FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION

TO THE OPINIONS OF THE

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

PLENARY SESSION OF JANUARY 2021\(^1\)

DISCLAIMER:

Due to current circumstances of the COVID-19 pandemic, announcements made in this report may be subject to revision in coming weeks or months.

\(^1\) Including the follow-up to one opinion adopted during the September 2020 Plenary session.
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### Points of the European Economic and Social Committee opinion considered essential

1.2. […] The proposals accompanying the Pact on Migration and Asylum are important but insufficient for the development of the common European framework for migration management, which would be both effective and in line with the EU's values and objectives. The EESC regrets that the New Pact on Migration and Asylum devotes most of its proposals to the management of external borders and return, while failing to pay due attention to regular channels for immigration, safe pathways for asylum or the inclusion and integration of non-EU nationals in the EU.

1.9. The EESC welcomes the development of safe and legal pathways to access European territory, especially through resettlement and community-sponsored programmes. However, it considers that these channels only meet the needs of individuals with a specific profile and do not provide comprehensive, effective or secure responses to the need for regular channels of immigration into the EU. The EESC regrets that the New Pact on Migration and Asylum devotes most of its proposals to the management of external borders and return, while failing to pay due attention to regular channels for immigration, safe pathways for asylum or the inclusion and integration of non-EU nationals in the EU.

### European Commission position

The Commission believes that the proposed New Pact sets forward a comprehensive and balanced set of measures to take decisive action on all aspects of asylum and migration management. Through coherent implementation, these measures will allow the EU to uphold its values, provide protection to those who need it, preserve social cohesion, attract people that the European economy needs, better share the responsibility for migration management among Member States and enhance comprehensive, mutually beneficial, and tailor-made partnerships with partner countries.

The proposed New Pact stresses that integration is a key part of migration policies. The first deliverable the Commission adopted following the adoption of the proposed Pact was a comprehensive Action Plan on Integration and Inclusion for 2021-2027.

The proposed New Pact clearly recognises the importance of legal pathways and the essential role of labour migration for the EU economy. In addition to the relaunch of negotiations on the Blue Card, it looks forward to the adoption of a Skills and Talent package by Q4 2021, which will include ideas for how to set up an EU Talent Pool for skilled third country workers.

Recognising the need for a comprehensive approach to labour mobility, the Commission
also launched, together with the New Pact, a public consultation on how best to meet long-term challenges in this area. Dialogue with social and economic partners will be key in determining next steps. The proposed New Pact also sets out the Commission’s intention to support the use of legal pathways to provide protection in the EU to persons in need, including through resettlement and community sponsorship schemes.

1.3. The EESC regrets that the Pact on Migration and Asylum makes no mention of the United Nations’ Global Compact for Safe, Orderly and Regular Migration (2018) as a multilateral precursor to a proposal for international migration management. We support the strengthening of a rules-based global multilateral system, including in the area of mobility and migration, and encourage the Commission to coordinate the new Agenda with the global policies and instruments. Moreover, we encourage EU institutions and Member States to place migration and mobility within the larger Sustainable Development Goals UN Framework.

The Commission agrees with the Committee on the need to contribute to the strengthening of a rules-based global multilateral system². The EU and most Member States are already implementing the provisions of the United Nations’ Global Compacts, by intensifying cooperation with partners at bilateral, regional and global levels and through migration, humanitarian and development cooperation frameworks.

The proposed New Pact provides a strengthened basis for a sustainable and long-term response in terms of migration and asylum management, fully grounded in European values and international law and carried out through enhanced and mutually beneficial partnerships with third countries and international organisations. This will be done in a comprehensive and balanced manner and taking into account the interests of both the EU and partner countries.

With the proposed New Pact, the EU will further enhance its support to partner countries in strengthening their capacities on the overall governance of migration and forced displacement alike. As the global leader on resettlement of persons in need of international protection, the EU will also continue to engage with the UN and partner countries to step up global efforts in this

² Joint Communication on strengthening the EU’s contribution to rules-based multilateralism. JOIN (2021) 3 final.
1.4. The Pact on Migration and Asylum correctly highlights the inconsistencies between Member States' asylum and return systems, and emphasises the need to boost solidarity. However, it is not clear if the principle of voluntary and selective solidarity will help solve major coordination challenges. No mention is made of the incentives for the Member States to participate in this mechanism, especially following the refusal by some of them to participate in the previous relocation programme. If they are incentivised to participate, it is not in the area of relocation – the most pressing, difficult and costly issue - but in the area of capacity-building and return.

A key element of the comprehensive approach to migration management set out in the proposed New Pact is that different intertwined policies of asylum, migration and return are coherently coordinated and implemented based on the principle of solidarity and fair sharing of responsibility.

The proposed Regulation on migration and asylum management introduces a system of mandatory and constant solidarity.

The Commission believes that the approach set out in the New Pact will ensure that each Member State is playing its part in providing effective solidarity, while leaving Member States with viable alternatives to relocation.

1.5. The EESC considers that the projected pre-entry screening system and border procedures are inadequate. First, the screening system does not provide enough procedural guarantees for the respect of the fundamental rights by persons accessing it. As it stands the principle of non-refoulement is a central piece of the EU’s global political commitments and the EU’s external action, including on migration, is fully compatible with the UN Sustainable Development Goals.

The Commission wishes to assure the Committee that all measures proposed under the New Pact respect fundamental rights and the principle of non-refoulement and include the necessary guarantees. The principle of non-refoulement is a central piece of the EU’s external action.

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Footnote: 3 Commission Staff Working Document on Delivering on the UN’s Sustainable Development Goals – A comprehensive approach. SWD (2020) 400 final.
now, it puts greater pressure on countries to take a swift decision and thus not show due regard for the individual rights enshrined in the 1951 Geneva Convention, especially non-refoulement. Second, as was the case with the hotspot approach, the conditions of reception for migrants and asylum-seekers alike are a serious concern which has to be fully addressed.

fundamental rights regime, reflected in Article 78(1) of the Treaty on the Functioning of the EU and Articles 18 and 19 of the Charter of Fundamental Rights of the European Union. Efficient screening at the border will help Member States handling large simultaneous arrivals to determine more quickly whether the people arriving are vulnerable and require a special assistance. The screening will direct people to the appropriate procedure at an early stage, and ultimately result in quicker decisions on asylum applications.

As an additional safeguard, Member States, working closely with the Fundamental Rights Agency, should put in place a monitoring mechanism already at the stage of the screening.

In the context of the border procedures, every person will still receive an individual assessment. Special attention to the needs of the most vulnerable includes an exemption from the asylum border procedure in cases where the necessary support cannot be provided to applicants with special procedural needs or where there are medical reasons for not applying the border procedure.

1.8. The EESC welcomes the initiatives to improve shared responsibility and better governance of migration flows with non-EU countries. The Committee is, however, concerned about the use of cooperation mechanisms that could lead to the externalisation of EU migration management or turn migration management into a negative incentive for these countries, as well as the temptation to make development aid and cooperation conditional on the development of migration control and/or readmission policies.

The Commission takes note of the Committee's concerns regarding the possible externalisation of EU migration management. This is not the goal of the proposals: it is rather to work together to address issues of real significance to the EU and partners alike.

Migration is a global phenomenon that touches all countries and their nationals and therefore requires a global response. As part of the comprehensive approach to migration and mobility, engagement with partner countries will be stepped up through dialogue and cooperation in the context of the full range of the EU’s and Member States’ policies, tools and instruments, which can be
pulled together in a strategic way in order to build mutually beneficial partnerships.

The EU will continue to take on its fair share of global responsibility and its work as the world’s largest humanitarian donor. At the same time, external partners also need to take their responsibility to assist and protect migrants and displaced persons, enhance migration management, including the management of borders, the fight against migrant smuggling and trafficking of human beings, and the readmission of their nationals.

The EU will support partner countries in developing effective migration governance, including through its development and international cooperation policies.

| 1.13. The EESC looks forward to the development of the Action Plan on Integration and Inclusion for 2021-2027 presented recently. The EESC is disappointed that this issue, which is crucial to coexistence in our societies, warrants so little attention in the Pact on Migration and Asylum. There is no indication in the Communication of the scale and structure of support for the integration measures. The EESC has extensive experience with the issues related to integration and unfortunately the New Pact on Migration and Asylum in its current form lacks ambition and clarity regarding the tools and incentives offered to different stakeholders. | The Commission wishes to stress that the Action Plan on Inclusion and Integration is one of the key deliverables under its priority on promoting our European way of life. It will contribute to the implementation of the proposed New Pact once legislation is adopted, and foresees targeted support for migrant integration where needed. It also ensures that integration priorities are fully embedded in other EU policies on the promotion of social inclusion and equality by making numerous links with other relevant areas and tools. In line with this approach, integration issues will be addressed under several funds in the current financial perspectives, including the European Social Fund Plus, the European Regional Development Fund, and the Asylum, Migration and Integration Fund. The Action Plan sets out specific actions in the areas of education, employment, health and housing. It also places a strong focus on building multi-stakeholder partnerships to support integration processes, and continued close cooperation with the Committee will be |
a key part of this.
### Points of the European Economic and Social Committee opinion considered essential

4.2. The EESC supports the four priority actions identified in the Commission's Communication, namely the Member States' obligation to fully and correctly transpose access to justice requirements stemming from EU secondary law, the need for co-legislators to include provisions on access to justice in new and revised EU legislation concerning environmental matters, the review by Member States of their own national legislative and regulatory provisions that prevent or undermine access to justice, and the obligation of national courts to guarantee the right of individuals and NGOs to an effective remedy under EU law.

4.5. The EESC warns therefore the Commission of the fact that this proposal contains problematic loopholes which may be used by institutions to avoid being held accountable.

### European Commission position

The Commission welcomes the Committee's support to the Communication. It is indeed crucial whenever the EU legal order is assessed, that this is done in a holistic way addressing both the EU and national level.

It is recognised that – contrary to EU law requirements – there are still too many obstacles to safeguard these rights in national courts. This is why the communication draws political attention to the imperative of action by national authorities and courts in Member States to step up implementation of EU rules on access to justice in environmental matters.

The Commission considers that this warning is unwarranted in light of the nature of the EU legal order’s multi-layered system of governance integrating EU-level and national-level courts in a single and complete system of judicial redress.

The EU’s compliance with the Aarhus Convention is based on: (i) the system of judicial review construed by the Treaties, where the Court of Justice of the EU takes authoritative and independent decisions on the interpretation of EU law, (ii) the Aarhus Regulation, as set out in the Commission proposal, and (iii) the national level access to courts, where national courts have an...
obligation based on the Treaties to safeguard rights of members of the public, including individuals and non-governmental organizations (NGOs) under EU law and act, in this regard, as ordinary courts of EU law, i.e. as part and parcel of the EU system of judicial protection.

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<th>4.8. The EESC does not endorse the Commission's proposal to exclude EU acts entailing &quot;national implementing measures&quot;. There is a real possibility that this exclusion could nullify or devalue the Commission proposal.</th>
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<td>The Commission considers that this Committee's proposal cannot be accommodated on grounds that, where a non-legislative act is allegedly contrary to EU environmental legislation but contains provisions requiring the adoption of further implementing measures at national level, the review of such measures is only possible once they are adopted. In these cases, the provision of a decision made at EU level produces consequences at national level. Non-Governmental Organizations can challenge such measures before a national court, which may, in turn, refer the matter to the CJEU under the preliminary ruling procedure. It should also be recalled that the requirement of not having national implementing measures (in order to have an admissible request for internal review) is due to the alignment of the internal review mechanism on Article 263(4) TFEU. Indeed, the Aarhus Regulation is meant to cure only an issue of standing, which follows from the impossibility for green Non-Governmental Organizations to show an individual concern within the meaning of the said provision of the Treaty. However, this Regulation is not meant to extend the category of challengeable acts beyond the boundaries of Article 263 TFEU, which indeed requires the absence of the need to adopt national implementing measures to allow for the judicial review of a certain EU measure. Moreover, the Commission takes note of the fact that the Committee does not put into</td>
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question the requirement that in the new definition of “administrative act” contained in the Commission’s proposal there is a reference mentioning “excepting those provisions of this act for which Union law explicitly requires implementing measures at Union […] level”.

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<th>1.6. Despite the arguments set out by the Commission, the EESC notes that non-legally binding EU acts can have significant effects both on the implementation of EU legislation and on its interpretation by the Court of Justice of the European Union.</th>
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<td>The Commission takes note of the Committee’s proposal. It is indeed important to clarify that the proposal, as explained in the explanatory memorandum, takes into account the relevant case law of the Court of Justice, which clarified, in particular, that an act can be subject to a request of review based on its effects, objective and content, regardless of its form.</td>
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<th>1.8. The EESC stresses that the new Regulation should permit internal review of Commission state aid decisions.</th>
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<td>The Commission considers that this proposal cannot be accommodated because it is outside the scope of the Convention Compliance case (ACCC/C/2008/32). EU state aid is subject to a Convention Compliance Committee case (ACCC/C/2015/128), which is still ongoing. The EU’s comments on the Committee’s draft findings were submitted on 24 February 2021 and a decision at the Meeting of the Parties is to be made in October 2021. These comments, along with prior EU submissions, will be available at the UNECE website⁴.</td>
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⁴ https://unece.org/env/pp/cc/accc.c.2015.128_european-union
### Points of the European Economic and Social Committee opinion considered essential

1.1. The European Economic and Social Committee (EESC) can only see at best marginal added value in the current proposal for an 8th Environment Action Programme (EAP). This added value comes from the announcement of an improved monitoring model and better reporting. Otherwise, the proposal focuses more on general descriptions of situations and declarations of intent than on substance and action. But there is no need for an "action programme" just to achieve better governance.

1.2. The EESC wonders whether an 8th EAP of this type really is needed to give further impetus to the EU's environmental policy, which – through the European Green Deal (EGD) – has definitely arrived at the very heart of EU policies.

3.1. The EESC agrees with the Commission that the environmental action programmes have long guided the development of EU environmental policy. However, the environmental policy of the 70s, 80s and 90s can no longer be compared with that of today; this raises the question as to the role and function of the environmental action programmes.

3.2. For that reason, the EESC wonders whether an 8th EAP is really needed to give further impetus to the EU's environmental policy, which – through the European Green Deal (EGD) – has definitely arrived at the

### European Commission position

The Commission’s proposal for an 8th Environment Action Programme (EAP) reflects the new political context in which the European Green Deal already outlines the EU’s environmental and climate objectives. In this context, its added value, though slightly different from its predecessor, is multifold.

Through the 8th EAP, the Council and the European Parliament are invited to legally endorse the overarching objectives of the European Green Deal: climate neutrality, adaptation to climate change, protection and restoration of biodiversity, circular economy and zero pollution ambition.

It provides a stable political framework up until 2030, beyond the mandate of the current Commission; it provides an opportunity for the three institutions to confirm their commitment to accelerate the Union’s transition to a climate-neutral, resource-efficient, clean and circular economy in a just and inclusive way and to achieve the Sustainable Development Goals. By 2050, we want to ensure wellbeing for all, while staying within the planetary boundaries.

With climate and environment policies being at the centre of the Green Deal, there is a need to measure progress in a comprehensive way towards the Union’s environmental and climate objectives for the purpose of strategic
very heart of EU policies, particularly since the 8th EAP is hallmarked by general descriptions of the situation and declarations of intent rather than by substance and action. This is an action programme without action!

| 1.4. The EESC would therefore see benefit in, for example, the strategic initiatives presented by the Commission to implement the European Green Deal, such as the Biodiversity Strategy, the Farm to Fork Strategy and the Circular Economy Action Plan, along with their respective detailed requirements, being integrated and included in the 8th EAP. Furthermore, the Council and the European Parliament could also oblige the Commission via an 8th EAP to perpetuate and deepen the European Green Deal, by giving it an explicit mandate to present, at the latest in the new term of office, a legislative proposal for an "EU Agenda 2050" (as an amended and expanded "European Green Deal 2"), which would add a concrete and detailed list of measures as an appendix to the 8th EAP. However, no plans have been made for this. |
| 2.7. Article 2 lists EU environmental objectives that are already known and also acknowledged by the Council and the European Parliament, such as greenhouse gas reduction, climate neutrality by 2050, adaptation to climate change, zero-pollution ambition for a "toxic-free environment", protecting, preserving and restoring | Several major legislative measures, strategies and action plans in the area of climate and environment, as announced in the European Green Deal Communication, have already been proposed by the Commission, such as the Biodiversity Strategy to 2030, the Farm to Fork Strategy and the Circular Economy Action Plan. They contain ambitions, targets and planned follow-up actions specific to these sectors. Additional actions are under way. With the 8th EAP’s 2030 timeframe, the objective will be for the three institutions to commit legally to the programmes’ 2030 and 2050 priority objectives. Thus, the next Commission will be bound to put forward proposals to reach these objectives. In line with the institutional prerogatives provided by the Treaty and the Commission’s right of initiative, it is for the Commission to decide which proposals exactly it wants to put forward to reach the 8th EAP’s priority objectives. By promoting enabling conditions such as policy integration and policy coherence for sustainability, the European Green Deal’s ‘do no harm’ oath or modern governance tools, the 8th EAP supports not only EU but also |
biodiversity, etc., and declares these to be "thematic priority objectives" of the 8th EAP. In contrast to the 7th EAP, specific instruments or measures to achieve the objectives or environmental actions have not been set out. This is surprising, especially as in some cases particularly ambitious claims are made. One stated aim is for us to advance "towards a regenerative growth model that gives back to the planet more than it takes".

3.3. The EESC does not of course have any doubt that the priorities set out in Article 2 are good ones and that the "enabling conditions to achieve (...) [the] priority objectives" set out in Article 3 are appropriate. However, what is the benefit for environmental policy if the 8th EAP simply reiterates the objectives already set out, inter alia, in the European Green Deal, without even prescribing implementation instruments or measures that would become binding through the Council and European Parliament decision? And what are the real benefits of simply listing "conditions" that have been known about for a long time, if no binding plan is presented and adopted for securing these conditions?

3.6. Since the 2nd EAP (which ran from 1977 to 1981), nature protection, conservation and restoration has been listed as an explicit "priority objective" in all environmental action programmes, and this is again the case in the 8th EAP. The fact that biodiversity has been the focus of these programmes for more than 40 years, and yet the Commission nevertheless needed to state in its May 2020 Biodiversity Strategy that "nature is in a state of crisis", does not say much for previous environmental action programmes.

3.7. Beyond all the environmental action programmes, however, there are clear ideas
and proposals as to how to remedy the situation. For example, a long list of measures is to be found in the Biodiversity Strategy presented by the Commission. Both the Council and the European Parliament would have had sufficient opportunity, inter alia in the reform of the Common Agricultural Policy, to implement the specific requirements set out in these programmes. This opportunity has been wasted. It is not clear to the EESC what could be improved upon now in this 8th EAP, to be decided upon by the Council and the European Parliament.

3.8. However, this also makes it clear in what way an 8th EAP could bring added value: by formally integrating the Biodiversity Strategy, Farm to Fork Strategy and other similar policy documents presented by the Commission for the implementation of the European Green Deal with their specific detailed requirements; the Council and the Parliament would thus be coming out in favour of implementing concrete proposals.

1.5. The EESC therefore calls for a fundamental debate on the sense and value of the environmental action programmes and reiterates its call for a separate "EU 2050 Sustainable Development Agenda" to be drawn up. It views the European Green Deal as being a good and solid basis for this.

| Article 192(3) foresees the setting of priority objectives and leaves a margin of flexibility for the other elements of the EAPs. To reflect the current needs and political circumstances, EAPs have changed their form (not all had annexes) and timelines many times in their history.

The Commission considers that the 8th EAP can best fulfil its function if it fully reflects the present political context, with an ambitious and generally agreed European Green Deal and many ongoing negotiations on specific strategies and legal acts.

The Commission’s proposal for an 8th EAP represents the approach which best supports our common goal: accelerate the green |
2.5. The Council, European Parliament and Committee of the Regions nevertheless called upon the Commission to draw up a proposal for an 8th EAP, which would then be decided upon by the Council and the EP. The Commission presented this Proposal for a Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030 (8th EAP) on 14 October 2020, almost one year after the presentation of the European Green Deal and only two and a half months before the end of 7th EAP.

2.8. Likewise, Article 3 only mentions "enabling conditions" that have been known about for a long time, which are necessary for achieving the priority objectives. These include:

- effective and efficient implementation of Union legislation on the environment and climate;
- mainstreaming the priority objectives in all relevant strategies, legislative and non-legislative initiatives, programmes, investments and projects at Union, national, regional and local levels; and
- phasing out environmentally harmful subsidies at Union and national level.

Enablers are a classic element of the EAP and have also been part of the 7th EAP. The evaluation of the 7th EAP reiterated the added value of its enablers, as confirmed in the conclusion: “the enabling framework has directed — in a unique way — attention and resources to the main challenges we face in EU environment policy: lack of implementation, information, investment and integration.” Moreover, “the 7th EAP’s structure and in particular the enabling framework has helped create synergies. The programme’s focus on better integration and implementation supports policy actions aimed at delivering cost savings and improved efficiency.”

The enablers are an expression of the commitment not only of the Commission, but between the institutions to implement policies that make it possible to reach our 2030 priority objectives and 2050 vision. And by underlining the importance of data and the environmental knowledge base, they will provide the necessary support for our agencies: the involvement of the European Environment Agency (EEA) and the European Chemicals Agency (ECHA) in the transition on the ground.
work on the new monitoring mechanism will be paramount in achieving the objectives of the 8th EAP. The Commission proposal included a financial fiche, which granted new resources to the EEA and ECHA to support the development of a new monitoring framework to measure progress towards achieving the objectives of the 8th EAP and the European Green Deal.

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<th>3.9. Furthermore, the Council and the European Parliament could also, via an 8th EAP, oblige the Commission to perpetuate and deepen the European Green Deal, by giving it an explicit mandate to present, at the latest in the new term of office, a legislative proposal for an &quot;EU Agenda 2050&quot; (as an amended and expanded &quot;European Green Deal 2&quot;), which would add a concrete and detailed list of measures as an appendix to the 8th EAP.</th>
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<td>The Commission agrees with the need to take stock in 2024 with a view to informing the next mandate of the Commission. Article 4 of the proposal therefore foresees regular progress reports based on the new monitoring mechanism, which will also feed into the 2025 State of the Environment Report. In line with its right of initiative, the Commission will, by 31 March 2029, carry out an evaluation of the 8th EAP, and submit a report to the European Parliament and the Council, accompanied, if the Commission deems appropriate, by a legislative proposal for the next EAP.</td>
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<th>4.3. It also recommends that the political ambitions set out in Commission texts be formulated in such a way that Europeans can picture how they are to be implemented. The 8th EAP is said to promote a &quot;regenerative growth model&quot; that &quot;gives back to the planet more than it takes&quot;. Much of the general public, as well as many politicians, may well be unclear as to what is meant by &quot;regenerative growth model&quot; and what it would mean for everyday life to give back to the planet more than is taken from it.</th>
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<tr>
<td>The 8th EAP proposal promotes a regenerative economy which gives back more to the planet than it takes. This is an explicit recognition that human wellbeing and prosperity depend on the healthy ecosystems within which we operate. This term is used so as to underline that not only should any human activity not harm the environment, in line with the European Green Deal’s oath to “do no harm”, but that it should also regenerate the natural environment and the ecosystems upon which our and future generations’ wellbeing depend upon.</td>
</tr>
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</table>
### Points of the European Economic and Social Committee opinion considered essential

| 1.6. | The EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels. | The Commission thanks the Committee for its supportive opinion on the Commission’s proposals. Renewable fuels are part of the revision of Renewable Energy Directive scheduled for the second quarter of 2021 in the 2021 Commission work programme. |
| 1.7. | The EESC suggests that new climate targets for agriculture in the NextGenerationEU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition. | The content of the taxonomy delegated act is defined by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. The EU Taxonomy is a tool for the identification of green economic activities that make a substantial contribution to climate change mitigation. As such, it aims at driving private investments into projects clearly and transparently contributing to EU’s climate neutrality and environmental objectives. Therefore, conceptually and legally, the agriculture-related targets would be out of the scope of the taxonomy delegated act. The taxonomy will not be limited only to agriculture, but it will cover also the other parts of the food chain. The climate mitigation taxonomy relating to agriculture is still being determined. The requirements and metrics are set out in, and must reflect, the content of Regulation (EU) 2020/852. |

4.4. The EESC suggests that new climate targets for agriculture in the NextGenerationEU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition. To achieve climate targets, it is of crucial importance to implement measures that
are simple, cost-efficient and accessible such as biogas plants, water management and carbon crediting (hedgerows, soil carbon sequestration).

<table>
<thead>
<tr>
<th>The Commission agrees on the need to ensure a holistic transition towards a more sustainable agricultural sector. The broader transition to sustainable agriculture can be supported by other means, such as the Common Agricultural Policy or indeed the Recovery and Resilience Facility.</th>
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<tr>
<th>1.8. The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains.</th>
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| Facilitating private investment into the local bioeconomies and scaling up bioeconomy innovation from pilot to demonstration and flagship phases is key to successful deployment of innovative bioeconomy supply chains. The recently launched European Circular Bioeconomy Fund is a venture fund that aims to tackle the funding gaps faced by late-stage innovative bioeconomy projects in order to reach commercial traction on the market. |

| 4.9. The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains. The promotion of synergies between renewable energy via biogas production and manure management is of paramount importance for decentralised renewable energy production which also supports rural livelihoods. |

| In addition, the Commission's 2018 Bioeconomy Strategy supports actions and activities that will foster the deployment of local bioeconomies and innovative value-chains in rural areas. One important way to achieve this is through supporting Member States to mainstream the bioeconomy in their national Strategic Plans in the Common Agricultural Policy post-2020. |

| In November 2020, the Commission launched the European Bioeconomy Policy Forum which will serve as a knowledge exchange platform for Member States, including on how best to support the bioeconomy through Commission programmes and instruments. Furthermore, the Commission strives to fully integrate primary producers into the bioeconomy through organising best-practice and capacity building seminars and workshops with Member States authorities and other relevant stakeholders. |

| Additionally, a proposed Horizon Europe Coordination and Support Action on the... |
strengthening of bioeconomy innovation and deployment aims to identify instruments and initiatives that contribute to spreading knowledge and deploying innovations in and across food systems and bio-based supply-chains at regional and local level.

The Methane Strategy also supports the use of agricultural residues to produce biogas and biomethane, in line with the commitment of the Biodiversity Strategy to privilege the production of bioenergy based on residues and non-reusable and non-recyclable waste.

2.2. Contrary to what the Commission is now proposing for the first time with regard to the 2030 reduction target, the EESC's opinion for a 55% reduction target was not a net target, while the Commission's is. This means that the Commission is lagging behind our advice in terms of its objective.

2.3. The EESC does believe, as the Commission applies a net-zero target for 2050 in the European Climate Law, that carbon sinks should ultimately be fully taken into account. To work towards this, it is logical to work with net zero from the intermediate targets. However, this is only possible on the condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed.

The “at least 40% greenhouse gas reduction” target implemented by legislation currently in force also allows using land use credits, on condition that they are from the accounted carbon sink. So, already today this 40% target does not have to be met one on one by sectors other than the land use sector. However, the Commission is now updating how the carbon sink is taken into account to make it clearer and to bring it in line with the 2050 climate neutrality target.

The “at least 55% reduction” target looks at all emissions and removals the EU generates and it does so in the year 1990 as well as in the target year 2030. It simply means defining the 2030 target as comparing the 2030 net level of emissions and removals in the EU with the 1990 net level of emissions and removals. This metric of total net emissions measures exactly by how much the EU increases yearly the amount of greenhouse gases in the atmosphere. This net value has to go to zero by 2050 to be climate neutral. This 2050 objective is proposed also in the EU Climate Law. Applying this metric from now on makes it clear what the EU’s annual progress towards climate neutrality will be.
2.4. The Committee supports the Commission’s conclusion that raising the EU’s ambition of greenhouse gas emissions reductions to 55% by 2030 is necessary. Reducing greenhouse gas emissions can improve living conditions and health, can create employment, and can lower energy bills, provided that the necessary private and public investments can and will be made in the right sustainable direction. By stepping up the climate ambition, the EU is also showing its global responsibility. The Committee considers important and necessary to clarify in the short term how the new goal can be achieved in this relatively short period of time up to 2030.

2.5. The EESC acknowledges that the social and economic impact on European citizens and businesses at an individual level in meeting the existing and new 2030 target is by no means entirely clear. The EESC believes it is very important that citizens and social partners should be able to know how these goals can be achieved and what this means for their work and life. This is essential for support for all measures to be taken, because they will affect European citizens across Member States and regions in a diverse manner. Therefore measures should be taken to guarantee that the risks and opportunities in relation to this process be shared equally to ensure certainty and stability.

The Commission welcomes that the Committee supports its proposal to raise the EU’s ambition of greenhouse gas emissions reductions to at least 55% by 2030.

The Commission is currently reviewing all the relevant climate and energy legislation to provide the means for this new goal to be achieved across different sectors. The Commission expects to come forward with a legislative package by July 2021.

The Commission shares the Committee’s views on the importance that citizens and social partners should know how the new 2030 targets are achieved and what it means in practise in their daily life.

The European Climate Pact aims to engage everyone to help build a greener Europe and support the achievement of the Sustainable Development Goals. For the green transition to really happen and in a way that no one is left behind, we need everyone on-board. We believe that everyone has a role to play and that every action counts.

We want to listen to people’s needs, to provide space for debate and to facilitate motivation and possibilities for action. The European Climate Pact aims to raise awareness and encourage learning about climate change (build understanding of what climate change means and what we can do about it); promote information sharing, exchanges of good practices and inspiration on how to counter the climate and environmental challenge into opportunities.

The Commission will foster spaces for stakeholders and citizens to work together, connect, develop and implement solutions.
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<th>2.6. The EESC recommends the Commission pay special attention to the possible consequences for low-income third-country citizens. The EU should strive to mitigate any negative consequences. The EU should support their development towards climate neutrality, keeping in mind that developing countries are entitled to reasonably increase GHG emissions in the Paris Agreement.</th>
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<tr>
<td>In the Paris Agreement, parties committed to submit new or updated Nationally Determined Contributions (NDCs) by 2020 and every five years thereafter. Each new or enhanced NDC should progress beyond its previous one and be as ambitious as possible. This is a binding procedural commitment. Parties commit to “prepare, communicate and maintain” successive NDCs; to “pursue domestic mitigation measures” aimed at achieving their NDCs; and to regularly report on their emissions and on progress in implementing their NDCs. Developed countries have to lead by example. This is why the EU has pledged to become climate neutral in 2050. In order to make this long-term target realistic, the EU and its Member States have submitted an updated and enhanced NDC with a target of at least a 55% reduction in greenhouse gas emissions by 2030 compared to 1990. In the last ten years we have seen a rapid rise of emissions of emerging economies, while developing countries overall account for around 70% of emissions. In order to reach the goals of the Paris Agreement, important contributions from emerging economies are necessary as well. The EU remains the biggest contributor to climate finance and continues to support the most vulnerable countries in their transition to climate neutrality. According to the data compiled by the European Commission, close to half of the funding is dedicated to climate change mitigation actions and around 20% to climate change adaptation initiatives in developing countries. The rest of the contribution benefits cross-cutting projects involving both climate change mitigation and adaptation.</td>
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<td>2.7. The Committee agrees with the Commission that the pandemic we are now facing is not an</td>
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argument for putting tackling climate change to rest. On the contrary, as the Commission also writes, "the unprecedented European economic response to COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy". In order to be able to develop policy as effectively as possible in this situation, the Committee advises the Commission to thoroughly investigate how the Market Stability Reserve mechanism (EU ETS) and the effort-sharing approach work with regard to the current decline in greenhouse gas emissions, with a view to reducing to a certain extent unused legal possibilities for emissions.

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<tr>
<th>2050 (‘climate neutrality’), the Commission has proposed a plan to attain steeper emissions reductions by 2030 – at least 55%, compared with 1990 levels. To deliver this ambition, the Commission is reviewing all relevant policies. This includes the review of the Market Stability Reserve, in the wider context of the strengthening of the EU Emissions Trading System. This first review of the Market Stability Reserve provided for in the current legislation is looking to draw conclusions from how it has functioned since it began operating in 2019. This review is also looking into enabling the Market Stability Reserve to continue to achieve its goals of reducing the persisting surplus and tackling supply-demand imbalances in the future. Another relevant policy that the Commission is reviewing is the Effort Sharing Regulation that sets binding annual greenhouse emission reductions for each EU country from 2021 to 2030. The Commission is reviewing the scope of the Effort Sharing Regulation and the ambition level of its 2030 target and the distribution of the effort among Member States.</th>
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<tr>
<td>2.8. By working energetically now on the increased reduction target for 2030, it will make it easier for future generations to actually achieve the set 2050 target of climate neutrality. Because the less action the EU takes in the next ten years, the steeper and more challenging the reduction path will be after 2030. The Committee therefore looks forward to the proposals for achieving the 55% target by 2030, which the Commission will present by June 2021 at the latest. We recommend an approach with a diverse instrument mix with, in addition to legislation, financial instruments as well, such as the Benchmark Regulation and the Taxonomy Regulation. It is important to assess the effect of</td>
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<tr>
<td>The Commission thanks the Committee for the recommendations on this point and suggests an approach with a diverse instrument mix to build on and further strengthen the recently adopted legislation on sustainable finance, and in particular the EU Taxonomy, EU Climate Benchmarks and Disclosure Regulations, that should have a significant impact on tackling climate change. The Commission agrees on the importance of assessing the effect of these new approaches carefully and having them coherent with technological developments.</td>
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</table>
3.2. While bearing in mind the principles of a just transition, the EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels. Expenditure on direct or indirect subsidies of fossil fuels, for example through tax exemptions and reductions, should be used to accelerate the development of sustainable energy sources. As the Paris agreement (Article 2) says: "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". The Committee insists, however, that these measures must not be at the expense of food production, as the Paris Agreement also states (Article 2(1)(b)).

Please see the reply to point 1.6 on the topic of renewable fuels. In relation to food production, the Commission is making sure that all the proposals made are consistent with the obligations set out in the Paris Agreement and agrees on the importance of proposing measures that will ensure the stability of EU food production.

3.4. The EESC welcomes the starting point to do no harm (p. 5). This approach is also put forward by the Commission in its proposal for the eighth General Union Environment Action Programme (COM(2020) 652 final), stating that "all EU initiatives [have to] live up to a green oath to 'do no harm'". The meaning of this "oath" relates to "strengthening the integrated approach to policy development and implementation, notably by mainstreaming sustainability in all relevant initiatives and projects at national and EU level."

The Committee supports the importance of mainstreaming and integration for stepping up the climate ambition by 2030, but wonder what actions the Commission would like to take to realise this. We also wonder why the approach is called a "principle" (while it is called an oath in other Commission documents) and how this

As announced in the European Green Deal Communication, the Commission has improved the way its Better Regulation guidelines and supporting tools addresses sustainability issues with the objective that all Green Deal and other EU initiatives live up to a green oath to ‘do no harm’. These improvements are reflected on the Commission’s Better Regulation guidelines and toolbox.5

The Commission already recommended to Member States to implement this principle in relevant financing actions, such as the Recovery and Resilience Facility, for a matter of policy consistency. Other Commission’s proposals, like for TEN-E, integrate this principle in practice.

3.6. The Committee advises the Commission to provide an update on the compliance rate with current EU climate and energy law and on what infringement actions have started in that respect. We also advise the Commission to provide clear

The Commission publishes (and will continue to) the State of the Energy Union every year. These reports inform about Member States’ progress in the climate and energy field in view of the obligations set in EU legislation.

5 Communication from the Commission to the European Parliament, the Council, the European and Social Committee and the Committee of the Regions Better Regulation: Joining forces to make better laws
information on compliance by Member States with the RED and EE directives on its website. Could the Commission – with the help of the EEA – make an annual comprehensive update on the effectiveness of current climate and energy laws (all together) including mentioning non-compliance issues?

The European Environment Agency (EEA) also publishes every year a report providing an assessment of the progress of the EU and European countries towards their climate mitigation and energy targets. It is based on national data for greenhouse gas emissions, renewable energy and energy consumption.

Regarding the infringement procedures launched against Member States, these are public information. The relevant database allows to search for information by EU country, policy area or date. In addition, the Commission publishes annual reports reviewing key aspects of the application of EU law and presenting infringement cases by policy area and country.

As concerns the report on the effectiveness of climate and energy laws, it is difficult to distinguish what happens on the basis of law and what happens for other reasons.

4.6. At present, the way methane is accounted for does not reflect up-to-date science. It is essential to adopt the most recent scientific methodology when assessing the climate impact of food. An emission reduction to net zero in 2050 must factor in the climate effect of methane as a short-lived greenhouse gas that does not have to be net zero in order to achieve climate neutrality or to have no additional warming effect.

The Commission agrees that the transition towards climate neutrality cannot be based on a one-size fits all approach for all greenhouse gases but needs to adequately reflect the particular cost-efficient emission reduction potentials of the different greenhouse gases.

Regarding the need to achieve net zero greenhouse gas emissions, the IPCC Special Report on Global Warming of 1.5°C concludes that “all pathways that limit global warming to 1.5°C with limited or no overshoot project the use of carbon dioxide removal to compensate for emissions … and, in most cases achieve net negative emissions”. This means that for a global 1.5°C pathway, typical projections reach net zero GHG emissions by 2070 at a global scale, including methane and nitrous oxide emissions.

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Accomplishing this objective twenty years ahead, the EU will lead by example and show the way, technologically, economically and socially, and contribute to limiting any overshoot of the 1.5°C objective.

This notion of a balance in 2050 is accordingly captured in the proposed EU Climate Law without singling out one particular greenhouse gas, but referring to the full set of greenhouse gases as listed in Annex V of Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

In practical terms, this does not mean that EU emissions of every single gas in the basket of greenhouse gases will need to be reduced to zero by 2050. Instead, the combined total of greenhouse gas emissions and removals will need to reach net zero. For the EU to achieve its objective in a cost efficient manner in 2050, there are expected to be remaining emissions, including of methane and nitrous oxide which will need to be balanced by a corresponding amount of CO₂ removals.

The Commission also adopted the Methane Strategy, with specific measures to reduce methane emissions in key sectors like energy, agriculture and waste. Additional legislation, as announced, is being prepared.

### 5.2. As stated in earlier opinions, for example, the recent opinion "Between a trans-European super grid and local energy islands", the EESC has pointed out how important it is to recognise that the energy transition is not just a technological issue but also a profoundly social and political challenge. Not only businesses but also workers, trade unions and consumers must be involved in the energy transition, as promised by policymakers and strongly called for by the EESC. However, here too, the Commission and the

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9 COM(2020) 80 final.
Member States leave more questions open than they answer. Moreover, current energy policy initiatives will prevent rather than encourage broad participation from the public. After all, Europe's energy transition first and foremost requires investment certainty for both public and private sectors, which can only be achieved if clear fundamental decisions are made.

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<th>6.3.</th>
<th>The Committee reiterates its proposal to set up a European Climate Pact Stakeholder Platform, as set out in our opinion on the Climate Pact, to organise and facilitate the active participation of all parts of society(^{10}).</th>
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<tr>
<td>6.5.</td>
<td>The EESC also calls for the introduction of common criteria for their definition and common indicators at European level as a first step towards better measuring energy poverty, following the Commission's Recommendation of 14 October 2020 on energy poverty [C(2020) 9600 final(^{11})]. In order to adapt this definition to different national circumstances, Member States must develop more statistical tools that allow effective targeting of vulnerable households.</td>
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The Commission recently published a Recommendation on energy poverty\(^{12}\) including a set of consensual indicators (collected by Eurostat) to be used. This Recommendation was accompanied by a Staff Wording Document where these indicators and few others were assessed country by country. The Commission will continue the work on this issue and cooperation with Member States will be essential as outlined in the Recommendation.

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\(^{10}\) OJ C 364, 28.10.2020, p. 67.
\(^{12}\) C(2020) 9600 final.
6.6. The Committee agrees with the Commission that renewables will lead to a high degree of decentralisation, providing opportunities for consumers to get engaged, for prosumers to generate, use and share energy themselves, and for local and notably rural communities to encourage local investments in renewables. It will also trigger new employment local. The Committee would like to point out, however, that attention must be paid to the legitimate concerns of citizens about, for example, the damage to the landscape or the disruption of their enjoyment of life. Active participation and a direct benefit from the financial and/or energy yield of the renewable energy installations to be built can alleviate these concerns. Furthermore, measures must be taken to assure that new employment opportunities trigger the growth of jobs with decent wages and good working conditions.

The Commission agrees that it is necessary to take into account the possible concerns that citizens might have in relation to renewable energy installations. Such concerns are very important and the current Renewable Energy Directive devotes to them necessary attention. In respect of subsidiarity principle, necessary competences and decision-making remains fully in the purview of national or even local authorities.
N°5  Revised action plan for the Atlantic strategy (Communication)  
COM(2020) 329 final  
EESC 2020/5152 - NAT/801  
557th Plenary Session – January 2021  
Rapporteur: Carlos Manuel TRINDADE (PT–II)  
DG MARE – Commissioner SINKEVICIUS

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<tr>
<th>Points of the European Economic and Social Committee opinion considered essential</th>
<th>European Commission position</th>
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<tr>
<td>1.2. The EESC also points out that where environmental sustainability is concerned, the crucial role of the ocean in decarbonisation, producing oxygen, feeding humans and combating climate change and acidification is recognised by the EU and the UN.</td>
<td>Indeed, the Commission aims to create a sustainable and resilient model for the blue economy, a model where economic development and protection of our seas and marine ecosystems are not in contradiction, but in a strong positive correlation.</td>
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<td>1.3. Against the backdrop of the COVID-19 crisis, the heightened importance of the blue economy in driving European recovery and safeguarding and creating jobs has been recognised.</td>
<td>The new Atlantic Action plan is very timely in this respect. It provides support, and allows to put the blue economy on the recovery path, and on the path of transformation. With the help of the participating countries and regions we can write a success story.</td>
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<td>1.7. The EESC, however, proposes a more comprehensive vision, making room for projects that harness the natural interaction between the areas matching the different pillars.</td>
<td>The Commission welcomes this proposal. The Thematic Pillars are established with a view to implementing the concrete actions highlighted in the action plan. Under the new governance structure, interaction among the different pillars is also put in place in order to allow for sharing best practices and cross-fertilisation of innovative project ideas.</td>
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<td>1.8. The EESC also recommends focusing on maritime spatial planning and management, since without a duly planned maritime space it will be difficult to successfully ensure the sustainable development of the blue economy, from the point of view of both the environment and project investment. The EESC believes that</td>
<td>The Commission shares this assessment. Maritime Spatial Planning (MSP) is a key enabling condition for any blue economy activity to take place, this is why, in line with the MSP Directive, each Member State is required to submit its maritime spatial</td>
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proper Maritime Spatial Planning (MSP) promotes the sustainable growth of maritime economies and of use of marine resources through better management of conflicts between activities and greater synergy between different maritime activities, in line with the resolution adopted by the European Parliament on 15 January 2020 on giving the European Green Deal a blue dimension.

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<th>1.9. The EESC believes that the action plan should set out the broad guidelines for partnerships on a transatlantic basis, as the Atlantic basin has several shores and the ocean has no borders. It is, however, understood that the development of the blue economy is intended to promote projects in the maritime space under the sovereignty of the EU coastal states.</th>
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<td>The action plan also comes with a strong international dimension through the All-Atlantic Ocean Research Alliance with the USA, Canada, Brazil and South Africa as well as Argentina, Cabo Verde and Morocco.</td>
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<th>1.10. The EESC is critical of the lack of objectives and measures concerning fisheries and tourism, and recommends that the Commission give greater weight to these activities in the plan.</th>
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<tr>
<td>The revised action plan is a result of a series of bottom-up national stakeholder consultations and the thematic areas result from those consultations and from the joint decision made by the participating Atlantic Member States. Fisheries and tourism were not among the four chosen thematic areas. It should be noted that actions on fisheries and aquaculture are covered extensively under the EMFF and the future European Maritime, Fisheries and Aquaculture Fund (EMFAF) in line with the objectives of the Common Fisheries Policy.</td>
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<th>1.11. The EESC also regrets that the Commission has not defined specific measures or objectives for archipelagic areas, since these are outermost regions where the sea economy weighs even more significantly than in the rest of the Atlantic region. For this reason, it recommends that</th>
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<td>The Commission provides dedicated support to outermost Regions. Further to the substantial EU funds targeting outermost regions, the Commission has also set up a Forum in 2018 for outermost regions</td>
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13 [https://www.simatlantic.eu/about/](https://www.simatlantic.eu/about/)
Commission include such measures and objectives in the plan. In addition, the Commission provided a Methodological guidance\textsuperscript{14} for outermost regions to assist them in designing their own blue economy strategies.

| 1.12. The EESC advocates clearly defining objectives and rules with regard to partnerships between Member States and non-EU countries. The EESC considers that, in addition to the rules between Member States, particular emphasis should be placed on the framework for partnerships with European third countries: the United Kingdom, Norway and Iceland. It considers that, especially in the case of the United Kingdom, particular attention should be paid to measures that prevent information from being lost and cooperation from being undermined. | As of 1 February 2020, the United Kingdom is no longer a member of the European Union, hence not a member of the Atlantic maritime strategy anymore. Its current status as a third country will determine the scope and terms of the United Kingdom’s participation in the Atlantic action plan. The implementation of the revised action plan however does not require changes to EU legislation. Regarding the partnership with European third countries, as stated in the Communication on the revised Atlantic Action Plan\textsuperscript{15}, the participating Member States may decide, in consultation with the European Commission, to expand membership of the Atlantic strategy to any interested State. The current participating Member States have already shown informally their interest in expanding the geographical scope of the Atlantic strategy towards other countries. Therefore, the current Irish Presidency of the Atlantic Strategy Committee (the leading governing body of the Atlantic strategy) has proposed in its work programme for 2021 to consider the expansion of the membership of the Atlantic strategy to interested countries. |
| 5.10. With regard to the mobilisation of funds and financing, the EESC also recommends that action plan 2.0 clearly and unambiguously spell out the sources of funding, the rules for allocating funding and how project performance can be evaluated. The revised Atlantic action plan does not have a dedicated fund. Nevertheless, the EU funds including Horizon Europe as well as the European Maritime and Fisheries Fund and the future territorial |
monitored and evaluated.

1.13. Where funding is concerned, the EESC considers that in such a key document as the Atlantic maritime strategy, in addition to simply listing the sources of funding, the broad guidelines for the approval of projects should also be set out.

The new Regulation on European Territorial Cooperation formally recognises sea basin strategies at the same level as macro-regional strategies. For transnational programmes that support sea basin strategies, at least 80% of the total of the European Regional Development Fund shall be programmed on the objectives of that strategy.

The TN programmes should better align its priorities with the objectives of the Atlantic maritime strategy and the four pillars of the revised action plan, where funds can achieve a highest EU added value. TN programmes can support “blue funding” elements where they are inside the Cohesion Policy menu. The EMFAF fund should also apply (introductory sentence of article 5(1) CPR).

The rules for project selection and monitoring for the related funding programmes are all included in their respective legal basis.

The latest funding opportunities are available on the dedicated Atlantic strategy website[^16].

1.14. The EESC proposes that innovation, scientific research, ecological sustainability, the contribution to social development and location within a properly-planned maritime space be included in the terms of reference for financing decisions, in line with a matrix containing clearly-defined indicators.

As highlighted above, financing decisions are to be made in line with the rules specified under the relevant funding programmes such as the new regulation on European Territorial Cooperation programme.

The Commission aims to ensure alignment between the Revised Atlantic action Plan and the future Territorial Cooperation Programme in the Atlantic area.

1.16. The EESC considers that taking on board the recommendations set out in this opinion concerning the evaluation and financing of projects and their supervision and monitoring will help to enhance the quality and scale of the social, economic and environmental results to be achieved by implementing Atlantic action plan

[^16]: Atlantic Action Plan | Atlantic Strategy | The Support Team for the Atlantic Action Plan
### 2.0.

| 1.15. | The EESC strongly recommends establishing a dedicated funding line for projects developed under action plan 2.0, as exists for other sectors of activity receiving European public funding. Otherwise, there is the risk they will be relegated to applying to funding schemes where they are not the core of the programmes. | Similarly to other sea-basin strategies and macro-regional strategies, the Atlantic action plan is not accompanied by a dedicated funding scheme. The European Structural and Investment Funds including the EMFAF and Horizon Europe and the future territorial cooperation programme (Interreg) in the Atlantic area, are expected to be the main sources of funding. Therefore, it is essential to mobilise the European Regional Development Fund (ERDF) funded operational programmes at regional level as well as the future Atlantic Interreg programme in support of the priorities of the Atlantic action Plan. The new Regulation on Territorial Cooperation (still under discussion) formally recognises sea basin strategies at the same level as macro-regional strategies. For transnational programmes that support sea basin strategies, at least 80% of the total ERDF shall be programmed on the objectives of that strategy. |

| 1.17. | Lastly, the EESC considers that the recommendations set out in previous EESC opinions increase the chances of success in implementing the plan, particularly as regards creating an Atlantic macro-region and re-establishing the Atlantic Forum. | The revised Atlantic action plan already provides an adequate framework to promote the interests and thematic priorities of coastal regions and communities in the Atlantic area. However, a decision to expand the Atlantic sea-basin strategy into a macro-regional one encompassing further land-based territories lies solely in the hands of the participating Member States and it is up to them to express such an interest towards the Council. |

| 4.5. | The EESC recommends that, with regard to the creation of blue skills, measures be introduced to better harness professional experience when defining training courses for maritime occupations. | The Commission fully supports this view. Therefore, for example the Erasmus+ funded MATES (Maritime Alliance for fostering the European Blue economy through a Marine Technology Skilling Strategy) project is tackling these challenges head-on, building on a Sectoral Skills Alliance between industry |
and academia. The project is addressing skills gaps with a specific focus on shipbuilding and offshore marine renewable energy. The MATES project runs from 2018-2021.

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<th>5.1. The EESC considers that the compliance of action plan 2.0 with the EU's Integrated Maritime Policy (IMP) needs to be examined.</th>
<th>The Commission supports this view. For instance, under direct management, the European Maritime, Fisheries and Aquaculture Fund will focus on the enabling conditions for a sustainable blue economy: promoting an integrated governance and management of the maritime policy (e.g. maritime spatial planning); enhancing the transfer and uptake of research, innovation and technology; improving maritime skills, ocean literacy and sharing of socio-economic data and promoting a low-carbon and climate resilient economy, which is fully in line with the thematic priorities of the Revised Atlantic action plan.</th>
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<tr>
<td>5.4. The IMP covers the following convergent areas of action: blue growth; knowledge and data on the marine environment; maritime spatial planning; and integrated maritime surveillance.</td>
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<tr>
<td>5.5. The EESC recommends that the information, data and knowledge produced in this context be freely accessible – free of charge – for organisations, the scientific community and education and for projects in areas relating to the sea, even if subject to confidentiality or reserve conditions where this might be necessary. In this setting, the EESC recommends closer coordination between the various monitoring bodies in the Atlantic region with a view to establishing efficient, accessible and interoperable databases.</td>
<td>The constantly updated Atlantic strategy website includes all relevant and freely accessible information related to the Atlantic maritime strategy and the revised Atlantic action plan.</td>
</tr>
<tr>
<td>Points of the European Economic and Social Committee opinion considered essential</td>
<td>European Commission position</td>
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<tr>
<td>1.1. The EESC considers the adoption of the International Commission for the Conservation of Atlantic Tunas (ICCAT) recommendations to be important and appropriate because the EU has been a contracting party of ICCAT since 1986 and must ensure compliance with all the measures approved by ICCAT within EU law.</td>
<td>The Commission shares the Committee’s position, and considers important that the provisions contained in those recommendations are transposed in EU law to spell out clearly how the norms are to be applied within the Union, by either Member States, operators, and/or the Commission.</td>
</tr>
<tr>
<td>1.2. The EESC recommends that facilitating and ensuring access to information, resources and technical assistance for fishermen and actors in the distribution chain for using the eBCD (electronic Bluefin tuna Catch Document) system must remain a priority for the European Commission and the Member States.</td>
<td>The Commission shares the Committee’s position on this point. It supports the idea that efforts should be made to facilitate access to information and technical assistance.</td>
</tr>
<tr>
<td>1.3. The deadlines stipulated at the level of ICCAT Recommendation 18-13 must take into account the impact and situation of the COVID-19 pandemic, including possible delays in achieving the reporting requirements imposed by ICCAT.</td>
<td>The Commission notes the Committee’s remarks on this point. However, based on the available information, there is no evidence of major disruptions on the performance of the Electronic Bluefin tuna catch document (eBCD) system due to Covid-19.</td>
</tr>
<tr>
<td>1.4. The EESC considers that all necessary efforts must be made to ensure compliance, accuracy and synergy between BCDs and eBCDs, as well as an efficient traceability, validation and verification process.</td>
<td>The Commission shares the Committee’s position on this point and notes that this is one of the purposes of the current transposition.</td>
</tr>
<tr>
<td>1.5. The EESC considers that Article 4 is in part taken from Recommendation 18-13, Part</td>
<td>The Commission notes the Committee’s remark</td>
</tr>
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</table>
II. Validation of BCDs, point 11 to the effect that the validation process for each ton caught, landed, caged, harvested, transhipped, domestically traded or exported must be performed each time it lands, transfers, harvests, tranships, domestically trades or exports bluefin tuna.

<table>
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<tr>
<th>1.6. The EESC recommends expanding the proposal based on ICCAT Recommendation 18-13, Part II – Validation of BCDs, 12, which regulates situations in which the section of BCD format does not provide enough room to ensure complete tracking of BFT from catch to market. An annex could be attached to the original BCD using the original BCD format and number.</th>
<th>on this point.</th>
</tr>
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<tr>
<td>The Commission notes the Committee’s recommendation on this point. The operators can adjust the current template to include all required information. The final wording of Article 4(6) is subject to the outcome of the interinstitutional negotiation.</td>
<td></td>
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| 1.7. The EESC recommends adding to Article 2(5)(b) the word "trap" as in Article 2(5)(a). It would then read as follows: "trade, in one Member State or between two or more Member States, in farmed Bluefin tuna caught in the Convention area by a Union catching vessel or trap, and which is caged in a farm established in the territory of the Union". | |
| The omission of the word ‘trap’ comes from Recommendation 18-13 itself. The final wording of Article 2(5)b is subject to the outcome of the interinstitutional negotiation. |

| 1.8. The EESC recommends adding to Article 3(2) the word "lot". It would then read as follows: "A BCD shall be completed for each lot of Bluefin tuna caught by a fishing vessel or trap, transferred, landed or transhipped at ports by fishing vessels or traps, or caged or harvested by farms." | |
| The Commission notes the Committee’s views. Adding the word ‘lot’ would be in line with the ICCAT (International Commission for the Conservation of Atlantic Tunas) Recommendation. However, the Commission preferred to use the terminology of Regulation 640/2010\textsuperscript{17} to avoid confusion as it would conflict with the definition of ‘lot’ in the Control Regulation\textsuperscript{18}. |

| 1.9. The Commission should consider the impact of implementing Article 5, 3, (b) | |
| The Commission notes the Committee’s comments. The text proposed by the | |

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because although it is an ICCAT recommendation it will require companies to alter their logistics – disassembling pallets and re-identifying each package.

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<tr>
<th>1.10. The EESC would like the Commission and the Member States to consider registration and validation of fish parts, even without the validation of caging, in order to maximise value and avoid waste. At present, when tuna die after arriving at the farm, they may not be sold because the caging has not yet been validated. Caging depends on an assessment made with stereoscopic cameras, which takes about two months, so these specimens must be frozen or destroyed. This goes against the Commission's initiatives on food losses and food waste.</th>
<th>Commission notes the Committee’s position on this point. Dead fish may become unfit for human consumption due to delayed validation because of the lengthy analysis of the stereoscopic camera records. However, the possibility to record trades of dead fish before the validation of caging requires a development in the electronic system. The electronic system is managed by ICCAT and not by the EU. Consequently, the EU does not have the possibility to make any modification of the system unilaterally. Therefore, it is not pertinent to include this possibility in the transposition to the EU law.</th>
</tr>
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</table>
1.3. The Commission does not answer the question of how it intends to achieve security of supply using low-carbon or carbon-free energy sources. It states that 84% of the electricity demand is to be met from renewable sources, but fails to detail the sources from which the rest of the electricity is to be produced.

The Commission’s Long Term Strategy\(^{19}\) (referred to in footnote 22 and in figure 23 of the Energy System integration Strategy Communication\(^{20}\)) provide this information, which is then further updated and elaborated by the Climate Target Plan\(^{21}\).

1.4. The EESC agrees with the Commission that a lack or inadequacy of CO2 emissions pricing in the heating and transport sector is a serious problem for system integration. However, just describing the problem is not enough. Concrete proposals for solutions are needed. The Commission is far too hesitant and vague on this point.

The Commission refers the Committee to the Communication on the 2030 Climate Target Plan\(^{22}\), which presents several options to increase the role of emissions trading across various sectors, especially in the transport and heating system. The Energy System Integration strategy together with the Climate Target Plan set out the Commission’s intent to pursue a more integrated approach in terms of carbon pricing. This will be followed by concrete legislative proposals by June 2021.

1.6. […] The Commission ignores this great potential of onshore wind energy and photovoltaics in its Communication, which the EESC considers to be a huge mistake.

While the Communication does emphasize actions that can be taken to support the deployment of offshore wind energy, it does not ignore the role of onshore wind and photovoltaics. Concretely, it states: “the need for increased electricity supply can, alongside other relevant onshore renewable power technologies such as solar or wind energy,

\(^{19}\) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018DC0773
\(^{20}\) COM(2020) 299 final
\(^{21}\) COM/2020/562 final
\(^{22}\) COM/2020/562 final
mention at all. This is incomprehensible, because in their case, as explained in point 3.7. above, potential for system integration can be tapped quickly and efficiently, whereas offshore wind for hydrogen production requires huge investment in energy infrastructure. The Commission would therefore be advised to follow the "first things first" rule in sequencing its actions.

1.7. System integration has the potential to boost innovation in the European economy and so increase its international competitiveness. This will only be successful, however, if the potential of digitalisation for system integration in particular is unlocked: artificial intelligence and machine learning can be a game-changer in demand-led supply of energy for the electricity, heat and transport sectors. However, the deployment of such technology must be carefully weighed against its usefulness and potential ethical problems, particularly with regard to data sovereignty, and should be preceded by an initiative to train suitable specialists. It defies comprehension that the Commission does not acknowledge this in the Communication.

The Communication devotes a full section (3.6.) to the digitalisation of the energy system. It does recognise the role of artificial intelligence (page 19) while stressing the challenges it brings in terms of ethics and data sovereignty. The Communication actually announces the adoption of a “Digitalisation of Energy Action plan” to develop a competitive market for digital energy services while ensuring data privacy and sovereignty.

Moreover, the 2021 review of the Coordinated Plan on Artificial Intelligence addresses the potential to bring AI into play for climate and environment and also sets out how to nurture talent and improve the supply of skills necessary to enable a thriving AI eco-system.

1.8. Finally, system integration requires completely reconfigured energy markets, to be designed in such a way as to promote community energy and empower consumers. Only then can the relevant objectives of Directive (EU) 2019/944 on the internal market for electricity and Directive (EU) 2018/2001 on renewable energy be met. System integration will be much faster if consumers can exercise their rights, including as prosumers, self-producers and members of renewable energy communities. At the same time, attention should be paid to the public partly be met by offshore renewable energy production. […]]. In addition, the development of solar energy will be further facilitated.”

The Communication also recognises the importance of on-building renewables (page 10), as well as the role of solar electricity and heat on farms (page 6).

The Communication stresses in section 2.2. that a key feature an integrated system is that it is “a ‘multi-directional’ system in which consumers play an active role in energy supply.” It refers for instance to “energy customers exchanging heat in smart district heating and cooling systems, or feeding in the electricity that they produce individually or as part of energy communities.”

The Communication also stresses that, “by linking up the different energy carriers and through localised production, self-production

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23 COM(2021) 205
sector's role in security of supply. These aspects are entirely absent from the Communication.

| 3.4. The Commission fails to define clear, ambitious and specific sub-targets derived from the overarching objective of climate neutrality. This is particularly true for the expansion of renewable energy, which is lagging behind the targets in many Member States. | The Communication itself does not introduce any new targets. The Commission however refers the Committee to the Communication on the 2030 Climate Target Plan\(^{24}\), which proposes to raise the EU’s ambition on reducing greenhouse gas emissions to at least 55% below 1990 levels by 2030. The assessment shows how all sectors of the economy and society can contribute, and sets out the policy actions required to achieve this goal.

In this sense, the Communication highlights that the Commission will review its key climate and energy legislation to achieve this objective in a politically coherent way. This revision notably include energy efficiency and renewable energy policies. It will be followed by corresponding legislative proposals by June 2021. |

| 3.12. Other goals highlighted in similar places and ignored in the Communication are: reducing dependence on energy imports, strengthening regional economic cycles, and creating fair and good jobs. | Section 2.2. of the Communication discusses the benefits of a more integrated energy system and explicitly refers to strengthening the competitiveness of the European economy, to the provision of more local services and to creating more regional economic benefits. It also stresses the benefits in terms of improved resilience and security of supply, insisting on the importance of “locally produced renewable electricity” as well as “the greater implementation of circular models”. |

| 4.6. It would have been desirable for the Commission to make clearer the exact implications of this [electrification] for the revision mentioned of Directive (EU) 2018/2001 on renewable energy. The EESC | The Commission again refers the Committee to the Communication on the 2030 Climate Target Plan, which assesses the level of electrification and the renewable share in electricity in 2030 compatible with an |

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\(^{24}\) COM/2020/562 final.
believes that the expansion objectives set out are much too limited.

| ambitious and cost-effective path to achieving climate neutrality by 2050. The Commission could not prejudice the revision of the Renewable Energy Directive in the Communication. |

| 4.9. However, hydrogen production is costly and entails large energy loss. The Communication should therefore make it clear that hydrogen can only be an option if direct heating or electrification are not technically feasible (or possible only at significantly higher costs). | Section 3.3 of the Communication, which covers hydrogen production, underlines that the role of renewable and low-carbon gases and fuels should be limited to those sectors where direct electrification and heating are not the most cost-effective and energy efficient option, listing in particular certain industrial and transport applications: “while direct electrification and renewable heat present the most cost-effective and energy efficient decarbonisation options in many cases, there are a number of end-use applications where they might not be feasible or have higher costs. In such cases, a number of renewable or low-carbon fuels could be used, such as sustainable biogas, biomethane and biofuels, renewable and low-carbon hydrogen or synthetic fuels. These cases include a number of industrial processes, but also transport modes such as aviation and maritime, where sustainable alternative fuels such as advanced liquid biofuels and synthetic fuels will have an essential role to play.” |

| 4.11. The Commission's failure to recognise that the rigid focus on a few central wholesale electricity markets prevents system integration is all the more surprising given that other forms of trading are already mentioned and acknowledged in existing legislation: for example, the Directive (EU) 2019/944 on the internal market for electricity explicitly grants active consumers the right to peer-to-peer trading and energy-sharing within energy communities. Both are forms of trading that make it possible for not just citizens, but also SMEs and municipalities, to drive system integration | The Clean Energy Package, including the Directive (EU) 2019/944 on the internal market for electricity, had the core objective of allowing the integration of large amounts of renewable electricity and placing consumers at the centre, including through the introduction of specific provisions on self-consumers and energy communities. This Communication did not seek to list all these elements again, but rather insists on the need for a proper implementation of these provisions. |
| forward very effectively on the ground. The Commission Communication is therefore disappointing on this front. At no point is it spelt out how the market should be organised so that consumers can play that role. |  |
### Points of the European Economic and Social Committee opinion considered essential

1.3. The EESC would point out that establishing a clean hydrogen economy in Europe is just one strand of the strategy seeking to link up the EU's various energy sectors more effectively. The EESC therefore emphasises that the EU should revise its ambitions upwards to allow for the emergence of a clean energy system, incorporating renewable energy and energy efficiency, so as to provide European businesses with both a solid internal market where innovation can be rolled out safely and an integrated industrial strategy which can export clean energy solutions to the rest of the world.

1.5. The EESC stresses that if clean hydrogen is to take off, European funds should not subsidise fossil fuels, and it calls on the Commission to apply the "do no harm" principle to all public funding under the Multiannual Financial Framework, InvestEU, the EU Recovery Fund and State aid.

4.5. The EESC stresses that European funds should not subsidise fossil fuels, calling on the Commission to apply the "do no harm" principle to all public funding under the Multiannual Financial Framework, InvestEU, the EU Recovery Fund and State aid.

### European Commission position

The Hydrogen strategy has been published and needs to be seen in conjunction with the Energy System Integration Strategy that sets out a vision on how to build a more efficient and integrated system that links energy sources and infrastructure to support decarbonisation and build a climate neutral EU by 2050.

The Commission adopted on 12 February 2021 its guidance on the implementation of 'do no significant harm' in the context of the Recovery and Resilience Facility (RRF). This guidance aims to support Member States in ensuring that all investments and reforms they propose are financed by the RRF do no significant harm to the EU's environmental objectives, within the meaning set out in the Taxonomy Regulation.

The guidance also clarifies that impact assessments related to the environmental dimensions or the sustainability proofing of a measure should be taken into account for the

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the EU Recovery Fund and State aid. At any rate, hydrogen produced directly or indirectly by means of CCS cannot be eligible for the green taxonomy of European financing.

| 1.6. The EESC stresses that establishing a hydrogen economy requires buy-in by Europeans in their role as entrepreneurs, workers or consumers. The EESC feels that it is unfortunate that there has been no discussion on the strategy's implementation in the various sectors and calls for Europeans to be given a greater role in this process by means of direct, representative consultation and participation. The EESC also asks the Commission to assess the impact of developing clean hydrogen on energy costs for households. |
| Do No Significant Harm (DNSH) assessment. The Taxonomy Regulation follows a technology-neutral approach based on performance in terms of greenhouse gas emissions. |
| A public consultation was part of the establishment of this strategy. Based on the received feedback, the Hydrogen strategy identified hard-to-abate sectors such as industrial processes and transport as key sectors, as well as the role of hydrogen in balancing a renewables-based electricity system. The strategy does not foresee a large role for hydrogen in households, but will continue to assess any future applications, and their potential costs. The Clean Hydrogen Alliance has been set up with a roundtable on hydrogen in buildings which takes into account European Consumers. The Hydrogen strategy was also based on National Energy and Climate Plans developed by Member States, which include specific applications for hydrogen, in particular the deployment of hydrogen valleys. Initiatives identified in the Hydrogen strategy will have their own public engagement ahead of the development of any regulatory proposals. Among them, the revision of the EU emissions trading system (ETS) and the selection of the projects for the Innovation Fund are currently underway. |
| 1.7. The EESC points out that the success of the energy transition will be diluted if some workers lose out or if the most vulnerable are |
| Just transition is an important pillar of the European Green Deal and the social dimension is fully integrated in the |

unable to benefit from it. At a time of particularly high unemployment\textsuperscript{28}, especially among young people, it is crucial that we harness the full potential for job creation in developing sectors, just as it is vital to ensure that the transition does not drag some regions down into economic decline, generating structural unemployment. The EESC therefore calls on the European Commission to carry out a study identifying the skills of workers in declining sectors which would be useful for new hydrogen-related jobs.

\textsuperscript{28} According to Eurostat data published in August 2020, COVID-19 reduced employment in the EU by 2.6\% in the second quarter.

preparation of legislative proposals which will guide the transition to climate neutrality by 2050.

The Hydrogen strategy specifies that renewable hydrogen offer a unique opportunity for research and innovation, creating economic growth and jobs across the full value chain and across the Union. The strategy recognises that further research is needed to support policy making on a number of cross-cutting areas, in particular to better assess social and labour market impacts.

The Clean Hydrogen Partnership has an Education and Public Awareness part of its multi annual work programme with the goal to prepare well-educated workforce needed for a competitive hydrogen market, safeguarding existing expertise and know-how, while raising public awareness and social acceptance about hydrogen technologies.

The European Skills Agenda\textsuperscript{29} published in July 2020 envisages several actions to accompany the green transition, including the development of a taxonomy of green skills, which may help guiding workers in their transition from declining sectors to green jobs. All workers should be provided with opportunities for the identification and validation of their skills, as recommended by the 2012 Council Recommendations on the validation of non-formal and informal learners\textsuperscript{30}.

In addition, the Skills Agenda will support action on Strengthening skills intelligence, that builds on work by the European Centre for the Development of Vocational Training

\textsuperscript{29} https://ec.europa.eu/social/main.jsp?catId=1223

Cedefop) using big data analysis. This work offers new possibilities for more up-to-date and granular data on skills demand at sectoral level including the possibility of identifying and comparing skills required in declining sectors with those in growing sectors such the hydrogen sector.

1.8. The EESC emphasises the key role played by the European Clean Hydrogen Alliance in speeding up the transformation of European industries\(^{31}\), and asks to be involved as the representative of organised civil society. The EESC also recommends that the Commission provide a detailed description of the timeframes for transition in each industry, tailored to the specific needs of each sector. The steel, cement and chemicals industries need help to change their production methods; failing that, the EESC points out that these industries – which are making a significant contribution to the reduction of CO\(_2\) emissions – may not survive the transformation.

The Commission welcomes these suggestions proposed by the Committee as it in line with the need to discuss how to leverage the potential of hydrogen to decarbonise our economy while making it more competitive, building on the actions set out in this Communication and the Masterplan for the competitive transformation of energy-intensive industries.

The Commission also draws attention to the important role of clean hydrogen in decarbonising the hard to abate parts of the transport sector, as also reflected in the Sustainable and Smart Mobility Strategy.

1.9. The EESC welcome future partnerships with neighbouring countries. However, it calls for greater clarity from the European Commission on the deployment of 40 GW of electrolyzers to produce renewable hydrogen in the EU neighbourhood\(^{32}\), which currently includes countries that are politically unstable and have very different energy transition and renewable energy development policies. The EESC also stresses that in its Framework Strategy for a Resilient Energy Union\(^{33}\), the Commission sets itself the objective of reducing the EU’s dependence on energy imports\(^{34}\).

The objective of the Hydrogen strategy is to install 40 GW of renewable hydrogen electrolyzers in the EU in 2030.

The Hydrogen strategy supports strong collaboration with neighbourhood countries, where cost-competitive renewables expansion and reliability as an EU partner can be the basis for the development of future cooperation on hydrogen. The Communication stresses that: “a potential supplier of cost-competitive renewable hydrogen to the EU\(^{38}\) requiring that the deployment of renewable power generation in these countries strongly accelerates”.

\(^{31}\) I.e. the carbon-free creation of goods and services.

\(^{32}\) Including the Western Balkans, Ukraine and the southern neighbourhood countries.


\(^{34}\) COM(2020) 299 on **Powering a climate-neutral economy: An EU Strategy for Energy System Integration.**

\(^{38}\) This would require that the deployment of renewable power generation in these countries strongly accelerates.
2.3. Accordingly, the Commission has presented a three-phase strategy to run until 2050:

- **2020-2024:** 6 GW of electrolysers to produce renewable hydrogen so as to decarbonise existing hydrogen production,
- **2025-2030:** 40 GW in the EU and 40 GW in the countries located near the EU with exports to the EU to decarbonise new applications, such as the steel industry and some forms of transport,
- **2030-2050:** a huge upscale in the capacity installed so that hydrogen can decarbonise all “hard-to-abate” sectors.  

In this context, the strategy mentions an industry initiative to promote 40 GW of hydrogen in the Eastern and Southern Neighbourhood, which estimates an additional 88 GW of renewable power generation. The Hydrogen strategy stresses that such an industry initiative requires similar ambitions to raise the deployment of renewables in third countries.

Furthermore, the renewed partnership with the Southern Neighbourhood is supporting this initiative by supporting international cooperation on: “massive deployment of renewable energy and clean hydrogen production, contributing to the aspiration to have at least 40 Gigawatts of electrolyser capacity in the EU Neighbourhood by 2030”.

| 4.9. The EESC questions the justification for developing future energy partnerships which aim to deploy 40 GW of electrolysers to produce renewable hydrogen in the countries located near the EU. At a time when the leaders of the Member States are calling for stronger European sovereignty, the EESC urges the Commission to develop a coherent approach. |
| 4.10. The EESC also flags up how difficult it is to attract European investors in politically unstable countries. The EESC would nonetheless recommend that the Western Balkan countries on the path to EU membership be included in all discussions and initiatives related to the implementation of the hydrogen strategy. |

4.12. The EESC questions whether these countries have the capacity to deploy sufficient numbers of electrolysers to produce enough renewable hydrogen to meet

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35 Defined as such because the costs of reducing emissions are high and progress has been slow and hesitant.

36 Including the Western Balkans, Ukraine and the southern neighbourhood countries.

39 JOIN(2021) 2.
European as well as domestic demand. In North Africa and Ukraine, deploying 40 GW would require 76 GW of renewable energy by 2030, tripling the capacity of these countries in a decade\textsuperscript{37}.

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<tr>
<th>1.10. The EESC would also point out that the competitiveness of European businesses is based on their capacity for innovation. Research and innovation also play a key role in bolstering the resilience of our society which has been buffeted by the COVID-19 pandemic. To this end, the EESC stresses the need to provide sufficient budgetary resources for clean energy under Horizon Europe and the European Innovation Council (EIC).</th>
<th>The Communication underlines that research and innovation for hydrogen play a role in the medium (by 2030) and in the long-term (2050). This is why the strategy points to a number of research and innovation priorities in its section 6. The Commission is proposing to allocate €1 billion of funding to a Clean Hydrogen Partnership from Horizon Europe, which is a 50% increase in funding to that of the Fuel Cells and Hydrogen Joint Undertaking of Horizon 2020. Hydrogen will also be covered by other partnerships and other parts of Horizon Europe like cluster 4 and the Energy Identification Codes and no longer exclusively by the Hydrogen Production Processes.</th>
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<tr>
<td>2.6.1. In order to increase production, the Commission emphasises that investors and industry will need greater clarity and certainty. It will therefore propose a common low-carbon standard for the promotion of hydrogen production installations based on their direct greenhouse gas performance. It could also propose a comprehensive terminology and European-wide criteria for the certification of renewable hydrogen, building on existing initiatives such as CertifHy. Furthermore, the next revision of the EU emissions trading system (EU ETS) should bring in additional mechanisms to encourage the production of renewable and low-carbon hydrogen. The CCfD (Carbon Contract for Difference), a call for long-term contracts with a public counterpart, could be</td>
<td>This Hydrogen strategy outlines a number of measures to support the production of and the demand for renewable and low carbon hydrogen. It is important to note that the methodology and definition of types of production of hydrogen elaborated by this Communication, including for low-carbon hydrogen, is based on a ‘full life cycle greenhouse gas emissions’ assessment and not on ‘direct emissions’. Finally, the introduction of a certification scheme, carbon contracts for differences, and market-based support schemes for renewable hydrogen are part of the ‘Fit for 55%’ package that will be put forward in July 2021, and which includes the revision of the</td>
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considered to cover the difference between the CO\textsubscript{2} strike price (i.e. EUR 55-90/tCO\textsubscript{2}) and the actual CO\textsubscript{2} price. Lastly, direct and transparent market-based support schemes for renewable hydrogen, awarded through calls for tenders, might be considered.

### 3.1.

Whilst the EESC welcomes the strategy’s ambitious targets with regard to the deployment of electrolysers for the production of renewable hydrogen, it points out that priority must be given to boosting renewable capacity installed in Europe to meet the growing demand for electricity. This is due to the increase in electrification of end uses, plus the electricity needed to produce clean hydrogen. The development of renewable energy does not currently include hydrogen production, and only about a third of the EU’s electricity consumption is sourced from renewable energy\textsuperscript{40}.

The Hydrogen strategy specifies that renewable hydrogen will contribute to the energy system integration and the development of offshore renewables, through integrating larger shares of renewables in transport and industry, by providing flexibility and a solution for large-scale storage, among others.

The European Green Deal foresees an accelerated deployment of renewable energy. The Climate Target Plan for 2030 indicates that achieving at least 55\% of the greenhouse gases emissions reductions would result in an accelerated clean energy transition and a greener energy mix, with renewable energy seeing its share reaching 38\% to 40\% of gross final consumption by 2030, instead of 32\%, which is the target currently set by the Renewable Energy Directive.

The EU strategy on offshore renewable energy\textsuperscript{41} includes a number of initiatives to scale up renewable power generation, as well as measures to promote infrastructure project to deliver offshore energy on-shore, including through dedicated electricity and gas grid planning.

### 3.5.

The EESC does however note that the strategy remains open in the short and medium term to other forms of low-carbon hydrogen produced using fossil fuels with carbon capture and storage (CCS)\textsuperscript{42}, a technology which is still being deployed. The

The Hydrogen strategy clearly puts a priority on renewable hydrogen. Renewable hydrogen has the biggest added value: it is fully emission-free, it helps manage our electricity system and EU industry has global leadership in the production of electrolysers.

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\textsuperscript{40} Eurostat data \[\text{nrg\_ind\_peh}\].

\textsuperscript{41} COM(2020)273.

\textsuperscript{42} Or from electrolysis with a significantly reduced GHG emission life-cycle.
EESC points out that hydrogen with CCS can never be considered a source of green energy if its use is linked to direct or indirect extraction of fossil fuels. The EESC underscores the need to have carbon analysis tools throughout the hydrogen value chain along with CCS in order to be considered low-carbon rather than zero-carbon\(^ {43}\) and to avoid a situation where the emissions savings are insufficient to meet the long-term emissions targets.

The strategy also recognises that in a transitional period other forms of low-carbon hydrogen are needed, primarily to rapidly reduce emissions from existing hydrogen production and support the parallel and future uptake of renewable hydrogen.

The hydrogen strategy defines as low carbon hydrogen “fossil-based hydrogen with carbon capture and electricity-based hydrogen, with significantly reduced full life-cycle greenhouse gas emissions compared to existing hydrogen production”.

For the moment, no fossil-based hydrogen with carbon capture project has been developed in Europe yet. Therefore, it is difficult to provide an accurate estimation. The current estimations are based on external studies that have been referenced in the hydrogen strategy.

3.7. The EESC takes note of the Commission estimate that carbon prices in the region of EUR 55-90 per tonne of CO\(_2\) would be needed to make fossil-based hydrogen with carbon capture competitive with fossil-based hydrogen. It asks the Commission to describe the financial model for investments leading to this offset cost, particularly the impact of the cost of capital leveraged through private investments which result in projects having a higher price tag. The EESC would ask the Commission to provide details of estimates for the clean hydrogen prices necessary to obviate the need for subsidies and to explore the mechanisms required to achieve these prices, in particular during the forthcoming revision of the EU Emissions Trading System (EU ETS).

3.8. The EESC would also point out that whilst renewable hydrogen will have to be able to compete with fossil-based hydrogen and fossil-based hydrogen with carbon capture, most importantly it must be able to compete with fossil fuels. For that, its price must be less than 1 USD/kg\(^ {44}\). Reducing the investment costs (CapEx) of green hydrogen is therefore key. The EESC asks the cost of producing renewable hydrogen is dominated by costs of renewable electricity, whilst the cost of the production of low-carbon hydrogen is dominated by the price of natural gas. It is therefore important to distinguish the impacts of reducing the investment costs for the different production methods. Whereas

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\(^ {43}\) This allows for 60 to 85% life-cycle emissions savings compared to using natural gas in boilers.

\(^ {44}\) Hydrogen produced through the reforming of natural gas costs about 1 USD/kg. Source: Platts Hydrogen Assessments.
European Commission to provide hydrogen price scenarios linked to the cost of financial capital leveraged for green hydrogen projects.

The costs of fossil-based hydrogen with carbon capture can be reduced and made cost competitive through investment/grants in CCS technology, a reduction of the investment costs for electrolyser capacity is insufficient to make renewable hydrogen costs-competitive with fossil-based hydrogen in the short term.

To make renewable hydrogen cost-competitive, the costs of renewable power generation will also have to be reduced.

In preparation of the Hydrogen strategy, Directorate-General for Energy conducted a study with the latest capital costs and operational costs for the production of renewable and low-carbon hydrogen (published in July 2020).

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<th>4.1. Due to the COVID-19 pandemic and the resulting crisis, unemployment is expected to reach 9% in the European Union, hitting young people and unqualified workers particularly badly. The EESC therefore points out how important it is to provide good quality training for workers and how necessary to make the energy sector more attractive to young Europeans. With this goal in mind, the European Union could set up European centres of excellence for apprentices in jobs specific to the energy transition (such as conducting energy audits and installing heat pumps). By granting subsidies and expanding the ErasmusPro programme, the EU could make young Europeans key actors in the energy transition, particularly in the field of clean hydrogen.</th>
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<tr>
<td>This Hydrogen strategy underlines that investments in hydrogen will foster sustainable growth and jobs, which will be critical in the context of recovery from the COVID-19 crisis. The European Skills Agenda published in July 2020 is a policy framework for actions to upskill and reskills people to harness the ecologic and digital transitions. It underlines the need to increase – through appropriate training – the number of professionals who develop and use green technologies, products, services and solutions. It envisages a number of actions to this purpose, including the development of a core of green skills for the labour market to steer training programmes.</td>
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<td>4.6. The EESC is very glad that the new recovery and resilience tool supports investments and reforms undertaken by Member States which are crucial for sustainable recovery, particularly in the renewable hydrogen sector. The EESC calls</td>
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on the Commission to ensure that the Member States’ recovery and resilience plans are devised in line with the European Green Deal and the National Energy and Climate Plans. In order to do so, the Commission must make contributing to the green transition a prerequisite when evaluating the Member States' projects.

and reforms in the Power-up and Recharge and Refuel flagship areas. For Power Up, it consists in the frontloading of future-proof clean technologies and acceleration of the development and use of renewables. The promotion of transport applications is included in Recharge and Refuel. It can contribute to create jobs and growth and reap the benefits from the green and digital transition.

The recovery and resilience plans also have to fulfil several criteria, including to contribute significantly to the green and digital transitions and respect the environmental “do no significant harm principle” in order to ensure that Member States economies emerge from this crisis more resilient and sustainable.

There is a climate target of 30% for the overall Multi-annual Financial Framework and NextGenerationEU. This translates in appropriate targets in relevant sectoral instruments, including a 37% target for the Recovery and Resilience Facility.

4.7. The Clean Hydrogen Alliance will play a pivotal role in the deployment of hydrogen in Europe, not least by drawing up the investment programme and the regional, national and European project pipeline. The EESC therefore emphasises just how important it is to ensure that all stakeholders are represented fairly, including civil society in all its dimensions, workers and non-governmental organisations. As it stands at present, it is largely made up of private actors. The EESC genuinely represents organised civil society, and as such it must play a part in the discussions and consultations.

The European Clean Hydrogen Alliance was tasked to build up a robust pipeline of projects in line with the objectives of the hydrogen strategy. The Alliance is built on the principle of openness and inclusiveness and includes beyond industry representatives of civil society, workers and non-governmental organisations. The Commission will explore ways how to involve the Committee in the work of the Alliance.

The Commission also draws attention that in line with the Sustainable and Smart Mobility Strategy, it will “consider to establish a Renewable and Low-Carbon Fuels Value Chain Alliance, (…) to boost the supply and deployment of the most promising fuels,

45 See the Clean Hydrogen Alliance's list of members.
complementing action under the European Clean Hydrogen Alliance”. Hydrogen-derived synthetic fuels for transport would be looked at.

4.8.1. Whilst emphasising the pertinence of CCfDs, the Commission acknowledges that the EU ETS in its present form is not able to send price signals strong enough to trigger the investments needed to achieve climate neutrality. This is partly due to the fact that there are still high subsidies for fossil raw materials in the EU. According to the European Commission's report on energy subsidies, subsidies for natural gas used to produce hydrogen with carbon capture and storage (CCS) have actually increased. This has therefore created a massive market distortion, hindering investment in climate protection technologies such as green hydrogen or making them unnecessarily expensive. Moreover, even after being reformed, the EU ETS still does not reflect the true carbon price. If subsidies for fossil raw materials were scrapped and if the ETS were further improved, there would be no need for CCfDs. These two tasks should therefore be the Commission's top priority.

The Fit for 55% package elaborated by the Commission will ensure consistency between the revision of the EU Emission Trading System (ETS) and the Renewable Energy Directive.

4.8.2 As CCfDs are nevertheless necessary, tenders should be framed in such a way that hydrogen electrolysis will only be financed if surplus renewable electricity is used for this purpose. The EESC therefore stresses that a European funding system and specific calls for tenders for renewable hydrogen are essential to ensure that the development of hydrogen involving CCS is not slowed down.

As regards financing for research and Innovation, the Green Deal call was launched under Horizon 2020 and will include projects for upscaling electrolysers (100 MW) operating in real life environment. Two projects of two separate 100MW electrolysers should be funded from the call and there is a requirement that they are fed by renewable electricity.

The introduction of a pilot Carbon Contracts for Difference will be considered in the

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47 For example, if an electrolyser operator shows that it receives electricity for electrolysis directly from a newly-built renewable energy plant, or has an electricity supply contract that is activated only when wholesale market prices are negative.
The Hydrogen strategy enumerates a list of follow-up actions that aim to provide more detailed analysis.

As such, the joint communication on a renewed partnership with the Southern Neighbourhood\textsuperscript{49} recognises the diverse endowments and needs of the different partners. The Communication puts forward as a priority for future cooperation to work on: “massive deployment of renewable energy and clean hydrogen production, contributing to the aspiration to have at least 40 Gigawatts of electrolyser capacity in the EU Neighbourhood by 2030”.

Besides the direct collaboration on renewable energy and hydrogen, the Hydrogen strategy elaborates on concrete opportunities for re-designing Europe’s energy partnership with neighbouring countries and regions, advancing supply diversification and helping design stable and secure supply chains.

\textsuperscript{48} This designation must not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

\textsuperscript{49} JOIN(2021) 2.
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<th>Points of the European Economic and Social Committee opinion considered essential</th>
<th>European Commission position</th>
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<tr>
<td>1.2. Fiscal rules should be shifted towards a more prosperity-oriented economic governance, including a golden rule and should not take effect again until unemployment falls significantly.</td>
<td>The general escape clause of the Stability and Growth Pact will continue to be applied in 2022. The review of the economic governance framework, which the Commission released in February 2020 to open a debate on possible changes to the framework, highlighted the need to consider what the role of the EU surveillance framework is in helping Member States to undertake growth- and productivity-enhancing investment in a sustainable way. When the recovery takes hold, the Commission intends to relaunch the public debate on the economic governance framework. NextGenerationEU and the EU budget will finance a sizeable share of productive expenditure for some years, to support the recovery, the green and digital transitions. The non-repayable support will make it possible to fund high-quality investment projects and cover costs of productivity-enhancing reforms without giving rise to higher deficits and debt.</td>
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<td>3.1. The Commission’s Spring 2020 forecast is used for an assessment of the economic situation, but with saying that in the EU there is “an expected decline in GDP of 7.8% in 2020”, which is the figure for the euro area from the Autumn 2020 forecast (the forecast for the EU in spring was -7.4%).</td>
<td>Forecast figures attributed to the Commission should be presented with reference to the forecast from which they were taken. If it is not possible to use the latest Commission forecast (given that the Winter 2021 Interim forecast was released on 11 February 2021, which is after the Plenary session), the opinion should clarify that the 2020 Gross</td>
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Domestic Product (GDP) growth forecast stems from the Autumn 2020 forecast. (For info, according to the Spring 2021 forecast, GDP in the EU is expected to have declined by 6.1%.)

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<th>3.1. [...] The labour market situation has also deteriorated, although due to ambitious policy measures – such as short-time work schemes – the economic slump is not fully reflected in unemployment rates. We nevertheless face a drop in total hours worked and a decline in activity rates as discouraged workers have left the labour market.</th>
<th>Data for the third quarter of 2020 suggests an increase in the activity rate in some countries. Yet, in several Member States the activity rate remains below the pre-COVID rates.</th>
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<td>3.2. The opinion says, “the recovery in 2021 is projected to be slower than expected”, but without saying explicitly to which forecast this comparison relates.</td>
<td>Compared to the 2020 spring forecast, the Commission has lowered its GDP growth forecast for the EU in 2021 in its Autumn 2020 forecast from 6.1% to 4.1%. (For info, in its Winter 2021 forecast it was revised further down from 4.1% to 3.7%). These downward revisions are mainly related to a deteriorating pandemic situation. The opinion should clarify which forecast is meant when comparing how expectations for the rebound in 2021 have evolved.</td>
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<td>3.2. [...] The pandemic crisis is also likely to exacerbate existing problems, for example the low level of investment, widening divergences across Member States and regions, inequalities within societies, and political tensions. Moreover, developments in 2021 could translate into negative long-term effects, while tackling the climate crisis will still be an urgent issue.</td>
<td>The Commissions considers that, as an upside risk, the vaccination process could lead to a faster easing of containment measures than assumed and therefore an earlier and stronger recovery.</td>
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<td>4.1. Governments should be able to deploy the necessary measures irrespective of their current debt level. The best way to achieve sustainable public finances is to safeguard sustainable and inclusive growth. Supporting productivity could accelerate</td>
<td>The overall fiscal stance, taking into account national budgets and the Recovery and Resilience Facility, should remain supportive in 2021 and 2022. A premature withdrawal of fiscal support should be avoided. The fiscal guidance for 2022, provided as part of the</td>
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deficit reduction in the upcoming years. To prevent a return to old fiscal rules and manage a shift towards a prosperity-focused economic governance, the EESC urges that the review process be resumed as soon as possible. Modernised fiscal rules should in any case not take effect until unemployment falls significantly.

2021 European Semester [and adopted by the Council on 18 June 2021] recommends Member States to make use of Recovery and Resilience Facility financing, which will contribute to supporting the economic recovery, fostering higher potential growth and gradually improving their underlying fiscal positions. In particular, Member States with high debt should use the Recovery and Resilience Facility to finance additional investment in support of the recovery while pursuing a prudent fiscal policy. For the period beyond 2022, fiscal policies should continue to take into account the strength of the recovery, the degree of economic uncertainty and fiscal sustainability. As the recovery takes hold, fiscal policy should prioritise higher public and private investment, supporting the transition towards a green and digital economy.

When economic conditions allow, Member States should pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions, and ensuring fiscal sustainability in the medium term. This should be done in a way that mitigates the employment and social impact of the crisis and helps achieving socially just green and digital transitions.

The general escape clause of the Stability and Growth Pact allows for a temporary departure from the normal operation of fiscal rules in a situation of a severe economic downturn in the EU. Activated in March 2020, the clause will continue to be applied in 2022 and is expected to be deactivated as of 2023, based on the Commission’s spring 2021 forecast. After the deactivation of the general escape clause, country-specific situations will continue to be

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50 The National Bank of Belgium estimates that the one-off deficit in 2020 that is crisis-related has a potential one-off effect of -4.6% of GDP.
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<th>4.2. The EESC points to its recommendation to adopt a &quot;golden rule&quot;.</th>
<th>While the Stability and Growth Pact is in principle neutral regarding the composition of public finances, it can be politically more expedient during periods of fiscal consolidation to cut public investment, rather than to cut current expenditure. The current fiscal framework did not prevent a decline in the level of public investment in Member States. In light of the low level of public investment, of elevated public debt and of the challenges posed by climate change and digitalisation, the questions for public debate raised in the economic governance review included the role that the stability and growth pact could play in incentivising public investment, with the view to reconcile public investment needs to help tackle today and tomorrow’s economic, social, and environmental challenges with fiscal constraints. The framework should be consistent with today and tomorrow’s challenges. When the recovery takes hold, the Commission will resume the public debate on the review of the EU economic governance. The Committee's proposals, including with the recommendation to adopt a golden rule, provide an important contribution to the debate.</th>
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<tr>
<td>4.3. The EESC calls for combating inequality to become a priority in all envisaged recovery measures.</td>
<td>The Commission is committed to the objectives of the Recovery and Resilience Facility as well as cohesion policy objective, among which are inclusive growth and social cohesion. To this end, its assessment of the recovery and resilience plans as well as of the programmes supported by cohesion funds will ensure support for plans that will represent a comprehensive and adequately balanced</td>
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4.3. The pandemic is increasing inequalities and social exclusion. Many women, migrants, disabled or young people are bearing the brunt of the crisis. Those who were vulnerable before the crisis are likely to be hit hardest. But many employees with high-quality jobs also feel at risk of deteriorating working conditions, incomes or unemployment. The EESC calls for combating inequality to become a priority in all envisaged recovery measures. The impact of the crisis on social exclusion but also on rising socio-economic insecurity, which affects a substantial part of the population, has to be more carefully considered. The benefits of the recovery should be equally distributed. This is also critical to strengthening confidence and stabilising demand.

As noted in recital 12 of the Recommendation for a Council recommendation on the economic policy of the euro area\textsuperscript{52} “[r]eforms that increase labour market participation, tackle youth and long-term unemployment, promote quality job creation, support successful labour market transitions, reduce segmentation and promote social dialogue can help boost inclusive growth, improve economic resilience and automatic stabilisation, reduce inequalities, and address poverty and social exclusion”.

Moreover, this is in line with the Recovery and Resilience Facility Regulation (EU 2021/241) that mandates that the recovery and resilience plans “should set out the expected contribution to gender equality and equal opportunities for all”.

4.4. Further integration of the single market should remain a top priority. This also includes implementing the principles of the

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\textsuperscript{52} COM(2020) 746 final.
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<th>European Pillar of Social Rights. Improvement of the business and the social environment must go hand in hand</th>
<th>which are inclusive growth and social cohesion. To this end, in its assessment of the recovery and resilience plans to be submitted by the Member States, the Commission will ensure support for plans that will represent a comprehensive and adequately balanced response to the economic and social situation of Member State concerned. Measures included in the recovery and resilience plans should be contributing to mitigating the economic and social impact of the COVID-19 crisis, contributing to the implementation of the European Pillar of Social Rights, and thereby enhancing the economic, social, and territorial cohesion and convergence within the Union. The Commission put forward its Action Plan on the implementation of the European Pillar of Social Rights on 4 March 2021. It includes different key actions and potential areas for action at all levels to further implement the principles of the Pillar. The Action Plan highlights the need to enhance social rights and to strengthen the European social dimension across all policies of the Union as enshrined in the Treaties. The Porto Declaration signed by EU leaders endorses sets three headline targets for the EU to be achieved by 2030 on employment, skills and poverty and social inclusion put forward by the Action Plan. As a concrete action under the European Pillar of Social Rights, the Commission has also presented on 4 March a Recommendation on Effective Active Support to Employment (EASE) to contribute to job-rich and inclusive recovery. EASE provides concrete guidance to Member States to accompany labour market transitions from declining to expanding sectors.</th>
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54 The Porto declaration - Consilium (europa.eu) |
4.4. The EESC points to the Commission working document on Delivering on the UN's Sustainable Development Goals, which notes: "... the SDGs will keep the EU focused on a sustainable growth path compatible with planetary boundaries, on wellbeing, inclusion and equity."

| In line of this Commission’s political programme, the implementation of the UN Sustainable Development Goals (SDGs) lies at the heart of the policymaking on internal and external action across all sectors. Integrated in the 2020 European Semester’s surveillance framework, the Commission regularly monitors the SDGs implementation in the EU based on a reference indicator framework. The SDGs indicators support have been chosen both for their policy relevance for the EU and their statistical quality. The indicator set is reviewed annually and reports on Member States’ progress towards the SDGs. In its forthcoming edition, the report will contain a first assessment of the impact of the COVID-19 pandemic on sustainable development in the EU. |

4.4. Further integration of the single market should remain a top priority. This also includes implementing the principles of the European Pillar of Social Rights. Improvement of the business and the social environment must go hand in hand. The EESC points to the Commission working document on Delivering on the UN's Sustainable Development Goals, which notes: "... the SDGs will keep the EU focused on a sustainable growth path compatible with planetary boundaries, on wellbeing, inclusion and equity. This recognises that the economy must work for the people and the planet". Initiatives for a more social Europe include - amongst many others - a proposal for a directive on adequate minimum wages and an action plan to implement the European Pillar of Social Rights. The EESC has also adopted opinions on a European framework directive on a minimum income and European |

| The Commission presented its European Pillar of Social Rights Action Plan on 4 March 2021. It puts forward different key actions and potential areas for action at all levels to further implement the principles of the Pillar. The Action Plan highlights the need to enhance social rights and to strengthen the European social dimension across all policies of the Union as enshrined in the Treaties. The Porto Social Commitment and the Porto Declaration by EU Leaders adopted at the Social Summit on 7-8 May 2021 will drive the implementation of the European Pillar of Social Rights in the coming months and years. The Action Plan is accompanied by a number of measurable EU-level social and employment targets with a 2030 time horizon which were endorsed by EU leaders in the Porto Declaration. |

55 See also https://ec.europa.eu/eurostat/web/products-catalogues/-/KS-01-20-192
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<tr>
<th>minimum standards in the field of unemployment insurance(^57).</th>
<th>These targets, centred on employment, skills and inclusion, succeed to the Europe 2020 targets and are aligned with the targets of the UN Sustainable Development Goals. They are consistent with the Commission’s overarching strategic objectives for the green and digital social convergence and greater economic and social resilience in the EU.</th>
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<td>4.5. It will also be crucial to ensure civil society involvement in drawing up and implementing the national plans for the Recovery and Resilience Facility, which is also expected to be monitored by the Semester process. Also welcome are the Commission's recommendations on the labour market, including fostering fair working conditions, ensuring involvement of the social partners in policy-making and strengthening social dialogue and collective bargaining. The EESC calls for higher standards in relation to involving the social partners and civil society in climate policy. Structural change to achieve a carbon-free economy could be supported by a social dialogue between the regions and social partners concerned in order to safeguard the social aspects. It will also be crucial to ensure civil society involvement in drawing up and implementing the national plans for the Recovery and Resilience Facility, which is also expected to be monitored by the Semester process.</td>
<td>Pursuant to Article 18(4q) of the Recovery and Resilience Facility(^59), Member States are required to ensure wide national consultation for the preparation, and where available, for the implementation of the recovery and resilience plan. They should include a summary of the consultation process, conducted in accordance with the national legal framework, of local and national authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders and how the input of the stakeholders is reflected in the recovery and resilience plans. The Commission Recommendation on effective active support to employment (EASE), adopted on 4 March 2021, recalls that social partners have a vital role to play to help addressing the employment and social consequences of the COVID-19 pandemic and the challenges of the twin transitions. It calls on Member States to rely on social dialogue and involve social partners in the design, implementation and evaluation of the policies they devise to address the labour market challenges brought by the COVID-19 crisis.</td>
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<tr>
<td>6. Effective frameworks are needed to combat tax evasion, aggressive tax planning, money laundering and corruption. The EESC calls for decisive reform of tax policies in order to tackle economic, social and</td>
<td>The Commission places a high priority on combatting tax evasion, aggressive tax planning, money laundering and corruption. A new instrument, the EU Tax Observatory, to be launched in June 2021, will promote high-</td>
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\(^{58}\) Treaty on European Union and the Treaty on the Functioning of the European Union, Art. 3 and Art. 9.  
\(^{57}\) OJ C 97, 24.3.2020, p. 32.  
\(^{59}\) OJ L 57, 18.2.2021
environmental challenges. This includes shifting the tax burden away from labour to tax bases that are less detrimental to labour supply taking into account the related distributional impact and avoiding regressive effects. The EESC also asks for urgent action on QMV under the terms recommended in its previous opinions. The concept of minimum effective taxation of corporate profits and its possible application should be explored. Finally, the EESC calls for substantial progress on introducing new own resources as outlined in the recovery plan.

quality research, create a public repository of data and information, and will be an active voice in the EU and internationally on tax evasion and avoidance issues.

The Commission’s July 2020 Communication on Tax good governance in Europe and beyond proposes to review and strengthen the code of conduct on business taxation, which continues to look into harmful tax practices in Member States and to promote tax good governance in third countries, and the EU list of non-cooperative jurisdictions. Furthermore, the Commission actively supports the ongoing OECD-led discussions to reform the global corporate tax framework, which would reallocate taxing rights in light of today’s new economic realities and set a minimum effective tax rate for multinational’s profits. The Commission also published a Communication on business taxation for the 21st century, which takes stock of the OECD discussion and looks beyond it, with complementary actions including in the field of fair taxation.

In addition, the new process of the Recovery and Resilience Facility is also a good framework to reform tax policies in order to tackle economic, social and environmental challenges. The Recovery and Resilience Facility links the EU funding with the necessary reforms that each Member State has to implement, including shifting the tax burden away from labour to tax bases less detrimental to labour supply. Against the backdrop of the COVID 19 pandemic, the Commission also adopted a Recommendation on making state financial support to undertakings in the EU conditional on the absence of links to non-cooperative jurisdictions to ensure that Member States disallow state financial support to businesses that have links to listed non-

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60 C(2020) 4885 final.
cooperative jurisdictions for tax purposes.

The Commission has also repeatedly expressed its intention to follow-up on the qualified majority voting “QMV” Communication\(^{61}\) of January 2019 and continues to progress this work.

Lastly, in its Communication of May 2020 on how the EU budget could power the recovery plan for Europe\(^{62}\), the Commission already expressed its intention to propose new own resources that could help finance the repayment of the market financing raised under the NextGenerationEU package. The European Council of July 2020 mandated the Commission to deliver on a number of new own resource proposals in the first semester of 2021 with a view that they should start generating revenues by 2023. This mandate was further enshrined in the inter-institutional agreement of December 2020. The Commission is now working on delivering on this mandate. Discussions on the specific design of a carbon border adjustment mechanism and a digital levy are currently ongoing with a view to tabling proposals in line with the mandated timetable.

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\(^{62}\) Communication from the Commission: The EU budget powering the recovery plan for Europe, COM(2020) 442 final.
## Points of the European Economic and Social Committee opinion considered essential

1.4. The new and constant challenges arising from the use of data, algorithms and markets are evolving rapidly in an increasingly digital environment. As a result, cooperation networks between the Member State authorities and the EC need to be made more robust in order to uphold fair competition in the single market. The EU must therefore be in line with the digital age, and the EESC is aware of the need for changes: it urges the necessary adaptation to be made. The EESC strongly believes that the digital market and online platforms are part of a new economy that is crucial for Europe but that there is also a need to set clear and fair rules for all stakeholders.

3.2.1. The EESC considers the digital economy and in particular the position of the GAFA as a serious challenge to the EU's competition law. Since these companies do not abide by the same rules as European companies, the updated EU competition rules should propose new efficient tools acknowledging this situation.

## European Commission position

The European Competition Network (ECN) has formed a number of horizontal working groups where representatives of the national competition authorities (NCAs) and the Commission share best practices and discuss issues of common interest. One of the working groups covers digital issues. Cooperation is close and productive. For example, a joint study on algorithms and competition published by the French and German NCAs in November 2019 was discussed in the working group.

In December 2020, the Commission adopted a proposal for a Digital Markets Act to ensure contestable and fair digital markets. The proposed regulation aims to address practices by large digital platforms acting as “gatekeepers” that are unfair or weaken the contestability of markets in the digital sector. Prohibitions and obligations envisaged by the Digital Markets Act deal with a number of issues, such as data-related unfair practices by gatekeepers. In addition, the Commission has tabled a proposal for a Digital Services Act, which aims to introduce a harmonised set of liability and due diligence obligations for providers of intermediary services to ensure a safe, predictable and trusted online environment. The proposal also includes obligations such as increased transparency requirements for providers of intermediary services.

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1.6. The EESC calls for the same social and environmental rules to be guaranteed where competition with companies from outside the EU is concerned, in order to ensure a level playing field. [...]

3.3.3. The EESC favours promoting State aid measures in relation to the post-2012 greenhouse gas emissions trading system (ETS Directives). It supports the revision of this State aid system and its adaptation to the new EU emissions trading system for 2021-2030, in which much hope has been placed.

3.3.5. As it has said in previous opinions, the EESC sees support for introducing renewable energies as necessary. While guaranteeing security of supply, State aid should be directed to supporting renewable energy, maximising the environmental, social and economic benefits of public funds.

Directive 2014/24/EU on public procurement stipulates that “Member States shall take appropriate measures to ensure that in the performance of public contracts economic operators comply with applicable obligations in the fields of environmental, social and labour law established by Union law, national law, collective agreements or by the international environmental, social and labour law provisions [...].” Further clarification is provided in the Commission Guidance on the participation of third-country bidders and goods in the EU procurement market, published by the Commission in 2019.

The amended Emissions Trading System (ETS) State aid guidelines entered into force on 1 January 2021 with the start of the new ETS trading period.\(^{64}\) The revised ETS State aid guidelines enable Member States to compensate companies in at-risk sectors for part of the higher electricity prices resulting from the carbon price signals created by the ETS (so-called indirect emission costs).

The Commission aims to tackle climate change and stimulate sustainable growth through the European Green Deal. The State aid rules are well placed to contribute to this objective, while ensuring that public funds do not crowd out private investment and do not unduly distort competition in the single market. In 2020, the Commission assessed and authorised State measures promoting the deployment of renewables, improving energy efficiency, supporting where necessary the rollout of zero/low emission mobility

infrastructure, stimulating demand for zero/low emission vehicles for public and private transport, and reducing CO2 and other emissions (including decarbonisation measures) or improving the circular economy. Moreover, the rules on Important Projects of Common European Interest (IPCEIs) have paved the way for two cross-border projects for innovative and sustainable battery technologies across the whole value chain from materials to sustainable recycling. The Commission is currently carrying out a review of EU State aid rules, including the Energy and Environmental State aid guidelines, to ensure that they continue to support the European Green Deal over the next years.

1.8. In the sector of agriculture and food, it is important to protect products of European designation of origin from imitations or "copies". [...] Under EU State aid rules, Member States may grant State aid under certain conditions for the participation of producers of agricultural products in quality schemes and for promotion measures such as information action on trade fairs and against distortion of scientific knowledge. The EU geographical indications system protects the names of products that originate from specific regions and have specific qualities or enjoy a reputation linked to the production territory. Geographical indications establish intellectual property rights for such products and prevent imitations from circulating in the single market. There are three types of geographical indications: i.) Protected Designation of Origin (PDO) for food and wine; ii.) Protected Geographical Indication (PGI) for food and wine, and iii.) Geographical Indication (GI) for spirit drinks and aromatised wines. The differences between PDO and PGI are linked primarily to how much of the product’s raw materials must come from the area or how much of the production process has to take place within
1.5. The EESC draws the attention of the EC to the need to continuously create the economic and political conditions to boost the growth of SMEs on a level playing field that also allows the participation of big companies in the economic process. Europe must be perceived as a strong economic area that permits fair competition and clear rules for all players.

1.7. The EESC supports the coordinated measures put in place by the EC for the manufacturing sector but would like the EU to go further and propose a permanent solution to boost the level playing field in close cooperation with the Member States. The temporary measures regarding the supply of specific products from non-EU markets must be made permanent, especially regarding the importing of vital medical equipment and other key products. This pandemic has shown up all the weaknesses of a hesitant policy. A strong and resilient manufacturing sector should be the specific region.

Under the Farm to Fork Strategy, the Commission announced it will review the Geographical indications legislation with a view to strengthening the framework and include, where appropriate, sustainability criteria.

All Free Trade Agreements concluded by the EU include Intellectual Property Rights (IPR) chapters with comprehensive provisions on GIs and GI lists protecting European foodstuffs, wine and spirits GIs in the third markets concerned, as well as foreign GIs within the single market. These rules and principles ensure a comparable level of GI protection to that of the EU and include enforcement provisions to prevent imitations from reaching consumers.

The Commission refers to its 2020 Communication “An SME Strategy for a sustainable and digital Europe” (SME Strategy). The Communication emphasises that rigorous enforcement of EU competition rules ensures that all companies active in the single market, in particular SMEs, can compete and innovate on their merits, preventing the abuse of market power and the concentration of wealth by a few big businesses.

The SME Strategy sets out a number of measures that will help SMEs to fully benefit from the opportunities provided by the single market. Member States should implement the Single Digital Gateway in an SME-friendly manner. Moreover, the SME Envoys Network should be closely involved in the work of the Single Market Task Force and the Fit for Future Platform.

The Commission takes note of the views of

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one of the pillars of the competition policy.

3.1.4. SMEs are the pillar of the European economy and therefore need to be taken more into consideration in the design and implementation of competition policy. State supports are a useful tool but not all SMEs are aware of their existence. The EESC recommends improving communication towards SMEs in order to better support their activities.

the Committee concerning the manufacturing sector, an essential sector for the EU economy.

An effective competition policy benefits all competitors in a market. Smaller firms and start-ups are prime beneficiaries of open and competitive markets. Competition law enforcement protects SMEs against the negative effects of larger firms’ market power. Dominant firms are prohibited from abusing their market power, for example by foreclosing market entry (for example refusing to supply, undercutting entrants with below cost pricing or entering into exclusive agreements with customers).

In addition, small companies may escape the scope of EU competition rules or benefit from a number of exemptions.

For example, the Effect on Trade Notice stipulates that in general the EU competition rules do not apply to agreements between SMEs.66 Such agreements are not capable of appreciably affecting trade between Member States if the total EU sales of the parties concerned (excluding tax) are less than EUR 40 million, or if their aggregate market share on any relevant market affected by the agreement does not exceed 5%.

The De Minimis Notice states that agreements between companies with relatively low market shares do not have an appreciable effect on competition (10% for agreements between competitors and 15% for agreements between non-competitors).67 The De Minimis Notice functions as a safe harbour for SMEs, as they normally have modest market shares. The safe harbour applies generally, unless the parties include

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so-called hard-core restrictions in their agreements, for example price fixing, market sharing and vertical price fixing.

SMEs are also more likely to benefit from the specific block exemption regulations available for instance for vertical and horizontal cooperation agreements. 68 Since Regulation 1/2003 abolished the pre-notification of agreements to the Commission, companies have to self-assess the compliance of their cooperation agreements with Article 101 of the Treaty on the Functioning of the European Union (TFEU). Block exemption regulations offer legal certainty for businesses that enter into vertical and horizontal cooperation agreements. They reduce the regulatory burden of SMEs, which may lack the necessary resources and/or legal expertise to conduct self-assessments. The block exemption regulations also set market share thresholds that SMEs are more likely to meet.

Finally, in December 2020, the Commission adopted a proposal for a Digital Markets Act to ensure contestable and fair digital markets. The proposal would allow SMEs (including business users and other providers of core platforms services) to grow within the single market by removing important barriers to entry and barriers to expansion.

SMEs play a decisive role in job creation and, more generally, act as a factor of social and economic development. To address market failures that SMEs may face, State aid rules include a number of possibilities to provide support, without the need for the

Member States to notify them. However, the actual set-up of State aid measures is in the hands of the Member States. Member States therefore play a key role in advertising the State aid measures they put in place for SMEs.

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<tr>
<th>2.4. The EESC shares the EC's concern regarding the need to tackle the effects of the distortion caused by foreign subsidies and public ownership, and considers that additional instruments are needed to prevent harmful effects. These can be effectively identified by, firstly, making proper use of the European Competition Network and, secondly, tackling selective aid systems.</th>
<th>Subsidies granted by non-EU governments to companies active in the EU may have a negative impact on the internal market, but fall outside EU State aid control. To launch a debate on new tools to address this regulatory gap, the Commission adopted a White Paper on foreign subsidies in June 2020. The paper proposes several complementary measures i.) the establishment of a general market scrutiny instrument to capture market situations where foreign subsidies may cause distortions in the single market, ii.) companies benefitting from financial support of a non-EU government would need to notify acquisitions of EU companies above a given threshold to a supervisory authority and iii.) a mechanism where bidders in public procurement procedures above certain threshold would have to notify financial contributions received from non-EU countries. Taking into account the contributions received in the consultation, the Commission is planning to table a legislative proposal to address the distortions caused by foreign subsidies in the internal market in Q2 2021.</th>
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<tr>
<td>2.6. Projects of common European interest play an important part in research and technological development, and in applying innovation. Their development should be fostered on account of the added value they bring, and the EESC hopes</td>
<td>The Commission recently finalised its evaluation of the IPCEI Communication. The evaluation showed that – while working well overall – the Communication may need some adjustments, clarifications and targeted</td>
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that the Communication on important projects of common European interest (IPCEI) can serve as an effective instrument for implementing them properly. It is important to supervise corrections to the application of the criteria under which the Member States may support transnational projects of strategic importance to the EU.

adaptations in line with the Commission's case practice. On 23 February 2021, the Commission launched a public consultation on a proposed targeted revision of the IPCEI Communication. One important objective of the proposed revision is to facilitate the involvement of SMEs in IPCEIs. The Commission recognises the crucial role that SMEs play in the EU economy and proposes to simplify its assessment when State aid, notably to SMEs, is less likely to distort competition. Moreover, the proposed changes aim to ensure that all Member States are given a genuine opportunity to participate in emerging projects and that they are consistent with EU policies, in particular the green and digital transitions. The Commission plans to adopt the new IPCEI Communication in the second half of 2021.

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<tr>
<th>3.2.8. The current EU competition legal framework does not adequately take into account competition concerns impacting the labour market, such as employer monopsony power, undercutting social standards, which also has harmful consequences both for employers, who are subject to unsustainable competitive pressure, and for Member States, who forego tax revenue and social security contributions. Competition rules should not be an obstacle to collective bargaining for all workers, including platform workers, in order to negotiate innovative tools and agreements, as various examples at national level show.</th>
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<tr>
<td>Digital platforms change the way people work. People working through digital platforms do not necessarily fit into traditional employment categories. The purpose of EU competition law is not to stand in the way of collective bargaining for those who need it. The cross-border nature of digital platforms have highlighted the need for a possible EU initiative to improve the working conditions of people working through them. On 25 February 2021, the Commission launched a public consultation of the social partners. The purpose of the consultation is to invite the views of European trade unions and employers' organisations concerning the need for possible action at EU level to improve the working conditions of people working through digital labour platforms in the EU. In June 2020, the Commission launched a process to assess whether there is a need for measures at EU level to ensure that EU competition law does not stand in the way of collective bargaining.</td>
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<th>bargaining for self-employed in need of protection. Following the initial information gathering process as part of the consultation on the Digital Services Act and discussions with social partners and businesses, the Commission published on 6 January 2021 an inception impact assessment describing the problem and outlining the initial policy options for future actions.</th>
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<tr>
<td>3.5.1. In the area of taxation, the EESC welcomes the measures put in place by the EC in 2019. At the same time, it is important that fair competition between different countries also be ensured in this area too. In particular, greater vigilance is needed with regard to tax rulings and unfair competitive advantages gained through agreements between certain countries and &quot;big players&quot;. This behaviour can distort the free market, is damaging to SMEs and creates unfair competition between countries.</td>
<td>The fight against tax evasion and tax avoidance remains high on the Commission's agenda. In 2020, the Commission continued the investigation of alleged State aid granted by the Netherlands to Inter IKEA, to Starbucks and to Nike; on alleged aid granted by Luxembourg to Huhtamäki; and on alleged aid granted by Belgium to 39 individual aid beneficiaries of the Belgian excess profit scheme. In July 2020, the General Court annulled the Commission’s decision of 2016, where the Commission found that two Irish tax rulings in favour of Apple, constituted incompatible State aid. The General Court held that the Commission did not show to the requisite legal standard that Apple had been granted a selective economic advantage. The Commission appealed the judgment to the Court of Justice in September 2020. In July 2020, the Commission adopted a new Tax Package to ensure that EU tax policy supports Europe's economic recovery and long-term growth. The Package seeks to boost tax fairness, intensify the fight against tax abuse, curb unfair tax competition and increase tax transparency.</td>
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Case T- 778/16 and T- 892/16 State aid — Aid implemented by Ireland — Decision declaring the aid incompatible with the internal market and unlawful and ordering recovery of the aid — Advance tax decisions (tax rulings) — Selective tax advantages — Arm’s length principle), judgements of 15.7.2020.
4.3. The EU’s competition model needs to be promoted internationally. The EU must lead the way with a global competition culture that provides a system protecting both companies and workers. We need a thorough discussion about the concept of competition law in Europe, in comparison to other economic areas namely the USA and China, for example with regard to sustainable and environmental issues.

The Commission promotes convergence of competition policy instruments (antitrust, mergers and state aid) and practices across jurisdictions.

To this end, the Commission participates and leads actively in a number of multinational organisations and networks such as the International Competition Network (ICN), the Organisation for Economic Cooperation and Development (OECD), the World Trade Organisation (WTO) and the United Nations Conference on Trade And Development (UNCTAD). These organisations/networks play an important role in promoting convergence of competition policies through dialogue and exchange of best practices between competition authorities of different jurisdictions.

An integrated approach to competition policy (i.e. across all enforcement instruments), contributes to the objectives of the European Green Deal. To help optimise such an integrated approach, a call for contributions from stakeholders was issued in October 2020, followed by a high-level conference in February 2021. The Commission is currently taking stock of the ideas and suggestions received.
The follow-up given by the Commission to this opinion will be included in a subsequent report.
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<th>Points of the European Economic and Social Committee opinion considered essential</th>
<th>European Commission position</th>
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| 1.2. EESC asks the European Commission to protect small operators in the market against monopolistic platforms. Securing the neutrality of new digital platform markets\(^{73}\) is vital to ensure fair play for all market participants. The EESC suggests regulations on ‘natural monopolies’ in the digital economy to ensure their governance by civil society or public authorities\(^{74}\). This includes interoperability between competing platforms to ensure competition within the digital market, for example with legislation on mandatory predefined interfaces for information exchange. | On 15 December, the Commission proposed an upgrade to the ground-rules for the provision of online services in the EU, with a Digital Services Act (DSA) and a Digital Markets Act (DMA). The DSA aims to update EU rules to ensure that digital service providers face no barriers inside the EU, while defining clearer responsibilities and accountability for online platforms. The proposed DMA combines ex ante rules applicable to identified gatekeepers complemented by case-by-case enforcement through a market investigation regime. The DMA is concerned with large digital gatekeepers, setting out a clear list of obligations. In addition to legislation, several public authorities and civil society driven projects aim at similar objectives. For platforms that cities use to manage their large amount of data, services as well as public and private stakeholders, the Living-in.eu\(^{75}\) declaration and subsequent movement have been successfully promoting a promising approach, built on EU values and principles. Driven by city organisations, increasing number of municipalities commit themselves to implement interoperable, standard-based 

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\(^{73}\) Especially those operating in the area of public goods (health, mobility, city).

\(^{74}\) E.g. a public search engine, a GAIA X cloud server, or civil society-governed social media platforms.

\(^{75}\) [http://living-in.eu](http://living-in.eu)
| 3.4.2. Moreover, platforms like Amazon act increasingly as market participants within their own markets while controlling the economic infrastructure (i.e. the shopping platform, distribution channels, and advertisements) where thousands of competing sellers offer their products. Amazon uses this data from third-party sellers to push its own products, thus disadvantaging its competitors. A revision of EU competition law along the lines of the Indian FDI-regulation could identify and sanction such abusive practices. | The Commission considers that ensuring the contestability and fair functioning of markets across the economy requires a holistic and comprehensive approach, with an emphasis on the following pillars:

(a) the continued vigorous enforcement of the existing competition rules making full use of Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU), including the use of interim measures and restorative remedies, where appropriate;

(b) possible new rules consisting of a combination of ex ante regulation and case-by-case enforcement that could address different types of unfair practices, including for example some forms of self-preferencing;

(c) effective application of the Platform-to-Business Regulation, which applies since 12 July 2020 and sets rules creating a fair, transparent and predictable business environment for smaller businesses and traders on online platforms. |

| 3.4.3. The EESC calls on the Commission and EU Member States to foster Open Source software and applications as tools to encourage business models and applications that allow open access and just benefit-sharing. | Signatories to the ‘Living-in.eu’ declaration are committing themselves to the principles of ‘Minimal Interoperability Mechanisms’ (MIMs) of open data, open source, open APIs and open licences, to foster standards-based innovation and procurement in smart cities |

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76 [http://living-in.eu](http://living-in.eu)
and communities. The MIMs are at the heart of the ‘Living-in.eu’ declaration, driven by city organisations, through multi-level governance and supported by the Commission and the Committee of Regions.

| 3.4.3. The EESC calls for the establishment of "Public Data Trusts" to function as intermediaries between actors that generate data and/or intend to use data. Different data trusts could be established for mobility-related data, city-related data, etc. New legislation is needed to create public mandates for governmental or civil society organisations to host such data trusts, including deciding about access to and benefit-sharing of products and services. Data relevant to public services should balance entrepreneurial innovations, public sovereignty, rights of universal access, and citizen welfare. | The aim of the European Data Strategy is to create a single market for data, where private and public entities can fully control the use of the data they generate and where both businesses and the public sector have easy access to a large pool of high quality data. To this end, the Digital Europe Programme is expected to support the creation of a number of sectoral common European data spaces, including a mobility data space, contributing significantly to this initiative. Moreover, the programme foresees the design and validation of the blueprint for the future deployment of a common European data space for smart cities and communities.

The funding through the Digital Europe Programme is also expected to allow the development of a blueprint for the data ecosystem for climate-neutral and smart communities. This includes, inter alia, the creation of a decentralised, multi-stakeholder governance scheme, supported by data brokers, data stewards/integrators, data sharing/transactions ('clearing house') functionalities and appropriately address data protection/data trust, quality control and assurance, support and maintenance as well as any other aspects deemed relevant by the stakeholders.

Finally, the Digital Europe programme is also expected to support an increased availability, quality and usability of public sector information in compliance with the requirement of the Open Data Directive (EU).

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78 Data trust is a legal structure that provides independent third-party stewardship of data.
| 3.6.2. AI-guided autonomous vehicles could reduce greenhouse gas reductions for urban transport through traffic optimisation/eco-driving algorithms or ride-sharing services with fully electric autonomous vehicle fleets. | Digital technologies will bring new opportunities to enhance mobility in urban areas by enabling innovative solutions such as autonomous driving or smart traffic management. AI, 5G, edge computing, or high performance processors will be key tools in this transformation.

New mobility services building upon a citizen-centric approach can materialise the safety and green objectives of the EU policy.

Autonomous vehicles will significantly contribute to this goal in the medium term. More concretely, applications such robotaxis, ride-sharing electric fleets or even taxi-drones are envisaged to become essential in future transport in cities. In this regard, the Commission’s strategy focuses on delivering those technologies by helping shape the proper ecosystem in close collaboration with stakeholders, and incentivising their development through supportive, adaptive and smart policy. In addition, with supporting initiatives through funding under Horizon Europe (Smart Network and Services Partnership or AI, Data and Robotics partnership) or through the Digital Europe Programme (that is expected to support the deployment of a data space for mobility, as well as actions addressing smart cities and communities where the Commission expects the submission of projects focused on transport). |
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<td>3.6.2. Energy consumption of server farms</td>
<td>The Commission agrees that the Information and Communications Technology (ICT) sector needs to undergo its own green transformation.</td>
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which are resource-intensive to build and energy-intensive to run. The EESC calls on the Commission to cooperate with EU Member States to establish an EU inventory of data centres, covering energy efficiency, life-cycle, and construction materials. Moreover, the EESC would welcome Commission legislation on integrating data centres into urban dwellings or commercial zones to make best use of waste heat.

The EESC recommends establishing a top-runner scheme in which the most energy-efficient data centres becomes the norm. The EESC would welcome a common agreement among Member States to mandate the building of new data centres with 100% renewable energy.

The EESC recommends the use of AI to support public climate protection and the energy transition.

- As suggested in the White Paper on AI, the Commission should suggest measures how Member States can promote sustainable AI solutions.

- AI-guided autonomous vehicles could reduce greenhouse gas reductions for urban transport through traffic optimisation/eco-driving algorithms or ride-sharing services with fully electric autonomous vehicle fleets.

- AI can enhance the predictability of demand and supply for renewables across a distributed grid or improve energy storage, efficiency and load management.

As digitalisation progresses, the energy consumption of data centres is on the rise. Over the last decade, efficiency gains have allowed keeping the increase in energy consumption under control, but the potential to unlock these gains is becoming smaller.

In its digital strategy, published in February 2020, the Commission committed to bringing forward “initiatives to achieve climate-neutral, highly energy-efficient and sustainable data centres by no later than 2030”. The points put forward by the Committee are part of the levers under consideration to meet the abovementioned objective.

The Digital Europe Programme is also expected to build-up cloud-to-edge capacities that are energy efficient and fully aligned with the objectives of the Green Deal (by supporting the sustainability and energy efficiency of the cloud and edge sector itself, by supporting the deployment of advanced low-power computing technologies, and by playing an enabling role in the green transformation of our economies).

Regarding “AI to support public climate protection and the energy transition”: Horizon Europe is expected to fund projects using AI, data and robotics to support the Green Deal (e.g.: for resource optimisation). AI contribution to the Green Deal is also expected in the Digital Europe Programme (for example under the Testing and Experimentation Facilities of AI-based solutions, in sectors such as Agri-Food, smart communities, manufacturing). Horizon Europe also is also expected to fund projects and interoperable ecosystem, which are essential prerequisites for a successful implementation of AI solutions.

Regarding “measures how Member States can promote sustainable AI solutions”, it is proposed to consider these aspects in the
updated Coordinated plan\(^{79}\), which aims at ensuring complementarity and synergies between national and EU level actions to maximise impact and spread the benefits of AI across Europe. The Coordinated plan on AI includes specific actions contributing to the European Green Deal, exploiting the benefits offered by AI to climate and environment, and sustainable agriculture.

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<th>3.7.4. In this context, we encourage co-ownership, shared data schemes(^{80}) and other innovative models.</th>
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<tr>
<td>There are several existing platforms implementing different shared data schemes. These platforms are supported by ecosystems at regional or national level. These platforms are run independently from each other and may create some silos. To address this issue, the Digital Europe Programme is expected to support the creation of a common European data space.</td>
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<tr>
<th>3.7.4. The EESC welcomes sustainable approaches in the digitalisation of farming […] There are lots of innovative technological applications, many of which are clearly beneficial as society moves towards more sustainable food production (e.g. drones for crop and animal monitoring, robots for sowing, weeding, harvesting or milking, and the prospect of &quot;vertical farms&quot; in cities with much lower water use and local supply).</th>
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<tr>
<td>The Commission acknowledged the potential benefit digital technologies can bring to the agri-food sector and rural areas, in its funding programme and in preparing for the Member States, the declaration ‘A smart and sustainable digital future for European agriculture and rural areas’.(^{81}) This also highlights the widespread lack of very high capacity connectivity in rural areas(^{82}), which Member States can address under the Recovery and Resilience Facility’s flagship on Digital Connectivity. Agri-food is also a sector addressed in the Digital Europe Programme with expected preparatory actions for the future deployment of a data space for Agriculture, as well as the deployment of a Testing and Experimentation Facility for Agri-food.</td>
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\(^{79}\) COM(2021) 205 final.

\(^{80}\) Such as JoinData, an independent data platform for farmers (join-data.nl).


1.3. … in order to create a truly flexible response mechanism, the proposal should also contain airlines’ entitlement to return to a full series of slots in combination with a variable utilisation threshold.

1.5. The EESC urges the European Commission and the co-legislators to reconsider the Commission's proposal in light of the recommendations developed by the World Airline Slot Board (WASB), which is composed of airlines, airports and slot coordinators, and which published its recommendations for slot relief for the summer 2021 scheduling season on 20 November 2020. The recommendations consist of a combination of (i) a full waiver of the "use-it-or-lose-it" rule for full slot series that are returned to the pool before the start of the season and (ii) a utilisation threshold of 50% for slot series that airlines retain. It also contains certain conditions and provisions on the justified non-use of slots specific to the COVID-19 situation.

Following the adoption of the Commission’s proposal on 16 December 2020, the Commission presented the text to both the Council and the European Parliament. In line with the comments received from the Committee, the co-legislators asked for a closer alignment of the proposal with the World Airline Slot Board (WASB) recommendations and for a shortening of the Commission’s delegated powers.

For the Commission full alignment with the World Airline Slot Board (WASB) was unacceptable, as it would amount to a de facto full waiver that would remove the pro-competitive character of the amendment proposal and would not ensure the efficient use of airport capacity.

Given the similarities of comments received from both the Council and the European Parliament, the Council Presidency put forward a compromise text that the co-legislators were prepared to enact within the accelerated urgency procedure.

The main elements of the legal act (which entered into force on 20 February 2021) are:

1. Airlines will be able to maintain their grandfather rights in slot series, provided they hand back the series before the start of the summer 2021 scheduling period (the text includes a cut-off date for returns fixed as “8 days following the entry into force of the
amending Regulation”). Such returned slot series can be used then by other airlines during the summer 2021 season on an ad hoc basis. The number of slots that may be handed back without losing grandfather rights is capped at 50% of the slots, which an airline holds at a given airport.

The cap does not apply to air carriers with limited operations (an average of fewer than 29 slots per week – roughly one daily flight). Such carriers can return all of their slots to benefit from a full waiver.

The remaining unreturned slot series held by air carriers after “8 days following the entry into force of the amending Regulation” must be operated at a 50% utilisation rate in order for the air carrier to maintain grandfather rights over them for the following corresponding scheduling season.

(2) The list of measures adopted by public authorities to address the spread of COVID-19, which airlines can use to justify the non-use of slots was extended to include measures causing a severe impediment for passengers to travel, including travel restrictions based on residence or nationality, prohibitions of non-essential travel, quarantine/isolation measures, restrictions on services essential to directly support air services and restrictions on the movement of airline crew. Only restrictions imposed after the slots have been allocated (i.e. 5 November 2020 for the summer 2021 scheduling season) can justify the non-use of slots.

(3) The Commission will have delegated powers for one year after the adoption of the amendment to extend the slot relief measures to subsequent scheduling seasons, and adapt the slot utilisation to developments in air traffic within a range of 30% and 70%. This allows the Commission to extent slot relief measures and set the utilisation rate, based on a set of clear
and objective criteria included in the compromise proposal, until and including the summer 2022 scheduling season.

The amendment maintains the Commission’s objective of modulating and phasing out slot relief in accordance with developments in air traffic as a result of the COVID-19 pandemic. The compromise retains the pro-competitive character of the relief.

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<th>1.6. The EESC believes that it is imperative to maintain a balance between the need to avoid measures that negatively impact the aviation sector's ability to recover from this crisis, the long term objective of airlines to maintain costly slots at airports, and the need to ensure an appropriate level of competition for such scarce slots.</th>
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<tr>
<td>The Commission agrees that it is important to maintain this balance in order to guarantee fair and equal access to airport capacity. Some airlines have decided to scale down operations for the coming years. These airlines should not be able to keep slots they cannot use, especially as there is demand from other airlines for those slots. At the same time, the air traffic situation cannot yet sustain the normal application of the use it or lose it rule and further relief is necessary. This balance is achieved by the slot relief amendment.</td>
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| 1.7. Finally, the EESC regrets that the Commission seems focused on addressing the relief measures from the EU slot allocation rules without bearing in mind that such measures will be mirrored globally by other parts of the world. It is therefore preferable to pursue modifications that are operationally feasible and agreed globally – such as the WASB recommendations. |
| The Commission is well aware that slot allocation is a global issue and that slot allocation rules applicable in the EU should not be in conflict with slot allocation rules in non-EU countries to an extent that makes compliance for an airline of the rules at both ends of the route impossible. The fact that the rules applicable in the EU are different does not make compliance automatically impossible with slot allocation rules in non-EU countries. Other jurisdictions have also adopted different measures (e.g. a full waiver, or the WASB), so there is no standard set of rules, which will apply everywhere. It is of course up to each jurisdiction to determine the rules, which best correspond to the specific circumstances of the local market. |
The measures as set out in the amendment are appropriate for the competitive European market with a large proportion of coordinated airports, which are essential to European and global connectivity.

The rules are not in conflict with those of other jurisdictions, including those, which will apply a full waiver and those which will follow the WASB Recommendation.

The slot relief measures in the EU subject all air carriers to the same rules, whether they are EU or third country domiciled. The Commission expects that third countries will offer EU carriers the same level of relief (where applicable) that they offer to their domestic carriers.

| 2.6. […] the Commission’s proposal should include the ability to return complete series of slots, in addition to a lowering of the threshold. Indeed, connectivity in the medium to longer term is better served if airlines are supported in their financial recovery and are able to re-establish their networks once traffic returns. In addition, waivers of slot utilisation rule in third countries are often conditional on reciprocity, suggesting the need for a globally compatible approach. | The amendment includes the possibility for airlines to hand back full series of slots before a certain date and receive alleviation from any utilisation requirement. Importantly however, the number of slots that can be handed back in this way is capped at 50% of an airline’s slots at a given airport. Allowing the return of all slots would amount to a *de facto* full waiver, which would no longer be justified for summer 2021 and would not address in an appropriate way competition concerns. The fact that the slot series handed back before a certain date will be exempt from any utilisation requirement and the clear list of exceptions that airlines can use to justify the non-use of slots without losing grandfather rights provides ample protection of airlines’ slot portfolios and networks. The amendment is non-discriminatory and applies the rules equally to EU and non-EU carriers. Therefore, the Commission maintains that EU airlines should also not be discriminated in non-EU countries. |
3.3. This situation continues unchanged into 2021, placing severe pressure on the financial viability of all aviation stakeholders, notably the social partners, who all have justified concerns about the future of their employment. While a vaccine has been found and has been administered in the EU since 27 December 2020, a rate of vaccinating the population sufficient to enable the removal of general restrictions and measures aimed at reducing infections will not be attained until late 2021 or even 2022. There are no indications that demand in the summer 2021 season will return to anywhere close to the level of recent years. Existing uncertainty will remain and might even be increased by the appearance of new, even more infectious or deadly variants of COVID-19. Indeed, according to industry projections, the recovery period could last until at least 2024 or 2025.

3.4. Slots are essential to operate to and from congested airports and are important for air carriers to gain access to scarce airport capacity in order to maintain their networks and the connectivity they provide to their customers. Carriers have taken years to develop their networks and acquire the necessary slots for intra-European, intercontinental and feeder traffic. To maintain their slots in the absence of a provision neutralising the "use-it-or-lose-it" rule, air carriers would be obliged to continue operating flights with an extremely low seat-load, exacerbating financial losses and posing an unnecessary environmental burden.

3.7. In view of the continued and repeated spread of the virus and the severity of the measures taken by governments to contain the pandemic and its impact on air traffic will continue to evolve. Unexpected events, such as the appearance of new Coronavirus strains and resulting lock-downs, can have an additional impact on air traffic.

However, the measure allowing airlines to be exempted from utilisation requirements for up to 50% of their slots handed back before a certain date. The reduced utilisation threshold of 50% for slot series held after the hand-back deadline and the list of measures that can be used by airlines to justify the non-use of slots gives ample protection to airlines’ slot portfolios and allows them to absorb shocks of unexpected developments on air traffic during the COVID-19 pandemic.

The measures in the amendment are based on EUROCONTROL air traffic forecasts and consultations with stakeholders. The latest EUROCONTROL forecast estimates that air traffic in 2021 will be 50% of air traffic in 2019. The Commission agrees that it is difficult to predict with certainty how the pandemic and its impact on air traffic will continue to evolve. Unexpected events, such as the appearance of new Coronavirus strains and resulting lock-downs, can have an additional impact on air traffic.

The measure allowing airlines to be exempted from utilisation requirements for up to 50% of their slots handed back before a certain date. The reduced utilisation threshold of 50% for slot series held after the hand-back deadline and the list of measures that can be used by airlines to justify the non-use of slots gives ample protection to airlines’ slot portfolios and allows them to absorb shocks of unexpected developments on air traffic during the COVID-19 pandemic.

The Commission agrees that relief from the “use-it-or-lose-it” rule continues to be necessary. In light of the impact on the demand
it, demand for air services continues to be at a very low level, continuing to place the aviation sector under significant, if not existence-threatening, financial pressure. In the EESC's view, relief from the burden of the "use-it-or-lose-it" rule is therefore justified and necessary.

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<tr>
<th>3.8. The EESC commends the stakeholders – airlines, airports, and slot coordinators – on coming together to arrive at a compromise solution at the WASB. The EESC is aware that the general regulation of slots is a contentious issue for them. In the opinion of the EESC, the WASB recommendation adequately addresses the general and specific objectives pursued by the Commission as stated in the Staff Working Document accompanying its proposal.</th>
<th>for air services from measures taken by governments to contain the virus, the amendment allows airlines to use certain measures adopted by public authorities to address the spread of COVID-19, to justify the non-use of slots without losing grandfather rights.</th>
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| The Commission recognises the effort that the stakeholders have made. The WASB is becoming an important voice in the system of slot allocation as it bring airports, airlines, and slot-coordinators who have very different interests, together. The WASB recommendations contained good elements, however all recommendations taken together amounted to a *de facto* full waiver, which is no longer justified for the summer 2021 season. The recommendations also did not sufficiently achieve the objectives of ensuring that airlines can operate efficiently and that airport capacity is used efficiently. | 3.10. In its proposal to insert a new paragraph 2a in Article 10a, the Commission merely proposes that, for a series of slots allocated for the period from 28 March 2021 until 30 October 2021, air carriers will be entitled to the same series of slots in the next equivalent scheduling period, where they have used 40% of the slots in that series. This means that carriers will need to service even uneconomical flights with extremely low load factors up to at least 40%, instead of being able to return such slots without the danger of losing them. Incentivising airlines to fly near-empty aircraft is not compatible with the Commission's stated aim of minimising harmful effects on the environment. This could be remedied if airlines were able to return full series of slots for which they
<p>| Addressed in the reply to points 1.3., 1.5. and 3.4. |</p>
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<th>3.11.</th>
<th>Similarly, the Commission’s proposal does not meet its stated aim of ensuring efficient airline operations and the efficient use of airport capacity. By not allowing the return of full slot series, airlines are not incentivised to return slots early, which allows for the optimised reallocation of slots and planning for airports, airlines and consumers. The ability to return full slot series enables airports to better adjust their own operations. Above all, it makes slots available for reallocation and ad hoc use, for example, for cargo flights, depending on changes in demand. The proposed addition of a paragraph 7 in Article 10a of the regulation providing for a three-week deadline for the return of slots cannot have a similar effect. Instead, there is a danger that a lower threshold on its own may lead to significantly fragmented schedules, to the detriment of the few remaining customers.</th>
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<td>3.13.</td>
<td>The delegated act proposed in paragraph 4 of Article 10a should empower the Commission not only to amend the percentage values referred to in paragraph 2a of Article 10, but also to extend the option to return full series of slots at the beginning of the respective season. While the Commission's proposal allows for a full slot utilisation waiver (i.e. 0%), it does not provide for the possibility of combining the two elements. Only this will constitute a truly flexible response mechanism.</td>
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<td>The amendment allows airlines to return full slot series before a certain date, but limits the number of slots that can be returned to 50% of slots an airline holds at a given airport. While the WASB could have made a lot of capacity available for reallocation before the start of the season, this would not necessarily have helped airports to plan operations more effectively. It is not clear that other airlines would have picked up the capacity made available, as there is no guarantee that they would have obtained grandfather rights for operating those slots. Further, airlines would not be required to either operate the ad hoc slots, or hand them back once the season starts. The WASB may have led to more unused airport capacity and would not have increased certainty for airport planning during the season.</td>
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<td>The amendment includes the possibility for airlines to obtain a waiver for up to 50% of slots handed back before a certain date. This is limited to the summer 2021 season. The Commission’s objective is to move away from full waivers and come back to the normal application of the Slot Regulation once the air traffic situation stabilises or returns to 2019 levels. It is not possible to predict what will be the situation during the winter 2021/2022 season and what level of protection will be necessary for airlines. The powers delegated to the Commission provide the necessary flexibility to target slot relief for the winter 2021/2022 season to developments in air traffic levels.</td>
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3.14. Slot coordination is a global issue. An EU Regulation on slots must therefore be compatible with the regulations of third countries, which often require reciprocity. With a full waiver, this is not an issue, as it is the widest possible means of alleviating the conditions for the utilisation of slots. The WASB recommendation is similarly likely to achieve global recognition.

3.15. The EESC is of the view that, in the interests of resilience and smart regulation, consideration should be given to the introduction of provisions that allow for alleviation of the slots usage regulations under Regulation (EEC) No 95/93, not only for cases relating to COVID-19, but also for future events that have a significant effect on the aviation industry. …Such arrangements should entail the ability to respond quickly, without the need for additional regulation and with the possibility of a flexible response, ranging from full waivers and adjusted thresholds to a combination of early slot returns and thresholds, as suggested by the WASB for the 2021 summer season.

3.16. The EESC reaffirms its willingness to contribute to further discussions on how best to re-establish a viable and competitive European aviation sector. Such an approach should be comprehensive and include discussions with all stakeholders, in particular the social partners, who are being severely affected by the COVID-19 crisis. A comprehensive approach of this kind should include the review of any regulation or measure that places an undue burden on the aviation sector.

Addressed in reply to point 2.6.

The Smart and Sustainable Mobility Strategy sets the revision of the Slot Regulation in 2021-2022. The revision could start once the long-term structural effects of the pandemic on the aviation market have been assessed, as this is necessary to inform the revision and how to make the Regulation more resilient to future crises and how to strategically align it with the Green Deal objectives.

The revision will include extensive stakeholder consultation of all interested parties.