

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**

**TO THE OPINIONS OF THE**

**EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

**PLENARY SESSION OF JUNE 2020**

**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.**

N°	Title	References
<b>GROW</b>		
1.	<b>A single market for all</b> (exploratory opinion at the request of the Croatian presidency)  Rapporteur-general: Antonio LONGO (IT-III)	INT/892  EESC-2019-05359-00-01-AC-TRA
2.	<b>European standardisation for 2020</b>  Rapporteur: Gerardo LARGHI (IT-II) Co-rapporteur: Elżbieta SZADZINSKA (PL-III)	INT/893  COM(2019) 486  EESC-2019-05743-00-00-AC-TRA
3.	<b>Emissions and type-approval/Impact of COVID</b>  Rapporteur-general: Gerardo LARGHI (IT-II)	INT/910  COM(2020) 233 EESC-20120-02619-00-00-AC-TRA
<b>CLIMA</b>		
4.	<b>Financing the transition to a low-carbon economy and the challenges in financing climate change adaptation</b> (exploratory opinion at the request of the Croatian presidency)  Rapporteur: Toni VIDAN (HR-III) Co-rapporteur: Dimitris DIMITRIADIS (EL-I)	NAT/778  EESC-2019-04485-01-02-AC-TRA
<b>REGIO</b>		
5.	<b>Just Transition Fund and amendments to the Common Provisions Regulation</b>  Rapporteur-general: Ester VITALE (IT-II) Rapporteur-general: Petr ZAHRADNIK (CZ-I)	ECO/504  COM(2020) 22 - 2020/0006 COD COM(2020) 23 - 2018/0196 COD  EESC-2020-00499-00-03-AC-TRA

<b>ECFIN</b>		
6.	<p><b>European Green Deal Investment Plan</b></p> <p>Rapporteur-general: Carlos TRIAS PINTO (ES-III) Rapporteur-general: Petr ZAHRADNIK (CZ-I)</p>	<p>ECO/505</p> <p>COM(2020) 21</p> <p>EESC-2020-00463-00-21-AC-TRA</p>
<b>FISMA</b>		
7.	<p><b>COVID-19 crisis response – Adjustments in banking prudential rules</b></p> <p>Rapporteur-general: Giuseppe GUERINI (IT-III)</p>	<p>ECO/518</p> <p>COM(2020) 310 final – 2020/0066 COD</p> <p>EESC-2020-02226-00-00-AC-TRA</p>
<b>COMM</b>		
8.	<p><b>The effects of campaigns on participation in political decision-making</b> (exploratory opinion at the request of the Croatian presidency)</p> <p>Rapporteur: Marina SKRABALO (HR-III) Co-rapporteur: Cinzia DEL RIO (IT-II)</p>	<p>SOC/630</p> <p>EESC-2019-04412-00-00-AC-TRA</p>
<b>AGRI</b>		
9.	<p><b>Support under EAFRD in response to the COVID-19 outbreak</b></p> <p>Rapporteur: Arnold PUECH D'ALISSAC (FR-I)</p>	<p>NAT/795</p> <p>COM(2020) 186 - 2020/0075 COD</p> <p>EESC-2020-02129-00-00-AC-TRA</p>
<b>TAXUD</b>		
10.	<p><b>Postponement of taxation rules due to the COVID-19 crisis</b></p> <p>Rapporteur-general: Petru SORIN DANDEA (RO-II)</p>	<p>ECO/519</p> <p>COM(2020) 197 final; COM(2020) 198 final; COM(2020) 201 final</p> <p>EESC-2020-02336-00-00-AC</p>

<p><b>N°1 A single market for all (exploratory opinion at the request of the Croatian presidency)</b>  <b>EESC 2019/5359 - INT/892</b>  <b>552<sup>nd</sup> Plenary Session – June 2020</b>  <b>Rapporteur-general: Antonio LONGO (IT-III)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1 For the European Economic and Social Committee (EESC), the European single market (SM) in all its dimensions – economic, social and environmental – is one of the cornerstones of the social market economy. It represents the key element in a harmonious and balanced European integration with a view to restoring public trust in the EU, creating new jobs, bringing about a more competitive economy and increasing Europe's influence in the world.</p> <p>1.2 The EESC considers that achieving the European Green Deal's (EGD) objectives could make a crucial contribution to developing the future SM.</p> <p>1.3 The EESC is convinced that the future single market can only be based on marrying a sound economic basis with a strong social dimension. It emphasises the need for upward convergence and a more effective social policy at both EU and Member State level.</p>	<p>The Commission fully agrees with these statements.</p>
<p>1.4 The EESC believes that a new, integrated and forward-looking approach to the SM in all relevant policies and to removing the remaining unjustifiable obstacles – without creating new ones – must necessarily focus on citizens,</p>	<p>The Commission agrees with the aim of removing unjustifiable obstacles. For that purpose, it has put in place a Long Term action plan on better implementation and enforcement<sup>1</sup>. It also agrees that this will benefit citizens, consumers, workers and</p>

<sup>1</sup> COM(2020) 94 final.

<p>consumers, workers and enterprises, as key players in framing, verifying and monitoring the entire process.</p>	<p>businesses.</p> <p>Instruments such as SOLVIT are available to all citizens, consumers, employees and business for signalling issues in the Single Market.</p> <p>Directive (EU) 2015/1535 offers a notification mechanism that aims to prevent barriers to the free movement of goods and information society services, to the benefit of citizens, consumers, workers and businesses.</p>
<p>1.5 The EESC considers that major efforts need to be made to raise the level of digital literacy and increase understanding of the risks and opportunities of data management, enabling citizens to take part in forward-looking decision-making processes, understanding the potential and the limits involved.</p>	<p>The Commission agrees. The complete digitalisation of the Single Market has been a priority for the Commission. The widespread use of digital tools such as the Single Digital Gateway<sup>2</sup>, based on the Your Europe portal, will be instrumental to the identification and further removal of some of the current barriers. The digitalisation of the Single Market will play a pivotal role in increasing equality and inclusiveness. Digital skills are essential to be able to develop and deploy digitally accessible and inclusive systems. Likewise, lack of digital skills and lack of accessibility will mean that many disadvantaged groups will not be able to access the Single Market.</p>
<p>1.6 Goldplating should be avoided and the lack of transposition and implementation of EU directives in key areas of business regulation should be addressed, as they prevent small and micro-enterprises, in particular, from fully reaping the benefits of the SM, particularly in the light of the Small Business Act.</p>	<p>The Commission agrees. These points were also raised in the Commission's recent Communication on identifying and addressing barriers to the Single Market<sup>3</sup> and the Action Plan on better implementation and enforcement<sup>4</sup>.</p> <p>The foreseen upgrade of the Single Market scoreboard will help providing a more complete picture of how the Single Market works in practice for businesses.</p>

<sup>2</sup> Regulation 2018/1724

<sup>3</sup> COM(2020) 93 final.

<sup>4</sup> COM(2020) 94 final.

<p>1.7 The EESC considers that SM governance infrastructures must be reinforced with the proactive inclusion of organised bodies representing citizens, consumers and enterprises – with a particular focus on citizens who are vulnerable or at risk of discrimination, the social economy and micro and small enterprises – with a view to developing streamlined, user-friendly approaches and timely, transparent and efficient implementation and applications.</p>	<p>The Commission agrees. To strengthen cooperation on enforcement of single market rules, a joint Single Market Enforcement Task-Force (SMET), composed of representatives of Member States and of the Commission has been set up. The SMET will complement a cooperation network to be set up between national enforcement coordinators.</p>
<p>1.8 In the EESC's view, the international dimension of the SM needs to be strengthened in the context of the EGD. Market surveillance needs to be stepped up, to prevent entry onto the European market of products that are illegal or counterfeit, or do not meet environmental, social and safety standards, coming from third countries via increasing e-commerce, in order to curb unfair competition.</p>	<p>The Commission agrees. Under the supervision of the recently appointed Chief Trade Enforcement Officer (CTEO), a new system will be set up to register complaints and follow up. European companies, trade associations as well as public interest organizations will be able to launch complaints with regards to violation of our trading partners' legal commitments on trade and sustainable development.</p>
<p>1.9 The EESC strongly urges that the European technical standardisation system be strengthened, as this is essential for the single market and particularly for technical, social, environmental and safety standards, providing citizens, consumers and enterprises, especially small and micro enterprises, with a clear view of the rules and procedures and guaranteeing them balanced and effective participation in the standardisation process.</p>	<p>The Commission fully agrees.</p>
<p>1.10 The EESC calls for consumers' interests to be upheld in the REFIT process, in the digital world and in the safety of goods and services, and for measures to reduce energy poverty and consumption poverty to be stepped up, ensuring access to food products,</p>	<p>The Commission agrees. A well-functioning Single Market can promote virtuous competition, to the advantage of all consumers. Removing barriers enhances competition, which in turns decreases prices and improves quality of</p>

<p>medicines and essential services for everyone in Europe. The new paradigms of the SDGs must be backed by incentives – at European, national and local level.</p>	<p>goods and services.</p> <p>Hence, the Commission believes that a seamless Single Market can help make sure that access to essential goods and services is granted for everybody at fair conditions.</p> <p>The Long term enforcement action plan foresees specific actions which aim at protecting consumers and citizens, such as improving compliance of products sold on line, strengthening the fight against counterfeit and illegal products.</p>
<p>1.11 The EESC underlines the importance of launching a robust, grassroots European campaign of publication and interactive information, with a network of high-profile dissemination hubs.</p>	<p>The Commission agrees. The Your Europe portal, already the third most visited European Union portal with close to 3 million visits per month, hub for the single digital gateway to be launched in December 2020, will further expand its information to citizens and businesses, to help them benefit from opportunities within the Single Market.</p>
<p>1.12 The EESC considers that fair conditions must be put in place for workers to exercise real freedom to move, establish themselves and work throughout the SM, especially in border regions. It is necessary to better implement the Directive on recognition of professional qualifications [2005/36/EC] and make a major joint effort in terms of financial and structural resources at European level for lifelong learning and training of human resources in new skills and qualifications.</p>	<p>The Commission agrees with the call for better implementation of Directive 2005/36/EC and consistently monitors national developments in this respect. Beyond the Directive, in 2017 the Commission issued guidance to Member States on reform needs in regulation of professional services. As a preventive measure, a directive<sup>5</sup> on a proportionality test before adoption of a new regulation of professions or when amending the existing one, was adopted in 2018. Reforms in professional services are also part of the annual country-specific recommendations in the context of the European Semester. In</p>

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<sup>5</sup> Directive (EU) 2018/958 of the European Parliament and of the Council of 28 June 2018 on a proportionality test before adoption of new regulation of professions, OJ L 173, 9.7.2018.

	<p>addition, drawing on lessons from the Covid-19 crisis, novel ways of ensuring availability of professionals in critical sectors, as well as of facilitating broader cross-border mobility of workers, could be explored by Member States.</p>
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<p><b>N°2 European standardisation for 2020</b>  <b>COM(2019) 486 final</b>  <b>EESC 2019-05743 - INT/893</b>  <b>552<sup>nd</sup> Plenary session - June 2020</b>  <b>Rapporteur: Gerardo LARGHI (IT-II)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC considers that there is an urgent need to modernise the European standardisation system to meet global challenges with an innovative process of cooperation, with a view to the timely development of standards in a fast-changing technological climate.</p>	<p>A timely delivery of high-quality standards remains the Commission’s priority and it will continue to improve the functioning of the European standardisation system in a close cooperation with its European Standardisation Organisations partners.</p>
<p>1.3. In the EESC's view, the new modular approach based on cross-cutting demands (such as respect for the environment, the Green Deal or the circular economy) requires a cross-sectoral approach.</p>	<p>In March 2020, the Commission adopted the new Industrial Strategy<sup>6</sup>, which revolves around European industrial ecosystems, taking into account all players within a value chain. This approach reflects the need for new ways of thinking and working to lead the twin ecological and digital transitions.</p>
<p>1.6. For the EESC, it is important to put together a multiannual financial framework in order to implement the planned actions, providing financial and organisational support for the inclusive participation of organisations and representative bodies that are weaker and less well-equipped.</p>	<p>Standardisation is part of the Single Market Programme in the Commission’s proposal for the Union’s multiannual financial framework (MFF) for 2021-2027<sup>7</sup>. This will offer a stable basis, setting resources and objectives for financing European standardisation, including its important inclusiveness priority. The current Framework Partnership Agreements governing the Union funding to the European organisations representing the interests of consumers, workers and the environment will expire by the end of 2020.</p>

<sup>6</sup> COM(2020) 102 final.

<sup>7</sup> COM(2018) 441 final.

	To guarantee the continuity of representation of these important stakeholders identified by the Regulation, the Commission has published open calls for proposals aimed at establishing new Framework Partnership Agreements.
1.7. The Committee agrees on the importance of AI for the single market, and considers that the current rules on safety and security should be updated. More specifically, standardisation in the field of technological safety should incorporate the 2019 <i>Ethics Guidelines for Trustworthy AI</i> in favour of human-centric AI.	The Commission stated in the White Paper on Artificial Intelligence <sup>8</sup> (AI) that it would also take into account the input obtained during the piloting phase of the Ethics Guidelines prepared by the High-Level Expert Group on AI.
1.8. The Committee calls for minimum environmental criteria to be made mandatory in public procurement, and for the use of secondary raw materials to be included among the criteria to be encouraged.	The Commission announced in the new Circular Economy Action Plan For a cleaner and more competitive Europe <sup>9</sup> that as of 2021 it will propose minimum mandatory green public procurement (GPP) criteria and targets in sectoral legislation and phase in compulsory reporting to monitor the uptake of Green Public Procurement minimum mandatory green criteria or targets for public procurements in sectorial initiatives, EU funding or product-specific legislation.
1.13. The Committee advocates an inclusive approach to standardisation that includes objectives on employability, social rights, and respect for biodiversity and the environment. The EESC believes that this would facilitate the transition from compliance to compatibility and make a positive contribution to the competitiveness of the European system.	The Commission will continue pursuing inclusiveness of the standardisation system as one of its important policy priorities in line with the requirements of the European Standardisation Regulation 1025/2012. In particular, the Commission will continue to involve organisations of persons with disabilities in the standardisation process in accordance with the UN Convention on the Rights of Persons with Disabilities.
1.18. The EESC calls on all of the	The Commission promotes inclusiveness

<sup>8</sup> COM(2020) 65 final.

<sup>9</sup> COM(2020) 98 final.

<p>relevant stakeholders to set up an ad hoc forum on the inclusiveness of the European standardisation system, tasked with holding an annual public hearing to assess progress in this area.</p>	<p>and transparency continuously, as an integral part of the European Standardisation System. Dialogue and stakeholder participation is underscored through e.g. the manner by which the Commission draws up requests through a process of consultation with a wide group of interested parties, including social partners, consumers, small and medium-sized enterprises (SMEs), industry associations and Member States. Furthermore, the Commission closely monitors how the European standardisation organisations implement the requirement of effective participation of Annex III organisations, pursuant to Article 5 of the European Standardisation Regulation (EU) 1025/2012.</p> <p>The Commission will continue to work closely with European Standardisation Organisations and Annex III organisations to enhance further the inclusiveness and transparency of the European Standardisation System and to address possible remaining obstacles thereto.</p>
<p>1.20. The EESC calls for European standards to be drawn up in language that is readily understandable by final users, such as SMEs and consumers.</p>	<p>The Commission supports and finances the participation of the organisations representing small and medium-sized enterprises and consumers at European level and one of the aims of the action is to make the standards accessible and purposeful for these enterprises.</p>

<p><b>N°3 Emissions and type-approval/Impact of COVID</b>  <b>COM(2020) 223 final</b>  <b>EESC 2020/2619 – INT/910</b>  <b>552<sup>nd</sup> Plenary Session – June 2020</b>  <b>Rapporteur: Gerardo LARGHI (IT-II)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The EESC welcomes the proposal for a regulation, which it deems to be an appropriate and proportionate reaction to the consequences of the COVID-19 crisis.</p>	<p>The Commission welcomes the support of the Committee on its proposal.</p>
<p>The EESC therefore supports the extension of one year provided by the proposal, which in its view is a reasonable and proportionate measure aimed at guaranteeing the smooth functioning of the internal market as well as a high level of public safety and environmental protection.</p>	<p>The Commission welcomes the support of the Committee regarding the proposed 12 months extension.</p>

<p><b>N°4      Financing the Transition to a Low-Carbon Economy and the Challenges in Financing Climate Change Adaptation</b>  (exploratory opinion at the request of the Croatian presidency)  <b>EESC 2019/4485 – NAT/778</b>  <b>552nd Plenary Session – June 2020</b>  <b>Rapporteur: Toni VIDAN (HR/III)</b>  <b>Co-rapporteur: Dimitris DIMITRIADIS (EL-I)</b>  <b>DG CLIMA – Executive Vice-President TIMMERMANS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.3. The EESC urges the European Commission to ensure the active involvement of all stakeholders – local communities, civil society, social partners, industry, knowledge institutes, etc. – in the future development and implementation of the EGD and post-COVID recovery and reconstruction plan.</p>	<p>The Commission is currently preparing the launch of the European Climate Pact as part of the European Green Deal. The Pact aims at giving everyone a voice and space to design new climate actions, share information, launch grassroots activities and showcase solutions that others can follow.</p>
<p>3.4. After the first steps of the EGD and the EGDIP, and due to the unprecedented crisis we are facing, EESC welcomes a recovery fund of a sufficient magnitude, and calls for an ambitious reconstruction plan in compliance with the Paris Agreement. A crucial part of this should be a climate action budget at least equal to the previously identified investment gap of around EUR 300 billion a year, and with a strong priority to support decentralised decarbonisation projects co-owned by citizens, SMEs, energy communities and local and regional public entities.</p>	<p>On 27 May 2020 the Commission proposed an emergency European Recovery Instrument ('Next Generation EU') amounting to €750 billion. This will temporarily boost the European Union budget with new financing raised on the financial markets. The funds raised will be channelled through EU programmes to support the immediate measures needed to protect livelihoods, get the economy back on its feet and foster sustainable and resilient growth. In line with the outcome of the European Council meeting of 17-21 July and subsequent plenary session of Parliament of 23 July, 30% of Next Generation and multiannual financial framework (MFF) funds will be spent on climate-related projects. For the Recovery</p>

	and Resilience Facility, the Commission confirmed on 16 September 2020 that the overall spending target of 30% would translate into a 37% climate spending target for the Facility.
3.8. The EESC calls for the Member States and the EU institutions to reform the rules of the Stability and Growth Pact so that the Golden Rule allows room for more climate action investment at national level that would be excluded from the calculation of budget deficits as part of the EU climate action budget, with appropriate safeguards against misuse	The Commission launched a public consultation in February 2020 on a review of economic governance and specifically the Stability and Growth Pact. The consultation raises the question of the extent to which the fiscal framework could support the transition to a climate-neutral, resource-efficient, and competitive economy, in a manner that leaves no one behind.
4.1. The Paris Agreement requires financial flows to be made consistent with the necessary emissions reductions and climate-resilient development. In light of this and the goals of the EGD, the EESC calls for all existing EU financial mechanisms to be in line with the Paris Agreement or climate-proofed, as well as in line with the EGD goals and the Agenda 2030.	Certain specific Commission programme proposals for 2021-27 (e.g. InvestEU, the European Regional Development Fund (ERDF) and the Cohesion Fund) already exclude the funding of certain (e.g. fossil fuel) investments as well as requiring their climate proofing. Moreover, the Commission, in its Communication 'Europe's moment: Repair and Prepare for the Next Generation' <sup>10</sup> of 27 May 2020, notes that: to ensure we use [the European Green Deal (EGD)] to its full potential, it is essential that Next Generation EU drives our competitive sustainability. Public investments in the recovery should respect the green oath to 'do no harm'.
4.4. [...] there are still large fossil fuel subsidies, both direct and indirect ones, recently estimated for the EU by the IMF at \$289 billion in 2015. The latter exist at national and EU level, causing massive environmental, social and economic (opportunity) costs that cancel out progress made in climate action. As these also lower	Fossil fuels subsidies are an impediment for a cost-efficient energy and climate transition. By lowering energy prices they tend to result in higher use of fossil fuels and consequently in higher carbon prices, adding to the climate neutrality transition bill.  The 2018 Commission report on energy

<sup>10</sup> COM (2020) 456 final.

the carbon price, the EESC believes that they need to be phased out as a matter of urgency, and the Member States' national and climate plans must present a clear timetable for that.

prices and costs in Europe calculated that despite the international commitments made in the context of the Paris Agreement, G20 and G7, fossil fuel subsidies in the EU have not decreased and are estimated to be €55 billion, remaining roughly stable across sectors and implying that EU and national policies might need to be reinforced to phase out such subsidies. According to the latest available international comparisons (2015 data), the report mentions that subsidies to fossil fuels are even higher outside the EU. Subsidies to petroleum products (mainly tax reductions) account for the largest share within fossil fuels.

It is important to note in any discussion of subsidies that there are reasons for intervening in the energy sector with financial or regulatory support, to correct imperfect markets and to give long-term strategic direction not provided otherwise. The need to stimulate innovation in new sectors, materials or processes is a highly pertinent rationale in the context of decarbonisation and the energy transition. That said, it is also possible that there are subsidies, which changing circumstances have rendered redundant, or excessive. Moreover, energy subsidies can be subject to international challenges or countervailing actions by third countries. The EU (and the G20) have notably called for inefficient fossil fuel subsidies to be removed as they hamper the clean energy transition. The Green Deal proposes that the EU should reinforce current initiatives and engage with third countries on cross-cutting climate and environment issues. This may include ending global fossil fuel subsidies in line with G20 commitments, phasing-

	<p>out financing by multilateral institutions of fossil fuel infrastructure, strengthening sustainable financing, phasing out all new coal plant construction, and action to reduce methane emissions. In view of these international commitments, the Energy Union Governance Regulation (Regulation (EU) 2018/1999) provides that Member States in their National Energy and Climate Plans (NECPs) should describe their energy subsidies, including for fossil fuels, and report on actions that they undertake to phase them out. Member States will have to further report on the implementation of this objective in their bi-annual integrated national energy and climate progress reports, starting from 2023. The Commission also will report on progress by the Member States in its annual State of the Energy Union report planned to be published on 14 October 2020.</p>
<p>4.8. EU carbon market prices are plummeting as a result of the economic shutdown caused by the COVID-19 crisis, underlining the need to strengthen the scheme to better resist similar shocks. Just before the crisis, the EU ETS price was EUR 25 per tonne, helping drive the coal phase-out. Due to the current price drop, the profitability of lignite plants has unfortunately already improved. The price drop also means reduced revenues to Member States from the auctioning of emission allowances. A lower carbon price means less exposure to the carbon price signal to incentivise emission reductions. This is especially important for large polluting industrial sectors (steel, chemicals, cement) and the aviation sector. The EU ETS Market Stability Reserve (MSR) has been absorbing excess allowances from the market since the</p>	<p>The Commission notes that the impact of the COVID-19 crisis is still to be fully assessed. Whilst it may be too early to consider its full impact on carbon prices, it should be noted that by early July 2020 the price had recovered to levels of pre-COVID-19 crisis, and is rising.</p> <p>Moreover, the Market Stability Reserve (MSR) was designed not only to absorb past surpluses, but also to make the EU Emissions Trading System (ETS) more resilient with regards to supply-demand imbalances in general (Decision(EU) 2015/1814 of the European Parliament and Council of 6 October 2015, recital (5)). To ensure that the Market Stability Reserve continues to be fit for purpose and to meet new challenges, it will be reviewed in 2021 in accordance with legal requirements.</p>



<p>beginning of 2019, which is the main reason for the EUR 25 price. It will continue to take out the surplus and cancel those permits later. However, the MSR was designed to handle past oversupply accumulated over the years. It is not fit for purpose to deal with current or future surpluses. The MSR will need to be strengthened<sup>11</sup> in the context of EU Climate Law implementation and the upcoming review of the EU carbon market rules.</p>	
<p>4.10. The EESC believes that more comprehensible and transparent state aid rules would contribute to clarity for both state and non-state actors alike in terms of which policies and sectors should be financed, and how. Furthermore, the EESC calls for stricter evaluation of national state aid schemes when it comes to the balance between financing polluters and contributing to the transition to a low-carbon economy.</p>	<p>The revision of the Guidelines on State aid for environmental protection and energy (EEAG) and relevant provision of the general block exemption Regulation (GBER) will be done in a transparent manner with consultations of State and non-State actors in due course.</p> <p>The revised EEAG and GBER will continue to aim to provide a precisely defined and predictable set of conditions under which State aid can be deemed compatible. The revised rules will provide a strengthened framework to support the necessary investment in the energy system and industry, fully aligned with the objective of climate neutrality by 2050, reflecting the policy objectives of the European Green Deal and ensuring a level-playing field in the internal market.</p> <p>The revision of EU Emissions trading system (ETS) State aid Guidelines was announced on 21 September 2020<sup>12</sup>. The proposed Guidelines would introduce a new element of conditionality. Compensation for indirect ETS costs would be subject to either energy efficiency investment or to a carbon</p>

<sup>11</sup> <https://carbonmarketwatch.org/publications/avoiding-a-carbon-crash-how-to-phase-out-coal-and-strengthen-the-eu-ets/>.

<sup>12</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1712](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1712)

	<p>footprint reduction of beneficiaries' electricity consumption.</p> <p>State aid control is a fundamental pillar of European competition policy. This framework for State intervention promotes sound economic principles, increasing efficiencies and protecting taxpayers' money, whilst at the same time providing a precisely defined and predictable set of conditions under which aid can be deemed compatible with the Treaty on the Functioning of the European Union.</p>
<p>5.3. The EESC supports a strong mandate to develop a new EU adaptation strategy, and stresses the urgent need to develop a competent and credible decision-making process at EU and Member State levels in order to translate "equal emphasis" of financing mitigation and adaptation into optimal distribution of available and future funds between those two priorities. Equally importantly, a debate on the development of innovative mobilisation of financial resources for adaptation is needed.</p>	<p>The Commission welcomes the Committee's support. The EU is fully committed to the Paris Agreement global goal on enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change.</p> <p>As presented in the European Green Deal, the Commission is currently developing a new, more ambitious EU strategy on adaptation to climate change. The new strategy builds on the current 2013 strategy<sup>13</sup>, its positive evaluation in 2018<sup>14</sup>, as well as an extensive online public consultation and impact assessment<sup>15</sup>.</p> <p>As indicated by the documents presented as part of the public consultation, the new strategy highlights the importance of reaching an equal emphasis on mitigation and adaptation financing, including possible steps such as mobilisation of financial resources to bridge the climate adaptation gap. The new Strategy is foreseen to be adopted in the first quarter</p>

<sup>13</sup> COM(2013) 216 final

<sup>14</sup> COM(2018) 738 final

<sup>15</sup> [https://ec.europa.eu/clima/news/commission-launches-online-public-consultation-new-eu-strategy-adaptation-climate-change\\_en](https://ec.europa.eu/clima/news/commission-launches-online-public-consultation-new-eu-strategy-adaptation-climate-change_en)

	of 2021.
<p>5.5. In order to ensure fair access to the financial resources mobilised for adaptation action, the EESC calls for technical and organisational assistance for affected regions to be provided, and for a dedicated Just Adaptation Fund, possibly at EU, Member State and regional levels, to be initiated.</p>	<p>The Commission shares the view on the importance of ensuring fair, equal and easy access to financial resources for climate adaptation actions, including through assistance and capacity building for affected regions. As indicated in the European Green Deal, the Sustainable Europe Investment Plan and Just Transition Mechanism will play a vital role in supporting affected regions, and ensuring that no one is left behind in the sustainability transition.</p> <p>In addition, the Commission has increased its ambition to provide further climate capacity-building support through initiatives such as the EU Covenant of Mayors, including workshops in the Member States, webinars, city-twinning programmes, online guides and bilateral meetings with financial institutions. As of June 2020, the initiative has more than 9,600 signatories in the 27 Member States.</p>
<p>5.6. While mitigation targets are clear (e.g. keep global average temperature increases below 1.5 C, or reduce emissions by a certain amount relative to a base year), adaptation targets are tricky to set. However, they are necessary in order to achieve an efficient adaptation process. The EESC supports the establishment of vulnerability indexes (VIs) which will guide the adaptation strategy and set adaptation targets. VIs should be developed in three dimensions: geographical or regional vulnerability; sectoral or economic vulnerability; and social vulnerability.</p>	<p>The Commission shares the view that improved approaches will be needed to appraise, monitor and evaluate climate risks, climate resilience, and concrete adaptation initiatives, keeping in mind the difficulties of setting specific, measurable, achievable, relevant and time-bound adaptation targets. These difficulties mainly stem from the varied impacts of fast and slow-onset disasters, and local conditions. To alleviate some of these challenges for local authorities, the Commission has proposed a number of measurement indicators through the EU Covenant of Mayors to track progress on adaptation as part of signatories' Sustainable Energy and Climate Action</p>

	<p>Plans (SECAPs).</p> <p>The new EU Adaptation Strategy builds on a range of quantitative and qualitative assessments and vulnerability indicators, including, but not limited to: the Projection of Economic impacts of climate change in Sectors of the European Union based on bottom-up Analysis (PESETA) IV sectoral analyses<sup>16</sup>, expected annual damages to critical infrastructure in European regions<sup>17</sup>, economic losses from climate-related extremes<sup>18</sup>, and assessments of urban social vulnerabilities<sup>19</sup>. On a global scale, the Commission services also work closely with the European External Action Service (EEAS) in the development and use of the EU Conflict Early Warning System<sup>20</sup>, to identify possible areas of future conflict, including assessing the impacts of climate change.</p>
<p>6.2. The EESC supports the European Solidarity Corps programme which "brings together young people to build a more inclusive society, supporting vulnerable people and responding to societal challenges". In the light of the climate emergency and the clear motivation of young people around the EU, the EESC proposes a significant increase in available funds, and the launch of a European Climate Action Solidarity Corps targeted sub-programme, which would enable all interested young people and hosting organisations to assist</p>	<p>The Commission proposed a European Solidarity Corps Regulation for the period 2021-2027, including a scope and a budget. The negotiations on the Commission proposal are currently ongoing. The Corps allows young people to show solidarity by contributing to social challenges. The scope of actions is defined bottom-up by participating organisations and can include climate action. While the Regulation does not provide for ring-fencing budget for specific activities, many solidarity activities take place in the field of climate</p>

<sup>16</sup> <https://ec.europa.eu/jrc/en/peseta-iv>

<sup>17</sup> Forzieri et al. (2018), 'Escalating impacts of climate extremes on critical infrastructures in Europe' Global Environmental Change 48 97 – 107. Study from the European Commission's Joint Research Centre.

<sup>18</sup> <https://www.eea.europa.eu/data-and-maps/indicators/direct-losses-from-weather-disasters-3/assessment-2>

<sup>19</sup> E.g. European Environment Agency, forthcoming, 'Urban adaptation in Europe: how cities and towns respond to climate change'

<sup>20</sup>

[http://www.eeas.europa.eu/archives/docs/cfsp/conflict\\_prevention/docs/201409\\_factsheet\\_conflict\\_earth\\_warning\\_en.pdf](http://www.eeas.europa.eu/archives/docs/cfsp/conflict_prevention/docs/201409_factsheet_conflict_earth_warning_en.pdf)

<p>community initiatives throughout the EU for urgent climate action.</p>	<p>action and environmental protection.</p>
<p>6.3. The EESC calls for a significant increase in available EU and Member State funding, especially for cooperation between local governments and organised civil society in developing community-based and community-owned low carbon energy and transport projects. The EESC notes that climate finance may be even more challenging during the COVID-19 recovery as availability of public and private sources is likely to decrease while demands for funding continue to increase.</p>	<p>The Commission welcomes the opinion of the Committee on the importance of significantly increasing EU and Member State funding on climate adaptation. In line with the outcome of the European Council meeting of 17-21 July and subsequent plenary session of Parliament of 23 July, 30% of Next Generation and MFF funds will be spent on climate-related projects. On 16 September, the Commission announced that the overall target would translate to a 37% climate spending target for the Recovery and Resilience Facility. In addition to this, the European Investment Bank will phase out its lending to fossil fuel projects by 2021 and double its climate target to 50% by 2025. Yet these investments alone will not be enough, and the Commission is working actively to support sustainable finance, including through the taxonomy outlining sustainable activities, and the Renewed Sustainable Finance Strategy.</p> <p>Such financial initiatives are also coupled with local and citizen support through initiatives such as the EU Covenant of Mayors' dedicated focus on funding<sup>21</sup>, and climate adaptation<sup>22</sup>, the Climate-ADAPT platform<sup>23</sup>, as well as the European Climate Pact (for which the Committee has already issued its opinion, welcomed by the Commission).</p> <p>The Pact will be launched in late 2020, the European Climate Pact will complement and build on existing initiatives through increased awareness and the provision of new platforms to</p>

<sup>21</sup> <https://www.covenantofmayors.eu/support/funding.html>

<sup>22</sup> <https://www.covenantofmayors.eu/support/adaptation-resources.html>

<sup>23</sup> <http://climate-adapt.eea.europa.eu/>

	<p>support citizens and grassroots climate action in the EU<sup>24</sup>. All these initiatives now form a crucial part of the COVID-19 recovery package, to ensure a sustainable recovery from this crisis.</p>
<p>7.5. The EESC calls for the Paris Agreement to be made an essential clause in all future EU trade agreements, and for active EU climate diplomacy that seeks to tackle climate change and its consequences globally and adapt to it, in cooperation with the EU Member States. The EU should address issues related to increasing insurance costs due to the increasing physical risks of climate change, the implementation of Article 6 of the Paris Agreement and the attainment of a world carbon price through linked carbon markets at global level.</p>	<p>The Commission, in line with its commitments to engage with global partners to address climate change, supports the position that the EU should accord a high level of importance and visibility to the Paris Agreement in its international relations.</p> <p>The Green Deal announced that the Commission will propose to make the respect of the Paris Agreement an essential element for all future comprehensive trade agreements.</p>

<sup>24</sup> [https://ec.europa.eu/clima/policies/eu-climate-action/pact\\_en](https://ec.europa.eu/clima/policies/eu-climate-action/pact_en)

<p><b>N°5      Just Transition Fund and amendments to the Common Provisions Regulation</b>  <b>COM(2020) 22</b>  <b>COM(2020) 23</b>  <b>EESC-2020/499 - ECO/504</b>  <b>548<sup>th</sup> Plenary Session – June 2020</b>  <b>Rapporteur-general: Ester VITALE (IT-II)</b>  <b>Rapporteur-general: Petr ZAHRADNIK (CZ-I)</b>  <b>DG REGIO – Commissioner FERREIRA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC is concerned that the investment envisaged for the just transition does not live up to the European Commission's ambitious Green Deal, and believes that additional resources should be found by increasing the Multiannual Financial Framework, either by introducing new own resources or by increasing the contribution from the Member States.</p>	<p>The European Green Deal and the twin green and digital transition are the central elements of the recently proposed recovery plan which consists of the recovery instrument Next Generation European Union and the reinforced Multiannual Financial Framework 2021-2027.</p> <p>The Commission had proposed to harness the full potential of the European Union budget to mobilise investment and frontload financial support in the crucial first years of recovery, also by substantially increasing the allocation of the Just Transition Fund.</p>
<p>1.2. The EU must show a level of ambition that will match the challenge of the fight against climate change; an average 40% of its global budget (MFF 2021-2027) must be allocated to this objective.</p>	<p>The ‘Next Generation EU’ Multiannual Financial Framework package has the ambition to restart the European economy while pursuing the green and digital transformations. 30% of the €1.82 trillion should be used for climate-related spending, an increase of 5 percentage points compared to the original proposal.</p>
<p>1.3. The EESC recommends more precisely specifying the JTF financial framework, as only EUR 30 billion is guaranteed, according to the proposal, and</p>	<p>The Commissions estimates that the increase of the Just Transition Fund envelope proposed in the recovery package of 27 May 2020 will have</p>

<p>the rest is based on a voluntary decision made by the Member States. The EESC is not convinced that the financial framework is based on a conservative approach and preconditions.</p>	<p>resulted in an overall investment volume of at least €85 billion taking into account: the increased Multiannual Financial Framework resources reaching €10 billion; the obligatory European Social Fund Plus/ European Regional Development Fund transfer for this amount (€15-30 billion); the additional €30 billion resources from Next Generation EU, as well as national co-financing applicable to all above-mentioned resources.</p>
<p>1.8. The EESC recommends that the territorial plans and any dedicated JTF programmes see the full and real involvement of the social partners and NGOs.</p>	<p>The support from the Just Transition Fund will be based on the territorial just transition plans and programmed under one or more priorities, either in programmes supported also from the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund or in a dedicated Just Transition Fund programme.</p> <p>The Commission believes that the success of the Just Transition Fund relies on the ownership of the concerned Member States, regions and local actors, including social partners. This is leveraged by national co-financing requirements under shared management as well as the involvement of partners in the development strategy.</p> <p>Multi-stakeholder dialogue and knowledge sharing proved to be essential to ensure collective progress, transparency and mobilisation of the most effective means for addressing the socioeconomic impacts of the transition.</p>
<p>1.10. As sustainable development and climate action have a positive impact on public expenditure and eliminate a number of negative externalities (health, clean-up,</p>	<p>The Commission believes that sound fiscal and economic policies matter. They are an important condition for sustainable economic growth and jobs. They ensure a</p>



<p>reconstruction, etc.) public investment in environmental protection and climate change must be excluded from the constraints of the Stability Pact.</p>	<p>favourable environment for investments, and are a precondition for effective cohesion policy.</p> <p>Under the so-called ‘investment clause’ under the preventive arm of the Stability Pact, national expenditures on projects co-funded by the European Union under the Structural and Cohesion policy, Trans-European Networks and the Connecting Europe Facility, as well as national co-financing of projects also co-financed by the European Fund for Strategic Investments can be treated in a more flexible ways, leading to an increase of the investment levels.</p> <p>As announced on 5 February 2020, the Commission is inviting all stakeholders to engage in a debate to provide their views on how the economic governance framework has functioned so far and on possible ways to enhance its effectiveness<sup>25</sup>. This process should be completed by the end of 2020.</p>
<p>1.14. The EESC would very much appreciate publication of a list of sustainable projects, with a view to sharing best practices. The support provided by particular managing authorities should also be made public, so as to contribute to investment-friendly conditions. This will increase transparency and avoid the risk of uneven information.</p>	<p>The managing authorities and beneficiaries implementing projects supported by the Just Transition Fund will have to apply all the rules linked to visibility and communications activities, as established in the Common Provisions regulation, for all Cohesion policy funds.</p> <p>This means, for example, that the managing authority will have to make the list of operations selected for support by the Funds publicly available on the website and update this list regularly. The beneficiaries will need to provide information on supported operations on their webpages, including the operations of strategic importance, from which many</p>

<sup>25</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/economic-governance-review\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/economic-governance-review_en)

	can support sustainable and green policy.
<p>1.17. The education and training system is the key to supporting transition processes. The EESC recommends increasing resources for cohesion policy to strengthen and relaunch the secondary and university education system through targeted and current-needs-oriented technological and scientific guidelines.</p>	<p>The Commission agrees with the Committee that education and training system is crucial for the successful transformation of the workforce in the transition territories.</p> <p>Therefore, upskilling and reskilling of workers and jobseekers is among the main areas to be supported by the Just Transition Fund.</p> <p>The Commission recalls that education is not proposed among the key areas for Just Transition Fund support.</p> <p>However, all regions supported by the Just Transition Fund can benefit from European Social Fund Plus and European Regional Development Fund support in this sector, which is a continuation of the current practice.</p>
<p>1.18. Particular emphasis should be placed on supporting the employment of those furthest away from the labour market such as young people and persons with disabilities.</p>	<p>Beyond upskilling and reskilling, the Just Transition Fund will also provide job-search assistance and active inclusion support to jobseekers affected by the transition to ensure that nobody is left behind.</p> <p>The European Social Fund Plus, as the main EU instrument to invest in people, will also continue to support those furthest away from the labour market, including young people and persons with disabilities.</p> <p>The Commission’s proposal for a Council Recommendation on a Bridge to Jobs<sup>26</sup> reinforces the existing Youth Guarantee and can contribute to youth employment by helping to harness the opportunities arising from the green transition. It also steps up the outreach to and activation of</p>

<sup>26</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1193](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1193)

	<p>certain groups of the young population that are at a disproportionate disadvantage (e.g. those with low skills, living in rural areas or remote areas, young people with disabilities, migrant backgrounds or belonging to racial and ethnic minorities, e.g. Roma) across the European Union. The Commission, as announced in the Communication on a Strong Social Europe for Just Transitions, will present a Disability Rights Strategy in 2021, building on the results of the evaluation of the current Strategy.</p>
<p>3.8. The EESC believes that, in order to make the transition economically more robust and politically more credible, action should be taken as soon as possible to scrap the system of direct and indirect subsidies to the fossil fuel sector, which is responsible for enormous environmental, social and economic costs that could wipe out progress made in climate action.</p>	<p>The Commission agrees with the Committee's position. Article 5 of the Just Transition Fund proposal includes the exclusion of investment related to the production, processing, distribution, storage or combustion of fossil fuels.</p>
<p>3.11. For this concept to be successful, it is fundamentally important to motivate private capital to enter the system. It will be necessary to build a new partnership between the private and public sectors on a win-win principle.</p>	<p>The Commission agrees that involvement of the private capital is crucial for successful transition. Therefore, the Commission proposed three pillars in the Just Transition Mechanism: (1) a Just Transition Fund implemented under shared management, (2) a dedicated scheme under InvestEU, and (3) a public sector loan facility with the European Investment Bank Group to mobilise additional investments to regions concerned. The Just Transition Fund will be used primarily to provide grants; the dedicated transition scheme under InvestEU will crowd in private investments, and the partnership with the European Investment Bank will leverage public financing.</p>
<p>3.16. The EESC would like to see a portion</p>	<p>Upskilling and reskilling of workers and</p>

<p>of the JTF resources devoted to generating the investments that the workers and communities affected by the value chain of decarbonisation processes need in order to support the transition from one occupation to another.</p>	<p>jobseekers affected by transition in the identified territories is among the key areas to be supported by the Just Transition Fund.</p> <p>The Commission believes that a substantial part of the Just Transition Fund resources will be dedicated to that particular area. However, at the same time, the Commission is of the opinion that any mandatory earmarking at the EU or Member State level would decrease the flexibility and adaptation of the Just Transition Fund support to the needs of each territory.</p>
<p>4.1. The EESC is convinced that it would be appropriate to more precisely elaborate the financial framework not only for the JTF itself, but for the whole Just Transition Mechanism and a Sustainable Europe Investment Plan. The EESC adds that the mobilisation of resources over and above EUR 30 billion is not guaranteed (i.e. transfers exceeding 1.5 times the JTF allocation are not mandatory). There are also a lot of outstanding questions regarding the special regime within the InvestEU programme and the EIB loan instrument for the public sector.</p>	<p>As already presented above, the Commission had proposed that the overall budget of the Just Transition Fund would be increased to €40 billion. The Commission has also presented its proposal for a public sector loan facility (Pillar 3), which will mobilise between €25 and 30 billion. In total, the Just Transition Mechanism is now expected to mobilise at least €150 billion of public and private investment.</p> <p>The approval of the territorial just transition plans will enable support from all the three pillars of the Just Transition Mechanism.</p> <p>The Commission is ready to further explain the modalities of implementation of both second and third Pillar if necessary.</p>
<p>4.2. The EESC points to the need to ensure complementarity between the measures financed by the JTF and those financed by InvestEU under Pillar 2 and by the public sector loan facility under Pillar<sup>o</sup>3 of the Just Transition Mechanism.</p>	<p>The Just Transition Mechanism will include a strong governance framework centred on territorial transition plans. One of the elements to describe in the plan by the Member States will be complementarities and synergies between the three pillars of the Just Transition</p>

	<p>Mechanism.</p> <p>The Commission recalls that the two other pillars of the Just Transition Mechanism will have a wider geographical scope than the Just Transition Fund itself, supporting not only investment in projects in just transition territories, but also outside those territories, provided that these projects are key to the transition within the just transition territories.</p> <p>The eligibility of investments under the other two pillars of the Just Transition Mechanism will be broader to support activities related to the energy transition. The dedicated Invest EU scheme will cover projects for energy and transport infrastructure, including gas infrastructure and district heating, as well as decarbonisation projects.</p> <p>Under the public loan facility with the European Investment Bank, public authorities will be able to implement measures to facilitate the transition to climate neutrality. Projects will range from energy and transport infrastructure, to district heating networks, and energy efficiency measures including renovation of buildings.</p>
<p>4.8. Due to the circumstances, the EESC recommends opening up more space to entities other than SMEs, as the main mining and heavy industry corporations affected by climate action tend to be large companies. Moreover, these companies, in particular, often provide a large number of decent jobs and are crucial for the economic well-being of the regions.</p>	<p>The Commission fully recognises the role the companies other than small and medium enterprises (SMEs) play in some territories.</p> <p>Therefore, the Commission has proposed that such companies can be supported, under two sets of conditions:</p> <p>1) for enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a</p>

	<p>significant number of jobs and they do not lead to or result from relocation;</p> <p>2) investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC<sup>27</sup> and if they result in the protection of a significant number of jobs.</p> <p>Any such investment should be justified accordingly in the relevant territorial just transition plan.</p>
<p>4.13. Given the high level of uncertainty about the impact of the transition on employment and its possible geographical distribution, the EESC notes that it would have been preferable not to have any geographical pre-allocation of JTF funds. Another area of concern is the governance of the Fund. The task of designating the eligible areas and deciding how much of the funding to allocate to each area will be entrusted entirely to national governments. Given that there will be no regional allocations, there is a risk that this could lead to imbalances in the distribution of funding at sub-national level and that areas that are less vulnerable to the negative impacts of climate change objectives will not receive resources.</p>	<p>The Commission notes that the only geographical pre-allocation of the Just Transition Fund resources is set at the Member State level in line with the allocation method set in the proposed Just Transition Fund Regulation.</p> <p>However, eligible territories within each Member State will be identified in the territorial just transition plans in a constructive dialogue between the programme authorities, regional and local stakeholders and the Commission.</p> <p>The Commission underlines that there will be no European Union level indicators established for this purpose. This echoes the heterogeneity of situations and needs prevailing in the eligible territories and the subsequent flexibility of the Just Transition Fund to provided tailor-made support to Member States and regions.</p> <p>The Commission provided an analysis of the just transition challenges for each</p>

<sup>27</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC; OJ L 275, 25.10.2003, p. 32–46

	<p>Member State in the European Semester process in order to facilitate the programming negotiations in this area with the Member States. However, this is only a starting point and the final list of regions to be supported will be identified during the programming process.</p>
<p>4.17. The EESC has some concerns regarding the programming process, as the legal text still needs to be adopted and the Common Provisions Regulation amended. The Commission expects the territorial plans to be approved in the second half of 2020 and the JTF programmes to be adopted during 2021. This could lead to delays in the implementation of some cohesion policy programmes.</p>	<p>The Commission notes that there is no strict deadline proposed for submission of the territorial just transition plans.</p> <p>Territorial just transition plans are adopted together with the programmes entailing support of the Just Transition Fund. These programmes and their annexed territorial just transition plans can only be adopted once the legal framework will have been adopted and is in force.</p> <p>The Commission expects the regulation to feed into the final stages of the legislative negotiations on cohesion policy and enter into force in the coming months. This timeline will depend on the European Parliament and the Council rapidly reaching an agreement on the relevant sectoral legislation, once an agreement is reached on the 2021-2027 Multiannual Financial Framework.</p> <p>Project selection and implementation can start immediately after programmes are approved by the Commission.</p>

<p><b>N°6 European Green Deal Investment Plan</b>  <b>COM(2020) 21 final</b>  <b>EESC 2020/463 – ECO/505</b>  <b>552<sup>nd</sup> Plenary Session – June 2020</b>  <b>Rapporteur-general: Carlos TRIAS PINTÓ (ES-III)</b>  <b>Rapporteur-general: Petr ZAHRADNIK (CZ-I)</b>  <b>DG ECFIN – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.6. Beyond the temporary solidarity measures, the EESC calls for the recovery of the European Investment Stabilisation Function (EISF) as well as the immediate implementation of the Budgetary Instrument for Convergence and Competitiveness (BICC), increasing its amount in the MFF 2021-2027.</p>	<p>The Budgetary Instrument for Convergence and Competitiveness (BICC) was put forward by the Euro Summit of 14 December 2018 and it was then developed as an amendment to the Commission’s proposal for a Reform Support Programme of May 2018 (in particular the Reform Delivery Tool). The Commission also made a separate legislative proposal for its governance framework in July 2019. However, in light of the new economic situation affecting all EU Member States, the Commission decided to withdraw the Reform Support Programme and to replace its content with two standalone proposals for Regulation: i) the Recovery and Resilience Facility<sup>28</sup> and ii) a Technical Support Instrument<sup>29</sup>. Specifically, the Recovery and Resilience Facility builds on progress on the Reform Delivery Tool, adapting it to the new economic situation, affecting all EU Member States, and financing method.</p> <p>Regarding the European Investment Stabilisation Function (EISF), the proposal made by the Commission is still on the table. However, Member States’ positions on this proposal have been divided.</p>

<sup>28</sup> COM(2020) 408 final.

<sup>29</sup> COM(2020) 409 final.



	<p>The Commission work programme for 2020 also features a proposal for a permanent European Unemployment Reinsurance Scheme.</p>
<p>1.11. The EESC welcomes the Just Transition Mechanism (JTM) but deplores the clear insufficiency of the JTF budgetary provisions (EUR 7.5 billion to achieve funding worth EUR 100 billion). This will have to be offset by transfers from the ERDF/ESF+ and Member States' co-financing, as well as what is hoped will be large private investment and the public sector loans facility with the EIB.</p>	<p>On 27 May 2020, the Commission set out a plan for European recovery, through a reinforced Multiannual Financial Framework and Next Generation EU. As part of the package, the Commission proposed to strengthen the Just Transition Mechanism.</p> <p>The overall budget of the Just Transition Fund (Pillar 1 of the Just Transition Mechanism) has been increased to €40 billion. A dedicated Just Transition Scheme (JTS) will be established under the InvestEU programme<sup>30</sup> as the second pillar of the Just Transition Mechanism. It will provide additional investments to or to the benefit of the just transition regions with an approved territorial just transition plan under the Just Transition Fund (JTF) Regulation<sup>31</sup>. The JTS will be maintained in the wake of the Council Conclusions of July 2020. However, in the event that the substantially reduced amount of the EU guarantee (from €75.1 billion to less than €25 billion) is maintained, the part that can be delivered under the JTS would need to be reconsidered in a proportional manner. Finally, the Commission also presented its proposal for a public sector loan facility, which will mobilise between €25 and €30 billion. In total, the Just Transition Mechanism is now expected to mobilise at least €150 billion of public and private investment.</p>
<p>1.16. The EESC calls for the European</p>	<p>The Commission is committed to</p>

<sup>30</sup> COM(2020) 403 final: Proposal for a Regulation of the European Parliament and of the Council establishing the InvestEU Programme.

<sup>31</sup> Proposal for a Regulation establishing the Just Transition Fund (COM(2020)22 final).

Semester process related to the Green Deal to be improved by placing the SDGs at the heart of EU policymaking, as well as a more comprehensive EU taxonomy that incorporates the social dimension.

integrating the United Nations' Sustainable Development Goals in the economic policy coordination framework. This commitment has only grown stronger in the face of the pandemic which illustrates the interconnectedness of the economic, social and environmental spheres.

The priorities underpinning the Sustainable Development Goals are well reflected in the various stages of the current Semester cycle. They are essential to the broader economic narrative put forward in the 2020 Annual Sustainable Growth Strategy and in the Country Reports.

They are also well reflected in the Commission's proposals for country-specific recommendations which focus inter alia on the public health-economy nexus [in relation to Sustainable Development Goal (SDG) 3], on how socio-economic inequalities in affect overall economic performance [SDG 10], on the importance of high quality and accessible education and training [SDG 4], on the importance of achieving gender equality and empowering women and girls [SDG5]and on the institutional surrounding in which our economies operate [SDG 16]. The concern for climate action [SDG 13], affordable and clean energy [SDG 7] and for the environmental dimension of the sustainable agenda [SDG 11, 12, 14, 15] are also well covered, most notably, but not exclusively in the Country Specific Recommendation (CSRs) referring to the investment needs in relation to the green and digital transitions. Lastly, the main focus of the Semester remains on economic and employment policy coordination [SDG 8], in line with the legal basis of the Semester.

Going forward, the Commission is

	<p>continuing its efforts at integrating the SDGs in the European Semester governance framework.</p> <p>Concretely, the Commission is working on expanding its toolkit to improve the analysis of the macroeconomic and social implications of the ecological transition in future Semester cycles.</p> <p>To this effect, a set of key indicators is being developed with the aim of being applied as of the next European Semester cycle. The Commission will work closely with Member States and other stakeholders in its development.</p> <p>Also, the 2020 edition of Eurostat’s annual flagship report<sup>32</sup> on progress towards the SDGs in an EU context was published on 22 June 2020 and is thus available as an input for the next European Semester cycle.</p>
<p>1.20. The right skills for green jobs are a prerequisite for making the transition to a greener and just economy happen. The EESC advocates for clear strategies on skills foresight and vocational training with associated roadmaps to make and keep the workforce fit for the future needs in all sectors.</p>	<p>With the proposal for a Council Recommendation on Vocational Education and Training (VET) for sustainable competitiveness, social fairness and resilience<sup>33</sup> of 1 July 2020, the Commission proposed a modernised EU policy vision for VET, with a view to equipping young people and adults with the skills to thrive in the labour market and supporting the green and digital transitions, including transversal skills, ensuring inclusiveness and equal opportunities and establishing European VET as a global reference point for skills development.</p> <p>In addition, with the new Pact for Skills, the Commission will build on previous work under the Blueprint for Sectoral Cooperation on Skills to define sectoral</p>

<sup>32</sup> [Sustainable development in the European Union — Monitoring report on progress towards the SDGS in an EU context — 2020 edition](#)

<sup>33</sup> COM(2020) 275 final.

	<p>skills strategies. Green skills are a transversal element taken into account in all sectors.</p>
<p>3.6. The EESC recommends that more details be provided on the financial framework of the SEIP. For instance, all the three main pillars of the JTM depend on very ambitious requirements, namely the JTF itself as well as the expected leverage effect of the EIB-based vehicle for the public sector.</p>	<p>As regards the first pillar of the Just Transition Mechanism, substantial additional funding was proposed for the Just Transition Fund, bringing the total to €17.5 billion, of which EUR 10 billion to be channelled from the Next Generation EU. The €10 billion from Next Generation EU does not have to be matched with funding from national cohesion envelopes. The increased funding proposed by the Commission in May 2020 for the InvestEU programme was also expected to enable a reinforcement of the second pillar of the Just Transition Mechanism through a higher level of frontloaded investments. Given the unprecedented recession and the high degree of uncertainty about the absorption capacity of market financing in transition regions as well as the reduced budget size allocated to the InvestEU programme following the European Council conclusions of 21 July 2020, it is difficult to estimate with precision the investments expected to be mobilised under the second pillar.</p> <p>The third pillar of the Just Transition Mechanism via the public sector loan facility will combine an overall envelope of €1.5 billion from the EU and €10 billion in lending from the European Investment Bank (EIB). The EU support will take the form of a grant blended together with loans extended by the EIB to municipal, regional and other public authorities or bodies with a public service mission. The Commission considers that the third pillar of the Just Transition Mechanism would foster a pipeline of additional investments worth €25-30 billion.</p>

	<p>This funding will be used to alleviate the socio-economic impacts of the transition towards climate neutrality in the regions most affected, for example, by supporting the re-skilling of workers, helping SMEs to create new economic opportunities, and investing in the clean energy transition and in the circular economy. Under the InvestEU Just Transition Scheme, support to investments in just transition regions will be possible through any of the InvestEU policy windows, depending on the specific investment needs identified by Member States in their territorial just transition plans. Such support targeting economically viable investments by private and public sector entities in these regions will be implemented through financial products proposed by the InvestEU implementing partners (e.g. the European Investment Bank Group, other International Financial Institutions (IFIs) or national promotional banks or institutions) and supported by the InvestEU guarantee.</p>
<p>3.7. The EESC calls for a more specific description of the special Green Deal arrangement proposed for the InvestEU Programme.</p>	<p>The InvestEU programme will have a considerably stronger focus on social inclusion and fairness and on sustainability than its predecessor, the European Fund for Strategic Investments (EFSI). At least 30% of the investments mobilised through the InvestEU Fund shall contribute directly to the climate objectives.</p> <p>Recognising that green investments are source of economic opportunities, the Commission has proposed, in its revised MFF and Next Generation proposal, to double the resources available for the Sustainable Infrastructure window. This window will allow to crowd-in private investments in clean energy and clean mobility, environment and circular economy, notably in support of EU</p>

	<p>initiatives, such as the upcoming European Renovation wave action plan. 60% of the operations under the Sustainable Infrastructure Window should contribute to the climate and environmental objectives.</p> <p>Furthermore, all the projects above a certain size for which the InvestEU guarantee is requested will be subject to sustainability proofing. The Commission is currently working on a guidance for sustainability proofing and climate/environmental tracking methodology. Being the first EU Programme to take into account the Taxonomy Regulation<sup>34</sup>, the InvestEU Fund will also support the deployment of this key EU initiative aimed at promoting green investments in capital markets.</p>
<p>4.1.2. As one of the main lessons learned regarding the extraordinary human and economic crisis caused by the coronavirus pandemic, there is a need for a reinforced European Investment Stabilisation Function (EISF) that is able to react with adequate public investment to each country's specific challenges. Measures are also needed that will help Member States to enhance the use of their taxation systems and public policy incentives to revive their economies.</p>	<p>In May 2020, the Commission proposed the Next Generation EU package to help repair the economic and social damage brought by the coronavirus pandemic, and kick-start a recovery that responds to each country's specific challenges, while also accelerating the green and digital transitions that are a challenge shared by all. The 'general escape clause' of the EU fiscal framework has also been activated, ensuring the needed flexibility for Member States to take all necessary measures for supporting our health and civil protection systems and to protect our economies, in a temporary and targeted fashion.</p> <p>The Commission proposal for a European Investment Stabilisation Function remains on the table. Member States' positions on this proposal have so far been divided. However, the Commission work programme for 2020 also features a proposal for a permanent European</p>

<sup>34</sup> [Regulation \(EU\) 2020/852 on the Establishment of a Framework to Facilitate Sustainable Investment](#)

	Unemployment Reinsurance Scheme.
<p>4.1.3. The EESC also points out that the projected reform of the European Stability Mechanism (ESM) Treaty should go hand in hand with the BICC and the European Deposit Insurance Scheme (EDIS). Considerable efforts have already been made in terms of risk-reduction in the banking sector (non-performing loans reduction, minimum requirements for own funds and eligible liabilities build-up, insolvency regime, etc.).</p>	<p>The Commission agrees that the efforts in terms of risk reduction in the banking sector and the achievements in this field justify the adoption of the European Stability Mechanism (ESM) treaty reform and European Deposit Insurance Scheme (EDIS) at the same time and as a matter of urgency, including early introduction of the common backstop for bank resolution. The proposal for the Budgetary Instrument for Convergence and Competitiveness has been withdrawn, while a proposal has been put forward for a Recovery and Resilience Facility<sup>35</sup>, with a much bigger financial envelope.</p>
<p>4.2.1. There is a need for a sound and more ambitious taxonomy of sustainable activities, including social aspects and creating synergies and confluences with the progress by the United Nations through proper integration of the SDGs into the European Semester. Decisions on how to spend EU recovery funds should be guided by an EU-wide green finance taxonomy, which aims to reward investments in clean technologies.</p>	<p>The Taxonomy Regulation acknowledges the importance of a holistic definition of sustainability in several ways. While it currently defines environmentally sustainable activities, minimum social safeguards ensure that any economic activity that qualifies as green is carried out in compliance with international human rights and labour standards. The Regulation also allows for a possible extension of the taxonomy to social sustainability objectives and requires the Commission to publish a report on the required provisions for such extension by 31 December 2021. As such, the Regulation is aligned with the spirit of the United Nations Sustainable Development Goals and aims for the progressive integration of all aspects of sustainability.</p> <p>The Communication on Next Generation EU announced that ‘the EU sustainable finance taxonomy will guide investment in Europe’s recovery to ensure they are in line with our long-term ambitions’. These</p>

<sup>35</sup> COM(2020) 408 final.

	<p>ambitions include implementation of the SDGs. The various initiatives within the recovery package also contain specific green safeguards.</p> <p>In line with its earlier commitment in the Sustainable Europe Investment Plan, the Commission is currently exploring how the EU Taxonomy could be used by the public sector. This includes exploring also how the Taxonomy can be used to implement the green safeguards in the various initiatives of the recovery package to ensure that the recovery support indeed facilitates the green transition.</p>
<p>4.2.3. Technological solutions to achieve "granular data" of varied provenance (up to geo-spatial location) and to work on comparability between countries is needed. At the same time, a review of the NFRD directive (2014/95/EU) could contribute to the disclosure of standardised high-quality information that is more complete, relevant, and comparable thanks to a harmonised methodology , taking into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).</p>	<p>The Commission agrees that the review of the Directive on non-financial reporting (NFRD) should serve to ensure that reported information is more complete, relevant and comparable, with indicators based on harmonised methodologies. The review will also take account of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (already mentioned in the non-binding guidelines on climate reporting under the NFRD) and of other existing non-financial reporting standards and frameworks relating to environment and climate.</p>
<p>4.2.3.1. The disclosure of non-financial information should be open to SMEs, providing technical assistance to capture easily obtainable key data (to feed KPIs).</p>	<p>The Commission agrees that the review of the directive on non-financial reporting should consider the specific situation of SMEs. The open public consultation for the review of this directive asked stakeholders for their views on the possibility of developing a simplified non-financial reporting standard for use by SMEs.</p>
<p>4.3.1. The previous capacity building of</p>	<p>The legal basis for establishing the</p>



<p>the EC and the European Investment Advisory Hub is a good base for creating a pipeline of sustainable projects, but more robust methodologies that allow a true reorientation of financial flows towards the green economy must be applied.</p>	<p>InvestEU Advisory Hub will be the InvestEU Regulation<sup>36</sup>. The Advisory Hub will be available to support the policy objectives set out in Article 3 of the InvestEU Programme Regulation and the eligible areas identified in the Annex II thereof.</p> <p>The overall 30% climate and environment objective applicable to the InvestEU programme also applies to the advisory initiatives under the InvestEU Advisory Hub. Dedicated advisory initiatives supporting sustainable infrastructure investments and the continuation of the current European Local Energy Assistance (ELENA) advisory initiative<sup>37</sup> under the InvestEU Advisory Hub after 2020 are two concrete examples for supporting the reorientation of financial flows towards Green Deal objectives.</p>
<p>4.5.2. The EESC points out that a key objective for adapting to changing jobs and job requirements is that workers should be kept up-to-date with the new skills needed in the green economy. There should be a clear strategy on skills foresight and a skills roadmap to make and keep the workforce fit for future industrial needs, and investing in education and training as well as strengthening the culture of lifelong learning should thus be a foundation of regional just transition.</p>	<p>Building on the 2016 Skills Agenda for Europe, the updated European Skills Agenda for sustainable competitiveness, social fairness and resilience launched on 1 July 2020, will take action with regard to new skills needed by the green economy by:</p> <ul style="list-style-type: none"> <li>- defining a taxonomy of skills for the green transition, and agreeing with Member States indicators to allow monitoring and statistical analysis of developments in green skills;</li> <li>- developing a European competence framework on education for climate change and sustainable development;</li> <li>- supporting the development of a core green skills set for the labour market to guide training across the economy.</li> </ul>

<sup>36</sup> COM(2020) 403 final: Proposal for a Regulation of the European Parliament and of the Council establishing the InvestEU Programme.

<sup>37</sup> [ELENA – European Local ENergy Assistance](#)

	<p>In addition, the 2020 Skills Agenda will aim to strengthen skills intelligence, including by developing new and deepened skills intelligence, also at regional and sectoral levels and big data analysis. This will also help have more up-to-date and granular intelligence on the new skills needed for the green economy.</p> <p>The 2020 Skills Agenda announces further work on tools to empower individuals to learn throughout their lives. In particular, the Commission will assess how a possible European initiative on individual learning accounts can help close existing gaps in the access to training for adults in working age and empower them to successfully manage labour market transitions.</p>
<p>4.6.2. The EESC supports minimum mandatory green criteria or targets for public procurement in sectoral initiatives, EU funding or product-specific legislation using environmental indicators in the light of the EU taxonomy progress. In this regard, more holistic, transparent and streamlined Environmental Labelling Information Schemes (ELIS) are needed, showing compliance with strict sustainable goals.</p>	<p>The Commission welcomes the Committee’s support for the actions planned to make public procurement greener.</p> <p>With the European Green Deal Investment Plan, the Commission committed to proposing minimum mandatory green criteria or targets for public procurements in sectoral initiatives (as confirmed in the Circular Economy Action Plan of March 2020), in EU funding or product-specific legislation. Such minimum criteria will <i>de facto</i> set a common definition of what a ‘green purchase’ is, allowing collection of comparable data from public buyers, and setting the basis for assessing the impact of green public procurements. Moreover, with the Farm to Fork strategy of May 2020, the Commission committed to ‘determining the best way of setting minimum mandatory criteria for sustainable food procurement’.</p> <p>In line with its earlier commitment in the Sustainable Europe Investment Plan, the Commission is currently exploring how the</p>

	<p>EU Taxonomy could be used by the public sector to guide public investment. The use of the EU Taxonomy in European public procurement needs to be considered, but would require a high degree of Member States' implication. The Commission recognises the need for environmental indicators, which are currently under discussion.</p> <p>As regards environmental labelling, the Circular Economy Action Plan foresees actions to give consumers more reliable information about products at the point of sale, including on their lifespan and other environmental performance. The Commission will propose that companies substantiate their environmental claims by using Environmental Footprint methodologies. The EU Ecolabel will remain the voluntary eco-labelling scheme to help consumers identify products and services with very high environmental performance. In addition, work is ongoing for the definition of EU Ecolabel criteria for financial products.</p>
<p>4.7.4. The EESC calls for strong coherence between the projected Action Plan for the Social Economy in 2021 and the European Green Deal Investment Plan to involve social economy investments in the implementation of the Just Transition Mechanism.</p>	<p>The Commission continues to place an emphasis on building a more inclusive and fair Union as a key priority for the Union to tackle inequality and foster social inclusion policies in Europe. The InvestEU Programme will be aligned with the Communication on 'Strong Social Europe for Just Transitions' when it comes to investment in areas such as upskilling and reskilling, which can be covered for instance under the social and investment skills. Moreover, the Just Transition Fund also aims to alleviate the social costs of the transition to climate neutrality, targeting the reskilling of workers in view of equipping them with the necessary skills to take on new jobs.</p>

<p><b>N°7 COVID-19 crisis response – adjustments in banking prudential rules COM(2020) 310 final EESC 2020/2226 - ECO/718 552<sup>nd</sup> Plenary Session – June 2020 Rapporteur Giuseppe GUERINI (Gr.III-IT) DG FISMA – Executive Vice-President DOMBROVSKIS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.8. The Committee considers that the Commission proposal on adjusting the transitional arrangements that allow credit institutions to alleviate the impact from expected credit-loss provisioning and corrections under International Financial Reporting Standard 9 on their own funds should be extended to the static component as measured on 1 January 2018.</p>	<p>The Commission considers that the targeted adjustments to the transitional arrangements should be limited to addressing the impact of the COVID-19 pandemic on institutions' possible increase in provisioning needs under International Financial Reporting Standard 9, while maintaining the transitional arrangements for the expected credit loss amounts established before the COVID-19 pandemic. Provisions accounted for under the static component as measured on 1 January 2018 pre-date of the COVID-19 pandemic and should therefore not be included in the adjusted transitional arrangements.</p>
<p>1.9. The Committee considers that it would be helpful to extend the treatment currently applicable to non-performing exposures guaranteed or ensured by official export credit agencies to non-performing exposures resulting from the impact of the COVID-19 pandemic beyond the seven years deadline proposed by the Commission.</p>	<p>The final text adopted by the European Parliament and the Council extends this treatment on a permanent basis.</p>
<p>1.14. The Committee calls for a temporary amendment to Regulation 2019/630 of the Parliament and of the Council of 17 April 2019 as regards minimum coverage of losses on non-performing exposures to take into account the market disruptions</p>	<p>The Commission considers that the targeted adjustments to bank prudential rules should be limited to addressing the impact of the COVID-19 pandemic. Therefore, minimum coverage of already existing non-performing exposures should</p>

<p>and a slowdown in transfer procedures for at least 24 months.</p>	<p>proceed according to the schedule defined in Regulation 2019/630 of the Parliament and of the Council of 17 April 2019<sup>38</sup>.</p>
<p>1.10. The Committee considers that steps must be taken to simplify the eligibility criteria for the new supporting factor for financing infrastructure.</p>	<p>The Commission considers that the targeted adjustments to bank prudential rules should be limited to addressing of the impact of the COVID-19 pandemic. While the Commission considered it useful to advance the date of application of the supporting factor for financing infrastructure to encourage bank lending during the COVID-19 pandemic, amending the general eligibility criteria established by the European Parliament and the Council only one year ago was not considered appropriate in this context.</p>
<p>1.13. The Committee upholds the need to introduce a green and social supporting factor.</p>	<p>The Commission considers that the targeted adjustments to bank prudential rules should be limited to addressing of the impact of the COVID-19 pandemic. While sustainable finance is a priority for the Commission, the depth of analysis and impact assessment that would be required to consider the introduction of such measures was not deemed compatible with the urgent nature of the response to COVID-19.</p>
<p>1.16. The Committee considers that the so-called "prudential filter", already provided for in the Basel II framework, needs to be introduced on a temporary basis to remove unrealised assets and losses from balance sheets.</p>	<p>The final text adopted by the European Parliament and the Council provides for a temporary re-introduction of prudential filters.</p>
<p>1.17. The Committee considers that the market risk framework should be amended to remove the current links between volatility and banks' capital absorption</p>	<p>The final text adopted by the European Parliament and the Council introduces additional flexibility for competent authorities to mitigate the negative effects</p>

<sup>38</sup> Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures (Text with EEA relevance.); PE/2/2019/REV/1; OJ L 111, 25.4.2019, p. 4–12.

<p>(which multiplies the value-at-risk).</p>	<p>of the extreme market volatility observed during the COVID-19 pandemic on the own funds requirements for market risk calculated using internal models.</p>
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<p><b>N°8      The effects of campaigns on participation in political decision-making (exploratory opinion at the request of the Croatian presidency)</b>  <b>EESC-2019-04412–SOC/630</b>  <b>552<sup>nd</sup> Plenary Session – June 2020</b>  <b>Rapporteur: Marina ŠKRABALO (GR.III-HR)</b>  <b>Co-rapporteur: Cinzia DEL RIO (GR.II-IT)</b>  <b>DG COMM – President VON DER LEYEN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1 The EESC welcomes the Croatian presidency's initiative to request an opinion on the effects of campaigns on participation in political decision-making, which will hopefully contribute to the timely policy debate in the relevant Council formations and preparatory bodies on key areas of improvement in the EU's electoral process, based on the Commission's forthcoming post-electoral report. The policy debate will enable a timely contribution by the Member States to the agenda for the Commission's Democracy Action Plan and the Conference on the Future of Europe, which will be launched during the Croatian presidency. The time is right for a new, coordinated effort to protect and enhance European democracy throughout the new political cycle of the EU institutions. In this respect, the EESC would encourage the Croatian presidency to act as a catalyst to foster close cooperation between all the EU institutions, including, primarily, the European Parliament and the Commission, but also the EESC, the Committee of Regions, the EU Ombudsman and the Fundamental Rights Agency.</p>	<p>The Commission issued its report on the 2019 elections to the European Parliament on 19 June 2020<sup>39</sup>. It was presented to the General Affairs Council and the Horizontal Working Party on Enhancing Resilience and Countering Hybrid Threats.</p> <p>The Commission remains committed to launching the Conference on the Future of Europe as soon as possible. Involving citizens in building Europe's future through an open, inclusive, transparent and structured debate across Europe is more important than ever.</p> <p>The Commission is currently negotiating a Joint Declaration with the European Parliament and the Council, defining the precise scope, structure, objectives and principles of the Conference.</p> <p>The Commission wants as many citizens as possible to participate, reflecting the diversity in the EU. For this to materialise, we need the full involvement of local and regional politicians, crucial for organising Conference related events and mobilising citizens in their constituencies. The Commission therefore considers the European Economic and</p>

<sup>39</sup> COM(2020) 252 final

	<p>Social Committee, as well as the Committee of the Regions, to be important partners. The Commission is also thankful for the many debates the Committee has organised and will continue to do so and for having established an ad hoc group on the Conference on the Future of Europe.</p>
<p>1.3 While the historical trend of declining voter participation in the European elections is still ongoing, as the relatively high turnout in 2019 is still lower than the turnout between 1979 and 1994<sup>40</sup>, there are lessons that need to be learned from the most recent elections in order to boost informed public participation in the next European election cycle and in the long term. It is important to acknowledge that the substantially lower participation in European elections compared to participation in national elections is a long-standing trend<sup>41</sup>, and to consider a higher participation of young and educated voters in the 2019 European elections as potential for a new, positive trend.</p>	<p>Through its corporate communication campaigns, the Commission runs centrally coordinated and coherent campaigns on the EU's impact on citizens' lives that raise awareness and lead to a change in perceptions. In the run-up to the 2019 European elections, there were three corporate communication campaigns (InvestEU, #EUandME, EU Protects) running in all the Member States, ensuring continuous and impactful presence in people's lives. Although the Commission does not have sufficient data to prove a direct link to the increased voter turnout, the communication activities' performance monitoring suggests that the three corporate campaigns definitely had a positive influence. Building on the findings of the report on the 2014 European elections, the Commission took a number of initiatives to increase the sense of a European dimension in the 2019 European elections and to support the broad participation of all EU citizens. This mobilisation had a strong national and local dimension, involving the Commission's Representations and the</p>

<sup>40</sup> <https://op.europa.eu/en/publication-detail/-/publication/1f2a7ac7-d8f7-11e9-9c4e-01aa75ed71a1/language-en/format-PDF/source-search>. It should be noted that the European citizens' voter turnout in elections has declined since the early 1990s, as evidenced by 20% decline in the so-called new Member States and 10% decline in so-called older Member States.

<sup>41</sup> Voter turnout was 45% in the 2004 European Parliament elections, 43% in 2009, 42.6% in 2014 and then increased in 2019 to 50.66%, which was the first time since 1979 that the number of voters rose in respect to past elections. Source: <https://blogs.eurac.edu/eureka/david-vs-goliath-of-voter-turnout-why-is-the-participation-in-eu-elections-so-low/>.



European Parliament's Liaison Offices in the Member States. The turnout in the 2019 European Parliament elections (50.66%) was the highest in over 25 years. This shows the vibrancy of our democracy and the renewed engagement of EU citizens in shaping the future of the EU, especially Europe's young and first-time voters.

Equal opportunity in participation is essential for representative democracy at all levels – European, national, regional and local. Yet more remains to be done to promote inclusive participation, especially among underrepresented groups. That is why the Commission plans to focus specifically on younger and older people, women, mobile EU citizens and people with disabilities in order to remove technical barriers and to promote their full participation as voters and candidates in the 2024 European Parliament elections, including through funding and promoting best practices. To this end, the Commission will explore ways to foster the involvement of children in the European democratic life. In this context, the EU Youth Strategy, the framework for EU youth policy cooperation, fosters youth participation in democratic life. It supports social and civic engagement and aims to ensure that all young people have the necessary resources to take part in society. It also strives to encourage young people to become active citizens, agents of solidarity and positive change for communities across Europe, inspired by EU values and a European identity. European political parties asking for EU funding are encouraged to be transparent about the gender balance of their political party members. In addition, the

	<p>Commission will support Member States in developing and implementing more effective strategies to increase the number of women in decision-making positions and by 2024, the Commission aims to reach gender balance of 50% at all levels of its management by the end of 2024.</p>
<p>1.5 The EESC calls for still closer cooperation between the Parliament, Commission and Member States, as well as with the EESC and the Committee of Regions and all relevant stakeholders, on a well thought-out design and on both decentralised and centralised delivery of future information campaigns on EU affairs and the next European elections, making them more effective in reaching, informing and engaging with a great majority of Europeans.</p>	<p>The Commission welcomes every opportunity to collaborate with the other EU institutions, relevant services and stakeholders to design and implement centralised cohesive communication actions and information campaigns. For example, it actively supported the European Parliament’s ‘This time I’m voting’ campaign, and also assumed a very active role during the most recent interinstitutional collaboration on the organisation of activities around Europe Day, the interinstitutional coronavirus response website and the recovery campaign.</p> <p>A work strand on communication efforts in the context of COVID-19 was also launched in May 2020 between the Commission, the Council and Member States. The Commission shares on a regular basis COVID-19 communication highlights and assets with the Council and Member States (decision taken at the Council Working Party on Information in May 2020).</p> <p>The Commission looks forward to even closer cooperation with the Committees, which have excellent networks across Europe and are a key asset for successful communication. The Committee is kindly invited to join the dissemination efforts of the forthcoming EU-branded recovery communication campaign and to help amplify its messages and materials on the</p>

	ground.
<p>1.6 In the EESC's view, disinformation poses a direct threat not only to the ability of people to take informed political decisions, but also to the European integration project and therefore to the European Union's unity, prosperity and global influence. Weakening the EU's democratic decision-making capabilities is in the interest of a range of foreign powers, as well as extremist groups that oppose European cooperation and stronger cohesion<sup>42</sup>. The EESC would express its firm support for the EU's current efforts to counter disinformation<sup>43</sup> – external and domestic – and urges the Commission to ensure full compliance and follow-up regulatory action in respect of the Code of Practice on Disinformation, further development of the recently established "rapid alert system" and STRATCOM's intelligence units, and the expansion of the European External Action Service's action against disinformation, paralleled by considerable expansion of EU action against domestic disinformation.</p>	<p>The COVID-19 pandemic has been accompanied by an unprecedented 'infodemic'. On 10 June 2020 the European Commission and the EU High Representative of the Union for Foreign Affairs and Security Policy presented a joint communication 'Tackling COVID-19 disinformation - Getting the facts right'<sup>44</sup> which entails an assessment of response to disinformation, misinformation, and foreign interference amidst the outbreak of coronavirus and suggested new actions to quickly protect the public health and societal resilience.</p> <p>Functional exchanges and direct contact have been established between the European Cooperation Network on Elections and the Rapid Alert System on Disinformation with the aim of better national and European level cooperation.</p> <p>Recent events related to the COVID-19 crisis have raised concerns in particular regarding national responses to disinformation. The Commission is closely monitoring the impact of measures being taken in the emergency context on free and fair elections and on a fair democratic debate, including on the criminalisation of disinformation.</p> <p>The Commission has made clear that measures taken to fight the pandemic must be accessible to all and fully respect the fundamental values of democracy, rule of law and fundamental rights. They must be limited to what is necessary and strictly proportionate, limited in time and subject</p>

<sup>42</sup> <https://medium.com/we-are-the-european-journalism-centre/more-than-meets-the-eye-tips-to-find-eu-funding-for-journalism-92f3f1143042>.

<sup>43</sup> EU Action Plan on Disinformation, [https://eeas.europa.eu/sites/eeas/files/action\\_plan\\_against\\_disinformation.pdf](https://eeas.europa.eu/sites/eeas/files/action_plan_against_disinformation.pdf).

<sup>44</sup> JOIN(2020) 8 final.

	to democratic oversight and judicial control.
<p>1.9 The EESC calls on the EU institutions and the Croatian presidency to pay continuing attention to the EU's budget-related negotiations on allocations for education on EU values, institutional affairs and citizenship, as a core vehicle for European democracy. Proper funding for the full spectrum of EU education efforts should be earmarked, as should measures proposed by the European Democracy Action Plan, and better coherence between the different budgetary components should be ensured. An increased share of funding for the successful Erasmus programme should be maintained, with a larger share of other EU programmes and the European Social Fund dedicated to this purpose.</p>	<p>With its proposal for a recovery plan and a revamped multiannual financial framework, the Commission proposed to channel more funds than ever before into education, culture, youth and solidarity. The proposal aimed at anchoring the flagship programme Erasmus as a key part of the EU's long-term response to the crisis.</p> <p>The Commission supports initiatives dedicated to EU values and citizenship education, as they underline the importance of encouraging young people to shape and contribute to our societies. This will be further reflected in the European Democracy Action Plan, which the Commission plans to adopt in late 2020.</p> <p>In the framework of the rights, equality and citizenship programmes, the Commission is funding activities promoting EU citizenship and supporting the participation of underrepresented EU citizens.</p> <p>The future rights and values programme will provide for some funding on democracy and citizenship.</p>
<p>1.10 To foster further political support for enhancing EU civic education, the EESC calls on the EU institutions (and the Croatian presidency) to support the EESC's proposal for the establishment of a High-Level Expert Group on "Teaching Europe" at European level, with Member State representatives and leading education experts. This group could provide policy proposals and recommendations for discussion by education ministers, which could lead to</p>	<p>The Commission study 'Learning Europe at School' provides an overview of the subject in the Member States.</p> <p>The current Jean Monnet actions under the Erasmus+ programme promote knowledge and awareness about the EU fostering dialogue between the academic world and society, including local and national policy-makers, civil servants, civil society, as well as representatives of education and the media. For the future</p>

<p>Council conclusions. The group could also initiate operational improvements, such as a central online platform with an inventory of existing teaching materials generated through EU-funded projects and national curricula, as suggested by the EESC.</p>	<p>Erasmus programme 2021-2027, the Commission proposes to continue and reinforce Jean Monnet activities. It plans to extend it to other sectors of education, most notably to general education and Vocational Education and Training.</p> <p>Work is currently underway to prepare the successor of the current Strategic Framework for European Cooperation in Education and Training – ET 2020. The future Citizens, Equality, Rights and Values (CERV) programme will provide for some funding on democracy and citizenship.</p> <p>With the purpose to enhance EU civic education, the Commission considers that the Jean Monnet activities, and the successor of the Education and Training 2020 policy cooperation framework and other existing tools, such as the Erasmus+ project results platform or the ‘Learning Corner’<sup>45</sup>, are comprehensive enough to fully support both practitioners and the policy makers in the Member States and gather experts and collect experiences and good practices.</p>
<p>1.11 The EESC calls on the Council and the Commission to pay special attention to the burning issue of the inclusion of persons with disabilities, ethnic minorities, migrants, rural poor and other disadvantaged social groups who have been chronically underrepresented in the European elections across the EU Member States. The EESC proposes that, within the scope of the European Democracy Action Plan, the Commission develop (1) a legal proposal on minimum standards for the accessibility of the EU electoral process to</p>	<p>The Commission strongly agrees with the need to ensure inclusive democratic participation for all EU citizens. In its report on the 2019 European elections, the Commission finds that despite the record-high turnout, citizens do not always have sufficient tools to participate actively in the political debate. Efforts must continue to engage all citizens in European democracy. The EESC Information report ‘The real right of persons with disabilities to vote in European Parliament elections’ has been</p>

persons with disabilities; and (2) an "EU Roadmap for a more inclusive electoral process", accompanied by a funding proposal to support Member States in their electoral modernisation and social inclusion efforts.

referred to in the Commission report.

Drawing from the challenges and experiences of the 2019 European parliamentary elections, the report proposes concrete actions, including fostering best practices and the exchange of knowledge among Member States and other concerned bodies to support high turnout, including on easy, secure and accessible voting procedures. A specific workshop on voting procedures will be organised within the European Cooperation Network on Elections in 2021.

The Commission will also support inclusive and equal participation, in cooperation with Member States, parliaments, civil society and other stakeholders, by, among others, promoting best practice, awareness-raising and making use of funding. For the 2024 elections, a specific focus will be on younger and older people, women, mobile EU citizens and people with disabilities. In line with its Gender Equality Strategy<sup>46</sup> presented on 5 March 2020, the Commission will promote specific actions to achieve gender balance in decision-making and in politics.

The Commission will also dedicate a joint session of the European Cooperation Network on Elections and the expert group on electoral matters to consider inclusiveness and equality in democratic participation.

The next EU Citizenship Report, currently in preparation, will set out priorities and targeted actions to further advance and simplify access to the rights attached to the status of EU citizenship,

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<sup>46</sup> COM(2020) 152 final.

	<p>including in terms of democratic participation. It will contribute to the Commission's vision for a Europe without discrimination, by promoting inclusion, equality and full participation.</p> <p>The Citizenship Report will be complementary to the European Democracy Action Plan, to be adopted by the end of 2020.</p> <p>The Commission has made funding available in a call for proposals for action grants in 2020 under the Rights, Equality and Citizenship programme to support coordination among national authorities competent in electoral matters.</p>
<p>2.1.2 EU institutions and national governments should work further and harder, coordinate better, and cooperate more with civil society, social partners and EU institution offices in Member States to spread accurate information about EU legislation, policies and initiatives and to enable people and organisations to find out about, take an interest in and participate in EU matters. The EU institutions and the Member States should invest more in the capacity-building and empowerment of representative civil society organisations and social partners that promote the European idea in their own bottom-up campaigns for European values, and should use them as partners and catalysts in dialogue with the public.</p>	<p>The Commission's Representations in the Member States and local stakeholders have always been integral parts of all corporate communication activities. More specifically, the corporate campaigns were a result of the collaboration between DG Communication's central services with the local Representations' offices during both the design and the implementation phases of the campaigns. When relevant, national and regional stakeholders have been consulted to ensure maximum effectiveness of all planned actions.</p> <p>In many Member States, there is already some informal or formal cooperation ongoing between Commission Representations, European Parliament Liaison Offices and national authorities, which would be a good basis to expand cooperation in communicating about EU affairs. Commendable examples of joint support for capacity-building of civil society are an annual call for proposals for communication activities on Europe financed by the Irish Ministry of Foreign</p>

	<p>Affairs or the close cooperation between the Representations and the European Movement in several Member States.</p> <p>Members of the Commission and senior Commission officials participated in more than 1730 citizens' dialogues across Europe from November 2014 until the elections. Moving forward, the Commission will maintain its efforts and introduce innovative approaches, multilingual and accessible communication and new information channels with the help of local actors to ensure access to accurate information about the European Union.</p>
<p>2.1.6. In future public information campaigns, the EU institutions should prioritise topics of special concern to voters, and these campaigns should take place throughout the political cycle, building a shared base of knowledge and affiliation with EU affairs prior to the next European elections. Special attention should be devoted to the penetration of information campaigns in all geographical areas and all layers of society, especially those on the margin of political participation and socio-economic development who may be particularly vulnerable to malevolent disinformation campaigns due to their overall social exclusion. Proactive information outreach by EU institutions requires deeper dialogue with local communities across the EU, through closer collaboration with local media, local civil society groups, local authorities and civic education programmes.</p>	<p>The objective of corporate campaigns is to translate the Commission's priorities into targeted proactive communication actions. The planned campaigns target specific audiences and regions across Member States based on the topics they address and specific objectives they want to achieve. When designing a campaign, the target audience segments are selected according to their knowledge of and trust towards the EU, their interests and particular characteristics.</p> <p>For example, the #EUandME campaign targeted young Europeans aged 18-30, and aimed to raise awareness about the opportunities available to them thanks to the EU. The #EUProtects campaign targeted individuals aged 35-55 years old sceptical towards the EU, and showcased examples of how individuals across borders work together to protect Europeans. Similarly, when the focus countries for a campaign are selected, their particular characteristics and sensitivities are taken into consideration along with the need to ensure geographic balance.</p>



<p>2.2.3 While European countries dominate the top spots of "good" press freedom in the 2019 World Press Freedom Index<sup>47</sup> (9 EU Member States are among the 15 countries with "good press freedom"), and none fall into the worst "very serious situation" category, 12 EU Member States are classified only as "fairly good", while 6 are described as "problematic", and one EU Member State is classified as "difficult". Increasing violence and intimidation directed at journalists in EU Member States is a worrying trend for European democracy, as is any political interference in the media.</p>	<p>The Commission is monitoring developments in the Member States in the area of media freedom and pluralism:</p> <ul style="list-style-type: none"> <li>• the Commission co-funds the independent Media Pluralism Monitor, a comprehensive academic media freedom and pluralism monitoring tool;</li> <li>• the Commission assessed also several aspects of media freedom and pluralism, including Member State frameworks for journalists' protection, as part of the Rule of Law Report.</li> </ul> <p>Freedom of expression and a free and plural media are pillars of modern democracy and represent crucial guarantees of an open and free democratic debate.</p> <p>The July 2019 Communication on strengthening the rule of law<sup>48</sup> made it clear that journalists and the media are crucial, and sometimes fundamental, stakeholders in the upholding of the rule of law. It is the Commission's intention to embed media pluralism in the new rule of law mechanism.</p>
<p>2.2.4 According to the 2017 results of the Media Pluralism Monitor<sup>49</sup>, "market concentration is a source of medium or high risk for media pluralism in all of the EU countries, without exception. The economic difficulties of different traditional media outlets [...] suggest that media concentration is a phenomenon that is unlikely to recede in the future [...] a possible decline in market plurality remains a ubiquitous element of risk". The EU must take antitrust measures to</p>	<p>The Commission is currently asking for input on related topics. Its ongoing public consultations concern:</p> <ol style="list-style-type: none"> <li>(1) The need for an ex ante regulatory instrument for large online platforms with significant network effects acting as gate-keepers in the EU's internal market;</li> <li>(2) the need for a possible new competition tool that would allow addressing structural competition</li> </ol>

<sup>47</sup> <https://rsf.org/en/world-press-freedom-index>.

<sup>48</sup> COM(2019) 343 final.

<sup>49</sup> <https://cmpf.eui.eu/media-pluralism-monitor/mpm-2017-2/>.

<p>diversify media ownership and combat concentration and monopolies of media ownership.</p>	<p>problems.</p> <p>Given the specificities of the media sector (i.e. its interaction with fundamental rights, media pluralism/diversity and cultural policies), the need for additional specific instruments/measures, such as specific anti-concentration rules and remedies, could be explored.</p>
<p>2.2.5 Independent journalism is a public good, and the failure to achieve a diverse and plural media represents a clear market failure. Quality and diversity in journalism requires strengthening political and economic independence, and the quality of public service media and its long-term independent funding, which require new economic/business models. The EU should do more to support public service media, including initiatives to find new and sustainable funding models. In this respect, the EESC supports proposals for the 2021-2027 budget period to introduce a EUR 61 million sub-strand for Creative Europe, dedicated to quality journalism, including media pluralism and media literacy<sup>50</sup>. However, it calls for much larger and more strategic public investment in professional journalism and media.</p> <p>2.2.6 The EU should also do more to support independent media and investigative journalism, including transnational collaborative platforms. It should also support initiatives to find new ways to fund quality journalism, including non-profit models and new socially sustainable and inclusive economic</p>	<p>Funding of public service media is a Member States' prerogative under the so-called Amsterdam Protocol to the Treaty<sup>51</sup>.</p> <p>As regards the news media sector, quality journalism and media literacy, the Commission has indeed proposed a dedicated financing envelope under the new MFF/Creative Europe programme.</p> <p>Further to dedicated budgetary allocations by the European Parliament, the Commission already co-funds projects supporting collaborative journalistic investigations.</p>

<sup>50</sup> <https://medium.com/we-are-the-european-journalism-centre/more-than-meets-the-eye-tips-to-find-eu-funding-for-journalism-92f3f1143042>.

<sup>51</sup> [http://www.internationaldemocracywatch.org/attachments/313\\_Amsterdam%20Treaty%20-%20Protocols%201997.pdf](http://www.internationaldemocracywatch.org/attachments/313_Amsterdam%20Treaty%20-%20Protocols%201997.pdf)

models.	
<p>2.2.7 In addition, national and EU legislation against media monopolies and dominant market positions should be strengthened, monitored and enforced systematically. EU initiatives on monitoring media independence and ownership in Europe, such as the Media Pluralism Monitor, should be further supported.</p>	<p>The Commission refers to the contribution provided under point 2.2.3 and 2.2.4.</p> <p>The revised Audiovisual Media Services Directive (AVMSD) encourages Member States to adopt legislative measures, providing that media service providers under their jurisdiction make accessible information concerning their ownership structure, including the beneficial owners.</p> <p>The Commission intends to continue co-funding projects focusing on monitoring of media freedom and pluralism.</p>
<p>3.3 As part of the Commission's initiatives to curtail disinformation and ensure transparent, fair and trustworthy online campaign activities ahead of recent European elections, in September 2018 online platforms, social networks and the advertising industry (including Facebook and Twitter) signed up to a self-regulatory Code of Practice<sup>52</sup> to tackle the spread of online disinformation and fake news. It sets a wide range of commitments, from transparency in political advertising to the closure of fake accounts and demonetisation of purveyors of disinformation<sup>53</sup>. The Code is deemed to be an important pillar of the Commission's Action Plan against Disinformation and has included an appendix with best practice from signatories.</p>	<p>The Code of Practice on Disinformation is a self-regulation tool that major online platforms, such as Facebook, Google, Twitter and Microsoft, subscribed to in October 2018 on a voluntary basis.</p> <p>The Commission is closely monitoring the implementation of the commitments by its signatories with a view to determine whether the code is an effective tool to fight online disinformation.</p> <p>Drawing on experience, the Commission intends to establish an agile monitoring and reporting programme under the Code, focused on COVID-19 related disinformation and misinformation. This should be broadened to platforms that are not presently signatories to the code of practice. The Commission, with the help of the European Regulators Group for Audiovisual Media Services (ERGA), could then assess the impact of platforms' policies on the spreading of COVID-19 disinformation and misinformation.</p>

<sup>52</sup> [https://ec.europa.eu/commission/news/code-practice-against-disinformation-2019-jan-29\\_en](https://ec.europa.eu/commission/news/code-practice-against-disinformation-2019-jan-29_en).

<sup>53</sup> <https://ec.europa.eu/digital-single-market/en/news/code-practice-disinformation>.

	<p>These actions should also feed into future EU work on disinformation, notably the upcoming evaluation of the code of practice and the European Democracy Action Plan.</p>
<p>3.6 In light of the shortcomings detected in self-regulation and the current assessment of the Code of Practice undertaken by the Commission, the EESC calls on the Commission to take legislative measures if the voluntary code proves to be insufficient on its own to achieve substantial progress towards the Commission's aims. Self-regulation in the field of online disinformation needs to be greatly improved. In parallel, a comprehensive approach needs to be adopted regarding its regulation. The time is right to develop and propose the regulation of social media and digital platforms, with a focus on the transparency of all aspects of political advertising (financing, labelling and disclosure rules) and disinformation, in the new Commission's electoral package and the European Democracy Action Plan.</p>	<p>As foreseen in the Action Plan against Disinformation, the Commission is now carrying out its comprehensive assessment of the effectiveness of the code of practice. The assessment is based upon the annual self-assessment reports provided by the code signatories in October 2019, as well a monitoring report from the European Regulators Group for Audiovisual Media Services (ERGA), and a study by a consultant engaged by the Commission.</p> <p>The longer-term actions to counter disinformation, including the need for regulatory measures, will be considered in the context of upcoming policy initiatives such as the European Democracy Action Plan, the Digital Services Act and the Media Action Plan.</p> <p>The Commission will ensure that any such rules provide for the appropriate checks and balances to safeguard the fundamental right of freedom of expression.</p>
<p>4.3 The EEAS initiative to set up a "rapid alert system" – in effect a network of Member State government officials working on disinformation – is welcome, and deserves to be strengthened and expanded, with Member States encouraged to ensure close information exchange between the rapid alert system and the recently established national election networks, which should in principle also involve specialised civil society organisations and fact-checkers. In the</p>	<p>The Rapid Alert System has been active since its launch in March 2019 and has, ahead of the 2019 European elections, set up appropriate links with the elections cooperation network to ensure efficiency in information sharing, identify synergies and avoid duplication. As outlined in the Joint Communication on Coronavirus Disinformation, discussions about how to connect appropriately the Rapid Alert System and the European Digital Media Observatory are ongoing.</p>

<p>future, regular exchange of information should also be provided for between the rapid alert system and the Digital Media Observatory structures in each country and across the EU.</p>	
<p>4.4 Considering the importance of interference prevention mechanisms for European democracy, the work of the European External Action Service's initiatives against disinformation should be expanded and reinforced, including to monitor and counter disinformation from other countries and regions and to intensify information exchange with other similar prevention mechanisms, such as those set up by Canada and Australia. At the same time, EU action against domestic disinformation needs to be stepped up quite considerably, in a comprehensive way that enables timely monitoring, enhances professional journalism and fosters media literacy</p>	<p>The Commission will build on lessons learned in developing its European Democracy Action Plan by the end of the year. It will help improve the resilience of European democracies and address the threats of external interference in European elections. The aim will be to counter disinformation and to adapt to evolving threats and manipulations, as well as to protect the freedom of expression and support independent media.</p> <p>EEAS StratCom is closely monitoring changes in the disinformation ecosystem, such as the emergence of new actors or new tactics. This happens in close exchange with the EU Member States through the Rapid Alert System, but also through exchanges with international partners like NATO, in established fora like the G7 Rapid Response Mechanism and others, as well as bilaterally with likeminded partners.</p>
<p>4.5 The EESC points out that with the COVID-19 crisis, which broke out after this opinion was prepared, it is even more urgent that further action be taken by the Commission to fight disinformation linked to the causes, spread and treatment of the infection, which can be detrimental for public health. The content of social media information related to the pandemic, if not duly monitored and channelled, might lead to harmful forms of behaviour and spread panic, putting at</p>	<p>The Commission fully shares the sense of urgency towards fighting disinformation related to COVID-19. In the current 'infodemic' context, it is essential to use the Commission's and other institutions' external communication capacities to bring attention to the dangers of disinformation and provide a constant outflow of fact-based information. The Commission draws the Committee's attention to the public 'Fighting disinformation' webpage<sup>54</sup> that was</p>

<sup>54</sup> [https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/fighting-disinformation\\_en](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/fighting-disinformation_en)

risk the health of the community. The EESC asks the European Commission to be vigilant and work with the Member States and social stakeholders to address the serious impact of such disinformation, coming both from domestic and foreign sources.

launched on 30 March 2020. The page is available in all EU languages, and is dedicated to rebutting false and harmful narratives about the coronavirus, its health implications and the EU's response to the outbreak.

The EEAS has continued its monitoring and exposure of disinformation activities around COVID-19. For example, in July 2020 more than 550 cases stemming from pro-Kremlin disinformation actors have been identified.

The Commission published over 18.000 social media posts to explain the various elements of EU response to the crisis. It also paid particular attention to comments posted by its audience on the account, with a view to answer as many questions raised as possible.

Building on the experience gained by the European Cooperation Network on Elections, the Commission will facilitate the exchange of best practices on specific issues relating to disinformation, such as micro-targeting.

The Commission is closely monitoring the measures taken by Member States in the COVID-19 emergency context and their impact, in particular on the rule of law, on fundamental rights and on EU law. It is also monitoring measures that may affect free and fair elections and a fair democratic debate. The monitoring will continue until all the measures are lifted and it fed into the Annual Rule of Law Report<sup>55</sup>, adopted on 30 September 2020, as well as into the New Strategy for the Implementation of the Charter of Fundamental Rights and the European Democracy Action Plan, currently in

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<sup>55</sup> [https://ec.europa.eu/info/publications/2020-rule-law-report-communication-and-country-chapters\\_en](https://ec.europa.eu/info/publications/2020-rule-law-report-communication-and-country-chapters_en)

	<p>preparation.</p> <p>The support to national consumer protection authorities within the Consumer Protection Cooperation Network will include financing their capacity to do agile monitoring of markets.</p> <p>International cooperation and sharing of experience will be intensified (for example, the International Consumer Protection Enforcers Network) to promote the EU approach to misleading consumers in the COVID-19 context.</p>
<p>5.6 Media literacy for all generations in society, as well as training by and for journalists should be strongly promoted and financially supported by the EU across the EU Member States, in a systematic manner and in close cooperation with national education institutions and independent national agencies responsible for media regulation. The objective is to make a quick and broad leap towards higher media literacy amongst Europeans, in light of the growing threats posed by widespread and often malevolent disinformation.</p>	<p>The revised Audiovisual Media Services Directive (AVMSD) obliges Member States to promote and take measures for the development of media literacy skills. In addition, it requires video-sharing platforms to provide for effective media literacy measures and tools that can nurture critical thinking and promote the better use of social media.</p> <p>The new European Digital Media Observatory will foster independent research on online harms, including disinformation, and facilitate collaboration, exchange of ideas and practices in media literacy by a diverse range of stakeholders.</p> <p>To increase the visibility of media literacy actions, the Commission will also further strengthen and develop actions under the umbrella of the European Media Literacy Week, in close collaboration with Member States.</p> <p>In its report on the 2019 European elections, the Commission finds that the 2019 European elections were the most digital elections. A large proportion of EU citizens use the internet, and online sources and social media play an</p>

	<p>increased role in the European democratic debate, giving political actors unprecedented opportunities to get their message across, and even greater access to the debate for citizens. The Commission supports digital and media literacy skills initiatives, which will become even more relevant for future elections.</p>
<p>5.7 The EU should provide timely support to Member States in their efforts to meet their new media obligation to promote and take measures for the development of media literacy skills, including new education programmes and effective oversight of video-sharing platforms, as defined in the recently revised Audiovisual Media Services Directive (AVMSD). In this respect, the EESC is expecting clear guidelines from the Media Literacy Expert Group, which will meet in Zagreb, Croatia, on 30 March 2020, during the second Media Literacy Week – a new EU-wide awareness-raising initiative launched last year.</p>	<p>According to Article 33a of the revised Audiovisual Media Services Directive (AVMSD), by 19 December 2022 and every three years thereafter, Member States shall report to the Commission on the implementation [of measures for the development of media literacy skills]. The Commission shall, after consulting the Contact Committee, issue guidelines regarding the scope of such reports.</p> <p>While the Media Literacy Expert Group meeting of 30 March 2020 and the second edition of the Media Literacy Week had to be cancelled due to the COVID-19 pandemic, the Commission intends to convene the expert group in autumn 2020.</p>
<p>6.3 The EESC proposes that the new electoral reform package and the European Democracy Action Plan envisage an "EU Roadmap for an inclusive electoral process" with an accompanying funding proposal to support Member States in the necessary modernisation of election administration, entailing technological adjustments and support services for disadvantaged social groups who tend to be excluded from the electoral process and manifest lower levels of political participation in a given national context. The Roadmap should be based on an in-depth mapping of barriers faced by different social groups at risk of electoral</p>	<p>The European Democracy Action Plan will be constructed around the three integrated themes, building on President von der Leyen's political guidelines: electoral integrity, the fight against disinformation, and the strengthening of a democratic debate based on a free and pluralist media landscape.</p> <p>As detailed in the Commission's 2019 European elections report, a central part of the Commission's work in supporting free and fair elections in the EU was set out in a recommendation on election cooperation networks, online transparency, protection against cybersecurity incidents and fighting</p>



<p>exclusion, undertaken in collaboration with national election authorities, ombudsmen institutions and respective national civil society organisations and their European networks.</p>	<p>disinformation campaigns in the context of elections to the European Parliament. The national electoral networks detailed in that recommendation brought together authorities competent in a democratic context from across government, including media regulators, data protection authorities and electoral bodies, to provide alerts on potential threats, to exchange information and best practices and to liaise on the application of electoral rules in the online world and on enforcement actions. These networks meet at European level in the European cooperation network on elections, most recently on 24 June 2020, where exchanges included discussion of adaption to the post-COVID environment and micro targeting in political advertising.</p> <p>Together with the actions outlined in the next EU Citizenship Report, it will thus contribute to a more active citizenship and inclusive democracy.</p>
<p>6.5 Hence, in the context of the upcoming political debate on European electoral reform and the new European Democracy Action Plan, the EESC proposes that, in addition to more comprehensive measures set out in the proposed "EU Roadmap for an inclusive electoral process", a legal initiative be considered that would set minimum voting standards for persons with disabilities. The proposal should be developed through a policy dialogue with national election authorities, experts on social inclusion and elections, and civil society organisations representing persons with disabilities.</p>	<p>The Commission stands ready to facilitate exchange of best practices and arrangements linked to elections within the European Cooperation Network on Elections.</p>
<p>7.4 Further regulatory action should take into account the current policy debate and</p>	<p>The Commission supports clearer indications of the affiliations between</p>

<p>policy proposals, including a range of policy ideas on developing European parties so that they are closer and more accountable to the European public, for example through declarations by national parties of their intended European party affiliation, transnational party lists, transparent fundraising and campaigning, individual membership, grassroots outreach to civil society and the social partners, and accountability for political content that blatantly undermines EU common values. These issues should also be put on the agenda of the Conference on the Future of Europe, which will hopefully provide a substantive opportunity for the broad and informed participation of civil society, social partners and European public in the EU's democratic reform.</p>	<p>European political parties and national ones, including funding actions. The Commission will also include the promotion of debate on this topic within relevant structures, such as the Conference of Parliamentary Committees for Union Affairs of Parliaments of the EU (COSAC) and the European Cooperation Network on Elections.</p>
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<p><b>N°9 Support under EAFRD in response to the COVID-19 outbreak COM(2020) 186 final EESC 2020/2129 – NAT/795 552<sup>nd</sup> Plenary Session – June 2020 Rapporteur: Arnold PUECH D'ALISSAC (Gr.I-FR) DG AGRI – Commissioner WOJCIECHOWSKI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.3.1. A special fund should be proposed to finance this measure, funded from the forthcoming Recovery Plan to avoid any cuts to EAFRD resources.</p>	<p>Economic disruption to the agricultural sector and rural communities resulting from the pandemic has led to liquidity and cash flow problems for farmers and small rural businesses processing agricultural products, which requires an immediate response. In order to provide immediate relief in sectors, which have been particularly impacted by the crisis, a new rural development measure was set up allowing Member States with remaining funds to pay a lump-sum to farmers and rural businesses. Support for the new measure comes from the available rural development funds that can be mobilised immediately (still in 2020).</p> <p>The Commission considers that support for the new measure should come from the available rural development funds that can be mobilised immediately (still in 2020).</p> <p>In addition, on 27 May 2020, the Commission put forward a major recovery plan for Europe. This proposal includes a new recovery instrument, Next Generation EU, within a revamped long-term EU budget. The Commission proposed to reinforce the funds available to support farmers and rural areas in recovering and delivering the European Green Deal and in particular the new</p>

	<p>Farm to Fork and Biodiversity strategies. Under Next Generation EU, the Commission proposed to reinforce the budget for the European Agricultural Fund for Rural Development (EAFRD) by €15 billion as from year 2022 (it was, however, decreased to €7,5 billion in the European Council conclusions of 21 July 2020).</p>
<p>3.3.3. However, this cap should be exempt from the budgetary constraints of Regulation No 1305/2013 to enable Member States to comply with it. Thus, Member States need to be able to use the available funds and to that end obtain an exemption from Article 59(5) of Regulation No 1305/2013, regardless of the origin of the funds, while applying targeted criteria in order to avoid any overcompensation.</p>	<p>Although it is important to ensure adequate funding for the COVID-related responses, including the newly proposed measure, it is equally important not to jeopardise the long-term structural, environmental and social objectives of the Rural Development Programmes. This is of utmost significance for the sustainable recovery and development of rural areas and businesses.</p>

<p><b>N°10 Postponement of taxation rules due to the COVID-19 crisis</b>  <b>COM(2020) 197 final</b>  <b>COM(2020) 198 final</b>  <b>COM(2020) 201 final</b>  <b>EESC 2020/2336 - ECO/519</b>  <b>552<sup>nd</sup> Plenary Session – June 2020</b>  <b>Rapporteur: Petru SORIN DANDEA (GR.II-RO)</b>  <b>DG TAXUD – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. EESC recommends that the Member States take all measures necessary to ensure that the system becomes operational immediately after the current crisis.</p>	<p>The Commission agrees with this recommendation.</p>
<p>1.3. The EESC encourages the Member States to seek the maximum consensus possible in the shortest possible time, to make these measures applicable quickly.</p>	<p>The Commission agrees but would clarify that the amendment to the Directive on Administrative Cooperation only defers the deadline for reporting and exchanging information and does not challenge the nature and content of the obligation.</p>
<p>1.4. The EESC considers that the European Commission should also assist with the training of staff who will operate the new IT system necessary for implementing the new VAT regime for cross-border e-commerce.</p>	<p>The Commission provides functional and technical information technology (IT) specifications, bilateral visits and IT workshops. It stands ready to assist Member States in the implementation. However, it should be noted that training of national staff remains a national competence of the Member States.</p>
<p>3.1. The EESC considers that extending the deadlines for the reporting and exchange of information under the DAC and for transposing the VAT regime for cross-border e-commerce is necessary and endorses the measures proposed by the Commission.</p>	<p>The Commission welcomes the Committee's endorsement.</p>
<p>3.2. The Commission expects the Member States to lose revenue as a result of the</p>	<p>The Commission welcomes the Committee's recommendation.</p>

<p>deferred deadlines stipulated in the VAT regime for cross-border e-commerce, and so the EESC recommends that the Member States take all necessary measures to exit the current crisis and return to normal as quickly as possible.</p>	
<p>3.4. The Commission will provide the Member States with the technical assistance required to set up the IT system needed for the VAT regime for cross-border e-commerce. The EESC considers that the Commission must provide assistance and training for the staff who will operate the new system.</p>	<p>The Commission agrees partly.</p> <p>The Commission assists Member States in the IT implementation of the new Value Added Tax e-commerce rules as mentioned above, but it cannot intervene in the training of national staff who will operate the domestic systems.</p>
<p>3.5. The EESC encourages the Member States to seek the maximum consensus possible in the shortest possible time, to make these measures applicable quickly.</p>	<p>The Commission agrees, but would clarify that the amendment to the Directive on administrative cooperation only defers the deadline for reporting and exchanging information and does not challenge the nature and content of the obligation.</p>