorney solutions etc.

In widening the uptake of the EUDI Wallet, work on pilot projects has already been undertaken and the functionalities of the EUDI Wallet have been utilized in more recent regulatory proposals. Looking ahead, further exploration of use cases should be envisaged through a coherent and strategic approach. Such an approach should follow a needs-based principle, starting with essential services and gradually expanding, in order to make the most of limited resources and competencies within Member States. Providing a coherent approach will also allow Member States adequate time to prepare for the integration of new use cases and help avoid ad hoc implementation issues.

As an impetus to the work on use cases, effective age verification should be explored considering that it could play a vital role in reducing children's exposure to adult-only, harmful and age-inappropriate content. Such a solution holds great potential, enabling websites and services to automatically verify a user's age and consent preferences, presenting content accordingly and fully respecting privacy due to the "privacy by design" nature of the wallet. Beyond the digital sphere, the wallet could also be used as a means for customers to verify their age for example when buying products involving age requirements such as alcohol. Another use case that could be explored is making the process of complying with reporting obligations easier for businesses. Hence, the functionalities of the EUDI Wallet could potentially simplify the reporting, where the potential in solutions such as digital signatures, organisational digital identities, digital power of attorneys etc. should be explored further taking into account the existing common European digital building blocks.

Key action points going forward

Below are the key actions we propose to support a more streamlined and ambitious use of the EUDI Wallet:

- Systematically ensuring EUDI Wallet alignment when drafting new EU legislation.**
 When drafting new legislation, the Commission should develop systemic means to ensure consistent use of and alignment with the EUDI Wallet framework. This is especially important when there is an intention to create a link between the new legislation and the EUDI Wallet framework. This should involve the early phases of carrying out impact assessments, focusing on technical feasibility, implementation costs and potential benefits. Any deviations should be carefully justified and explained.
- Interoperability coordinators should facilitate a consistent and coherent approach to the EUDI Wallet within respective Directorate-Generals (DGs).** As designated per the *Interoperable Europe Act*, the coordinators have the task of assisting DGs in reaping the benefits of cross-border interoperability of trans-European digital public services. On this basis, they should coordinate efforts, collaborate with stakeholders and ensure alignment with EUDI Wallet requirements across the different DGs.
- The European Digital Identity Cooperation Group should be consulted on planned initiatives, both legislative and non-legislative, involving the use of the EUDI Wallet.** Consultations should be made in the early phases, allowing for the feedback of the group to feed into the Commission's early work of developing the initiative. Furthermore, the Commission should regularly share a list of all legislative proposals associated with the EUDI Wallet with the group for it to discuss synergies and implementation aspects.
- The Commission should support measures advancing EUDI Wallet implementation, particularly within the Digital Europe Programme and the Technical Support Instrument.** Facilitating continuous information exchange and best practice sharing among Member States is paramount for successful implementation. Supporting measures should also seek to find solutions to outstanding implementation challenges such as the issue of identity matching.
- The Commission should develop a dedicated use case strategy paving the way for a wider uptake of the EUDI Wallet** taking into account the time needed for specifying technical aspects and for Member States to implement the fundamental infrastructure of the EUDI Wallet. Such a strategy should among other ideas explore the potential of making an effective age verification mechanism as well as reducing the administrative burdens for businesses in their use of common European digital building blocks regarding specific reporting obligations