

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION
TO THE OPINIONS OF THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
PLENARY SESSION OF SEPTEMBER 2021¹

DISCLAIMER:

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

¹ Including the follow-up to two opinions adopted during the July and April 2021 Plenary session.

N°	Title	References
SG		
1.	<u>Better Regulation</u> Rapporteur: Heiko WILLEMS (DE-I)	INT/919 COM(2021) 219 final EESC-2021-02736-00-00-AC
SG		
2.	<u>Securing media freedom and diversity in Europe (own-initiative opinion)</u> Rapporteur: Christian MOOS (DE-III)	SOC/635 EESC-2021-01539-00-00-AC
REGIO		
3.	<u>Cohesion policy in combatting inequalities – complementarities/overlaps with the RRF (own-initiative opinion)</u> Rapporteur: Ioannis VARDAKASTANIS (EL-III) Co-rapporteur: Judith VORBACH (AT-II)	ECO/550 EESC-2021-02500-00-00-AC
EMPL		
4.	<u>Key components of sustainable quality work during and after recovery (exploratory opinion requested by the Council of the European Union)</u> Rapporteur: Andrej ZORKO (SI-II)	SOC/685 EESC-2021-03294-00-00-AC
5.	<u>Emergency measures to support employment and income during the pandemic crisis (own-initiative opinion)</u> Rapporteur: Cinzia DEL RIO (IT-II)	SOC/686 EESC-2021-02844-00-00-AS-TRA

6.	<u>Guidelines for the employment policies of the Member States</u> Rapporteur: Marina Elvira CALDERONE (IT-III)	SOC/699 COM(2021) 282 final EESC-2021-03547-00-00-AC
AGRI		
7.	<u>Action Plan for the development of EU organic production</u> Rapporteur: Andreas THURNER (AT-III)	NAT/818 COM(2021) 141 final EESC-2021-02575-00-00-AC
8.	<u>Towards a Fair Food Supply Chain (Exploratory opinion requested by the Slovenian Presidency)</u> Rapporteur: Branko RAVNIK (SI-III) Co-rapporteur: Peter SCHMIDT (DE-II)	NAT/823 EESC-2021-02472-00-00-AC
HOME		
9.	<u>Combatting trafficking in human beings</u> Rapporteur: Carlos Manuel TRINDADE (PT-II)	SOC/693 COM(2021) 171 final EESC-2021-02537-00-00-AC
10.	<u>Voluntary return and reintegration strategy</u> Rapporteur: José Antonio MORENO DÍAZ (ES-II)	SOC/694 COM(2021) 120 final EESC-2021-02534-00-00-AC
11.	<u>Tackling organised crime</u> Rapporteur: Rafal Bogusław JANKOWSKI (PL-II)	SOC/695 COM(2021) 170 final EESC-2021-02707-00-00-AC

FISMA		
12.	<u>Non-financial information</u> Rapporteur: Marinel Dănuț MURESAN (RO-I)	INT/938 COM(2021) 189 final - 2021/0104 COD EESC-2021-02582-00-00- AC
13.	<u>Sustainable finance taxonomy – climate change</u> Rapporteur: Thord Stefan BACK (SE-I)	ECO/549 COM(2021) 188 final EESC-2021-02010-00-00- AC
MARE		
14.	<u>Strategic Guidelines for the sustainable development of EU aquaculture</u> Rapporteur: Anastasis YIAPANIS (CY-III)	NAT/816 COM(2021) 236 final EESC-2021-02757-00-00- AC
15.	<u>New approach for a sustainable blue economy in the EU</u> Rapporteur: Simo TIAINEN (FI-III)	NAT/817 COM(2021) 240 final EESC-2021-02758-00-00- AC
GROW		
16.	<u>Machinery</u> Rapporteur: Martin BÖHME (DE-III)	INT/952 COM(2021) 202 final - 2021/0105 COD EESC-2021-02559-00-00- AC
17. Opinion adopted during the Plenary session of April 2021	<u>Action Plan/intellectual property</u> Rapporteur: Rudolf KOLBE (AT-III)	INT/927 COM(2020) 760 EESC-2020-05871-00-00- AC

CNECT		
18.	<u>AI – coordinated plan</u> Rapporteur: Marie-Françoise GONDARD-ARGENTI (FR-I)	INT/939 COM(2021) 205 final EESC-2021-02456-00-00-AC
19.	<u>AI Regulation</u> Rapporteur: Catelijne MULLER (NL-II)	INT/940 COM(2021) 206 final - 2021/0106 COD EESC-2021-02482-00-00-AC
20. Opinion adopted during the Plenary session of July 2021	<u>Digitalisation for all (exploratory opinion requested by the presidency of the Council of the EU)</u> Rapporteur: Philip VON BROCKDORFF (MT-II) Corapporteur: Violeta JELIĆ (HR-I)	INT/943 EESC-2021-02647-00-00-AC

N°1 Better Regulation COM(2021) 219 final EESC 2021/2736 - INT/919 563rd Plenary Session – September 2021 Rapporteur: Heiko WILLEMS (DE-I) SG – Vice-President SEFCOVIC	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.4. The EESC draws attention to the fact that the COVID-19 pandemic is an unprecedented health, social and economic crisis in post-1945 Europe. It therefore calls on the Commission to pay particular attention to the multiple impacts of its proposed actions on these dimensions under the present extraordinary circumstances, in order to support a speedy and full recovery.</p>	<p>The Communication on Better Regulation is in line with the Committee's proposals. The Commission reiterates that impact assessments will reflect the various effects of the COVID-19 crisis. In particular, the problem definition, the analysis of subsidiarity and proportionality, the baseline and the assessment of policy options will take account of the changed circumstances, including longer-term effects identified by foresight and the need to strengthen resilience.</p>
<p>2.4. Referring to its previous opinions , the EESC recalls that better regulation "is not intended to be about 'more' or 'less' regulation in the EU, or about deregulating specific policy areas or giving other areas greater priority and thus calling into question the values for which the EU stands: social protection, environmental conservation and fundamental rights" .</p>	<p>The Communication on Better Regulation is in line with the Committee's position. The Commission reiterates that the introduction of the Better Regulation principles had its origins in the desire for better European governance² and for anchoring sustainable development in the Union's policymaking³ by looking at economic, social and environmental impacts. Better Regulation tools and procedures</p>

² COM(2001) 428 European Governance – A White Paper

³ COM(2002) 276 Communication on impact assessment

	are there to support political decision-making, not to substitute it. The new Better Regulation guidelines and toolbox, that were published in November 2021, support this. ⁴
3.2.1. The EESC recalls its recommendations on subsidiarity and proportionality in its previous opinions. It reiterates that the Union should act only where these principles are fully respected and where common action adds value for all. To ensure this, the Committee encourages the Commission to fully implement the suggestions made by the "Task Force on subsidiarity, proportionality and doing less more efficiently".	The Commission has already committed in the Communication to publish a subsidiarity assessment grid with every politically sensitive or important proposal accompanied by an impact assessment, other than for areas of EU's exclusive competence where subsidiarity does not apply. The Fit for Future Platform, a high-level expert group tasked with simplifying EU laws and reducing burdens, will also look at density of legislation and at problematic issues raised by the Task force.
3.3.3. The EESC encourages the Commission to closely adhere to the guidelines in Chapter VII of the Better Regulation Toolbox on stakeholder consultations when planning and implementing consultations. It stresses in particular that questionnaires should always be clear, simple and user-friendly, be provided in an editable format, allow for open answer and comments, allow for the uploading of additional documents and avoid leading questions.	<p>The Commission is committed to delivering clear, simple, user-friendly and non-biased questionnaires to receive contributions from as many stakeholders as possible. This is key to deliver well-informed evidence-based proposals.</p> <p>The Commission will make an additional effort to make its consultations even more accessible to the general public. The new Call for evidence combines, where relevant, two previously sequential steps: consultation on roadmaps and inception impact assessments with consultation on the basis of a questionnaire. The Call for evidence document will be translated in all EU languages, thus</p>

⁴ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

	<p>ensuring broader accessibility. Moreover, the Commission will pay special attention to have clearer questions, more tailored to different stakeholders' groups where appropriate. For initiatives which may be more technical and of less broad political interest, the Commission will consider whether or not a targeted consultation is the best way to reach the public.</p>
<p>3.3.6. The EESC calls on the Commission to respond to the long-standing request of the EESC to explain in practical detail how it weights contributions received during public consultations according to their representativeness. In times of disinformation, mass campaigning (e.g. through social media) and the use of bots, such weighting becomes increasingly important.</p>	<p>As set out in the Communication on Better Regulation, the Commission will provide feedback to stakeholders normally within 8 weeks of the closure of the public consultation in the form of a factual summary report. This report will be published on the Have Your Say web portal. The synopsis report, accompanying impact assessments and evaluations in greater detail on all the consultation activities and on how they have informed the impact assessment.</p> <p>The Commission would like to reiterate that the contributors to a public consultation are self-selected, therefore, a public consultation cannot be considered as representative of the opinion of all the European citizens. However, a public consultation can provide data, views, opinions, experience and practices that could enrich, along with other available sources, the required evidence to further back up new proposals or evaluation exercise.</p> <p>The public consultation is one of the multiple input opportunities the Commission is using to back up with</p>

	<p>evidence a proposal or an evaluation exercise. The Commission does not weight the contributions, instead it reports all feedback and contributions provided by national, regional and local authorities as well as by civic societies separately in the factual summary report and in the synopsis report.</p> <p>Campaigns, where they exist, are explicitly reported in the factual summary and in the synopsis report. They are dealt with and analysed separately from other feedback received.</p>
<p>3.4.2. The EESC stresses that, by default, the Commission should substantiate every legislative proposal with a fully developed IA. If the Commission fails to do so, it needs to explain in detail the reasons for its decision and provide all information and data that underpins and/or supports the proposal.</p>	<p>Impact assessments are carried out for initiatives where policy alternatives are available, where expected impacts can be clearly identified beforehand and where these impacts are significant for society. This means that not all legislative initiatives need an impact assessment (e.g. because they will not have a significant impact, are only technical measures, only concern statistics or codification). The Commission announced in the Communication that it will continue to explain the absence of an impact assessment in the explanatory memorandum for the relevant legislative proposals (i.e. those without the Regulatory Scrutiny Board (RSB) scrutiny) in cases where there is the need for urgent legislative action which does not leave time for all the steps set out in the Commission's Better Regulation guidelines. In such cases, the analysis and all supporting evidence will be set out in a staff-working</p>

	<p>document published with the proposal or at the latest within 3 months of its publication. This document will set out clearly how and when the act will subsequently be evaluated. During the COVID-19 crisis, the Commission has had to propose a number of initiatives as a matter of urgency. Most were decisions or acts that would not have required an impact assessment in any case. Others would normally have been subject to public consultations and impact assessments, but time was too short. The explanatory memoranda set out the underlying rationale for the proposals, but the impacts could not be fully assessed in advance due to the lack of time and the rapidly evolving situation.</p>
<p>3.4.4. The EESC recalls its invitation to the Commission to set up an intelligent evaluation matrix that would allow dynamic modelling of the impact of substantial amendments by the co-legislators by objectifying the impact of certain parameters but also qualitative data. In this respect, the EESC calls for the setting-up of a pilot project on intelligent modelling.</p>	<p>The calculation and models used in the Commission's impact assessment are outlined transparently in the document and available in the Commission' Modelling Inventory and Knowledge Management System (MIDAS) repository. According to the Interinstitutional Agreement on Better Law-making, the co-legislators carry out impact assessments in relation to their substantial amendments to the Commission's proposal, when they consider this to be appropriate and necessary for the legislative process.</p> <p>Developing a separate intelligent evaluation matrix would to a large extent duplicate the modelling behind Commission proposals, defying the principle of proportionate analysis used in the better regulation system of the</p>

	EU.
<p>3.4.8. The EESC calls on the Commission to limit burdens on SMEs, including micro-enterprises and more systematically assess the possibility of lighter regimes, based on a case-by-case assessment to determine whether all SMEs are affected or only micro-enterprises, as stipulated in Tool #22 of the Better Regulation Toolbox, without undermining the achievement of the objectives defined by the legislation or established norms and standards.</p>	<p>The Commission has committed to apply more systematically the small and medium-sized enterprises (SMEs) test, for which more details are outlined in tool #23 of the new Better Regulation toolbox.⁵ Potential impacts on SMEs should be considered and reported systematically whenever relevant and proportionate, in all impact assessment reports. When these impacts are relevant, they are analysed in greater depth. The Regulatory Scrutiny Board pays particular attention to the extent to which SMEs impacts are considered and assessed in relevant impact assessments.</p>
<p>3.4.9. The EESC recalls its previous opinion where it states that IAs can and must also be undertaken systematically for delegated and implementing acts. It reminds the Commission that "the fact of having performed an IA on the legislative text from which the delegated and implementing acts stem cannot suffice to justify the non-performance of an IA on the derived acts. Each individual act must be evaluated on its own merits [...]."</p>	<p>An impact assessment is carried out when the expected economic, environmental and social impacts are likely to be significant and policy choices exist. This approach is consistent with the principle of proportionality. Clearer rules are detailed in the toolbox, but the assessment on the necessity of an impact assessment is done on a case-by-case basis, including for each delegated or implementing act. In many cases, the analysis of impacts of secondary acts has already been carried out in the impact assessment for the primary legislation. Whenever it is concluded that no impact assessment is needed, this is flagged and explained publicly in the Call for evidence.</p>

⁵ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

<p>3.6.3. With regard to the "one-in, one out" approach (hereafter "OIOO"), [...], the Communication does not present the operational and methodological details of OIOO. [...] The Committee therefore calls on the Commission to provide these details with no further delay [...].</p> <p>3.6.7. [...] The Committee therefore calls on the Commission to define "outs" always on the basis of an individual cost-benefit analysis.</p> <p>3.6.8. On the flexibility arrangements for OIOO, the EESC asks the Commission to clarify the criteria upon which it will decide on exemptions as well as on "exceptional circumstances" for trading.</p> <p>3.6.10. The EESC calls on the Commission to set up an adequate reporting framework on the implementation of the OIOO approach in order to ensure a proper evaluation in the years to come.</p>	<p>The operational and methodological details of the 'one-in, one out' has been presented in the revised Better Regulation Toolbox, notably in tool #59 on cost estimates and the 'one in, one out' approach⁶</p> <p>The approach has being tested, as a pilot, since the second half of 2021. It will be fully deployed with the Commission Work Programme 2022. To ensure that the approach delivers as intended, the Commission will take stock in 2023.</p> <p>Each year, the results of the approach will be reported in the Annual Burden Survey, which provides an overview of the EU efforts to simplify legislation.</p>
<p>3.8.2. The Committee is pleased with the established successful cooperation with the Commission in the ex-post evaluation work, in which its contribution has been found to be useful in enhancing the Commission's evaluations with input from the organised civil society. The Committee calls for continuous strengthening of this cooperation. It also urges the EESC evaluations to be included in the envisaged common evidence register – the Joint Legislative Portal.</p>	<p>The Commission will continue the constructive and fruitful cooperation in the ex-post evaluation work with the Committee.</p> <p>The Commission's evaluations and impact assessments can be accessed through EUR-Lex, the Register of Commission Documents and on Have your Say portal. The Committee can access those as well as upload their own evaluations through the Inter institutional database of EU studies and evaluations.</p> <p>Following the necessary agreements in</p>

⁶ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

	<p>terms of project scope and governance, the European Parliament, the Council and the Commission will launch the technical work at services level with the view to developing the Joint Legislative Portal. The Publications Office will be in charge of delivering the portal in technical terms. This tool will be a key step towards more transparency and traceability of the legislative process. It will enable the EU citizens to have an overview of the state of play of the legislative files and to access related documents online.</p>
<p>3.8.5. The EESC notes with concern that Commission services are not obliged to resubmit evaluation reports in the case of a negative opinion by the Regulatory Scrutiny Board. It suggests to apply the same regime for IAs to evaluations and oblige Commission services to revise reports in case of a negative first opinion and formally obtain a positive opinion by the Board.</p>	<p>Following a negative opinion by the Regulatory Scrutiny Board, an evaluation report should be revised. It can then be:</p> <ul style="list-style-type: none"> - either resubmitted to the Board (to obtain a positive opinion), or - sent on interservice consultation where Commission services (and the Secretariat-General in particular) assess how the revised version has addressed the Board's comments. A negative opinion at the interservice consultation stage does not allow the evaluation to proceed further to publication. <p>As the Board's opinions are public, it is in the best interest of the services to seek to obtain a positive opinion from the Board. Practice shows that they most often do.</p>

<p>N°2 Securing media freedom and diversity in Europe (own-initiative opinion) EESC 2021/1539 - SOC/635 563rd Plenary Session – September 2021 Rapporteur: Christian Moos (DE-III) SG – Vice-President JOUROVA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.7. The EESC calls on the Commission to use Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget without delay to address the acute threat to media freedom and pluralism in some Member States.</p> <p>4.2.2. The EESC calls on the Commission to use Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget without delay to address the acute threat to media freedom and pluralism in some Member States. This clearly includes the denial of access to European funding for Member States, which infringe against media freedom.</p>	<p>The Regulation on a general regime of conditionality applies since 1 January 2021. The measures that can be proposed under the Regulation include, for instance, suspension of payments and/or commitments and termination of commitments, as well as prohibition of new legal commitments and financial corrections. Since the entry into force of the Regulation, the Commission has been monitoring the situation across the Member States.</p> <p>The general regime of conditionality is not intended to sanction breaches of EU values, which remain governed by the procedure set out in Article 7 of the Treaty on European Union, or infringement procedures. Instead, pursuant to the general regime of conditionality, budgetary measures can be proposed by the Commission and applied by the Council where breaches of the principles of the rule of law affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way.</p>

	<p>In addition, the Regulation cannot find application where other procedures set out in Union legislation would allow the Commission to protect the Union budget more effectively. The Commission is analysing information from various sources, including those listed in the Regulation. While the Commission does not speculate on individual cases, it will not hesitate to start the procedure under the general regime of conditionality if all the conditions set by the Regulation are fulfilled. No case will be overlooked.</p>
<p>1.8. The EESC welcomes the Commission's plan to propose measures for increasing the safety of journalists and underlines the necessity of a legal ban on Strategic Lawsuits Against Public Participation (SLAPP).</p> <p>4.3.5. The EESC calls on the Commission to come forward with a proposal for EU-wide minimum standards for all public procurement and supporting of media companies by the entities mentioned in point</p>	<p>The Commission appreciates the support of the Committee regarding the measures proposed in the Recommendation on the safety of journalists.⁷ As regards Strategic Lawsuits Against Public Participation (SLAPP), the Commission is currently preparing a package of legislative and non-legislative measures to protect journalists and rights defenders against such lawsuits. The initiative is scheduled for 2022.</p>
<p>1.9. The EESC calls on the Commission to make public procurements in the media sector and public support to media companies more transparent and fair.</p>	<p>As recognized by the European Democracy Action Plan, State financial support through public interest advertising can be crucial, especially for non-profit, community media and other less commercial forms of journalism. Nevertheless, without appropriate safeguards to protect media independence, State</p>

⁷ C(2021) 6650 final

	<p>advertising can be used to put indirect political pressure on the media⁸. Transparent rules and fair criteria for the allocation of advertising can mitigate the risks in this area. In particular, setting up publicly accessible contract registers that publish awarded contracts and their amendments (as supported by the Commission's 2017 public procurement strategy⁹) can help.</p> <p>In addition, the Commission is currently preparing a Media Freedom Act for adoption in 2022. Reflections on the possibility to include measures to increase transparency for state advertising in order to safeguard fair competition for media operators are ongoing.</p>
1.10. The EESC strongly supports the Commission's plan for a "European Media Freedom Act" to equip the Commission with effective legal instruments to enforce media freedom and media pluralism in the Common Market.	<p>The Commission appreciates the support of the Committee regarding the plans to complement the existing legislative toolbox in the area of media freedom. The Commission is currently preparing a proposal for a Media Freedom Act for adoption in 2022. An open public consultation will feed into the preparation of the Act.</p>

⁸ The *2020 Rule of Law report* showed that many Member States lack specific rules for the distribution of state advertising, with little transparency on distribution criteria, amounts allocated and beneficiaries. The Commission will continue to examine this issue in the context of its future annual reports.

⁹ Commission Communication on *Making public procurement work in and for Europe* (COM(2017) 572 final).

1.11. The EESC considers impartial public support to media companies an investment in quality journalism, just as independent and impartial public broadcasting companies are an indispensable contribution to media plurality.

The Commission has actively supported over the years the provision of quality journalism through its Multimedia Actions line.¹⁰ Over the current Multiannual Financial Framework, an estimated EUR 75 million will be invested from the Creative Europe Programme in the area of media freedom and pluralism. Ongoing projects in support of the safety of journalists, media freedom and media pluralism amount to a total of EUR 21.5 million in EU funding.

The Media and Audiovisual Action Plan aims at helping the media sector recover from the crisis by facilitating and broadening access to finance, transform by stimulating investments to embrace the twin digital and green transitions while ensuring the sector's future resilience, and empower European citizens and companies. It includes the 'NEWS' initiative to provide resources to news media organisations to work together, exchange best practices and adapt to new realities.

The Commission is reflecting on options for safeguarding the independence of public broadcasters in the framework of the preparation of the proposal for a Media Freedom Act, with due respect for the competences of the Member States in the matter.

¹⁰ <https://digital-strategy.ec.europa.eu/en/policies/multimedia-actions>

<p>1.12. The EESC proposes the creation of a fully independent European public service broadcaster.</p> <p>4.4.9. The EESC notes that the free market is unable to provide EU-wide media services in the field of broadcasting and therefore calls for the creation of an independent and impartial European public service broadcaster.</p>	<p>The Commission has no remit to create a public service broadcaster.</p>
<p>1.13. The EESC underlines the importance of further developing media literacy and supports the proposal to set up a 'European Agency to bolster media skills of EU citizens through educational programmes.</p>	<p>The European Democracy Action Plan includes commitments to strengthen media literacy and to support media literacy projects under the new cross-sectoral strand of the Creative Europe programme. The revised Audiovisual Media Services Directive obliges Member States to promote and take measures for the development of media literacy skills.</p> <p>Established on 1 June 2020, the European Digital Media Observatory (EDMO) and its national hubs¹¹ support the creation of a cross-border and multi-disciplinary community of independent fact-checkers and academic researchers who work alongside relevant stakeholders to detect, analyse and expose potential disinformation threat, as well as so support media literacy activities at national and multi-national level.</p> <p>The European Media Literacy Expert Group plays an important role in sharing good practice in media literacy across Europe and disseminates information on important</p>

¹¹ The EDMO hubs cover Ireland, Belgium, the Czech Republic, Denmark, Finland, France, Italy, Luxembourg, the Netherlands, Poland, Slovakia, Spain, Sweden, as well as Norway, in the European Economic Area.

	<p>complementary initiatives.</p> <p>One priority in the Digital Education Action Plan is the development of digital skills and competences. Under this priority, the Commission has committed to develop common guidelines for teachers and educators to tackle disinformation and promote digital literacy through education and training.</p> <p>The Commission has recently launched an expert group with 25 high-level experts to support the development of the guidelines. The final output will be published in September 2022 with a ‘back-to-school’ campaign.</p> <p>The 2021 theme of the eTwinning community has been ‘Media literacy and disinformation’, which has been also the topic of the annual conference in the end of October and the recently published eTwinning book.</p> <p>The Commission’s toolkit for teachers ‘spot and fight disinformation’¹² is designed to provide educators with resources to teach secondary school pupils about the dangers of disinformation and how pupils protect themselves against it. It has been translated into all EU languages and has been well received by stakeholders.</p> <p>Furthermore, the network of Safer Internet Centers across Europe offers media literacy training to the under-18s in both formal and informal</p>
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¹² https://europa.eu/learning-corner/spot-and-fight-disinformation_en.

	<p>educational settings, as part of their work on child internet safety and empowerment.</p> <p>Building on Horizon 2020 research results on (social) media literacy and innovative approaches to education, Horizon Europe will support research into education related questions, such as civic education, the role of media for democracy, and on the integration of emerging new technologies into education and training.</p>
<p>4.2.4. The EESC welcomes the Commission's plan to make tangible proposals for the consistent implementation of the Committee of Ministers Recommendation on the protection of journalism and the safety of journalists and other media actors¹³ in all EU Member States and to monitor compliance with it in the ambit of its Rule of Law Report.</p>	<p>The Commission appreciates the support of the Committee for its initiative to improve the safety, protection and empowerment of journalists. The Commission adopted a Recommendation¹⁴ in this area on 16 September 2021.</p> <p>The Commission will closely monitor the implementation of the Recommendation through regular dialogue with Member States and stakeholders, for instance via the European News Media Forum, as well as via a reporting mechanism.</p> <p>The network of contact points on the rule of law could also discuss issues related to the safety of journalists as part of the wider rule of law context.</p>

¹³ [CM/Rec\(2016\)4](#).

¹⁴ C(2021) 6650 final.

<p>4.2.5. The EESC welcomes the Commission's commitments to providing financial support for projects concerning the legal and practical protection of journalists and suggests that, in addition, consideration be given to ways of ensuring that the Member States' social security systems cover the professional risks of – in particular freelance – journalists.</p>	<p>The Commission supports projects such as the “Europe-wide rapid response mechanism for violations of press and media freedom”¹⁵, which encompasses fact-finding, advocacy, monitoring, and awareness raising. The project, led by the European Centre for Press and Media Freedom, brings violations of press freedom to the forefront and provides practical help and shelter to journalists under threat.</p> <p>The Commission Recommendation on ensuring the protection, safety and empowerment of journalists and other media, calls on Member States to ensure that the framework for protecting journalists includes formal and effective access to adequate social protection for all journalists and other media professionals, including those working in non-standard forms of employment, in line with the Council Recommendation of 8 November 2019.</p> <p>This Council Recommendation operationalises principle 12 of the European Pillar of Social Rights, promoting access to adequate social protection for all workers and the self-employed. The Commission supports the implementation by the Member States of this Council recommendation and will review it by November 2022.</p>
<p>4.2.6. The EESC points out that Member States' security authorities are obliged to protect journalists. It proposes stepping up police training in dealing with journalists, with the involvement of press associations</p>	<p>The Recommendation on the safety of journalists recognises that journalists are experiencing a growing number of threats. Particularly during demonstrations, but not only, threats</p>

¹⁵ <https://www.mfrr.eu/>.

<p>and journalists' organisations, in order to promote the exchange of best practice.</p>	<p>may come from private individuals, but also take the form of disproportionate actions by law enforcement authorities.</p> <p>The Commission recommends that Member States set up coordination centres and/or protocols of cooperation between representatives of their police forces and security services, the judiciary, local public authorities and media bodies, including journalists' associations and unions and media self-regulatory bodies. Member States are thereby encouraged to foster a continuous dialogue between law enforcement authorities and journalists on ways to prevent and address threats and attacks against journalists.</p>
<p>4.2.7. With regard to the protection of journalists from harassment and threats online, the EESC draws attention to its opinion on tackling illegal content online¹⁶ and highlights their particular vulnerability because of their highly visible public role.</p>	<p>The Recommendation on safety of journalists recognises that journalists and their sources are faced with a growing number of harassment and threats online, including smear and denigration campaigns, synchronised attacks by trolls and bots, e-mail hacking, internet restrictions or cyberbullying. The Commission urges Member States to ensure that criminal actions against journalists, whether online or offline, are prosecuted at all times (Recommendation 4). Recommendations 9, 15, 17, 25 and 26 contain additional avenues for actions to enhance the online safety of journalists.</p> <p>In its response to the Committee's</p>

¹⁶ [OJ C 237, 6.7.2018, p. 19.](#)

	<p>opinion on tackling illegal content online¹⁷, the Commission pointed to the revision of the Audiovisual Media Services Directive, which strengthened the rules against hate speech. It also introduced a requirement for video-sharing platforms (e.g. YouTube) to protect people against incitement to violence or hatred, as well as from content constituting criminal offences.</p> <p>Furthermore, the Commission's proposal for a Digital Services Act Regulation includes a single set of horizontal rules on the content moderation practices of online platforms, in particular the removal of illegal content, and their interaction with freedom of speech and a healthy, well-informed public debate.</p> <p>The Digital Services Act proposal is consistent with the recommendations of the Committee's 2018 opinion regarding illegal content online. Under the Digital Services Act, online intermediaries will be subject to clear and reinforced obligations to address illegal content, such as hate speech and incitement to violence, as well as to more accountability and transparency regarding their content moderation decisions. The Commission is working closely with the co-legislators to achieve a swift adoption of the Regulation, which we expect will result in a safer online environment, including for journalists.</p>
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¹⁷ https://www.eesc.europa.eu/sites/default/files/files/2_eesc_follow-up_report_opinions_plenary_march_2018_final.pdf

<p>4.2.8. The EESC points out that any measures to be adopted must cater for gender equality and the protection of journalists belonging to minorities.</p>	<p>The Recommendation on safety of journalists¹⁸ recognises that female journalists and journalists belonging to or representing minority groups, as well as journalists reporting on equality issues, are particularly vulnerable to threats and attacks.</p> <p>The Recommendation urges Member States to support initiatives aimed at empowering women journalists and professionals belonging to minority groups and those reporting on equality issues. It also encourages Member States to improve transparency and effective reporting on attacks and discrimination against these journalists and to provide them with information on how to seek assistance and support.</p> <p>Furthermore, the Recommendation highlights the need to foster equality and inclusion in newsrooms and the media industry as a whole, and to promote the continuous development of competences and skills in all professions relevant for the protection of journalists.</p>
<p>4.2.9. The EESC recognises that the guarantee of the principle of transparency and the right to freedom of information has seen improvement at EU level, but not in all Member States. It calls on all Member States to comply unfailingly with EU standards and points to the need for further improvement, including at EU level¹⁹.</p>	<p>The Commission is monitoring the state of play with regard to certain aspects related to media freedom and media pluralism in the framework of its annual Rule of Law reports. Transparency and access to information is an area that is monitored consistently across Member States. Recommendations 11 to 14 from the Recommendation on safety of</p>

¹⁸ C(2020) 6650 final

¹⁹ [OJ C 487, 28.12.2016, p. 51](#); [OJ C 13, 15.1.2016, p. 192](#).

	<p>journalists also include specific proposals for Member States to guarantee access to venues and sources of information for journalists.</p> <p>Increasing transparency throughout the legislative process is one of the objectives of the Commission, as announced in the political guidelines of President von der Leyen. The application of the transparency register rules to the Council, the European Parliament and the Commission, as well as the preparatory work for a Joint Legislative Portal are some examples of the most recent achievements for enhancing transparency.</p>
<p>4.2.10. The EESC welcomes the establishment of the expert group on SLAPP and the Commission's plan to put forward a proposal by the end of 2021 to protect journalists and civil society from SLAPP. It believes that a legal ban on SLAPP takes precedence over complementary measures to support those affected.</p>	<p>The Commission appreciates the Committee's support for the plan to propose a Strategic Lawsuits Against Public Participation initiative (anti-SLAPP initiative). This initiative is currently planned for 2022 and will aim to protect journalists and rights defenders from the use and effects of lawsuits that are lodged with the main purpose of dissuading them from informing or otherwise engaging on issues of public interest.</p> <p>The Commission is currently gathering the necessary elements to shape the initiative in order to put forward effective measures.</p>

<p>4.2.11. The EESC underlines the importance of initiatives from civil society, such as the Coalition Against SLAPPs in Europe (CASE),²⁰ to protect journalists from SLAPP and calls for increased EU support.</p>	<p>To prepare the anti-SLAPP initiative the Commission is working closely with an expert group established in 2021. The group comprises of academics, legal professionals and representatives of media and civil society, including the Coalition Against SLAPPs in Europe (CASE). The group's mandate is to provide legal expertise on SLAPP, act as a platform at EU level to exchange best practices and knowledge and, where possible, assist victims of SLAPP.</p> <p>Further preparatory steps include a workshop with stakeholders held on 25 November 2021 and a targeted consultation of national judges via the European Judicial Network in civil and commercial matters.</p>
<p>4.2.12. The EESC notes that, in relation to SLAPP, the provisions of the Brussels I²¹ and Rome II Regulations²² must not lead to a reduction in legal protection through the choice of jurisdiction for vexatious legal cases (libel tourism). It stresses the need to bear this issue in mind in the forthcoming review of the two regulations.</p>	<p>In SLAPP cases with a cross-border dimension questions on jurisdiction and applicable law may become relevant. The anti-SLAPP initiative in 2022 does not cover these elements.</p> <p>The relevant rules on jurisdiction and applicable law (set out respectively in the Brussels Ia Recast and Rome II Regulations) will be assessed at a later stage and, if deemed appropriate, may be reviewed.</p> <p>As a first step, the Commission published a legal study in October 2021²³ on the Rome II Regulation (on law applicable to non-contractual</p>

²⁰ <https://www.the-case.eu>.

²¹ [OJ L 351, 20.2.2012, p. 1.](#)

²² [OJ L 199, 31.7.2007, p. 40.](#)

²³ <https://op.europa.eu/en/publication-detail/-/publication/11043f63-200c-11ec-bd8e-01aa75ed71a1>

	obligations). This study looks, among other issues, at SLAPP-specific issues related to applicable law, in particular at the current exclusion from the Regulation's scope of defamation claims. Another legal study on the Brussels Ia Regulation is going to be launched soon.
4.3.1. The EESC calls on the Commission to complement the methodology of the Rule of Law Report by evaluating the independence of state and public broadcasting.	The Commission is currently updating the methodology of the Rule of Law Report and will discuss it with Member States in the framework of the Network of Rule of Law contact points.
4.3.2. The EESC points out that the effective prosecution of corruption affords some protection against government interference in the media and therefore calls on the Commission, in addition to enforcing anti-corruption standards, to take all necessary measures, regardless of political considerations, to ensure that no money is used from the new Multiannual Financial Framework and the NextGenerationEU recovery instrument to curtail media diversity or on other forms of corruption.	<p>As acknowledged by the annual Rule of Law Reports²⁴, independent and pluralistic media, in particular investigative journalism and an active civil society, play an important role in the scrutiny of public affairs, detecting possible corruption and integrity breaches, raising awareness and promoting integrity. In the framework of the rule of law mechanism, the Commission is promoting efforts to enforce anti-corruption standards in Member States.</p> <p>It is a Commission priority to make sure that every euro from the budget is spent in line with the rules and generates added value. A robust system is in place to prevent, detect and correct any irregularities. The European Anti-Fraud Office (OLAF) conducts internal and external investigations into fraud, corruption and other illegal activities affecting the financial interests of the Union. The Commission is also</p>

²⁴ COM(2020) 580 final and COM(2021) 700 final.

	<p>committed to ensuring that the European Public Prosecutor's Office (EPPO), which is competent to investigate and prosecute crimes affecting the Union budget (including corruption), is equipped with sufficient resources to perform its tasks and is now fully functioning.</p>
<p>4.3.4. The EESC calls on the Commission to explore whether the pilot project for the creation of a publicly accessible database of information on ownership in the media economy can be developed in such a way as to include information on the promotion and contracting of media companies by the EU, its Member States, regional and local authorities, bodies governed by public law, public undertakings and private undertakings in which one or more of these entities hold a majority of voting shares.</p>	<p>The EU-funded Euromedia Ownership Monitor was launched in September 2021.²⁵ The monitor, coordinated by the University of Salzburg, will provide a country-based database containing information on media ownership, as well as systematically assess relevant legal frameworks and identify possible risks to media ownership transparency.</p> <p>In October 2021, the Commission published a second call for proposals to extend the new media ownership monitoring to the twelve remaining Member States not covered by the first edition. The Commission welcomes the support by the Committee on this project and notes its interest in significantly expanding the current scope of the media ownership monitor. A database with the level of detail and granularity suggested by the Committee would need significantly more resources than those that were available for the two recent calls for proposals.</p>

²⁵ <https://digital-strategy.ec.europa.eu/en/news/media-freedom-and-pluralism-launch-media-ownership-monitoring-project>.

<p>4.3.6. The EESC welcomes the Commission's proposals to tackle disinformation in general²⁶ and in relation to COVID-19 on social media²⁷, but points to the risk that Member States may use the fight against disinformation to justify restricting media freedom. The phenomena of disinformation and hate speech urgently need to be looked at in depth inter alia in further EESC opinions.</p>	<p>The EU has established its policy framework and promoted actions to tackle disinformation based on the full respect of fundamental rights, in particular freedom of expression and media pluralism. The adoption of the Action Plan against Disinformation in 2018²⁸ was followed by the joint Communication “Tackling COVID-19 disinformation – Getting the facts right”²⁹ in June 2020 and the EDAP in December 2020.</p> <p>The Commission has been monitoring the impact of the measures taken by Member States in the emergency context on EU law, fundamental rights, the rule of law and democracy. This monitoring will continue until the measures are lifted.</p>
<p>4.4.1. The EESC is critical of the fact that the Commission's Rule of Law Report reduces the question of market pluralism to the matter of transparency in media ownership and neglects the degree of market consolidation. It calls on the Commission to adapt the methodology of the report in order to better mirror in future the extent to which media diversity is at risk in all Member States.</p>	<p>Media pluralism and media freedom are key enablers for the rule of law, democratic accountability and the fight against corruption. Member States have an obligation to guarantee an enabling environment for journalists, protect their safety and promote media freedom and media pluralism. The monitoring in the first two editions of the Rule of Law Report focused on fundamental elements of media freedom and pluralism with a particular bearing on the rule of law, such as the independence of the media regulatory authorities, transparency of media ownership, state advertising, the safety</p>

²⁶ [COM\(2020\) 790 final](#).

²⁷ [JOIN\(2020\) 8 final](#).

²⁸ [Eu-communication-disinformation-euco-05122018_en.pdf \(europa.eu\)](#)

²⁹ [Communication-tackling-covid-19-disinformation-getting-facts-right_en.pdf \(europa.eu\)](#)

	<p>of journalists and access to information.</p> <p>In the European Democracy Action Plan, the Commission already committed to examining existing national media diversity and concentration rules to see whether and how they ensure a plurality of voices in digital media markets, especially in the light of the growing role of online platforms.</p> <p>The Commission is also preparing a Media Freedom Act that will aim to complement our legislative tools to ensure media freedom and pluralism. The initiative would propose a mechanism to increase transparency, independence and accountability around actions affecting control and editorial independence of media.</p>
4.4.2. The EESC welcomes the Commission's "Europe's Media in the Digital Decade" action plan ³⁰ and its goal of preserving news media as a public good.	The Commission welcomes the Committee's support in this respect.
4.4.3. The EESC underlines that quality journalism requires a sustainable economic basis and calls for a continuation of EU support to media companies as an investment in good journalism. Investments will serve to end the process of consolidation in the media sector, which threatens the plurality in the media market. This does not rule out the ability of media companies to legitimately purchase other media outlets or build strategic alliances as economically sustainable media companies are a guarantor of their independence, as long as the principle	Actions under the Media and Audiovisual Action Plan are intended to help audiovisual and media companies in the aftermath of COVID-19 provide liquidity and financial support in a way that respects and promotes media freedom and pluralism. EU support as such is not meant to end the process of consolidation in the media sector but rather to support the viability of companies in the media sector.

³⁰ [COM\(2020\) 784 final](#).

of transparency is respected and no monopolies are created.	
4.4.6. The EESC strongly supports the Commission's plan for a "European Media Freedom Act" to equip the European Commission with effective legal instruments to enforce media freedom and media pluralism in all EU Member States. The EESC calls on the Commission to examine how European competition law can be deployed and developed to stop further consolidation in the media market, in particular that driven by national governments, to avoid the creation of media monopolies in national media markets in the EU, in particular by governments or actors close to them.	Rather than stopping further consolidation in general, the aim of competition policy, as stated in the Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings, is to prevent concentrations that would significantly impede effective competition. Within this legal framework, and in the interest of ensuring the proper functioning of the internal market, the Commission is fully committed to enforcing European competition law in the media market, including stopping anti-competitive consolidations driven by national governments, and of course to avoid the creation of media monopolies in national markets.
4.4.11. The EESC stresses that barrier free access to media is a fundamental part of media freedom and it is concerned by increased forms of direct or indirect discrimination on the basis of disability in the media. The EESC calls for enacting legislation to remove restrictive practices that have the effect of impairing or nullifying an individual's participation in media freedom and diversity.	<p>The Commission agrees that barrier free access to media is fundamental to media freedom and that direct or indirect discrimination based on disability need to be progressively removed. To that end, the revised Audiovisual Media Services Directive contains requirements for Member States to remove such barriers, and, for example, to designate a single, easily accessible and publicly available point of contact for providing information and receiving complaints regarding accessibility issues.</p> <p>The United Nations Convention on the Rights of Persons with Disabilities, to which the EU and all Member States</p>

	<p>are party, states in article 21(d) that States Parties should encourage “the mass media, including providers of information through the Internet, to make their services accessible to persons with disabilities”. In the Strategy for the Rights of Persons with Disabilities 2021-2030, the Commission announced that it will address disability stereotypes in media in line with the Audiovisual Media Services Directive, which requires that commercial communications respect human dignity and do not include any discrimination, including that based on disability. To that end, the European Accessibility Act Directive 2019/882 contains accessibility requirements for services providing access to audio visual media services.</p>
<p>4.5.1. EESC welcomes the Commission's numerous proposals to strengthen citizens' media literacy³¹, with a particular focus on digital skills. This is of utmost importance in order to enhance citizens' resilience to disinformation.</p>	<p>The Commission appreciates the Committee's support to its initiatives to strengthen media literacy and digital skills among citizens.</p>
<p>4.5.2. The EESC supports the proposal to set up a "European Agency for Citizenship Education" to bolster the media skills of EU citizens through educational programmes. It calls on the Commission to examine the possibility of establishing such a central institution in a timely manner and to ensure that one of its remits is the provision of training in dealing with – especially digital – media.</p>	<p>The Commission considers that the existing policy, programming and institutional framework can adequately support the need to bolster the media skills of EU citizens through educational programmes. See reply to points 1.1. and 4.5.1.</p>

³¹ [JOIN\(2020\) 8 final](#); [COM\(2020\) 624 final](#); [COM\(2020\) 784 final](#); [COM\(2020\) 790 final](#).

<p>N°3 Cohesion policy in combatting inequalities – complementarities/overlaps with the RRF (own-initiative opinion) EESC 2021/2500 - ECO/550 563rd Plenary Session – September 2021 Rapporteur: Ioannis VARDAKASTANIS (EL-III) DG REGIO – Commissioner FERREIRA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. NextGenerationEU (NGEU) is not only based on solidarity between Member States but also symbolises the fact that the Member States have a shared vision for the future. Its confidence-boosting effect has already helped to reduce the likelihood of a deep crisis in some countries and its positive impact will come fully into play when actual spending starts. While the EESC highly appreciates that the EU has managed to draw up and adopt such a wide-ranging mechanism in such a short time period, the EESC also demands that every effort is made for its further improvement and to tackle possible shortcomings.</p>	<p>The Commission appreciates the record speed with which the co-legislators approved its proposals for the current EU long-term budget (Multiannual Financial Framework – MFF) running from 2021 to 2027 and the European Union Recovery Instrument - NextGenerationEU (NGEU).</p> <p>Cohesion policy programmes were the first ones to receive payment under the NGEU (28 June 2021).</p> <p>As a centrepiece of NGEU, the Recovery and Resilience Facility (RRF) entered into force on 18 February 2021. To benefit from the Facility's support, Member States submitted to the Commission their recovery and resilience plans setting out reforms and investments to mitigate the economic and social impact of the coronavirus pandemic, and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.</p> <p>As of 25 January 2022, the Commission adopted a positive</p>

	<p>assessment for 22 out of 26 plans, and the Council subsequently adopted the 22 Council Implementing Decisions.</p> <p>Disbursements are already underway. The implementation phase is therefore starting for a considerable number of Member States. Constant dialogue and clear communication between Member States and the Commission will be crucial to ensure smooth implementation of the plans and to address any possible issue that might arise in the coming years.</p>
<p>1.2. Overall, the EESC advocates a prosperity-focused economic and social policy where people's well-being is prioritised and no-one is left behind. In this opinion we focus on the ways in which cohesion policy and NGEU, primarily through its flagship Recovery and Resilience Facility (RRF), propose to remedy inequalities. NGEU will in fact contribute to upward convergence between Member States and may also enhance the fiscal space for social policy measures. But ultimately, the extent and the way that inequalities within countries and imbalances between regions are to be combatted through NGEU is the big challenge for the coming years.</p>	<p>The European Union has put in place an unprecedented system to help Member States recover from the pandemic and to relaunch the European economy. The Multiannual Financial Framework (MFF) has been complemented by the NGEU: the main instrument in place to foster EU cohesion. The cohesion policy funds and the principal NGEU instruments (Recovery and Resilience Facility and REACT-EU) will contribute in a synergic way to the social and economic recovery and to the relaunch of the economy of EU Member States, making European economies and societies more sustainable and resilient. The Commission therefore notes that the fight against economic, social and territorial inequalities will continue to be at the core of the EU action in the coming years.</p> <p>The RRF is a cohesion instrument which places social cohesion among its core objectives. The key determining</p>

	<p>the allocation of funds favours countries with the lower Gross Domestic Product per capita, a higher unemployment rate and hardest hit by the crisis.</p> <p>Three of the six pillars forming the core of the Facility focus on social elements. Those relate to social and territorial cohesion, social and institutional resilience, and policies for the next generation.</p> <p>The RRF Regulation requires that national recovery and resilience plans include measures that would strengthen job creation, growth and economic and social resilience in the long term, including measures that would contribute to the implementation of the European Pillar of Social Rights. These requirements regarding the social dimension are fully reflected in the assessment criteria set by the RRF Regulation.</p>
<p>1.6. One great challenge is ensuring coherence and synergies between cohesion policy and NGEU, particularly the RRF and REACT-EU. While it is important to avoid overlaps and confusion in the implementation of programmes, it is also crucial to ensure that the programmes do not contradict or undermine one another. Moreover, the potential prioritisation of RRF funding over cohesion policy due to the pressure on quick absorption may reduce attention and capacity to deal with the programming and implementation of cohesion policy funding for 2021-2027, contributing to further delays and issues of</p>	<p>There are strong complementarities between the RRF and Cohesion policy funds. These complementarities derive not only from the fact that both instruments serve cohesion in the EU, but also from the fact that programming documents determine the focus of investments for both funds.</p> <p>Synergies also derive from the earlier work underpinning the RRF foundations. It is good to recall that most of the RRF reforms and investments address key economic challenges and imbalances that had been previously identified in the</p>

<p>take-up of cohesion resources.</p>	<p>context of the European Semester of economic policy coordination, thus improving the national economic structures and investment environment in general, for the benefit of cohesion policy investment too.</p> <p>The risk of overlaps is overstated for, amongst others, the following reasons:</p> <ul style="list-style-type: none"> - first, demand is huge for quality investment and the additional firepower of the RRF will help achieve the EU's objectives, the Green Deal, the twin transitions along with the objectives enshrined in the Treaty of the European Union, in particular, the objectives on economic, social and territorial cohesion. There is space for all instruments; - second, the RRF is a reform and investment-oriented instrument where, based on Member States recovery and resilience plans, the focus is predominantly at the national level while Cohesion policy funds will remain regionally anchored and conduct territorially targeted interventions; - third, the objectives are complementary. The RRF aims at contributing to cohesion by mitigating the economic and social impact of the pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. For its part, Cohesion policy is centred on unlocking economic opportunities and long-term growth potential of Member
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	<p>States and regions;</p> <p>- fourth, relevant provisions in the RRF Regulation clarify that support under the RRF shall be additional to the support provided under other Union Programmes and instruments. To this end, reforms and investment projects in the national recovery and resilience plans may receive support from other Union programmes and instruments provided that such support does not cover the same cost (Article 9).</p> <p>Regarding the risks of delay, it should be noted that the maturity of the RRF and of Cohesion policy programmes will differ. The maturity will be shorter for the RRF (the Facility will fund reforms and investments until December 2026), whereas the range of project maturities will be longer for Cohesion policy funds.</p>
<p>1.7. The EESC is concerned that, due to its different legal basis (see point 3.4), the provisions for reducing inequalities enshrined in cohesion policy are not reflected adequately in the rules governing the use of NGEU and the RRF. It is important that the extent and clarity of the social dimension within cohesion policy serve as a model for NGEU and the RRF. Furthermore, cohesion policy's strict rules on stakeholder consultation and particularly the partnership principle should be taken at very least as a blueprint for RRF procedures in order to direct investments efficiently towards measures of social inclusion and to fight inequality.</p>	<p>As mentioned above (point 1.2) strengthening social cohesion is a core objective also of the RRF.</p> <p>The RRF Regulation includes an obligation for Member States to provide a summary of the stakeholder consultations, including of social partners and local and regional authorities as part of their plan, including an explanation how the results of the consultation were taken into account.</p> <p>The submission of the national recovery plans is only the first step. The active involvement of stakeholders will be vital throughout all the stages of</p>

	the implementation process.
<p>1.8. Given the conditionality of the disbursement of funds on the implementation of country-specific recommendations, it is all the more important that the European Semester is reformed, including minimum standards for the consultation of social partners and civil society, as outlined in the EESC's resolution on the involvement of organised civil society in the RRP. In the context of cohesion policy, NGEU and country-specific recommendations, the EESC strongly recommends a detailed focus on all different aspects of inequality and striving for sustainable and inclusive growth as well as a close follow-up of the way the funds have been spent.</p>	<p>The European Semester and the RRF are intrinsically linked, as the recovery and resilience plans should address all or a significant subset of the challenges identified in the relevant country-specific recommendations. Thus, the monitoring of country-specific recommendations addressed by the recovery and resilience plans should be intrinsically tied to the progress made in the implementation of the plans.</p> <p>As the RRF is a performance-based instrument, the Commission will closely monitor the achievement of the milestones and targets included in the national RRP.</p> <p>At the same time, there will still be a need for a continuous assessment of the macroeconomic challenges and vulnerabilities in each economy, and how these challenges will evolve.</p> <p>Going forward, new recommendations could eventually focus on newly emerging challenges, for instance aiming at helping achieve the green and digital transitions, while promoting sustainable and inclusive growth.</p> <p>The Commission is supportive of the intention of the request for social partners and civil society consultation, and has repeatedly encouraged Member States to do so, but ultimately stakeholder consultations and involvement are a deeply national matter. The legal frameworks, common practices and institutional structures related to stakeholder consultations</p>

	<p>vary significantly and the Commission cannot enforce a certain kind of engagement of stakeholders at the national level.</p> <p>The Commission will pay particular attention that social partners and other stakeholders have a very prominent place in the consultation mechanisms established by the Member States.</p> <p>On monitoring, the Commission's RRF Scoreboard provides information on the processing of the payment requests from the Member States. Each interested stakeholder and the public at large will be able to follow the implementation of the various recovery and resilience plans with up to date information.</p> <p>The Commission is open to any feedback from stakeholders on the implementation of investments and reforms. The Commission will reflect on the suggestions presented by the Committee in discussions with Member States.</p>
<p>1.9. Moreover, the EESC calls for the systematic integration of the European Pillar of Social Rights and the social scoreboard into NGEU and the evaluation of the NRRPs. As part of this integration, it must be ascertained that NGEU is aligned with the creation of decent jobs. Therefore, the disbursement of RRF funds to companies should be linked to certain criteria such as the application of collective agreements. It needs to be ensured that the benefits of both the recovery and the green and digital transitions are shared by all people living in</p>	<p>The REACT-EU, under NGEU, is implemented through cohesion policy programmes and thus integrates as relevant the European Pillar of Social Rights and the social scoreboard in its implementation. The RRF is closely aligned with the Commission's priorities ensuring a sustainable and inclusive recovery that promotes the green and digital transitions with tangible benefits for all citizens across the EU.</p> <p>Four of the six pillars that set out the</p>

<p>the European Union.</p>	<p>scope of the Facility focus on areas relevant to the European Pillar of Social Rights including on smart, sustainable and inclusive growth, including economic cohesion, jobs [...]; social and territorial cohesion; health, economic, social and institutional resilience [...]; and policies for the next generation, children and the youth, such as education and skills.</p> <p>Pursuant to the RRF Regulation, Member States have to explain how the investments and reforms put forward in their national recovery and resilience plans refer to these RRF pillars and how well they address the country-specific recommendations, many of which are on areas relevant to the implementation of the European Pillar of Social Rights. This is fully reflected in the assessment criteria set by the Regulation.</p> <p>Given the nature of the RRF as a performance-based instrument, disbursements are linked with the implementation of clear commitments (milestones and targets). Should the application of collective agreements be addressed in a milestone within a national plan, the Commission would then assess the fulfilment of such milestone before disbursing.</p>
<p>3.1. Overall, the EESC advocates a prosperity-focused economic and social policy where people's well-being is prioritised and no-one is left behind. Among others, key policy objectives must be sustainable and inclusive growth, equitable</p>	<p>Leaving no region and no person behind is an overarching political objective in the implementation of cohesion policy funds.</p> <p>The RRF will provide funding for reforms and investments that would</p>

<p>and fair distribution and redistribution of material wealth and quality of life. The EESC calls for these objectives to be integrated into various policy areas, including tax, labour market, industrial and monetary policy. Within the European Semester, the Economic Governance Framework and the Multiannual Financial Framework, greater focus on solving the problem of rising inequality is strongly recommended. In this opinion we focus on the ways in which cohesion policy and NGEU, primarily through its flagship RRF, propose to remedy these inequalities.</p>	<p>promote green and digital transitions with tangible benefits for all citizens.</p> <p>Pursuant to the RRF Regulation, Member States had to explain how the investments and reforms put forward in their national recovery and resilience plans will strengthen job creation, growth and economic and social resilience in the long term, and how well they address the country-specific recommendations, many of which are on areas relevant to the implementation of the European Pillar of Social Rights.</p> <p>In addition, national plans also have to address all or a significant subset of challenges identified in the country-specific recommendations, including of course the country-specific recommendations with a social dimension.</p> <p>The plans submitted so far do include a significant share of measures focusing on skills, education and training, healthcare, and active labour market policies and also measures to strengthen social services, social protection and support through the tax-benefit system, address the employment and social aspects of the green transition and foster the employability of disadvantaged groups (these policies in the employment and social domain have been outlined in almost half of the recommendations of the past two years).</p>
<p>3.2.2. The support provided by NGEU funds may relieve the pressure on public budgets and enhance the fiscal space of more</p>	<p>By contributing to the economic recovery and to strengthening long-term growth, the RRF non-repayable</p>

<p>indebted countries in particular, which might also be used to improve social policy measures in order to soften inequalities. Moreover, the EESC recommends analysing the factors that have played a significant role in the deterioration of public finances in some Member States in the context of the COVID-19 crisis.</p>	<p>financing contributes to strengthening public finances, growth and job creation in the medium and long term. An effective implementation of the reforms and investments envisaged in the Recovery and Resilience Plans will be key to achieving a sustained and sustainable recovery, with a positive impact on public finance developments.</p> <p>The unprecedented and coordinated policy response to the COVID-19 crisis has been successful in cushioning the impact of the crisis. The activation of the general escape clause of the Stability and Growth Pact and the State Aid temporary framework allowed Member States to adopt wide-ranging fiscal support measures.</p> <p>The Commission Communication of 19 October 2021, which formally re-launched the public consultation on the EU economic governance framework, takes stock of the impact of and lessons from the COVID-19 crisis and the coordinated policy response. Concerning the deterioration in public finances, without prejudice to the outcome of the review, the following five observations are of particular relevance:</p> <ul style="list-style-type: none"> - public debt ratios have increased further, and reducing them in a sustained and growth-friendly manner will be important; - coordinated, counter-cyclical fiscal policy has proved highly effective in cushioning the impact of the crisis. This highlights the importance of
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	<p>creating fiscal room in normal times for deployment in times of crisis;</p> <ul style="list-style-type: none"> - public investment will need to be sustained at high levels for years to come, highlighting the importance of a good composition and quality of public finances to ensure sustainable and inclusive growth; - simplification, stronger national ownership and better enforcement of the fiscal rules remain highly relevant; - strong national fiscal frameworks can contribute to an effective economic governance framework.
<p>3.5. Looking at the most recent Common Provisions Regulation (CPR) governing how Cohesion Funds are used, the rules that determine whether actions are eligible for funding are quite clear. For example, Article 67 states that "for the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure accessibility to persons with disabilities, gender equality". The EESC is concerned, that due to its different legal basis (see point 3.4) the provisions for reducing inequalities enshrined in cohesion policy are not reflected adequately in the rules governing the use of NGEU and the RRF. It is important that the extent and clarity of the social dimension within cohesion policy serves as a model for NGEU and the RRF.</p>	<p>As mentioned above, strengthening social cohesion is a core objective of the RRF Regulation. Moreover, the RRF Regulation explicitly requires (Article 18(4)(o)) Member States to include, when submitting their recovery and resilience plans, an explanation of how the measures in the recovery and resilience plan are expected to contribute to gender equality and equal opportunities for all and the mainstreaming of those objectives, in line with principles 2 and 3 of the European Pillar of Social Rights, with the United Nations Sustainable Development Goal 5 and, where relevant, with the national gender equality strategy.</p> <p>Cohesion Policy funds and the RRF are both instruments of cohesion. As specified in Article 175(3) of the Treaty on the Functioning of the European Union (TFEU), in case specific actions prove necessary</p>

	<p>outside the scope of the Funds, the set up of ad hoc cohesion policy instruments is possible. In the case of the RRF the use of this legal basis was prompted by the outbreak of the COVID-19.</p>
<p>3.12. The EESC criticises the fact that the partnership principle was not respected in the designing of many NRRPs. The EESC sees the partnership principle and the involvement of organised civil society as key to effective policies and ownership. The partnership principle is part of cohesion policy's DNA. We have seen good examples of active participation by citizens, local communities and civil society. For the implementation and a possible redesign of the NRRPs a more ambitious system of stakeholder consultation should be implemented taking the partnership principle as a blueprint. On local matters, community-led development strategies, integrated territorial investments in cities, Urban Innovative Actions and Interreg cross-border cooperation provide many project examples across the EU, and this should also be reflected in the implementation of the NRRP.</p>	<p>The principle of partnership is a key feature in the implementation of cohesion policy funds, building on the multi-level governance approach and ensuring the involvement of regional, local, urban and other public authorities, civil society, economic and social partners and, where appropriate, research organisations and universities.</p> <p>In order to provide continuity in the organisation of partnership, the European code of conduct on partnership for Partnership Agreements and programmes supported by the European Structural and Investment Funds established by the Commission Delegated Regulation (EU) No 240/2014 (8) (the ‘European code of conduct on partnership’) would continue to apply to cohesion policy funds.</p> <p>The RRF Regulation includes an obligation for Member States to provide a summary of the stakeholder consultations, including of social partners and local and regional authorities as part of their plan, including an explanation how the results of the consultation were taken into account.</p> <p>The Commission repeatedly highlighted that the implementation of</p>

	<p>the plans will only be successful with strong regional and local ownership, as well as support from social partners and civil society at every stage of the process.</p> <p>The Commission actively engaged in discussions with several organisations during the preparatory phase of the plans, including meetings with the trade unions and civil society. These meetings allowed stakeholders to present obstacles they were facing in contributing to the design of the plans and to facilitate their involvement.</p> <p>The Commission understands social partners have reported a mixed picture when it comes to their impression of the consultation process at national level ranging from regular and detailed consultation to far more limited consultation processes in some countries. This in part reflects the fact that Member States have taken different approaches to public consultation. For instance while some have consulted on the overall plan, others have done so at sectoral or regional level.</p> <p>It remains up to each Member State to decide how to organise its own internal procedures and the consultation process, including the involvement of social partners and other stakeholders, both during the preparation of the plans and during their implementation phase.</p> <p>Member States' plans will also need to provide a summary of these consultations with relevant</p>
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	stakeholders.
<p>4.8. The RRF should be used for reforms to help Member States recover from the impact of the pandemic. The EESC calls for investment to go first and foremost to groups which have been the most severely impacted by COVID-19, and lessons should be learned from where we saw people suffer the most during this health crisis. Particular investment should be targeted towards helping people back into quality employment, particularly women, young people, the long-term unemployed, people from ethnic minorities, people with disabilities and older people, whose share in overall society is likely to rise. Finally, the sustainability of pension systems has to be safeguarded.</p>	<p>One of the assessment criteria taken into account by the Commission for the assessment of the recovery and resilience plans is whether the plan contains measures that aim at contributing to the implementation of the European Pillar of Social Rights. This includes the promotion of policies for children and youth and measures mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.</p> <p>Member States' recovery and resilience plans are assessed, among other criteria, on how well they address challenges identified in the European Semester country-specific recommendations (CSRs). In 2019 and 2020, more than two thirds of Member States received CSRs on helping people back into employment, more than a third received CSRs on gender equality and more than half received CSRs on fostering the employment of disadvantaged groups. Most Member States have included in their recovery and resilience plans reforms and investments to improve the functioning of the labour market.</p> <p>In addition, Art. 16(2)(a) of the RRF Regulation provides that the Commission shall present a review report on the implementation of the Facility by 31 July 2022, including an assessment of the extent to which the</p>

	<p>implementation of the plans is in line with the scope and contributes to the general objective of the RRF, including how the plans tackle the inequalities between women and men.</p> <p>Most of the recovery and resilience plans submitted to the Commission devote a section to gender equality issues, explaining existing challenges and listing specific measures that are intended to improve gender equality.</p> <p>With the Recovery and Resilience Scoreboard, progress in the implementation of the national recovery and resilience plans and the RRF is reported in a transparent way.</p> <p>In addition, pursuant to Article 29(4)(b) of the RRF Regulation, the Commission will define a methodology for reporting social expenditure, including on children and the youth, under the Facility. The Commission will then be able to report on the reforms and investments financed by the Facility which have a social dimension.</p>
<p>4.11. Unfortunately, a specific condition for spending a certain amount of RRF resources for social projects is also lacking. Indeed, the share of spending directly linked to social targets is unclear and seems to be quite small. The EESC demands a clear report on the share and design of spending and projects that are deemed to meet social targets in general and social cohesion in particular. It also has to be ensured that the green and digital investments and all other NGEU expenditure are implemented</p>	<p>As per the RRF Regulation, the Commission has adopted delegated acts on the Recovery and Resilience Scoreboard, common indicators, and methodology for reporting on social expenditure is ongoing.</p> <p>The methodology set out in the delegated act on social expenditure will allow the Commission to report on the reforms and investments financed by the Facility that have a social dimension. The Commission will</p>

<p>respecting the target of social sustainability. Again, a clearer picture of the intended investment is demanded.</p>	<p>monitor the implementation of the plans, including social expenditure, twice a year.</p> <p>The RRF Scoreboard shows progress with the implementation of the recovery and resilience plans in relation to the six pillars and to the common indicators, as well as, to the social expenditure as foreseen in the RRF.</p> <p>The Scoreboard will be updated twice a year, based both on Commission data and on reporting by the Member States on the common indicators.</p>
<p>4.12.1. In the context of cohesion policy, NGEU and country-specific recommendations, the EESC strongly recommends a detailed focus on all different aspects of inequality and striving for sustainable, resilient and inclusive growth as well as a close follow up of the way the funds have been spent. It needs to be ensured that the benefits of both the recovery and the green and digital transitions are shared by all Europeans, while bearing in mind implementation of the work to combat digital exclusion and energy poverty, which could be exacerbated by the transition.</p>	<p>As noted above, the RRF will provide funding to reforms and investments outlined in the national recovery and resilience plans promoting the green and digital transitions with tangible benefits for all citizens across the EU, contributing to the implementation of the European Pillar of Social Rights. Three of the six pillars forming the core of the facility focus on social elements. Those relate to social and territorial cohesion, social and institutional resilience, and policies for the next generation.</p>

<p>N°4 Key components of sustainable quality work during and after recovery (exploratory opinion requested by the Council of the European Union) EESC 2021/3294 – SOC/685 563rd Plenary Session – September 2021 Rapporteur: Andrej ZORKO (SI-II) DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. Quality of work is one of the fundamental components of quality of life. The principle of quality of work for quality of life must be followed, as this is a prerequisite for sustainable social development. The EESC therefore firmly believes that it should be given special attention in EU policies, as it must prevent the risks of inequality, poverty, social exclusion and unfair competition.</p>	<p>The Commission agrees with the Committee's view. As stressed by President von der Leyen in her Political Guidelines for the European Commission 2019-2024³², quality of work is at the heart of a social market economy that works for people. Because of its contribution to workers' well-being, quality of work is a cornerstone of economic and social progress and an important condition for resilient economies and societies to be in place. As such, it is a key dimension of the European Pillar of Social Rights³³ and of several EU initiatives announced by its Action Plan³⁴. Several aspects of quality of work are also monitored in the framework of the European Semester, in line with Employment Guideline 5³⁵.</p> <p>Healthy and safe working conditions are an essential aspect of quality of work. In this regard, the EU Strategic</p>

³² political-guidelines-next-commission_en_0.pdf (europa.eu)

³³ Interinstitutional Proclamation on the European Pillar of Social Rights OJ C 428, 13.12.2017, p. 10–15

³⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions the European Pillar of Social Rights Action Plan COM/2021/102 Final

³⁵ Council Decision (EU) 2020/1512 of 13 October 2020 on guidelines for the employment policies of the Member States OJ L 344, 19.10.2020, p. 22–28

	<p>Framework on Health and Safety at Work 2021-2027 (Occupational Safety and Health (OSH) Strategic Framework))³⁶ sets out the key priorities for the coming years and announces a comprehensive set of actions to improve workers' protection against different risks, which will contribute to ensuring healthier and safer workplaces, improving quality of work and thus preventing social exclusion caused by poor working conditions.</p>
<p>1.3. The EESC believes that the EU and Member States should take a more ambitious approach to supporting, coordinating and implementing efforts towards active labour market policies while protecting workers' fundamental rights and ensuring a sustainable and competitive business environment for companies in the global economy. The European Pillar of Social Rights should guide the implementation of the principles of social Europe, social justice and sustainable recovery.</p>	<p>Adequately supporting people during labour market transitions contributes to quality of work and sustainable employment. As pointed out in the Commission Recommendation on Effective Active Support to Employment following the COVID-19 crisis ³⁷, a coherent set of timely and well-designed active labour market policies needs to be deployed by Member States, so that temporary periods of inactivity or unemployment become bridges to taking up quality jobs, fit for the digital and green transitions.</p> <p>Within the European Semester, the Commission proposes country-specific recommendations to guide Member States in their reform efforts in this field. Financial support is provided</p>

³⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions EU strategic framework on health and safety at work 2021-2027 Occupational safety and health in a changing world of work COM/2021/323 final

³⁷ Commission Recommendation (EU) 2021/402 of 4 March 2021 on an effective active support to employment following the COVID-19 crisis (EASE) C/2021/1372 OJ L 80, 8.3.2021, p.1

	notably through the EU structural funds and NextGenerationEU.
<p>1.4. Building on the experience of the pandemic in the field of work, the European Commission and the Member States, actively involving the social partners and other stakeholders, could monitor the functioning of or, where appropriate, review and, if necessary, amend existing regulations and develop appropriate policies to ensure decent and sustainable quality work. This could include protecting workers and proper work organisation leading to higher productivity and innovation, while promoting the positive elements of digitalisation, including the need of workers to digital training to promote their employability, There should be particular focus on legislation and policies on artificial intelligence and ensuring that all stakeholders have the opportunity to participate in the adoption of new solutions, through consultation and negotiation with workers and employers.</p>	<p>The Commission continues to monitor the fitness and the implementation of existing EU labour law, to ensure that it fulfils its objectives of protecting workers in the changing world of work. In 2022, the Commission will publish a report on the implementation of Directive 2003/88/EC on working time, which will examine the impact of recent judgments of the Court of Justice of the EU and new forms of work organisation.</p> <p>As mentioned in the OSH Strategic Framework, further OSH action in the EU is needed to make the workplaces fit for the increasingly rapid changes, brought about by the green, digital and demographic transitions and, in certain cases, accentuated by the COVID-19 pandemic. In particular, it mentions that the Commission will modernise the OSH legislative framework related to digitalisation by reviewing the Workplaces Directive and the Display Screen Equipment Directive by 2023.</p> <p>Furthermore, as announced in the Digital Decade Communication³⁸, the Commission proposed on 26 January 2022 a European Declaration on Digital Rights and Principles, with the objective of promoting and upholding EU values in the digital space and ensure that digitalisation delivers</p>

³⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2030 Digital Compass: the European way for the Digital Decade COM/2021/118 final

	<p>benefits for all Europeans. The proposed declaration includes, among others, principles on working conditions in the digital environment, on interactions with algorithms and artificial intelligence systems, including as regards employment, and on digital education and skills. The Commission proposes that such declaration is solemnly and jointly signed by the European Parliament, the Council and the Commission.</p> <p>As regards skills, it is estimated that today, around 90% of the jobs in Europe require some kind of digital competences.³⁹ This figure is likely to increase, and in a near future, all jobs will require some level of digital skills. It is crucial to equip European workers with the right digital skills, to ensure they would benefit from the positive elements of digitalisation. To this aim, the Commission, together with Member States, is working on reaching ambitious targets by 2030 as set in the Digital Decade Communication and included in the related proposal for a Digital Policy Programme. To ensure Europe is equipped to compete globally,</p> <p>we need sufficient number of Information and Communications Technologies (ICT) specialists (at least 20 million employed by 2030) being able to deploy and design new technologies⁴⁰.</p>
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³⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Shaping Europe's digital future COM/2020/67 final

⁴⁰ Ibid.

<p>1.5. The EESC calls on the European Commission, notably within the reinforced European Semester and other existing mechanisms, to establish new mechanisms and/or continue identifying medium- and long-term labour market needs. This would allow Member States, actively involving the social partners and civil society organisations, to develop longer-term planning and implementation of employment policies, including planning for the training and lifelong learning of workers and providing solutions to address the skills gap. It is also important to strengthen public employment services and their cooperation with the private sector in order to help integrate the most vulnerable groups into the labour market more effectively.</p> <p>2.7. The EESC also points out that implementing the principles set out in the European Pillar of Social Rights and the related action plan, as well as the relevant international legal standards is of the utmost importance in ensuring sustainable quality work. The EESC has already adopted a number of opinions in this context and calls on the European institutions and the Member States according to their competences to play an active part in implementing them together with the social partners and other stakeholders.</p>	<p>The Commission put forward its European Pillar of Social Rights Action Plan, following a broad stakeholders' consultation. The Commission thanks the Committee for contributing to the implementation of the Pillar with its opinions. The Porto Declaration, inspired by the Porto Social Commitment⁴¹, confirmed the key role of the European Semester, and notably the Social Scoreboard, to monitor progress towards the ambitious EU 2030 headline targets on jobs and skills put forward by the Commission, as well as the implementation of the Pillar principles. In line with the Porto Declaration, EU leaders welcomed the new headline targets⁴².</p> <p>Furthermore, the European Skills Agenda⁴³ stresses the need for Member States to define skills strategies based on proper skills anticipation. One of its flagship actions, the Pact for Skills⁴⁴, brings together social partners, civil society organisations and other stakeholders into skills partnerships, identifying skill needs and developing responses. The Skills Online Vacancy Analysis Tool for Europe⁴⁵, run by the European Centre for the Development of Vocational Training (CEDEFOP) in cooperation with EUROSTAT, provides information on trends in</p>
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⁴¹ [Porto Social Summit - Consilium \(europa.eu\)](https://european-council.europa.eu/media/40200/1/Porto_Social_Summit_-_Consilium_(europa.eu).pdf)

⁴² [2425-06-21-euco-conclusions-en.pdf \(europa.eu\)](https://european-council.europa.eu/media/40200/1/2425-06-21-euco-conclusions-en.pdf)

⁴³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Skills Agenda for sustainable competitiveness, social fairness and resilience COM/2020/274 final

⁴⁴ [Pact for Skills - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](https://european-council.europa.eu/media/40200/1/Pact_for_Skills_-_Employment,_Social_Affairs_&_Inclusion_-_European_Commission_(europa.eu).pdf)

⁴⁵ [Skills-OVATE: Skills Online Vacancy Analysis Tool for Europe | Cedefop \(europa.eu\)](https://european-council.europa.eu/media/40200/1/Skills-OVATE:_Skills_Online_Vacancy_Analysis_Tool_for_Europe_|_Cedefop_(europa.eu).pdf)

	<p>labour market skills' needs, based on online job advertisements in 28 European countries.</p> <p>Finally, the Commission informs the network of Public Employment Services about the report on the analysis of shortage and surplus occupations⁴⁶ and fosters a discussion of its findings during network meetings.</p>
<p>1.10. The EESC believes that the Commission and the Member States should reinforce the capacity of the social partners and civil society. It is necessary to create an environment of trust in social dialogue, recognise its importance and involve social partners and other stakeholders in a timely manner in formulating measures and in the decision-making process itself, where appropriate and in line with development needs. A strong framework for information and consultation with workers is needed to deal properly with the green and digital transition while ensuring the quality of work.</p>	<p>The Commission agrees that, in the light of developing just and fair paths for environmental and digital transitions, it is paramount to comply with, and enforce, existing workers' information and consultation rights at national and transnational level.</p> <p>The EU Directives on information and consultation of workers⁴⁷ are addressed to Member States that have to transpose them into national law. The Commission continues to recall Member States on the need to take all the necessary measures to ensure that workers are informed and consulted by their employers in line with the legal requirements. If an individual company does not comply with its legal obligations, the competent national authorities are to ensure that the rights of workers are enforced, having regard to the specific circumstances of each</p>

⁴⁶ <https://ec.europa.eu/social/main.jsp?catId=738&furtherPubs=yes&pubId=8356&langId=en&>

⁴⁷ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation. OJ L 80, 23.3.2002, p. 29–34. Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (Text with EEA relevance). OJ L 122, 16.5.2009, p. 28–44.

	individual case.
<p>1.11. [...] It therefore proposes that the Commission hold annual meetings with the social partners and civil society organisations in order to obtain opinions on implementing the facility. Due to the diversity of situations in the Member States, it would make sense to carry out consultations separately and jointly formulate guidelines and recommendations for continuing to implement the facility successfully.</p>	<p>The Commission notes the views expressed by the Committee and would like to recall that consultations of social partners and civil society by Commission services are well established. They take place at key points in the European Semester process, which includes the monitoring of the Facility. Social partners are also regularly invited to take part in discussions with delegates of Member States and the Commission in the Employment Committee and in the Social Protection Committee. The Commission appreciates the excellent cooperation with the Committee and other stakeholders on the consultation process and the feedback provided on the preparation of the plans since the very start of the process.</p> <p>The Commission welcomes the suggestions made by the Committee on the establishment of a regular consultative process. The Commission will continue to participate in the Committee's meetings, fora and events organized by the Committee to further discuss its involvement and of the social partners in the implementation phase of the Recovery and Resilience Facility.</p>
<p>1.12. The EESC notes that the Recovery and Resilience Facility does not directly address the components of quality work, and therefore calls on the Commission to supplement this part of the facility. Quality of work is key to achieving the targets set by the Recovery and Resilience Facility.</p>	<p>The Commission has stressed the importance of the social dimension of recovery since the onset of the preparatory phase. Each Member State has to explain in its Recovery and Resilience Plan how the investments and reforms planned will strengthen</p>

<p>Vulnerable groups, such as precarious and young workers, who have been hit hardest by the epidemic, should not be overlooked.</p>	<p>job creation, growth and economic and social resilience in the long term, including how the plan contributes to the implementation of the European Pillar of Social Rights. The latter clearly has fair working conditions as one of its main objectives. One of the six pillars of the Recovery and Resilience Facility focuses on <i>‘smart, sustainable and inclusive growth, including economic cohesion, jobs [...]’</i>.</p> <p>Member States’ recovery and resilience plans are required, among other criteria, on to address all or a significant subset of challenges identified in the relevant country-specific recommendations (CSRs). In 2019 and 2020, more than a third of Member States received CSRs on improving working conditions and job quality. Most Member States have included reforms and investments to improve the functioning of the labour market in their recovery and resilience plans. They include measures on active labour market policies (ALMPs) and employment services, in particular those enhancing quality, coverage, targeting and effectiveness of ALMPs, supporting vulnerable groups or contributing to Public Employment Services performance.</p>
<p>2.2. The EESC believes that it is the responsibility of the Commission, the Member States and European and national social partners to plan and implement measures to ensure sustainable quality work.</p>	<p>The Occupational and Safety Health (OSH) Strategic Framework stresses that action is needed at EU, national, sectoral, and company level to be able to deliver on its objectives.</p>

[...]	
<p>2.6. The EESC firmly believes that implementing the 2030 Agenda Sustainable Development Goals, in particular Goal 8, adopted by the 193 United Nations Member States in 2015, can make a significant contribution to ensuring sustainable quality work also taking into account economic growth, full and productive employment. Especially during the recovery period, the European Commission should focus more on achieving these objectives and encourage Member States to achieve them.</p>	<p>Full implementation of the 2030 Agenda for Sustainable Development remains crucial to promote sustainable quality work, taking into account economic growth, full and productive employment.</p> <p>The European Pillar of Social Rights Action Plan proposes employment, skills and social protection headline targets for the EU to be achieved by 2030 and several specific actions are aimed at to support their achievement.</p>
<p>2.10. The EESC notes that ensuring decent work is one of the essential elements of ensuring quality work. It therefore calls on the Commission, the Member States and social partners to pay more attention to the issues of decent and quality work.</p> <p>2.11. The EESC is aware that providing components of quality work also depends on the resilience of European companies in the global market, as well as on the internal market situation, various business models and economic policies. It therefore calls on the Commission and the Member States to create, together with the social partners, conditions that encourage sustainable investments and thus enable employers to provide quality work on a sustainable basis and to tackle unfair practices. Member States should help to speed up this situation through various incentives, policies and appropriate regulations.</p>	<p>The Commission agrees that decent work is an essential component of quality work and has put decent work and fair wages among its priorities. In October 2020 the Commission proposed a Directive on adequate minimum wages in the EU⁴⁸. This proposal aims to ensure that workers in the Union are protected by adequate minimum wages allowing for a decent living wherever they work. The proposal fully respects the specificities of national systems, national competences, social partners' autonomy and contractual freedom.</p> <p>The Commission is currently working on a sustainable corporate governance initiative to foster long-term sustainable and responsible corporate behaviour in businesses across Europe.</p>

⁴⁸ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adequate minimum wages in the European Union COM/2020/682 final

<p>strategies and in implementing policies and measures relating to older people in the labour market, including appropriate integration into the labour market.</p>	<p>received CSRs on pensions, active ageing and employment of older workers. The Employment Guidelines also call on Member States to establish a constructive dialogue with social partners and other relevant stakeholders on key policy issues, including that of demographic change, and involve them in the design and implementation of employment, social and, where relevant, economic reforms and policies.</p> <p>Since 2016, social partners at national level have been involved in the Multilateral Surveillance process run by the Employment Committee (EMCO).</p>
<p>7.2. Digital solutions also raise concerns regarding contractual relations between workers and employers. In order to ensure sustainable components of quality work, it is necessary to monitor developments in the labour market and to ensure that adequate mechanisms are in place to protect workers' fundamental rights, without hampering the development of digital solutions. The EU, the Member States, the social partners and other stakeholders should all play a role in finding fair solutions for people's concerns. The EESC stresses that increased digitalisation in working life can bring benefits, while also posing challenges. In this regard, the EESC acknowledges that swift implementation of the European Social Partners framework agreement on digitalisation can play an important role.</p> <p>7.3. There is an urgent need to manage artificial intelligence in the workplace, in</p>	<p>New forms of work, such as those in the platform economy, can create opportunities for workers, self-employed, customers and businesses, as well as additional jobs and income to people. Yet, platform work can also lead to new forms of precariousness, in-work poverty, opaqueness in employment decision-making processes, as well as a race-to-the-bottom in social standards.</p> <p>To ensure decent working conditions in platform work, the Commission has put forward a legislative proposal on 9 December 2021. The proposal, among other things, addresses the impact of digital solutions such as algorithm management on working conditions in platform work.</p> <p>Based on an extensive consultation, the Commission has also put forward a</p>

<p>particular with regard to preventing discriminatory practices, unlawful surveillance of workers - including the right to disconnect - and other detrimental treatment of workers. The social partners must be included in the processes of adopting and implementing legislation on artificial intelligence.</p>	<p>legislative proposal for harmonised rules on Artificial Intelligence (AI Act)⁵⁰ to address risks for fundamental rights and safety, which may be caused by certain uses of AI systems. The AI Act classifies as high-risk AI systems intended to be used for recruitment or selection of persons in the area of employment, as well as for making decisions on promotion and termination, for task allocation and for monitoring and evaluating performance and behaviour in the workplace. Such AI systems would thus have to comply with a number of requirements, for example in relation to the quality of training and testing datasets, transparency, and human oversight. Finally, the proposal for a European Declaration on Digital Rights and Principles referred to under point 1.4 above is also relevant in this context.</p>
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⁵⁰ Proposal for a Regulation of the European Parliament and of the Council Laying Down Harmonised Rules On Artificial Intelligence (Artificial Intelligence Act) and Amending Certain Union Legislative Acts COM/2021/206 final

<p>N°5 Emergency measures to support employment and income during the pandemic crisis (own-initiative opinion) EESC 2021/2844 – SOC/686 563rd Plenary Session – September 2021 Rapporteur: Cinzia DEL RIO (IT-II) DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The EESC welcomes the SURE initiative, which by financing short-time work schemes, income support and business support has protected a quarter of the total working population, preserving jobs and businesses' productive capacity, as well as having a positive impact on the economy and the labour market. However, these figures do not sufficiently highlight the individual measures financed by the various countries, the amounts involved and the categories of workers covered by the aid.</p> <p>4.13. The EESC has taken note of the estimates regarding the individuals and businesses supported by SURE⁵¹, but notes that these figures fail to identify either the individual measures financed by the Member States and the respective budgets, or their impact on the capacity to mitigate the risks of unemployment and on income protection.</p>	<p>The first and the second SURE implementation reports, addressed to the Council, the European Parliament, the Economic and Financial Committee (EFC) and the Employment Committee (EMCO) and published on 22 March 2021 and 22 September 2021 respectively⁵², present aggregated information and statistics on the types of measures supported by SURE across Member States and the beneficiaries of such measures (firms, employees, self-employed).</p> <p>Member States were granted loans with maximum amounts by Council implementing decisions, to be spent on the measures agreed in those implementing decisions. The detailed allocation is left to Member States, in the spirit of ownership and in order to provide operational flexibility to manage the crisis and its effects, given the evolving country-specific circumstances. Therefore, the implementation reports do not document</p>

⁵¹ [EUR-Lex - 52021DC0148 - EN - EUR-Lex \(europa.eu\)](#)

⁵² https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_21_1209/IP_21_1209_EN.pdf [Second report on the implementation of SURE | European Commission \(europa.eu\)](#)

	the amounts of the individual measures eligible for support under SURE.
1.5. The EESC proposes that a SURE observatory be set up for as long as SURE is in operation, involving the social partners and other civil society organisations. The observatory would be tasked with monitoring and assessing the impact in individual countries of the measures, which receive financing, in order, inter alia, to identify models for systems in the future that could be used to reduce working time and support incomes in similar crisis situations.	<p>The Commission takes note of the Committee's proposal and recalls that its task is to assess Member States applications for SURE and the use of the financial assistance. Member States are responsible for the effectiveness and efficiency of their own schemes designed to preserve employment. Member States may decide to conduct evaluations on the functioning of their short-time work schemes and similar measures.</p> <p>While the Commission does not have the competence to impose this as a requirement for Member States, it may encourage such evaluations, collect information on Member State evaluations, support the exchange of best practices and rely on the compiled information for its work on Commission policies.</p>
7. The EESC recommends combining the use of SURE with active labour market policies and vocational training and re-skilling programmes aimed at creating stable and quality employment, combating in-work poverty and fragmented and unstable forms of work, which do not provide any guarantee of adequate social security coverage and also affect public welfare systems.	<p>The Commission agrees with the Committee's recommendation for Member States to combine employment retention measures, such as the ones supported by SURE, with active labour market support. This is the approach promoted by the Commission Recommendation on the Effective Active Support to Employment (EASE), adopted in March 2021⁵³.</p> <p>Specifically, expenditure for training measures directly linked to the</p>

⁵³ Commission Recommendation (EU) 2021/402 of 4 March 2021 on an effective active support to employment following the COVID-19 crisis (EASE) C/2021/1372, *OJ L* 80, 8.3.2021.

	implementation of short-time work schemes can be eligible for financing under SURE, and some Member States have availed themselves of this possibility.
1.9. The EESC stresses the need to shape and complete Europe's social dimension more consistently, while ensuring Europe's competitiveness in the global context [...]	The Commission agrees on the importance of completing the EU social dimension, and is firmly committed to implementing the European Pillar of Social Rights Action Plan ⁵⁴ and the headline targets announced there.
1.10. The EESC supports the Commission communication suspending the general escape clause of the Stability and Growth Pact and calls for a "shift" towards a revised and rebalanced economic governance framework geared towards promoting productive investment. It will be essential to help Member States put their public finances on a sustainable footing and in this way increase confidence in investment.	In February 2020, the Commission launched a public debate on the EU's economic governance framework ⁵⁵ . One of the issues it sought to discuss in the public debate was the role for the EU surveillance framework in incentivising Member States to undertake investments needed to help tackle today and tomorrow's economic, social and environmental challenges while preserving safeguards against risks to debt sustainability. The Commission had to put the public consultation on hold shortly after its launch in order to focus on the immediate response to the pandemic.
5.2. The EESC has already highlighted the need to resume the process of reviewing the EU's economic governance framework, which was suspended until 2022 by the Commission communication of 20 March 2020. The EESC supports this communication, which expresses the intention of deciding on a future deactivation of the general escape clause of the Stability and Growth Pact informed by an overall	On 15 September 2021, President Von der Leyen announced in her State of the Union address to the European Parliament that the Commission would relaunch the discussion on the

⁵⁴ Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions The European Pillar Of Social Rights Action Plan, Com/2021/102 Final.

⁵⁵ Communication From The Commission To The European Parliament, The Council, The European Central Bank, The European Economic And Social Committee And The Committee Of The Regions Economic Governance Review Report On The Application Of Regulations (Eu) No 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 And 473/2013 And On The Suitability Of Council Directive 2011/85/EU Com/2020/55 Final

assessment of economic performance based on quantitative criteria. For this reason, the EESC calls for a "shift" towards a revised and rebalanced economic governance framework geared towards prosperity, preferably with simplified rules and less procyclicality reflecting the post-pandemic context.	economic governance review of the EU in the coming weeks. The Commission adopted a Communication on 19 October 2021 ⁵⁶ to formally relaunch the debate. It takes stock of the impact of and lessons from the Covid-19 crisis and the coordinated policy response, and looks into the implications for the economic governance review.
1.11. The EESC believes that the support and participation of the social partners brings added value to European and national policies. It is therefore essential that they are involved in the measures co-financed by SURE, leveraging collective bargaining in specific sectors hit particularly hard by the crisis. However, this must not be merely a formality: the social partners must be given a genuine and legitimate role in proceedings.	The Commission agrees that the involvement of social partners is beneficial to policy-making. For what concerns the measures supported by SURE financial assistance, the responsibility of their design and implementation lies fully with the Member States, while coordination with social partners in this regard would take place within the relevant national legal and institutional frameworks.
2. The EESC fully acknowledges the positive results of SURE highlighted in the Commission's report of March 2021 and endorses the proposal for its stabilisation in support of workers and businesses as a tool for the EU's integration and socio-economic resilience in times of crisis such as the current one. This should take place following monitoring and evaluation by the SURE Observatory, which the EESC proposes to set up.	<p>The priority is still to concentrate the collective efforts on the response to the COVID-19 crisis and the support to the on-going economic recovery, through the deployment of SURE, and our recovery strategy, through the Recovery and Resilience Facility (RFF).</p> <p>Any reflection on a permanent instrument would need to factor in the experience with both SURE and, importantly, the RRF. The Commission has begun to take stock of the performance of SURE with the first two bi-annual reports that have now been published.</p>

⁵⁶ Communication From The Commission To The European Parliament, The Council, The European Central Bank, The European Economic And Social Committee And The Committee Of The Regions The Eu Economy After Covid-19: Implications For Economic Governance, Com(2021) 662 Final.

	<p>The Commission has set up a careful monitoring of SURE implementation, in accordance with Regulation 2020/672⁵⁷ and based on Member States' regular reporting. In particular, it looks at absorption issues and at the implementation of planned measures. It also looks at the impact of SURE, as reflected in its first two bi-annual reports, which contain detailed information.</p>
<p>4. Some countries did not apply for SURE funding. Their governments have given various reasons for this: in some countries, the national funds available were sufficient to cover the additional public expenditure incurred by the increase in unemployment; additional resources could be raised on the market at equally advantageous rates; the administrative procedures for accessing SURE were too costly, and other countries have used the temporary measures put in place by the Commission on budget flexibility and state aid⁵⁸.</p>	<p>The Commission is not aware of any evidence pointing to an excessive burden with respect to SURE administrative procedures that would have discouraged Member States from applying for support.</p> <p>Demand for SURE has been extremely high, and the eight Member States that did not apply for support had no interest in doing so, as they were able to finance themselves on the markets at similar or inferior rates.</p>
<p>3.5. Based on the reports submitted by the Member States, the Commission's March 2021 report estimates that SURE supported between 25 and 30 million workers in 2020: a quarter of the workforce in those Member States which received SURE funds. Specifically, it supported about 21.5 million employees and 5 million self-employed people. In addition, SURE helped between 1.5 million and 2.5 million businesses, or 12 to 16% of businesses in the Member States,</p>	<p>The Commission published the second report on SURE on 22 September 2021, providing updated coverage estimates. SURE is estimated to have supported 31 million people in 2020, more than one quarter of total employment in beneficiary Member States. This includes 22 million and a half employees and 8 million self-employed. Over 2 million and a half firms were</p>

⁵⁷ Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak, OJ L 159, 20.5.2020, p. 1.

⁵⁸ Eurofound, *ibid.*, chap. 3, 2021.

which received SURE funds.	supported in 2020.
3.6. The report points out that the public support schemes financed by SURE are reducing labour costs for businesses and providing an alternative form of household income support, with better outcomes than traditional unemployment benefits. Furthermore, the Commission points out that the employment support schemes are most effective in countries that already had national support schemes to mitigate the impact of unemployment.	The Commission did not indicate in reports on SURE that “the employment support schemes are most effective in countries that already had national support schemes to mitigate the impact of unemployment”. The reports have shown that SURE played a role in the decision to adopt a new short-time work scheme, or modify an existing one, in a majority of beneficiary Member States. The national labour market measures supported by SURE have likely reduced unemployment by almost 1 million and a half people in 2020.
3.7. By the end of 2020, 80% of the budget for eligible measures had been disbursed. Almost all Member States have already spent or plan to spend the total amount granted under SURE.	By the end of 2020, EUR 39.5 billion had been disbursed by the Commission, almost half of the total allocated to Member States under SURE at the time. As of October 2021, 95% of the EUR 94 billion allocated to Member States had been disbursed.
3.8. Member States saved around EUR 5.8 billion of interest by using SURE rather than issuing sovereign debt themselves, thanks to the high credit rating of the Commission. Future disbursements are likely to generate further savings.	As per the second SURE report, Member States have now saved EUR 8.2 billion in interest payments.
4.4. It provides financial support for national short-time work schemes and similar measures, including in ongoing employment relationships, protecting jobs and limiting unemployment and workers' loss of income, while also alleviating the costs of unemployment benefits and social security dues for businesses, as they are largely covered by public resources through the	According to Regulation 2020/672, all similar measures supported under SURE are aimed at protecting employees and the self-employed and thus reducing the incidence of unemployment and loss of income.

emergency measures.	
4.9. The EESC calls for a review of SURE's assistance and access procedures with a view to simplifying the administrative procedures and reporting mechanisms.	The Commission does not see a need to simplify administrative procedures and reporting mechanisms, which have proved to be both efficient and effective. In particular, they have allowed a very fast deployment of financial assistance while ensuring transparency and equal treatment of Member States, and a rigorous and timely monitoring of the use of support.
4.11. The EESC considers that the SURE programme in individual Member States should guarantee coverage of all employees and all types of self-employment and atypical work, where young people figure significantly.	The Commission agrees on the importance of ensuring adequate protection to all workers, including self-employed and atypical workers. However, it is up to the Member States to decide whether to request SURE financial assistance, and for which measures. Their specific design and implementation remains a prerogative of Member States.
4.12. The limited data available show that both the European institutions and the national institutions have failed to engage with the social partners in determining the best use of SURE; the EESC recommends that provision be made for a mechanism to ensure ongoing consultation.	The involvement of social partners in determining the use of SURE financial assistance at national level is a responsibility of the Member States.
5.6. The support and participation of the social partners is a priority for the EESC. It is therefore fundamental that they be given a role at European and national levels in discussing, engaging in and negotiating the measures co-financed by SURE, leveraging collective bargaining in specific sectors hit particularly hard by the crisis. However, this must not be merely a formality: the social	The Commission agrees that the involvement of social partners is beneficial to policy-making. For what concerns the measures supported by SURE financial assistance, the responsibility of their design and implementation lies fully with the Member States.

partners must be given a genuine and legitimate role in proceedings.	
5.7. The EESC considers that it is important to point out that SURE resources should also be used to finance initiatives to curb the spread of the virus in the workplace. These initiatives should comprise health and safety measures geared towards prevention and protection, with a view to alleviating the costs incurred by companies as they adapt production to safety protocols.	Public expenditure on health and safety measures aimed at protecting workers from contagion at the workplace can be supported under SURE. Some of Member States availed themselves of this possibility.
5.10. In the event of an economic crisis, the EESC calls on the European institutions to play a more effective and supportive role in social matters, role in social matters, particularly by regulating and financing measures to support workers and businesses. The European institutions should promote a public debate for the establishment of a permanent European unemployment reinsurance scheme with a different legal basis, taking into account previous EESC opinions ⁵⁹ .	<p>The priority is still to concentrate the collective efforts on the response to the COVID-19 crisis and the support to the on-going economic recovery, through the deployment of SURE, and our recovery strategy, through the RRF.</p> <p>Any reflection on a permanent instrument would need to factor in the experience with both SURE and, importantly, the RRF. The Commission has started to take stock of the performance of SURE with the first two bi-annual reports that are published.</p>

⁵⁹ SOC/583 on common minimum standards, [OJ C 97, 24.3.2020, p. 32](#); Beblavy Miroslav, Karolien Lenaerts, *Feasibility and added value of a European Unemployment Benefits Scheme*, CEPS, 2017.

<p>N°6</p> <p>Guidelines for the employment policies of the Member States</p> <p>COM(2021) 282 final</p> <p>EESC 2021/3547 - SOC/699</p> <p>563rd Plenary Session – September 2021</p> <p>Rapporteur: Marina Elvira CALDERONE (IT-III)</p> <p>DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The EESC welcomes the proposal for a Council Decision on guidelines for the employment policies of the Member States. The guidelines are a useful benchmark for steering the employment policies towards supporting the gradual hoped-for exit from the crisis situation caused by the pandemic and for directing the various forms of economic support towards a favourable outcome in terms of employment.</p>	<p>The Commission welcomes that the Committee sees the Employment Guidelines a useful benchmark for steering the employment policies towards supporting the gradual hoped for exit from the crisis situation caused by the pandemic.</p>
<p>1.2. The employment guidelines must take into account the impact of the COVID-19 pandemic on the labour market, the European Pillar of Social Rights Action Plan and the outcome of the Porto Social Summit, which set ambitious social targets for employment, combating poverty and access to skills.</p>	<p>The Commission agrees with the Committee. Already in 2020, the Employment Guidelines were thoroughly updated in order to reflect the need for updated policy guidance in light of the COVID-19 crisis, as well as the political priorities of this Commission, including the green and digital objectives and the fair dimension of the twin transition, and the integration of the Sustainable Development Goals. The Commission proposal for the 2021 Employment Guidelines also reflects the outcome of the Porto Social Summit⁶⁰, with the</p>

⁶⁰ [Porto Social Summit - Consilium \(europa.eu\)](https://consilium.europa.eu/en/press/press-releases/2021/09/02/porto-social-summit/)

	European Pillar of Social Rights ⁶¹ as a fundamental element of the recovery, and refers explicitly to the new 2030 EU headline targets on employment, skills and poverty reduction.
1.3. European policies need to be coordinated with the objectives of the employment guidelines, strengthening the labour market, supporting firms' productivity and competitiveness, as well as the social market economy of the European Union and strengthening structural measures for the transition from temporary job protection measures to quality job creation.	The Commission agrees with this statement that is well reflected in the Guidelines. In addition, the Commission Recommendation on Effective Active Support to Employment (EASE) ⁶² , following the COVID-19 crisis, outlines a strategic approach to gradually transition from emergency measures taken to preserve jobs during the pandemic to new measures needed for a job-rich recovery. With EASE, the Commission promotes job creation and job-to-job transitions, including towards the digital and green sectors.
1.5. With regard to Guideline 6, which aims to increase labour supply and improve access to employment, skills and competences, the EESC notes that it is crucial that each Member State is able to plan effective coordination between the investment measures for training and the labour market provided for by the national recovery and resilience plans (NRRPs) and the Structural Funds.	The Commission agrees with the Committee and is pleased to say that Member States in their national recovery and resilience plans put a lot of emphasis on reforms and investments in education and training. The Recovery and Resilience Facility must be consistent with and complementary to ongoing Union programmes. The Commission is playing a supporting role, yet it is primarily for the Member States to ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and regional levels, in particular in

⁶¹ Interinstitutional Proclamation on the European Pillar of Social Rights *OJ C 428, 13.12.2017, p. 10–*.

⁶² Commission Recommendation (EU) 2021/402 of 4 March 2021 on an effective active support to employment following the COVID-19 crisis (EASE) *C/2021/1372 OJ L 80, 8.3.2021*

	<p>relation to measures financed by Union funds, both in the planning phase and during implementation.</p> <p>Moreover, investments under the European Social Fund Plus (ESF+) will continue to support Member States to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work. Those investments will also support Member States to achieve inclusive and cohesive societies aiming at eradicating poverty and delivering on the principles set out in the European Pillar of Social Rights.</p>
<p>1.6. Social dialogue and collective bargaining are an important pillar of the sustainability and resilience of European economies, but in some Member States there is still a need for a regulatory and institutional framework at national level that facilitates and supports industrial relations systems.</p>	<p>The Commission agrees with the Committee that social partners' involvement plays a crucial role to achieve good policy outcomes. This is why the Commission always stresses that social partners need to feature strongly in the recovery strategy and should be actively involved in the preparation and implementation of national recovery and resilience plans, to ensure that the recovery is robust, fair and inclusive.</p> <p>Furthermore, the Commission provides support to European and national social partners through project funding and through the organisation of social dialogue meetings. The Commission remains committed to strengthening social dialogue at all levels, as</p>

	<p>highlighted in the European Pillar of Social Rights Action Plan⁶³. After consulting social partners in 2021, the Commission will present an initiative to support social dialogue at EU and national level in 2022.</p> <p>The Commission is also committed to actively supporting collective bargaining, in particular through the proposed Directive on adequate minimum wages in the EU⁶⁴. The proposal contains provisions specifically aimed at promoting collective bargaining on wage setting and the involvement of social partners in statutory minimum wage setting.</p>
<p>1.8. The EESC also reiterates the importance of designing effective inclusion policies, to be considered as a crucial investment in that same growth and upgrading of economic and production systems. It is also crucial to introduce measures to avert the risk of "new poverty" among low-income workers, in conjunction with other coherent anti-poverty strategies.</p>	<p>With the European Pillar of Social Rights Action Plan, the Commission put forward a new anti-poverty headline target – reducing the number of people at risk of poverty or social exclusion by at least 15 million by 2030, of which at least 5 million should be children as a complementary goal – endorsed at the Porto Social Summit. The current crisis and challenges require adequate social protection systems, in particular in relation to sustainably ensuring adequate incomes and the provision of quality services especially for all those who need them most.</p> <p>To tackle and prevent poverty, different policy areas play an important role,</p>

⁶³ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Pillar of Social Rights Action Plan COM/2021/102 final

⁶⁴ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adequate minimum wages in the European Union COM/2020/682 final

	<p>including the design of tax and benefit systems, wage setting mechanisms, inclusiveness and equal opportunities starting from early age, as affirmed by the European Child Guarantee Recommendation⁶⁵. The assessment of the distributional impacts of policies should be ensured, including in the context of the green and digital transitions.</p> <p>In addition, the EU Gender Equality Strategy for 2020-2025, aims at achieving equal participation of women across different sectors of the economy; addressing the gender pay, pension and employment gaps. In March 2021, the Commission proposed a directive on pay transparency of salaries, to ensure women and men in the EU get equal pay for equal work. The proposal for a directive will be discussed with the Parliament and Council during the coming months.</p>
2.9. All workers should have access to social protection, also in telework and in the new forms of work, including platform work, strengthening welfare systems.	<p>Ensuring access to adequate social protection for all workers and the self-employed is part of the European Pillar of Social Rights (principle 12). This principle has been operationalised through the 2019 Council recommendation on access to social protection for workers and the self-employed⁶⁶. The Commission supports the implementation by the Member States of this Council recommendation</p>

⁶⁵ Council Recommendation (EU) 2021/1004 of 14 June 2021 establishing a European Child Guarantee ST/9106/2021/INIT *OJ L* 223, 22.6.2021, p. 14–23

⁶⁶ Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed 2019/C 387/01 ST/12753/2019/INIT *OJ C* 387, 15.11.2019, p. 1–8

	<p>and will review it by November 2022.</p> <p>In the context of new forms of work, such as platform work, the potential misclassification of the employment status affects the access to social protection. The Commission presented a legislative initiative on improving the working conditions of people working through platforms on 9 December 2021.</p>
<p>3.1.7. The active and structured involvement of the social partners and civil society organisations is essential for implementing the national recovery and resilience plans (NRRPs) and achieving the objectives of the action plan. The Committee reiterates the need to establish formal consultation procedures that facilitate real exchanges with national governments and institutions and remove existing obstacles to the effective consultation and participation of civil society.</p>	<p>The Commission agrees with the Committee that the active and structured involvement of the social partners and civil society organisations is essential for implementing the national recovery and resilience plans.</p> <p>The Commission has invited Member States to engage actively with social partners in the preparation and implementation of their recovery and resilience plans. The Regulation establishing the Recovery and Resilience Facility requires Member States to include in their national plans a summary of the consultation process with relevant stakeholders, including social partners, for the preparation and, where available, the implementation of the national plans, in accordance with the national legal framework, and to indicate how their input is reflected in the plan.</p> <p>The Commission is playing a supporting role, including through actions at the national level supported by the European Semester Officers based in the Member States.</p>
<p>3.1.10. [...] In the light of Guideline 5 and</p>	<p>The Commission takes note of the</p>

	<p>neutrality, by addressing the relevant employment and social aspects linked to the transition in a comprehensive manner.</p>
<p>4.6. The EESC reiterates the importance to make use of the full potential offered by teleworking as a tool for improving working conditions and work-life balance, while safeguarding against it becoming a possible source of discrimination and hardship.</p>	<p>The Commission shares the view of the Committee. The pandemic has clearly shown an increase in telework and, at the same time, both the potential and the pitfalls of remote working. Telework can indeed facilitate improved work conditions and work-life balance, contributing to raising both productivity and well-being, thereby leading to better economic and social outcomes.</p> <p>However, telework can also bring some risks, such as from the blurring of traditional lines between work and private life, higher work intensity or difficulties ensuring collective representation and participation in workplace decision-making. Therefore, Communication on an EU strategic framework on health and safety at work 2021-2027⁶⁹ mentions that the Commission will modernise the Occupational Safety and Health (OSH) legislative framework related to digitalisation by reviewing the Workplaces Directive and the Display Screen Equipment Directive by 2023.</p> <p>Furthermore, the Commission proposed on 26 January 2022 a European Declaration on Digital Rights and Principles, with the objective of promoting and upholding EU values in</p>

⁶⁹ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS EU strategic framework on health and safety at work 2021-2027 Occupational safety and health in a changing world of work COM/2021/323 final

	<p>the digital space and ensure that digitalisation delivers benefits for all Europeans. The proposed declaration includes, among others, principles on working conditions in the digital environment, including a proposed commitment to ensure that everyone is able to disconnect and benefit from safeguards for work-life balance in a digital environment. The Commission proposes that such declaration is solemnly and jointly signed by the European Parliament, the Council and the Commission.</p>
<p>4.8. As regards Guideline 7, which aims to enhance the functioning of labour markets and the effectiveness of social dialogue, the EESC notes that the objectives of supporting workers' mobility and employability could be achieved by setting up a European digital platform for matching labour supply and demand.</p>	<p>The Commission would like to recall that the European network of employment services (EURES), launched in 1994, is a cooperation network designed to facilitate the free movement of workers within the EU countries plus Switzerland, Iceland, Liechtenstein and Norway. Via its extensive human network of EURES advisers and with the substantial support of the EURES – European Job Mobility Portal⁷⁰ (digital platform), EURES provides, free of charge, a unique range of information and employment services to jobseekers and employers interested in pursuing employment opportunities, or in recruiting jobseekers throughout Europe, thus facilitating the functioning of labour markets.</p> <p>Currently on the EURES Portal there are more than 850 000 CVs and 3.5 million job vacancies are available.</p>

⁷⁰ [EURES – European Job Mobility Portal](#)

<p>N°7 Action Plan for the development of EU organic production COM(2020) 141 final EESC 2021/2575 - NAT/818 563rd Plenary Session: - September 2021 Rapporteur: Andreas THURNER (AT-III) DG AGRI – Commissioner WOJCIECHOWSKI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The EESC considers the European Green Deal target of making 25% of agricultural land in the EU organic by 2030 to be very ambitious;</p>	<p>The Commission considers that the 25% target is ambitious but achievable subject to the full implementation of the action plan by all stakeholders.</p>
<p>1.3. The EESC supports in particular the Commission's market-oriented approach to further increasing consumer demand and confidence in organic products. A balance between demand and supply is crucial for the sector's successful development;</p>	<p>The action plan takes a demand-driven approach, starting from the basic recognition that farmers, food processors, etc. will only convert to organic production if they observe a growing consumer demand for organic products. At the same time, it emphasizes the need for the balanced development of demand and supply.</p>
<p>1.4. The EESC recommends establishing a kind of "twinning mechanism" to step up exchanges of experience between Member States, since they are starting out from different positions. Exchanges between farmers should also be encouraged. The EESC would be happy to take part in any activities to raise awareness of organic production (for example as part of an annual EU organic day);</p>	<p>The Commission has proposed that Member States appoint a national “organic ambassador”, who would promote organic production and coordinate domestically all efforts in support of organic production but also act as a contact point for the exchange of best practices amongst Member States.</p> <p>The dissemination of best practices amongst farmers will be supported via the next Common Agricultural Policy, namely via the Agricultural Knowledge and Innovation System.</p> <p>Actions focused on raising awareness of</p>

	<p>organic production and its benefits are a key component of the action plan and the Commission will be pleased to partner with the Committee for the organisation of relevant events. The Committee was represented at the signing of the joint declaration on the establishment of an annual EU organic day on 23 September 2021.</p>
<p>1.8. The EESC points out that organic products usually cost more than conventional products. This is an obstacle for certain low-income social groups. The EESC therefore suggests that appropriate accompanying measures be put in place to ensure that organic products are also accessible to socially vulnerable groups;</p>	<p>The action plan aims for the enhanced accessibility and affordability of organic products for consumers. The affordability of organic products will be increased by further development of the market, which should result in organic products becoming mainstream rather than niche products. This will also help in maturing the organic supply chains.</p>
<p>1.9. The EESC believes, in particular, that the public sector (local, city, regional and federal authorities) should make greater use of regional organic food products in public procurement (e.g. in canteens). In doing so, they should also take account of seasonality;</p>	<p>The action plan identifies Green Public Procurement as a promising tool to fuel demand for organic products. The Commission calls on all public authorities to make greater use of this tool. It will explore the organisation of dedicated events on the promotion of this tool.</p>
<p>1.10. The EESC stresses the need for sufficient financial resources for research and innovation to support the organic sector.</p>	<p>The Commission is fully committed to its intention of dedicating at least 30% of the budget for research and innovation actions in the field of agriculture, forestry and rural areas to topics specific to or relevant for the organic sector.</p>
<p>3.1. The EESC considers the European Green Deal target of making 25% of agricultural land in the EU organic by 2030 to be very ambitious. At present, the figure is around 8.5%. In other words, the area organically farmed is to be roughly</p>	<p>The Commission considers that the 25% target is ambitious but achievable subject to the full implementation of the action plan by all stakeholders.</p>

tripled by 2030.	
<p>3.4. Organic farming usually means higher per unit production costs (due to extra costs and lower yield) compared with conventional farming. These additional costs also have to be covered by corresponding market revenues if the development of the organic sector is to be sustainable. However, as professionalisation along the whole organic food chain progresses, the price/performance ratio should develop positively.</p>	<p>The action plan aims for lower production costs and higher yields for farmers via the dissemination of best practices and research and innovation actions. It also aims at ensuring a fair income for farmers via actions focused on strengthening their position in the value chain.</p>
<p>3.5. Member States are starting out from very diverse positions. On the one hand, there are those where organic farming and its marketing are already well established. On the other, there are those where the percentage of organically farmed areas is only in the low single figures. Due account must be taken of these different regional starting points in the planning of the measures. The EESC recommends establishing a kind of "twinning mechanism" to step up exchanges of experience between Member States. Member States with a well-established organic sector have often adopted a "push-pull" approach and taken both measures to promote production and measures to increase demand for organic products. The food retail sector also plays an essential role in the further development of the organic sector.</p>	<p>The Commission is fully aware of the very different starting positions of the different Member States. That is why the Commission has called for an approach in support of organic production that is fully tailored to national circumstances (no "one size fits all").</p> <p>Both the National Strategic Plans being developed for the next Common Agricultural Policy and the national organic action plans that the Commission is calling for, provide Member States with the necessary tools to devise such an approach tailored to national circumstances.</p> <p>The Commission has proposed that Member States appoint a national "organic ambassador", who would promote organic production and coordinate domestically all efforts in support of organic production but also act as a contact point for the exchange of best practices amongst Member States.</p>
3.6. The wide variety of structures and	The Commission is committed to

<p>significant regional differences in Europe repeatedly lead to complex situations and issues in the implementation of the provisions of the EU Organic Regulation. To successfully develop the sector, a balance needs to be found that meets the need for consistent application of the rules across the EU, fulfils consumers' expectations and provides the necessary flexibility to take appropriate account of local differences and circumstances, where possible under the Regulation.</p>	<p>developing appropriate secondary legislation within the boundaries established by the basic legislation.</p>
<p>3.7. The European Commission's Organic Action Plan here under discussion, which focuses on three priority areas (promoting consumption, increasing production and further strengthening sustainability), provides a solid basis for the sustainable development of the organic sector. Implementation in the Member States should be accompanied by a continuous monitoring and evaluation process.</p>	<p>The action plan foresees a number of monitoring and evaluation actions, including an annual follow-up meeting, bi-annual progress reports and a midterm review in 2024.</p> <p>The implementation of the National Strategic Plans under the next Common Agricultural Policy will be the subject of specific monitoring and evaluation mechanisms in accordance with the legislation on the next Common Agricultural Policy.</p>
<p>3.8. The Member States, with the involvement of the relevant stakeholders, should draw up national/regional organic action plans and make use of the opportunities available under the CAP (including when drafting the national CAP strategic plans) to support organic farming.</p>	<p>The Commission considers that Member States should make full use of the two key tools at their disposal for defining the national level of ambition, with respect to organic production, and for setting out a comprehensive and fully consistent set of interventions in support of organic production: the National Strategic Plans for the next Common Agricultural Policy and national organic action plans.</p> <p>Various types of intervention under the next Common Agricultural Policy can contribute to organic farming, for</p>

	<p>example:</p> <ul style="list-style-type: none"> -eco-schemes; -environmental interventions under sectoral programmes; -environmental, climate and other management commitments; -investments (in appropriate machinery and equipment needed in organic farming; in processing and marketing of organic products; in small-scale infrastructures for local markets; -co-operation (the creation or development of producer groups for organic products; the promotion of organic products (promotion of quality products); the creation of partnerships between producers and collective restaurants/school canteens; support to local start-ups related to the sale of organic products); -knowledge exchange and information;
<p>4.1. High consumer confidence is a prerequisite for the success of organic farming. Consumers must be able to rely on compliance with applicable production standards throughout the food chain, from production to processing and consumption. The measures provided for so as to prevent fraud and improve traceability are therefore especially important. In particular, it is a good idea to also make use of the opportunities offered by digitalisation.</p>	<p>Actions 5, 6 and 7 of the action plan focus on preventing food fraud and strengthening consumer trust, and on improving traceability. They include a strong focus on making greater use of digital tools.</p>
<p>4.2. The planned measures to improve market transparency and the data available in the organic sector will help economic operators to draw the right</p>	<p>Increasing the availability of statistics related to organic production is a key priority in the action plan. The data will be valorised as appropriate via publications</p>

<p>conclusions in this process. So far, statistics at European level have in the main not distinguished between conventional and organic product segments. The inclusion of organic production in the analyses carried out by DG AGRI's market observatories is a step forward. In this connection, the Committee would suggest that DG AGRI's annual AGRI Outlook conference should also appropriately reflect developments in the organic sector.</p>	<p>and events.</p>
<p>4.3. The planned strengthening of farm advisory services and measures to promote the exchange of knowledge on organic farming are important flanking measures. Exchanges between scientists, advisory services, the education sector, farmers and society should be stepped up. Regional and international exchange programmes can be very beneficial, especially for young farmers.</p>	<p>The dissemination of best practices amongst farmers will be supported via the next Common Agricultural Policy, namely via the Agricultural Knowledge and Innovation System.</p> <p>The action plan includes an action focused on the promotion of the exchange of best practices (education and training curricula, courses, materials, etc.) at EU and national level, allowing education providers (e.g. technical schools, universities) to develop courses on organic farming as part of the general curriculum, and present innovative solutions targeting the organic sector (production, processing, retailing and consumption).</p>
<p>4.4. Consumers should be informed also about the benefits and challenges of organic products through appropriate awareness-raising measures (ideally beginning in school). The EU's school fruit, vegetables and milk scheme⁷¹ provides a good point of reference in this</p>	<p>The first axis of the action plan is focused on increasing consumer demand for organic products. Awareness-raising actions are an important component of that axis.</p> <p>A review of the school scheme is on-going. It will explore the possibility of</p>

⁷¹https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/school-fruit-vegetables-and-milk-scheme_en

regard.	increasing the share of organic products in the school scheme and raising awareness of the characteristics and benefits of organic production via educational activities.
4.5. In order to raise awareness of organic production, the Commission plans, among other things, to introduce an annual EU Organic Day and to organise prizes for excellence in all sectors of the organic food chain. The EESC would be happy to be a partner on this.	The Commission welcomes this offer. Collaboration has already taken place on the organisation of the EU organic day and collaboration is on-going on the organisation of organic awards.
4.6. Consumers are increasingly setting store by regional food. The COVID-19 pandemic has made people even more sensitive to food quality. Shorter and local organic production and marketing chains, in combination, could therefore be a promising way of generating more added value. With regard to sustainability, where possible, organic production, regionality and seasonality should be considered together. A further strengthening of the EU organic logo should be possible in step with the strengthening of established national/regional organic labels. The information provided on the origin of food (raw materials) should be as specific as possible; it should go beyond labelling of "EU/non-EU agriculture", and where possible should indicate the country or region.	<p>The action plan includes a dedicated action on reinforcing local and small-volume processing and fostering short trade circuits. Action 1 of the action plan focuses on strengthening consumer recognition of the logo.</p> <p>It is not envisaged in the immediate future to revise the basic legislation stipulating how to indicate the place where the agricultural raw materials of which the product is composed have been farmed as this basic legislation was revised in 2018 and has entered into application on 1 January 2022.</p>
4.7. There could be great potential for organic products in tourism and gastronomy. This requires transparency and credible certification schemes.	The action plan includes an action focused on encouraging Member States to support the development and the implementation of 'Bio districts'. A 'Bio district' is a geographical area where farmers, the public, tourist operators, associations and

	<p>public authorities enter into an agreement for the sustainable management of local resources, based on organic principles and practices. The aim is to maximise the economic and sociocultural potential of the territory. Each Bio district' includes lifestyle, nutrition, human relations and nature considerations. This results in local agricultural production that is recognised and appreciated by consumers and hence has a higher market value.</p>
<p>4.8. Organic farming is often accompanied by an increase in the workforce due to the greater variety of production processes and thus also has the potential to provide additional employment opportunities in rural areas. On the other hand, the higher labour costs can hamper the development of the organic sector.</p>	<p>The Commission considers that organic production is important for employment creation in rural areas given its higher labour-intensity.</p>
<p>4.9.1. Consumer watchdogs point out, for example, that percentage margins in retail are in some cases significantly higher for organic products than for non-organic products, which may affect the pricing of organic products in relation to conventional food products. Trading margins should be reasonable.</p>	<p>The Commission expects that, as the market for organic products grows, as organic products become mainstream rather than niche products, and as supply chains mature, margins will normalise, which will lower consumer prices.</p>
<p>4.9.2. In some Member States, the – at times significant – price gap with conventional products is a major obstacle to the growth of the consumer market for organic products. Organic food prices also include higher standards for public goods, such as biodiversity on farmland or animal welfare. Against this backdrop, the inclusion of externalities (true-cost pricing) in all products could be a way to</p>	<p>As the market for organic products grows [see previous point], and as conventional agriculture will have to increase its level of sustainability, the Commission expects the consumer price differential between organic and conventional products to decrease.</p>

support the organic farming sector.	
4.9.3 The EESC believes, in particular, that the public sector (local, city, regional and federal authorities) should also set a good example here and make greater use of seasonal and regional organic food products in public procurement (e.g. in canteens). Many European cities ⁷² (including Copenhagen, Vienna and Nuremberg) have already implemented very successful ideas in this regard.	The action plan identifies Green Public Procurement as a promising tool to fuel demand for organic products. The Commission calls on all public authorities to make greater use of this tool. It will explore the organisation of dedicated events on the promotion of this tool.
4.9.4. Shorter food chains, as well as direct marketing opportunities, offer opportunities to set prices that are reasonable for both producers and consumers.	The action plan includes a dedicated action on reinforcing local and small-volume processing and fostering short trade circuits.
4.10. An increasing share of organic land will bring new challenges. Monitoring arrangements should be established to track the trends in pest pressure and plant diseases as climate change advances. Sufficient funding for applied research is needed to cultivate varieties suitable for organic farming, and develop effective phytosanitary measures and innovative solutions. The EESC stresses that free access to varieties and seeds must be ensured.	<p>The action plan includes dedicated research and innovation actions on enhancing genetic biodiversity and increasing yields.</p> <p>This includes earmarking funding under Horizon Europe to support the preservation and use of genetic resources, pre-breeding and breeding activities, and the availability of organic seeds, and to contribute to the development of organic heterogeneous plant reproductive material and plant varieties suitable for organic production.</p>
4.11. In animal nutrition, there have been difficulties for a number of years now in obtaining sufficient organic protein feed and essential amino acids (vitamin B). The promised stepping-up of research into alternatives in this area is urgently needed	The action plan includes an action on improving animal nutrition in accordance with organic rules. The Commission intends to support research and innovation under Horizon Europe on alternative sources of organic vitamins and other

⁷² <https://www.organic-cities.eu/>.

<p>and warmly welcomed.</p>	<p>substances that might turn out to be necessary, and on alternative sources of protein keeping in mind their technical and economic feasibility. The Commission will also explore means to support the application for feed additives produced without genetically modified micro-organisms, feed based on insects as well as marine feed stocks. It will finally adopt an algae initiative in 2022 to support EU algae production and support the EU algae industry to ensure the supply of algae as alternative feed material for organic animal farming.</p>
<p>4.12. For farmers, the conversion period represents a particular challenge because, during this time, their expenses are already higher (e.g. for control costs, organic inputs), but they cannot yet market their products as organic goods. The Member States should provide for appropriate support measures in this regard. The possibility of establishing a market for "conversion-period products" (between organic and conventional) should also be assessed.</p>	<p>Via their National Strategic Plans for the next Common Agricultural Policy and their national organic action plans, Member States can define a comprehensive and fully consistent set of interventions in support of organic production, including on the issue of conversion.</p>

<p>N°8 Towards a Fair Food Supply Chain (Exploratory opinion requested by the Slovenian Presidency) EESC 2021/2472 - NAT/823 563rd Plenary Session: - September 2021 Rapporteur: Branko RAVNIK (SI-III) Co-rapporteur: Peter SCHMIDT (DE-II) DG AGRI – Commissioner WOJCIECHOWSKI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.3. [...] The EESC advocates supporting the transformation of Europe's food systems so that they are more environmentally, economically and socially sustainable, resilient, fair and inclusive and, above all, provide European consumers with healthy, sustainably produced safe food. [...]</p>	<p>The Commission agrees broadly with this statement and has laid out its objectives in the Farm to Fork Strategy. However, the Commission would like to clarify that the aim should not be a transition towards more sustainable food systems, but to fully sustainable food systems.</p>
<p>1.4. The EESC stresses its recommendation that weaker operators, especially farmers, should be paid a fair and just price that allows suppliers to receive an income that is adequate for investment, innovation and sustainable production. A mechanism should be set up to follow up on the monitoring of the distribution of the gross value-added in the food supply chain. According to Commission figures the share of gross value-added in the food supply chain going to the primary producer fell from 31% in 1995 to 23.4% in 2015 (latest figures available).</p>	<p>An efficient functioning of the food supply chain and of related markets is important to strengthen the position of farmers. To this end, the Commission, together with the co-legislators, took action to strengthen producer organisations, ban unfair trading practices, and improve market transparency. However, the distribution of gross value-added is by itself an insufficient indicator for the strength of the position of producers as it only looks at the share of the “cake”, not its total size. In the food supply chain, an increase in the gross value-added could lead to a reduction in producers’ relative share without change to the actual total amount of producers’ value-added, e.g. because of the market growth of ready-to-eat products or of food services.</p>

<p>1.5. The EESC also stresses its recommendation to tackle UTPs that are not considered within the minimum requirements of the Directive and welcomes the efforts undertaken by several Member States to address issues such as buying below production cost, double race auctions, or protecting all actors in the supply chain regardless of their size or their position in the food chain. The EESC welcomes that the Commission decided to regulate UTPs in the food supply chain. However, the EESC regrets that the Commission did not foster a harmonised approach to avoid fragmentation in the single market. The EESC considers that future additional measures should be compatible with the single market and subject to a proper impact assessment. Nevertheless, the EESC welcomes that the Member States are transposing and implementing the Directive, ensuring more fairness in the food supply chain, and calls for a more harmonised approach in the future.</p> <p>4.2. The EESC welcomes that the Commission decided to regulate unfair trading practices in the food supply chain. However, the EESC regrets that the Commission did not foster a harmonised approach, which causes fragmentation in the single market.</p> <p>5.2. The EESC welcomes the introduction of articles in the transposition laws, which forbid buying below the production cost, including all operators.</p>	<p>The directive on unfair trading practices in business-to-business relationships in the agricultural and food supply chain ("UTP Directive") follows a minimum harmonisation approach, not a full harmonisation. The degree of convergence of the numerous pre-existing national UTP rules was not such as to invite for an easy full harmonisation. There was too little overall convergence of these rules. A full harmonisation would have presupposed that a one-size-fits all logic was possible, but this was not supported from the evidence collected in different surveys nor from Member States' input.</p> <p>As a result, a minimum Union standard of protection against unfair trading practices was introduced to reduce the occurrence of such practices, which are likely to have a negative impact on the living standards of the agricultural community. Such a minimum harmonisation still allows more convergence of national rules than before the adoption of the Directive, as well as to take into account the specificities of each Member State's food supply chains.</p> <p>The aim is to achieve effective results in combating the most damaging UTPs while acknowledging differences between Member States and allowing Member States to go further.</p>
<p>1.8. Currently, the imbalances of economic and bargaining power in</p>	<p>(See comment to point 1.4.) An efficient functioning of the food supply chain is</p>

<p>European (but also global) food systems put pressure on the profitability of the agricultural sector and the wages, the decreasing investment potential of small and medium-sized food enterprises and the abandonment of local family retail. Therefore, evidence-based corrective mechanisms are needed to ensure a balanced development of actors in the European food supply chain and to support a fair share in the economic benefits of food production and distribution inside and outside the EU, thus fostering sustainable food systems. The Commission has not drawn conclusions from the impact assessments on the Farm to Fork strategy.</p>	<p>important to strengthen the position of farmers and other small operators. Ensuring the proper functioning of agri-food markets has been and continues to be a focus of the work of the Commission. In particular, the ban of unfair trading practices has been accompanied by a dedicated impact assessment, but also the recent initiative by the Commission on improving market transparency⁷³ was based on a staff working document⁷⁴ with a specific analysis of the expected impacts. The Commission is also working on an impact assessment for the revision of EU marketing standards for agricultural products, and further actions under the Farm to Fork Strategy are under preparation to foster sustainable food systems.</p>
<p>1.9. The EESC highlights the importance of all stakeholders having the right tools and information to benefit from the Directive. The EESC consequently calls on the European Commission, the Member States and the European External Action Service (EEAS) to ensure that stakeholders know their rights and the procedures to implement them, including when it comes to transnational trade, both within the EU and from third countries.</p>	<p>The Commission as well as the European External Action Service (EEAS) provide extensive information on their websites and are organising several information campaigns and events in this regard.</p>
<p>1.10. The EESC reiterates that promoting fairer trading practices should be part of a comprehensive EU food and trade policy, encompassing the whole supply chain and ensuring the implementation of the UN Sustainable Development Goals (SDGs).</p>	<p>UTP legislation also applies to producers in non-EU countries if their products are imported into the EU.</p>

⁷³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R1746>

⁷⁴ <https://eur-lex.europa.eu/legal-content/it/TXT/?uri=CELEX:52019SC0360>

<p>5.3. This is part of a wider package of initiatives promoted by the European Commission, including for example price market observatories, which is essential to support transparency and fairness in the sector. In addition, the importance of reciprocity in international trade also needs to be mentioned.</p>	<p>With regard to international trade, the Commission is preparing a report on the feasibility of applying EU standards to imported agri-food products that will be sub-mitted by June 2022 (see Council document, 22 July 2021, statement by EP and Council)⁷⁵.</p>
<p>6.2. The Directive grants suppliers, suppliers' organisations and non-profit organisations operating on behalf of suppliers the right to file complaints. However, the EESC is concerned that there might be events in which an illegal UTP is taking place, an affected party (e.g. a worker) obtains relevant information, but the enforcement authorities are not able to tackle it because there is not a formal complaint by an affected operator or its organisation. As affected operators might be reluctant to file complaints, even when their rights are not being respected, the EESC calls on the EC to closely monitor and evaluate the extent to which changes might be needed to better protect the most vulnerable parties who depend on operators, such as workers, farmers and fisherpersons. The UTP Directive does not presuppose a written contract. However, it presupposes a sales relationship. Thus, the EESC stresses its suggestion to expand protection for cases in which a UTP takes place but there is no (written) contract. The EESC already called for the introduction of the right to bring class actions.</p>	<p>According to Article 6 of the UTP Directive, Member States shall ensure that each of their enforcement authorities has the necessary resources and expertise to perform its duties and shall confer on it among others, the power to initiate and conduct investigations on its own initiative or on the basis of a complaint.</p> <p>The UTP Directive and more particularly the prohibition of so-called 'black practices' under Article 3(1) apply also where there is no written contract.</p> <p>Moreover, one of the 'black' practices is related to the refusal of a buyer to confirm in writing the terms of a supply agreement between the buyer and the supplier on the request of the supplier (see Article 3 (1) (f) of the UTP Directive).</p> <p>Finally, according to Article 5 (2) of the UTP Directive, producer organisations, other organisations of suppliers and associations of such organisations, have the right to submit a complaint at the request of one or more of their members. In addition, other organisations that have a legitimate interest in representing suppliers have likewise the right to submit complaints.</p>

⁷⁵ <https://data.consilium.europa.eu/doc/document/ST-10991-2021-ADD-1/en/pdf>.

<p>6.3. The Directive's "step approach" implies that, in certain situations, an operator who is weak in terms of market power but large in turnover is not protected by the law. This introduces uncertainty for suppliers who are not aware of the annual turnover of their business partners. The EESC invites the EC and EU Member States to monitor and address the negative consequences of this "step approach" and consider protecting all business actors regardless of their size.</p>	<p>The Directive uses turnover steps as proxies for bargaining power. As such, there is a legal predictability advantage in this when compared to concepts of, such as relative market or bargaining power. The Commission's assessment, as laid out in its impact assessment, is that larger or multi-national suppliers are often sufficiently powerful to resist UTPs. Related price pressure becomes increasingly unlikely to build up and/or to be transmitted along the food supply chain to operators, including farmers, situated upstream. In addition, the Directive prevents enterprises from resorting to UTPs in relation to their own smaller suppliers. This applies also to the relationship between producer organisations and their members. The Directive therefore continues to help protect farm income from being negatively affected by UTPs or their economic repercussions in line with the logic of the Commission's impact assessment and the options of the 'steps approach' as set out in the Directive.</p> <p>The UTP Directive follows a 'minimum standards' approach with a common framework; the aim is to achieve effective results in combating the most damaging UTPs while accepting that some Member States may go further and e.g. protect all operators regardless of their size if that proves to be relevant in their national context. At the EU-level, the Commission monitors the situation e.g. through regular surveys of operators.</p>
<p>6.2. Stable, balanced and long-term business relations between food chain</p>	<p>Action Number 21 of the Farm to Fork Strategy includes a proposal on origin</p>

<p>operators can help farmers to participate more in the added value of the products while farmers are taking a smaller and further shrinking percentage of the final price due time. Regionality and quality aspects can keep value added in the region versus imports of raw material from third countries with mostly lower production standards than in the EU. Better labelling of origin would bring more transparency into food supply chains.</p>	<p>indication for certain products.</p>
<p>7. Vulnerabilities in the agro-food supply chain exposed by COVID-19.</p>	<p>The second action of the Farm to Fork Strategy (Annex) includes the development of a contingency plan for ensuring food supply and food security in the EU in times of crises. This action will complement Action Number 1, containing a legislative framework for sustainable food systems (2023).</p> <p>Despite its resilience during the pandemic, certain threats could unbalance the EU's food system. These threats have underlined the need for better preparedness and greater coordination within the EU to address crises affecting the food system and threatening food security. To that end, the creation of a permanent and operational mechanism will be set up for coordinating the EU response in the event of future crises. Broad guidelines and recommendations will set out how the Commission and Member States should cooperate in a rapid and coordinated manner in times of crises affecting the food system. On 12 November 2021, the Commission adopted a Communication on contingency plan for ensuring food supply</p>

	and food security in times of crisis ⁷⁶ .
7.2. Restrictions on the free movement of workers from one Member State to another have affected many areas of food production and processing which rely on the labour of seasonal workers from other Member States or third countries. In addition, migrant workers often live and work in poor conditions and are at higher risk of infection, as demonstrated by outbreaks in slaughterhouses and meat packing plants worldwide. This creates both a serious public health problem and a break in the food supply chain.	The Commission agrees with the importance of free movement of workers and took measures at the beginning of the COVID-19 pandemic to ensure just it.
7.3. Furthermore, by disrupting food transport due to containment measures and logistical disruptions, this pandemic has also led to protectionism that affects food imports and exports. At the same time, many have stressed the importance of regionally produced food in the EU and the traditional benefits of short supply chains and local production and commerce. Short supply chains and local production and commerce have proved even more attractive during the crisis as people look for new and more direct ways to buy their food and producers find new outlets for their products. However, one of the most important aspects is the realisation of the need to continue fair and sustainable trade at regional and international levels. Trade restrictions can jeopardise stability, which would particularly affect low-income populations.	The Commission agrees with this statement and has taken several initiatives during the COVID-19 pandemic to ensure trade flows for agri-food products, including the guidelines on green lanes. The Commission also agrees that different supply chains and production systems have all their strengths and weaknesses and that trade has an important role to play to ensure resilience and food security, but also to connect farmers with outlets for their products.

⁷⁶ COM(2021) 689 final

<p>7.7. Finally, the Commission has launched a European Green Deal with implications also for agriculture (F2F and Biodiversity Strategies), and the Next Generation EU stimulus package allocated an additional EUR 7.5 billion to EAFRD. The impact assessments on the Farm to Fork strategy are worrying for the EU. Nevertheless, the EESC calls for more balanced policy support in favour of the agri-food sector compared to some other parts of the economy where the economic structure is much more resilient and profitability levels are much higher.</p>	<p>The Commission has not carried out a full impact assessment of the Farm to Fork (F2F) Strategy. The Commission took note of the various studies analysing possible effects of a few elements of the Farm to Fork and Biodiversity strategies on EU agriculture. All these studies, including the one presented by the Commission, are not able to assess the full impact of the two Strategies and predict the future. Amongst many things, the studies do not take account of the losses for agricultural production as a result of climate-induced extreme weather events and biodiversity loss while it is clear that the cost of inaction is higher. The Commission agrees that the transition towards sustainable food systems requires a balanced approach. It is crucial that all parts of the food chain continue to invest and innovate, and the Farm to Fork Strategy, along with the Common Agricultural Policy's budget of €387 billion, support that.</p>
<p>8.2. While it is expected that suppliers of a particular Member State will easily have access to the particularities of their national transposition law (including the complaint mechanism and the competent authority), this might not be the case for suppliers exporting to other EU Member States and for non-EU suppliers exporting to the EU. The EESC welcomes the dissemination effort that the EC has undertaken with the publication of the Brochure on the Directive on UTPs, but points out that this document only contains information related to the</p>	<p>The Commission provides information to non-EU suppliers on its website and through advocacy actions. Contact details of the national enforcement authorities are available on the public Commission website on UTPs in the food chain⁷⁷.</p>

⁷⁷ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/unfair-trading-practices_en.

minimum harmonisation standards. To offer the right tools for exporters to benefit from the national transposition laws, the EESC invites the EC to ensure that all the most relevant information related to each of the laws is easily available to exporters.

8.3. The EESC stresses that it is in the interest of all stakeholders for the Directive to apply to any business relation in which at least the buyer or the seller is an EU company even when the supplier is a non-EU actor. The EESC invites the EC and the EEAS to take advantage of the dissemination potential of the EU delegations in third countries to provide information to non-EU suppliers. This information must go beyond the general guidelines of the Directive and include practical information on the particularities and enforcement authorities of Member States.

N°9 Combatting trafficking in human beings COM(2021) 171 final EESC 2021/2537 - SOC/693 563rd Plenary Session – September 2021 Rapporteur: Carlos Manuel TRINDADE (PT-II) DG HOME – Commissioner JOHANSSON	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.6. The EESC calls for the improvement of the quality of data collected on this phenomenon in a harmonised way in the Member States.</p>	<p>In line with the EU Strategy on Combatting Trafficking in Human Beings 2021-2025, the Commission will fund and coordinate a set of actions to further improve the policy and operational work to combat trafficking in human beings. The actions will aim to promote awareness-raising, research and data analysis by supporting cooperation between relevant national bodies, for example data institutes and observatories. Among the key actions of the EU Strategy on Combatting Trafficking in Human Beings is to improve data recording and data collection on trafficking in human beings to ensure reliable and comparable information for tailor made policies.</p> <p>Additionally, the Commission invites Member States to improve their national data recording and data collection on trafficking in human beings and systematically exchange data on investigations on human trafficking with the support of Europol.</p>
<p>1.9. The EESC calls for the establishment of minimum standards at EU level that</p>	<p>Discouraging demand as part of prevention measures is addressed in the</p>

<p>criminalise the networks involved in trafficking and the use of services arising from the exploitation of trafficking victims.</p>	<p>Anti-trafficking Directive, which invites the Member States to consider criminalising the knowing use of services exploited from trafficked persons. As part of the evaluation of the Anti-trafficking Directive, the Commission will carry out an assessment on the possibility of having minimum EU rules that criminalise the use of exploited services of trafficking victims.</p>
<p>1.12. The immense suffering of victims should lead to a humane approach being adopted to their situation at all stages. The Strategy's prevailing approach must not simply be repatriation or encouraging voluntary return to the country of origin, underestimating the conditions they would find there, which would make them more vulnerable to traffickers; it should also cover recognition of the right to integrate into the host society.</p>	<p>Social, economic and educational measures are essential for victims to re-integrate into society. The Commission will facilitate and promote programmes supporting victims in their recovery and re-integration such as health, psychological or legal specialised services, and facilitating access to education and economic opportunities.</p> <p>The Commission will encourage Member States to put in place community-led and peer-mentoring programmes involving victims of trafficking, offering opportunities for education, employment and empowerment. In the Action Plan on Integration and Inclusion 2021-2027, the Commission encourages Member States to provide measures, including for victims of trafficking, such as the training to health care workers on diversity management and the needs of specific migrant groups (for example victims of trafficking in human beings).</p>
<p>1.13. The EESC calls for the recognition and enforcement of victims' rights; providing immediate assistance, support or protection</p>	<p>Early identification of victims is crucial to promptly assist, support and protect victims of trafficking in human beings.</p>

<p>(medical, legal, etc.), especially as regards any form of penalisation of victims by those who exploit them.</p> <p>1.14. The EESC considers that victims should be granted the right to be integrated into the host society, by means of an appropriate, fast-track integration process.</p>	<p>In line with the EU Strategy on Combatting Trafficking in Human Beings, the Commission proposes a set of actions to ensure that victims receive tailor made assistance and support, as well as safe accommodation and protection. These include support for shelters for victims of trafficking, including specialised facilities for women and children, promoting gender- and child-sensitive training for practitioners likely to come into contact with the victims, and facilitate re-integration and victim empowerment programmes, conduct dialogues between Member States and relevant internet and technology companies.</p> <p>More particularly, the Commission will enhance capacity building and sharing of best practices for the identification of victims of trafficking, in particular among vulnerable groups; facilitate re-integration and victim empowerment programmes and exchanges on best practices in this regard; enhance cooperation towards a European referral mechanism; enable targeted funding support to specialised shelters for victims of trafficking.</p>
<p>1.15. EU law only provides for the possibility of victims being granted a residence permit if they cooperate in the investigation into and prosecution of traffickers. The EESC draws attention to the fact that this situation can be extremely detrimental to victims, forcing them to relive the whole experience and trauma they have suffered, without respect for their physical or mental health. The EESC proposes that these</p>	<p>The EU Anti-trafficking Directive sets minimum requirements, including on the support and protection of victims. The Commission will assess how the above identified concerns related to the Anti-trafficking Directive can be better addressed, including in supporting and protecting victims, the non-punishment of victims for crimes they were compelled to commit, and in relation to</p>

<p>situations be considered on a case-by-case basis, depending on the circumstances and psychological profile of each victim, who should, <i>inter alia</i>, be given strong psychological support in order to be able to relive and bear witness to the trauma they have suffered.</p>	<p>the 2004 Council Directive on residence permit for victims of trafficking.</p> <p>As announced in the EU Action Plan on Migrant Smuggling (2021-2025), the Commission will improve the protection of migrants by strengthening the implementation of the Residence Permit Directive (Directive 2004/81/EC). In this context, it will also launch a study on the implementation of the Residence Permit Directive.</p>
<p>1.17. The EESC proposes that all victims of the crime of human trafficking be duly compensated by a public fund, taking into account the severity of the suffering inflicted on them. In cases of labour exploitation, they will also be entitled to receive payment due for the work carried out, and the direct beneficiary.</p>	<p>To disrupt the criminal business model of trafficking, Member States are encouraged to employ the tools and approaches specified in relation to the priority of the EU Strategy to Tackle Organised Crime 2021-2025 on removing profits of organised crime and preventing infiltration into the legal economy and society. This includes the systematic use of financial investigations in law enforcement investigations as well as developing and implementing a robust framework to identify, seize and confiscate criminal assets. Moreover, recovered assets can be used for compensating victims and for victim support as well as for trans-border law enforcement counter-trafficking activities, which is already encouraged through the Anti-trafficking Directive.</p>
<p>1.18. The EESC believes that what is missing from European immigration legislation is consideration of the situation of less-skilled and poorer economic immigrants arriving in Europe in search of better living and working conditions (the situation of</p>	<p>The admission of low and medium skilled third-country workers to the EU is currently regulated both at EU and national level. EU legislation covers in particular the admission conditions and rights of seasonal workers in sectors</p>

<p>more highly-skilled immigrants and those with greater economic resources being already covered). This omission, and the consequent absence of mechanisms allowing legal immigration, has meant that economic migrants are more likely to become involved in human trafficking networks. The EESC recommends that the European institutions put in place European legislation to remedy this situation.</p>	<p>such as agriculture and tourism, and provides for a common set of equal treatment rights for third-country workers. Member States retain sole competence for decisions on the volumes of migrant workers admitted to the EU. In the New Pact, the Commission has announced a review of the Single Permit Directive, in order to simplify and clarify the scope of the legislation, including admission and residence conditions for low and medium skilled workers. The Commission is currently carrying out an impact assessment on the revision of this Directive, and plans to present a legislative proposal before the end of the 2022.</p>
<p>1.19. The EESC notes that little emphasis has been placed on the need to create decent and adequate economic and social conditions for people in countries of origin, which is the main way of hindering or preventing the recruitment of trafficking victims. The EESC suggests building on and incorporating into the Strategy the development cooperation dimension and efforts to achieve the UN Sustainable Development Goals as main ways of creating such positive structural conditions.</p>	<p>External actions should take into account the relevant Sustainable Development Goals of the United Nations focussing on trafficking in human beings. In this context, the EU's trade policy promotes sustainable development goals, including human rights and employment standards. The Commission will consider whether current international standards against trafficking in human beings could be better reflected in the implementation of trade agreements and their enforcement notably via the more assertive use of the essential elements clause.</p> <p>The Commission welcomes the adopted EU Global Human Rights Sanctions Regime, which allows the European Union to target individuals, entities and bodies responsible for, involved in, or associated with serious human rights</p>

	violations and abuses worldwide. The sanctions regime enables the Council to impose travel bans, asset freezes and the prohibition to make funds or economic resources available to listed individuals and entities.
1.20. The EESC notes that, in the context of economic activity and the trafficking of human beings for labour exploitation, there is no reference in the Strategy to the unfair competition practised by companies using this workforce in relation to other companies operating in compliance with the legislation. This form of social dumping is incompatible with corporate social responsibility and should also be addressed in the field of social dialogue, as well as in the policing and legal fields.	<p>The Commission and the European External Action Service (EEAS) published in July a Guidance on due diligence to help EU companies to address the risk of forced labour in their operations and supply chains, in line with international standards. The Guidance, which was a key action of the strategy, will enhance companies' capacity to eradicate forced labour from their value chains by providing concrete, practical advice on how to identify, prevent, mitigate and address its risk.</p> <p>The EU Strategy on Combatting Trafficking in Human Beings 2021-2025 also provides that the Commission will put forward d a legislative proposal on sustainable corporate governance to foster long-term sustainable and responsible corporate behaviour, providing a duty of diligence by companies.</p>
1.21. The EESC proposes that, in order to better combat labour exploitation, the Commission include in the Strategy the active involvement of the social partners in the fight against human trafficking, in line with their competences and respecting their independence, and thus the promotion of social dialogue and collective bargaining, as essential instruments to achieve this.	Criminal justice response to trafficking for labour exploitation will be strengthened, including through joint inspections in high risk sectors to identify victims and their exploiters though the joint efforts of national authorities with labour inspectors and social partners and EU agencies, in particular with Europol, and within its

	<p>remit with the European Labour Authority; enhanced cooperation through the European Platform tackling undeclared work development of public-private initiatives with businesses in high risk sectors and high risk environments to increase the detection of trafficking victims and the reporting of the crime to authorities.</p> <p>The Strategy invites Member States to improve the capacity of labour inspections and social partners and facilitate multi-agency cooperation for identifying trafficked victims for labour exploitation and for bringing perpetrators to justice and develop further public-private initiatives with businesses in high risk sectors and high risk environment and promote initiatives on due diligence in the global supply chain of products.</p>
<p>1.24. The EESC notes that there is no reference in the Strategy to the importance of involving civil society organisations and social partners, in particular trade unions. The role and activities of these organisations over the years – especially in areas relating to trafficking for sexual, labour and child exploitation – in identifying, reporting and addressing these situations and actively supporting victims should be duly recorded and properly valued. The EESC proposes that this involvement be incorporated into the Strategy and that these organisations be properly supported, including financially.</p>	<p>Civil society organisations play an essential role in the work of the Commission to implement the foreseen actions of the Strategy, in particular in relation to the early identification, protection, support and empowerment of the victims.</p> <p>The Strategy acknowledges in particular the role of the EU Civil Society Platform against trafficking in human beings in supporting the implementation of the EU Anti-trafficking Directive.</p> <p>More specifically, civil society organisations will play a key role in many actions, such as:</p> <ul style="list-style-type: none"> - enhancing capacity building and sharing of best practices for the

	<p>identification of victims of trafficking, in particular among vulnerable groups;</p> <ul style="list-style-type: none"> - facilitating re-integration and victim empowerment programmes and exchanges on best practices in this regard; - enhancing cooperation towards a European referral mechanism; - enabling targeted funding support to specialised shelters for victims of trafficking; - enhancing partnerships with non-EU countries to ensure that victims' rights are guaranteed during all the steps of the return process and that they receive specific, tailor-made assistance and protection upon return, including specific safeguards for children. <p>The Strategy will further organise a prevention campaign, conducted together with Member States and civil society organisations, targeting high-risk sectors and high-risk environments.</p>
<p>1.26. Involvement of the European Labour Authority (ELA) and social partners, in close cooperation with national authorities, especially labour inspectorates, strengthening its powers and equipping it with material resources, especially digital and physical resources. The EESC therefore suggests that the Commission Strategy propose to the Member States that they respect the ratios set out in International Labour Organization (ILO) Convention No.81.</p>	<p>To bring these numbers down, the criminal justice response to trafficking for labour exploitation will be strengthened.</p> <p>In this context, national authorities will be encouraged to intensify joining efforts with labour inspectors and/or social partners and EU agencies, in particular with Europol, and within its remit with the European Labour Authority, to carry out concerted and joint inspections in high risk sectors to identify victims and their exploiters. Enhanced cooperation between Member</p>

	<p>States' relevant authorities and other actors through the European Platform tackling undeclared work, soon within the European Labour Authority, will help build know-how and showcase transferable practices, including to identify victims trafficked for labour exploitation. Fostering the development of public-private initiatives with businesses in high-risk sectors and high risk environments, also by involving the regional and local level, will support efforts to increase the detection of trafficking victims and the reporting of the crime to authorities.</p> <p>On 29 September 2021, it was adopted a Communication reporting on the application of the Employers Sanctions Directive, which provides a legal framework to prevent and respond to the illegal employment of irregular migrants, which also addresses the illegal employment of victims of trafficking in human beings.</p>
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<p>N°10 Voluntary return and reintegration strategy COM(2021) 120 final EESC 2021/2534 - SOC/694 563rd Plenary Session – September 2021 Rapporteur: José Antonio MORENO DÍAZ (ES-II) DG HOME – Commissioner JOHANSSON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The EESC regrets that measures to improve legal entry routes, i.e. those that affect the majority of foreign nationals resident in the European Union, are being developed later than the proposals aimed at resolving irregular migration issues and in a more limited manner. A comprehensive approach to mobility is essential in order to offer alternatives that go beyond border control and return.</p>	<p>The Commission is fully committed to the comprehensive approach to migration as set out in the Pact on Migration and Asylum adopted in September 2020. This comprehensive approach brings together policy in the areas of migration including legal migration, asylum, integration, border management and return, recognising that the overall effectiveness of the EU migration policy depends on progress on all aspects. The core objective of the Pact is to reduce unsafe and irregular routes and promote sustainable and safe legal pathways. The Commission continues to work on all these aspects in parallel.</p>
<p>1.5. The EESC stresses that the majority of returns do not work properly due to the lack of involvement of the countries of origin, and because of the reluctance of people in irregular situations to participate. Accordingly, while appreciating the Commission's efforts, the EESC cannot help but doubt the effectiveness of some of the proposals put forward, such as the issue of sponsored return.</p>	<p>The proposed return sponsorship is a new and innovative concept that aims to promote solidarity between Member States and closer cooperation between them as well as with partner countries. While recognising that one of the key obstacles to return is the lack of sufficient cooperation with partner countries, return sponsorships is part of a wider set of measures and tools such as comprehensive migration partnership, the procedure under Article 25 of the</p>

	<p>Visa Code, aimed at increasing cooperation with partner countries.</p>
<p>1.8. The EESC is concerned about the stated objective of increasing swift voluntary returns from the external borders, due to the lack of guarantees that they may entail. In particular, it is concerned that voluntary return may become a euphemism for expulsions or financial compensation paid to the destination countries that receive returnees, without ever taking sufficient consideration of their wishes, or, even more worryingly, their rights. The EESC also warns of the contradiction involved in offering incentives via programmes that are based on the existence of persons in irregular situations, as this may discourage countries of origin from trying to reduce the flow of migrants.</p>	<p>Full guarantee of individual rights and the protection of fundamental rights are core elements of the EU return policy. This is also enshrined in the Return Directive (2008/115/EC). The importance of taking full account of individual needs and rights is recognised throughout the EU strategy on voluntary return and reintegration. Many of the actions are focused on tailoring support taking full account of individual abilities and specific needs including vulnerabilities.</p> <p>In addition, the concept of sustainable reintegration as set out in the Strategy has the broader goal of building up the capacity of receiving communities, the private sector and local stakeholders. In this context, the strategy recognises the importance of designing reintegration support with the involvement of national and local authorities, host local communities and civil society to help give tangible future prospects for the returnee and their local community. Working on sustainable reintegration with third countries is one element in the wider context of developing mutually beneficial and comprehensive partnerships with third countries. These partnerships address all the aspects of migration, including developing third countries capacities to reduce the flow of irregular migration.</p>
<p>1.9. In this respect, the EESC continues to hold the view that the strategic weakness of the European Union's immigration and</p>	<p>The Commission is fully committed to the comprehensive approach to migration as set out in the Pact on</p>

<p>asylum policy is its almost exclusive focus on tackling irregular situations, whether at the border or through voluntary and forced returns. To that end, it again calls on the Commission to review its reference framework and effectively work towards an integrated approach to immigration and asylum policy that promotes orderly, legal and safe mobility.</p>	<p>Migration and Asylum adopted in September 2020. This comprehensive approach addresses all the strands of migration management, including legal migration, asylum, integration, border management and return, recognising that the overall effectiveness of the EU migration policy depends on progress on all these aspects.</p> <p>Developing and promoting safe legal pathways is one the pillars of the Pact on Migration and Asylum. This includes ensuring safe channels to offer protection to those in need and working with partner countries to this end, as part of migration partnerships. As part of the comprehensive approach, the Commission is working on Talent Partnerships in the form of enhanced commitment to support legal migration ad mobility with key partner countries.</p>
<p>3.6. The EESC recognises the Commission's efforts on the issue of returns, both in terms of follow-up to national programmes and of the financial incentives provided by the EU. In this regard, the European Return and Reintegration Network, which facilitates cooperation between the authorities responsible for migration, should be highlighted. The Commission expects Frontex to take over this network's activities from 2022, which is of great concern to the EESC, given the European Parliamentary working group's report on the violation of rights by this European agency. In the EESC's view, this arrangement makes it necessary to establish flexible and effective accountability mechanisms for Frontex's activities, as well as ensuring that they are</p>	<p>As an EU Agency, Frontex is responsible for ensuring the compliance of its activities, and these of its staff, with Union law and fundamental rights obligations.</p> <p>The Commission takes the concerns expressed by the European Parliament very seriously and is working closely with the Agency to address these. The independent Fundamental Rights Officer, supported by fundamental rights monitors, assist Frontex in the implementation of its fundamental rights strategy, therefore enhances the Agency's respect of such rights in all its activities, including return. Work is also ongoing to improve the mechanisms for</p>

<p>carried out with respect for human rights⁷⁸. This point must be emphasised, as the protection of human rights is key in all the European Union's actions, including migration policy, and in return and reintegration processes, and the supervision of Frontex's role must be carried out (and rectified if necessary) in real time.</p>	<p>monitoring and reporting fundamental rights violations and complaints.</p>
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⁷⁸ See the recommendations made to this effect in the *Report on the fact-finding investigation on Frontex concerning alleged fundamental rights violations*, LIBE Committee on Civil Liberties, Justice and Home Affairs, 14 July 2021. https://www.europarl.europa.eu/cmsdata/238156/14072021%20Final%20Report%20FSWG_en.pdf

N°11 Tackling organised crime COM(2021)170 final EESC 2021/2707 – SOC/695 563rd Plenary Session – September 2021 Rapporteur: Rafal Boguslaw JANKOWSKI (PL-II) DG HOME – Commissioner JOHANSSON	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.5.The EESC is convinced that particular attention should also be paid to development and improvement of the functioning of existing systems, such as: SIS, the Prüm framework, the Passenger Name Record (PNR) and Advance Passenger Information (API);</p>	<p>The Commission continues to progress in the implementation of the novelties brought by the 2018 review of the Schengen Information System (SIS) framework⁷⁹ and will continue to monitor full and effective implementation of the Passenger Name Record Directive. As announced in the EU Strategy to tackle Organised Crime (2021-2025)⁸⁰, the Commission will propose to strengthen the Prüm framework⁸¹ and propose to revise the Advanced Passenger Information Directive⁸² in order to improve the effectiveness of these instruments for information exchange.</p>

⁷⁹ Regulation (EU) 2018/1860 of the European Parliament and of the Council of 28 November 2018 on the use of the Schengen Information System for the return of illegally staying third-country nationals, OJ L 312, 7.12.2018, Regulation (EU) 2018/1861 of the European Parliament and of the Council of 28 November 2018 on the establishment, operation and use of the Schengen Information System (SIS) in the field of border checks, and amending the Convention implementing the Schengen Agreement, and amending and repealing Regulation (EC) No 1987/2006, OJ L 312, 7.12.2018, and Regulation 2018/1862 of the European Parliament and of the Council of 28 November 2018 on the establishment, operation and use of the Schengen Information System (SIS) in the field of police cooperation and judicial cooperation in criminal matters, amending and repealing Council Decision 2007/533/JHA, and repealing Regulation (EC) No 1986/2006 of the European Parliament and of the Council and Commission Decision 2010/261/EU, OJ L 312, 7.12.2018.

⁸⁰ Commission Communication on the EU Strategy to tackle Organised Crime 2021-2025, Brussels, 14.4.2021 COM(2021), 170 final

⁸¹ Council Decision 2008/615/JHA on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime and Council Decision 2008/616/JHA on the implementation of Decision 2008/615/JHA, OJ L 210, 6.8.2008.

⁸² Council Directive 2004/82/EC on the obligation of carriers to communicate passenger data, OJ L 261, 6.8.2004

<p>1.5. The EESC is convinced that particular attention should also be paid to the importance of developing and improving cooperation networks and international action to effectively combat organised crime groups, such as: a platform for Joint Investigation Teams (JITs) and so-called High Value Targets (HVT).</p>	<p>The Commission adopted a proposal for a Joint investigation teams collaboration platform on 1 December 2021⁸³. The Commission supports the work carried out by Europol together with Member States to identify and carry out intelligence and investigative activities against High Value Targets, including the upcoming work to develop common criteria for all Member States to identify such High Value Targets.</p>
<p>1.8. The EESC notes that organised crime can have a strong impact on local communities, public and municipal services, the protection of vulnerable groups, the environment for local business activities, especially for SMEs, and in the area of climate neutrality activities. The EESC recommends increasing the role in combatting organised crime in a broad sense, in particular in prevention, for: NGOs, civil society organisations, academia, youth organisations, social control institutions and whistleblowers.</p>	<p>The EU promotes the involvement of relevant civil society actors in organised crime policies, in particular in those areas where their involvement is of particular importance for the development of specific policies, such as policies to combat drug trafficking and the trafficking on human beings as well as crime prevention activities. For example, the EU Drugs Strategy 2021-2025⁸⁴ included among its priorities the meaningful participation and involvement of civil society, including the Civil Society Forum on Drugs, in the development and implementation of drug policies, at national, EU and international levels.</p> <p>In relation to the trafficking on human beings, the EU Strategy on Combatting Trafficking in Human Beings⁸⁵ underlined the importance of the work with the EU Civil Society Platform against Trafficking in human beings to</p>

⁸³ COM(2021) 756 final

⁸⁴ Council document 14178/20, 18 December 2020

⁸⁵ Commission Communication on the EU Strategy on Combatting Trafficking in Human Beings, Brussels, 14.4.2021, COM(2021) 171 final

	<p>support the implementation of the Anti-Trafficking Directive⁸⁶. Civil society organisations will play a key role in many actions, such as enhancing capacity building and sharing of best practices for the identification of victims of trafficking, in particular among vulnerable groups, or facilitating re-integration and victim empowerment programmes and exchanges on best practices in this regard.</p> <p>Moreover, and in line with the 2009 Council Decision setting up a European Crime Prevention Network (EUCPN), the Network engages with crime prevention bodies, local authorities, local partnerships and civil society as well as with research institutions and nongovernmental organisations in the Member States.</p>
<p>1.11. In order to increase civil society's access to information, the EESC proposes setting up a mechanism for a (mid-term and final evaluation) review of the implementation of the EU Strategy to tackle Organised Crime 2021-2025, on the basis of information provided by the Commission.</p>	<p>The Commission appreciates the intention of the Committee to set up a mechanism to review the implementation of the EU Strategy to tackle Organised Crime 2021-2025.</p> <p>The Commission provides information about the progress in the implementation of its policies in the security domain through the regular Progress Reports on the implementation of the EU Security Union Strategy, policy documents (such as the renewed EU action plan</p>

⁸⁶ Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, OJ L 101, 15.4.2011.

	<p>against migrant smuggling of September 2021⁸⁷) and through the publication of relevant documents related to the development of legislative and non-legislative initiatives (Inception Impact Assessments, Roadmaps, legislative proposals, Impact Assessments).</p>
<p>3.5. Lack of access by law enforcement authorities to the encrypted communications used by organised criminal groups should be seen as one of the biggest shortcomings, as lack of access to information effectively prevents action from being taken in good time. Therefore, the EESC believes that the new Europol decryption tool launched by the European Commission, which will help address these challenges, should be considered highly practical and necessary. All the same, further work is needed in this area given the rapid development of new technologies.</p>	<p>As indicated in the EU Strategy to tackle Organised Crime 2021-2025, the Commission is working to identify technical, operational, and legal solutions to ensure lawful access to encrypted information, while maintaining the effectiveness of encryption in protecting privacy and security of communications. The Commission will steer the process to analyse with the relevant stakeholders the existing capabilities and approaches for lawful and targeted access to encrypted information in the context of criminal investigations and prosecutions and will suggest a way forward in 2022.</p>
<p>3.8. Law enforcement practice and experience would suggest there is an increased risk of cryptocurrencies being used for criminal activities, including money laundering and fraud – particularly by means of ICT networks – in settlements relating to ransomware-inspired extortion. An equally important and predictable threat is the possibility of criminals using cryptocurrencies to eliminate the risk of law</p>	<p>The package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules adopted by the Commission on 20th June 2021⁸⁸ foresees to extend the AML/CFT rules to the entire crypto sector, requiring all service providers to conduct due diligence on their customers. This will ensure full</p>

⁸⁷ Commission Communication on a renewed EU action plan against migrant smuggling (2021-2025), Brussels, 29.9.2021 COM(2021) 591 final

⁸⁸ https://ec.europa.eu/info/publications/210720-anti-money-laundering-countering-financing-terrorism_en

<p>enforcement authorities seizing illicitly acquired assets. The EESC recommends further steps in developing regulation for monitoring and control of financial transactions using these types of instruments.</p>	<p>traceability of crypto-asset transfers and will allow for prevention and detection of their possible use for money laundering or terrorism financing. This will in turn facilitate the tracing of crypto assets for asset recovery purposes. In addition, the proposal contains measures to ensure that anonymous crypto asset wallets are prohibited, fully applying EU AML/CFT rules to the crypto sector.</p>
<p>3.17. The EESC propose that measures to prevent crime by raising public awareness should be considered. This could include public campaigns raising citizens' awareness of new threats and areas of organised crime and their modus operandi, as societies and citizens often do not recognise the activities of organised criminal groups as criminal activities.</p>	<p>The Commission supports the European Crime Prevention Network, which carries out prevention campaigns and local preventive initiatives to inform citizens on how they can protect themselves against specific forms of crime, such as robberies, theft or trafficking in human beings⁸⁹.</p> <p>As announced in the EU Strategy on Combatting Trafficking in Human Beings, the Commission will organise a communication campaign on the risks of trafficking, together with Member States and civil society, targeting high-risk sectors and high-risk environments, including for sexual exploitation.</p>

⁸⁹ <https://eucpn.org/service/campaigns>

N°12 Non-financial information COM(2021) 189 final EESC 2021/2582 – INT/938 563rd Plenary Session – September 2021 Rapporteur: Marinel Dănuț MURESAN (RO-I) DG FISMA – Commissioner MCGUINNESS	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.8. The EESC would encourage the Commission and EFRAG to consider how specific country-by-country reporting requirements on sustainability risks and impacts, for all in-scope entities, may encourage more granular and material disclosures.	The proposed European sustainability reporting standards would further specify disclosures under consolidated reporting, ensuring that relevant geographical considerations are taken into account and that disclosures are sufficiently granular to meet users' needs.
4.1.2. The EESC would recommend that the Commission expedite a specific impact assessment and cost-benefit analysis devoted to the effects of the phase-in period and the simplified reporting standard on both listed and unlisted SMEs. A significant element of this analysis should include concrete empirical evidence and recommendations concerning the inclusion, within a reasonable period, of listed and unlisted SMEs operating in high-risk sectors, within the scope of the Directive. [...]	The Commission published an impact assessment accompanying its proposal for a Corporate Sustainability Reporting Directive. ⁹⁰ The impact assessment provided an overview of the effects of the requirements on the small and medium-sized enterprises (SMEs) and concluded that the extension of the scope of sustainability reporting requirements to non-listed SMEs would not be proportionate.
4.2.1. [...] Considering the complexity of modern value chains, the EESC would recommend clearer and more detailed qualifiers for when the whole-value chain approach to reporting should be adhered to, in line with the provision of the proposed	The proposed European sustainability reporting standards would further specify disclosure requirements with regard to value-chains. The provisions of the proposed Corporate Sustainability Reporting Directive would establish the

⁹⁰ SWD(2021) 150 final

<p>Directive for this reporting to be done "as appropriate", as per Recital 29. [...]</p>	<p>principle that companies should report information on their value chains where such information is material.</p>
<p>1.7. The EESC would encourage the Commission, the European Supervisory Authorities, and the co-legislators to ensure careful alignment – in terms of content and sequencing – of the different components of the sustainability reporting framework, including those covering financial institutions.</p> <p>4.3.1. The EESC would emphasise that the success of the proposal is predicated on a careful sequencing and alignment of reporting requirements between the CSRD and other legislative frameworks. Especially as it pertains to the needs of those in-scope entities that are both users and preparers of non-financial information, it will be significant to ensure that enough time is allowed for the collection, assessment, and disclosure of the relevant data. Such coordination should ensure that the non-financial clients of financial in scope entities are required to disclose the data necessary in the first instance, subsequently allowing financial entities to assess it and prepare their own disclosures.</p> <p>4.3.2. The Commission and co-legislators should assess these sequencing requirements, especially as they influence those in-scope entities that will be subject to sustainability reporting requirements [...]</p>	<p>The timeline in the proposed Corporate Sustainability Reporting Directive would ensure the availability of sustainability information to financial market participants at the earliest moment possible.</p> <p>The Commission will continue to promote the coherence of the EU's legislative framework for sustainable finance. This includes giving due consideration to the sequencing questions referred to by the Committee. The proposed Corporate Sustainability Reporting Directive would require the European sustainability reporting standards to take account of relevant EU legislation, including legislation on sustainable finance.</p>
<p>4.5.1. [...] In conjunction with the progress planned on the release of a proposal on Sustainable Corporate Governance, the EESC considers that the proposal at hand provides a significant opportunity for the development</p>	<p>Social partners, along with financial market participants, civil society and other stakeholders, are one of the target audiences for sustainability reporting. The proposed Corporate Sustainability</p>

<p>of a practical framework for the assessment of the financial risks derived from business operations influencing communities, while also promoting a sound understanding of the impacts of business operations on the same communities. The further specification of both the reporting and due diligence requirements should carefully balance the needs of the social partners, through a formal consultation right.</p>	<p>Reporting Directive would set down disclosure requirements and does not address the role of social partners, which is defined in separate EU legislation and policy. The European Financial Reporting Advisory Group (EFRAG), which would develop the draft sustainability reporting standards, is in the process of reforming its governance and membership to include a wider set of stakeholders, including trade unions and civil society representatives.</p> <p>The Commission is considering the question of possible due diligence behavioural obligations on companies as part of the forthcoming Sustainable Corporate Governance Initiative.</p>
<p>4.5.2. The EESC would encourage the co-legislators to consider a clearer definition of the stakeholders and consulted in this process, and to ensure the full alignment of these requirements with the provisions of the forthcoming proposal on Sustainable Corporate Governance. The process that companies should undertake to comply with stakeholder consultation requirements should, on the one hand, be underlined by identifying only the most relevant stakeholders, while, on the other, ensuring that these processes are appropriately designed, straightforward, and do not add undue complexity for the companies under the expanded scope of the proposed Directive.</p>	<p>The proposal for a Corporate Sustainability Reporting Directive would require companies under scope to report how their business model and strategy takes account of the interests of stakeholders, and on the due diligence processes implemented. These disclosure requirements are expected to be relevant in the context of the forthcoming Sustainable Corporate Governance Initiative. The proposed European sustainability reporting standards would further specify disclosure requirements on this issue.</p>
<p>4.6.1. The EESC is supportive of the need for companies in transition to attract finance. The emphasis of the proposal on the need to report on the compatibility of business models and strategies with the transition to a</p>	<p>The proposed European sustainability reporting standards would further specify disclosure requirements with regard to the compatibility of business models and strategies with the transition</p>

<p>sustainable economy and the limiting of global warming to 1.5°C is thus crucial. Considering the report of the International Energy Agency on achieving net-zero by 2050 , ensuring robust, high-quality data to meet this requirement of the proposed Directive will be a crucial enabling factor in ensuring companies have credible transition plans, and that banks and capital markets may aid them in meeting their goals. The EESC would support more granularity in the requirements demonstrating this alignment, in a proportionate manner. Such requirements should include further information on the transition scenarios adopted by corporates, as well as the elements determining their compatibility with the objectives of the Just Transition.</p>	<p>to a sustainable economy and the limiting of global warming to 1.5°C.</p>
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N°13 Sustainable finance taxonomy – climate change COM(2021) 188 final EESC 2021/2010 - ECO/549 563rd Plenary Session – September 2021 Rapporteur: Thord Stefan BACK (SE-I) DG FISMA – Commissioner MCGUINNESS	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>3.14. Actors in the real economy have expressed concerns that the technical criteria set out in the Delegated Regulation might lead to financing difficulties regarding activities that do not comply with the Regulation. The EESC agrees that there may be such a risk, considering that the scope of the taxonomy is widening to serve as a basis for non-financial reporting under Article 8 of the Taxonomy Regulation, as well as for the proposed EU Green Bond Standard⁹¹.</p>	<p>There is no systematic evidence that existing financing opportunities for companies whose activities do not comply with the taxonomy will change. Instead, the EU taxonomy will help to direct additional capital to sustainable economic activities.</p> <p>Article 8(1) of the Taxonomy Regulation⁹² stipulates that the disclosure requirements of the EU taxonomy apply to any financial and non-financial undertaking in the scope of the Non-Financial Reporting Directive (NFRD)⁹³. The Disclosure Delegated Act⁹⁴ to the Taxonomy Regulation complements the NFRD by providing a common reference point for taxonomy-related reporting requirements. It is consistent with the specific rules about non-financial reporting provided by the NFRD.</p> <p>In addition, the Commission received</p>

⁹¹ Commission Proposal for a Regulation on EU Green Bonds – [COM\(2021\) 391 final - 2021/0191 \(COD\)](#).

⁹² [Regulation \(EU\) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#)

⁹³ [Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups](#)

⁹⁴ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-4987_en.pdf

	<p>numerous demands from stakeholders arguing sustainability information from a wider scope of companies is needed. That is why the Commission published the proposal for the Corporate Sustainability Reporting Directive⁹⁵, which proposes to extend the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises).</p> <p>Moreover, special measures were taken to make sure small and medium-sized enterprises (SMEs) will not be indirectly required to report on taxonomy-alignment in the disclosure delegated act: all reporting by and inclusion of SMEs in the data reported for example by banks is voluntary and are not included in the numerator of financial undertakings' own green investment/asset ratios.</p> <p>While developing sustainable financial products, it is crucial to ensure their alignment with the EU's sustainability goals. Therefore, the Commission proposal for an EU Green Bond Standard⁹⁶ relies on the Taxonomy Regulation to demonstrate alignment with the sustainability goals.</p>
<p>3.19. The Delegated Regulation sets environmental standards that are often more ambitious than those of EU sectoral legislation [...].</p>	<p>The EU Taxonomy often needs to be more ambitious than existing environmental standards, as these do not yet always reflect the ambition of the Green Deal. The Taxonomy intends to</p>

⁹⁵ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting, [COM/2021/189](#)

⁹⁶ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European green bonds, [COM/2021/391](#)

	<p>identify those activities that are sustainable in accordance with the objectives laid down in the Green Deal. The Taxonomy criteria will evolve to reflect progress in EU environmental legislation and standards.</p>
<p>4.2. It appears from point 6.3 of Annex 1 to the Delegated Regulation that buses, fulfilling the zero-tailpipe emission criterion will only qualify as sustainable if operating in urban and suburban traffic, while other bus operations are only eligible for so-called transitional activities until 31 December 2025 if they correspond to the highest EURO class category (EURO 6). Failing that a zero-tailpipe emission criterion will apply, but it appears from the text that it only qualifies as a transitional activity subject to reassessment at least every three years, according to Article 19 of the Taxonomy Regulation. There seems to be no reference to the standards set in the Clean Vehicles Directive. Given the uncertainty of the situation beyond 31 December 2025, who would then dare invest in a bus company? Classifying the highest environmental requirements in EU legislation – EURO 6 – as a transitory activity seems strange and likely to create confusion.</p>	<p>The Taxonomy criteria aim to be ambitious but feasible in the respective environment that the activity is performed. The logic for the respective thresholds is that in urban environments, a zero-tailpipe approach is feasible and should therefore be required, including for buses. However, for interurban transport, some vehicles cannot reach zero direct emissions and therefore, a different standard applies (i.e. the latest EURO VI standard) where it reflects the current best practices and where such a standard exists.</p>
<p>4.2.2. The treatment of HGVs shows a pragmatic approach that should have been more frequent in the Delegated Regulation. The zero-tailpipe requirement for LCVs (N1) in Section 6.6 seems inconsistent with Section 6.5 on transport by motorbikes, cars and LCVs where, for no obvious reason, more lenient provisions apply.</p>	<p>For motorbikes, there is a difference between the categories of vehicles in both activities and how the technical screening criteria are applied. The descriptions of the respective activities designate those differences. On the zero-tailpipe requirement for N1 vehicles falling under section 6.6, these vehicles are currently out of the scope of the CO2 standards Regulation (EU) 2019/1242</p>

	and their CO2 emissions are not type-approved. Therefore, no substantial contribution criteria equivalent to those applicable for light commercial vehicles falling under section 6.5 could be set up.
4.3. A recurrent provision in Section 6 (Transport) of Annex 1 excludes vehicles or vessels dedicated to the transport of fossil fuels; as access to such fuels should not be facilitated. However, according to recital 35, the "usability" of this requirement may be assessed. It appears dubious to insert a requirement when doubts exist about its usefulness. Further, the requirement is not clear. A vehicle can often transport both fossil and alternative fuels. It is not clear whether the requirement refers to construction or use of the vehicle or vessel, so neither interpretation nor impact are clear.	While applying this criterion regarding assets that are dedicated to the transport of fossil fuels, it is necessary to recognise the multiple uses, different ownership, user arrangements and fuels blending rates, in line with the relevant existing market practices. The Platform on Sustainable Finance should assess the usability of this criterion, as part of its upcoming work on criteria revision. Depending on the planned use and context, relevant existing market practices could be those used by the European Investment Bank or by Climate Bonds Initiative.
4.4. Further examples are offered by the provisions on climate benefit analyses in points 1.1., 1.2. and 1.3. of Annex 1, which come on top of for instance, afforestation plans, forest restoration plans and forest management plans and which apply down to small holdings of 13 hectares. Requirements appear fairly complex and the reference made to the availability of online tools provided by the Food and Agricultural Organisation of the United Nations is likely to be of little consolation to small holders and demonstrates the disadvantageous situation for smaller undertakings created by the top-down approach used in the Delegated Regulation.	Even though criteria regarding the climate benefit analysis apply for all forest holdings above 13 hectare (the average size of EU forest holdings), the reporting requirements of the Taxonomy only apply to large financial and non-financial companies covered by the NFRD. The criteria themselves remain voluntary. Small forest owners are excluded from any mandatory application of the EU taxonomy.
4.7. The statement in the Communication that the Taxonomy does not accept activities that	Indeed, EU efforts have so far predominantly focused on supporting

<p>improve the current levels of environmental performance, but not at the level of substantial contribution, goes against Article 10(2) of the Taxonomy Regulation. Therefore, as already suggested, more space should be afforded to transitional solutions.</p>	<p>investment flows towards economic activities that are already environmentally sustainable. As announced in the Strategy for Financing the Transition to a Sustainable Economy⁹⁷, the Commission will consider options, based on advice from the Platform on Sustainable Finance, to possibly recognise activities with an intermediate level of environmental performance. This could help to boost transparency and mobilise finance for economic activities that are on a credible pathway towards sustainability.</p>
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⁹⁷ COM/2021/390 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0390>

<p>N°14 Strategic Guidelines for the sustainable development of EU aquaculture COM(2021) 236 final EESC 2021/2757 - NAT/816 563rd Plenary Session – September 2021 Rapporteur: Anastasis YIAPANIS (CY-III) DG MARE – Commissioner SINKEVICIUS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The EESC considers that the right balance needs to be found between preserving the Earth's biodiversity and meeting the necessary food requirements, taking into consideration social impact, healthy living and environmental protection. Marine and inland waters should be preserved and protected, while promoting sustainable aquaculture activities that would ensure the necessary food for the EU population.</p>	<p>The alarming state of biodiversity, as described by international (e.g. Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services-IPBES) and EU reports (Joint Research Center, European Environment Agency, reporting process under the Marine Strategy Framework Directive), shows that the ecosystems cannot sustain additional human pressure. While it is acknowledged that the EU's aquaculture potential is insufficiently tapped, growth cannot happen at the expense of the ecosystems. It is therefore indispensable to ensure sustainable aquaculture growth in the EU, in line with the strategic guidelines.</p>
<p>3.3. Continental aquaculture has outstanding growth potential. Pond-farming is certainly the most environmentally friendly form of freshwater aquaculture, but its productivity is low. The EU has, however, enough practical experience to manage pond and intensive farming in a fully environmentally and climate friendly way, while embracing circular economy principles. It is necessary to ensure the full</p>	<p>The Commission notes that the Strategic Guidelines recommend diversifying EU aquaculture into non-fed and low-trophic species with a lower environmental footprint.</p> <p>The Commission would also like to recall that any introduction of alien or locally absent species for use in aquaculture needs to comply with the relevant EU legislation; i.e. the Regulation concerning the use of alien and locally absent species</p>

<p>integration of climate-conform technologies into the green investment taxonomy with a view to securing seamless financing.</p>	<p>in aquaculture (Regulation (EC) No 708/2007) and the Regulation on invasive species (Regulation (EU) 1143/2014).</p>
<p>1.9. (...) Traceability requirements should be processed backwards, down to the hatcheries, for all products in the internal market. The final goal should be a 100% level playing field in the Single Market.</p> <p>4.7. The EESC calls on the European Commission to ensure that imported products respect the same requirements and standards as those imposed on local producers. The EESC has already asked that "public authorities should also demand the same safety guarantees of imports as are required of European products, with full "sea-to-table" traceability⁹⁸". Traceability needs to be processed backwards, down to the hatcheries, for all the products entering the Single Market. It is vital to ensure a level playing field for European producers and quality and safe products for consumers.</p> <p>4.9. The EESC considers that a 100% level playing field in the internal market should be the ultimate goal of the Commission and the Member States. This can only be achieved by ensuring full compliance with the EU standards for all the products that are sold in the internal market, whether produced locally or imported. The EESC calls for fully traceable products that respect environmental and quality standards. The EESC considers that traceability of</p>	<p>As indicated in the Strategic Guidelines, the Commission agrees that adequate control by each Member State of aquaculture products across the supply chain (from their catch/harvest to the retail sale, including transport) and traceability are important tools to ensure a level playing field in the EU market. The Commission proposal for a new Fisheries Control Regulation extends the traceability obligations to all aquaculture products, including processed products and products imported from non-EU countries.</p> <p>The strategic guidelines call on EU Member States to ensure that the necessary tools are in place to ensure traceability of aquaculture products from their catch/harvest to the retail sale, as well as to encourage the use of digital tools and artificial intelligence for increased traceability and transparency of aquaculture products across the value chain.</p>

⁹⁸ EESC opinion on [Strategic Guidelines for the sustainable development of EU aquaculture, OJ C 67, 6.3.2014, p. 150](#)

<p>aquaculture products and transparency at the supply chain level are very important, especially for the species, which are in danger.</p>	
<p>4.2. The EESC has already pointed out that "the main cause of slow administrative procedures applicable to the practice of aquaculture, and the unavailability of locations, is the complex implementation of EU environmental legislation, mainly the Water Framework Directive, the Marine Strategy Framework Directive and the rules on the Natura 2000 network by the public administrations of Member States and their regions. This situation leads to requirements for aquaculture undertakings that are excessively costly economically and, paradoxically, do not ensure greater environmental protection"⁹⁹.</p>	<p>EU environmental legislation is important in ensuring that aquaculture activities (and any other economic activity) do not threaten ecosystems and biodiversity. The Commission is aware that requirements under that legislation for aquaculture activities are not always clear to all actors, and that interpretation by EU Member States of EU legislation does not seem to be uniform. Furthermore, the different administrative entities or governance levels responsible for the implementation of that legislation may not always ensure sufficient cooperation or have the necessary level of expertise on the sector. Additional efforts are therefore necessary to ensure a more uniform and coherent implementation of the environmental regulatory framework.</p> <p>This is why the Strategic Guidelines recommend setting up, whenever possible, a national aquaculture entity gathering all the different relevant authorities with responsibilities for aquaculture. The Commission will also consolidate a guidance document on good practices for administrative procedures, as well as provide guidance on implementing the requirements of EU environmental legislation for the sector, as part of the guidance document to be developed on environmental performance.</p>

⁹⁹ EESC opinion on [Removing obstacles to sustainable aquaculture in Europe, OJ C 34, 2.2.2017, p. 73](#)

<p>4.8. (...) Quality control and labelling activities have to be stepped up in order to protect both consumers and legitimate businesses, and provide trustworthy information, especially on products that come from countries with little or no legislative framework.</p>	<p>For products coming from third countries, see comments on traceability above. In terms of labelling, the Farm to Fork Strategy provides for the establishment of a sustainability-labelling framework to empower consumers to make more sustainable food choices. This framework will cover, in synergy with other relevant initiatives, the nutritional, climate, environmental and social aspects of all food products.</p>
<p>4.10. Furthermore, the EESC considers that more producer organisations should be set up, as they are extremely important for the competitiveness of the sector, especially SMEs. The EESC considers that a dedicated platform that supports business continuation and take-overs is also needed.</p>	<p>The Commission considers that providing financial support to Producer Organisations (POs) is indeed of outmost importance. The Commission strongly encourages EU Member States to support Producer Organisations and their Production and Marketing plans under the new financial instrument, the European Maritime, Fisheries and Aquaculture Fund (EMFAF), as well as the creation of new ones.</p> <p>The Commission notes that the link between POs and business continuation and take-overs in this paragraph is not clear.</p>
<p>4.13. (...) Furthermore, ensuring transfer of best practices from Local Action Groups (LAG) to Fisheries Local Action Groups (FLAGs) and increasing the funds for FLAGs will improve the capacity of the small producers.</p>	<p>EU Member States are free to allocate as much funds as they need to Local Action Groups, LAGs, (under Specific Objective 3.1 of the European Maritime, Fisheries and Aquaculture Fund (EMFAF)) in their EMFAF programme, based on their Strengths, Weaknesses, Opportunities, and Threats analysis.</p>

<p>N°15 New approach for a sustainable blue economy in the EU COM(2021)240 final EESCb2021/2758 - NAT/817 563rd Plenary Session – September 2021 Rapporteur: Simo TIAINEN (FI-III) DG MARE – Commissioner SINKEVICIUS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The EESC calls on the EU to actively support the development and introduction of digital and green technologies and solutions for marine activities, with the aim of generating economic, social and environmental benefits.</p>	<p>The green and digital transitions will help make Europe's economy fairer, more resilient and more sustainable for future generations.</p> <p>Reliable, high-quality and harmonised ocean data are the prerequisite for a sustainable transformation of the blue economy. Better knowledge of the ocean and its ecosystems, together with free access to data, will enable industry, public authorities and civil society to make informed decisions.</p> <p>To this end, work is ongoing to improve the digitalisation of the ocean, the quality of data and its transformation into knowledge. In particular through the development of the Digital Twin of the Ocean, EMODnet (European Marine Observation and Data Network) or the Copernicus marine environment service.</p> <p>The Commission also supports the digital transition of fisheries control and promotes the enforcement of</p>

	<p>fisheries rules by revising the fisheries control system¹⁰⁰ in order to move towards advanced digital control mechanisms for fisheries, which will be socially, economically and environmentally beneficial.</p>
<p>1.6. The EESC emphasises the need to consider the EU blue economy and its potential in a global context, including external and trade relations. The Committee calls on the EU to provide EU enterprises with a level playing field vis-à-vis their international competitors and to enhance global implementation of international conventions and agreements regarding economic cooperation, working conditions and the environment.</p>	<p>The Commission will continue creating the conditions for a sustainable blue economy internationally.</p> <p>Many blue economy value chains are global and exposed to global competition, and EU operators do business all over the world. The Commission strives not only to defend the EU's market from unsustainable products and practices, but also to ensure a level playing field for EU businesses in the global marketplace and in promoting the EU's expertise, environmental action and rule of law.</p> <p>In addition, the Commission will promote the implementation and adoption of International Labour Organisation and International Maritime Organisation's conventions to improve working conditions.</p>
<p>1.8. Due to its horizontal nature, the blue economy must be considered in a comprehensive and consistent way in policymaking. This requires seamless cooperation between policymakers at all levels: between the EU and Member States, between Member States in various regions, and between different policy fields such as industry, fisheries, trade, transport, energy,</p>	<p>The Communication on a new approach for a sustainable blue economy in the EU sets a vision as well as a concrete agenda for transitioning to a sustainable blue economy.</p> <p>In order to advance the blue dimension of the European Green Deal¹⁰¹, it calls for a cross-sectoral approach, touching upon all EU policies and instruments.</p>

¹⁰⁰ COM(2018) 368 final – 2018/0193 (COD) – File in discussion at co-legislators level

¹⁰¹ COM(2019) 640 final.

<p>employment and the environment.</p>	<p>The Commission agrees that its implementation will require collective work among Commission services. It will require broad consultations with stakeholders, relations with Member States and regions, and interactions with citizens, including youth.</p> <p>Cooperation within regional seas conventions will also contribute to achieve the objectives of this communication, with the ultimate goal to achieve good environmental status of EU marine waters.</p>
<p>1.9. The EESC calls for close involvement of employers, workers and other civil society parties in shaping, implementing and monitoring EU and national blue economy policies.</p>	<p>The Commission concurs with the Committee's assessment that involvement of employers, workers and civil society is paramount to the successful implementation of the sustainable blue economy agenda.</p> <p>The Blue Forum will support the transformative approach highlighted in the Sustainable Blue Economy Communication so that it becomes a forum for interactions and consultations.</p>
<p>1.12 The EESC also points out that the concept of the blue economy should not be restricted to oceans and seas only, as there are corresponding economic activities based on freshwater resources, and as inland watercourses ultimately flow into seas and oceans. This highlights the importance of regional cooperation in controlling water pollution.</p>	<p>The Communication on the new approach for a sustainable blue economy in the EU does not address the issue of freshwater resources and inland watercourses.</p> <p>The latter is being addressed in the new Mission "Restore our Ocean, Seas and Waters", which complements this agenda. The Mission's new, systemic approach addresses the ocean and waters as one and play a key role in achieving climate neutrality and restoring nature.</p>

	<p>The Mission will help achieve the EU objectives of protecting 30% of the EU's sea area as well as restoring marine eco-systems and 25.000 km of free flowing rivers, prevent and eliminate pollution by reducing plastic litter at sea, nutrient losses and use of chemical pesticides by 50% and make the blue economy climate-neutral and circular with net-zero maritime emissions.</p> <p>Cooperation within regional seas conventions for the protection of the marine environment also contribute to tackling this issue, with a sea-basin approach.</p>
<p>2.9.5. The EESC urges the EU to ensure that conditions for the blue economy in the EU are competitive compared to those of other international players such as China. This is necessary for the EU enterprises to be able to export sustainable blue economy products, technologies and solutions to international markets and to compete successfully with imports from outside the EU.</p>	<p>The European Green Deal calls for a transformation of our economy to become a modern, resource-efficient and competitive economy. To ensure that conditions for the blue economy are faire and competitive, the Commission has been actively engaged on several fronts.</p> <p>In line with the International Ocean Governance Agenda adopted in 2016¹⁰² and with the legal framework established by the United Nations Convention on the Law of the Sea, the Commission will continue creating the conditions for a sustainable blue economy internationally. It will continue to push for science-based management of ocean natural resources, including fisheries, by supporting sustainable maritime development within the EU's partnerships and</p>

¹⁰² SWD(2016) 352 final.

	<p>agreements, and by promoting sustainable fishing in regional fisheries management organisations.</p> <p>The Commission has been a leading actor in the multilateral negotiations on fisheries subsidies in the World Trade Organisation - implementing Sustainable Development Goal 14.6 - to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and to eliminate subsidies that contribute to illegal, unreported and unregulated fishing.</p> <p>The Commission continues to fight illegal fishing and combat fraud in seafood products under EU regulations. Through its Sustainable Fisheries Partnership Agreements, it will continue to improve fisheries governance in partner countries and help develop local economies.</p>
<p>2.9.6. The EESC also draws attention to the opportunities provided by cooperation with developing countries and encourages the EU to enhance the blue economy as one element of the partnership with Africa.</p>	<p>To ensure enhanced partnership with developing partners, the Commission will support countries in advancing and diversifying their sustainable, inclusive and equitable blue economies.</p> <p>This is done through financial support from the multiple funding sources available to embed the sustainable blue economy approach in cooperation on ocean governance around the world.</p> <p>The Commission will consider setting up an EU-Africa blue task force.</p> <p>Through the EU's Sustainable Fisheries Partnership Agreements, the Commission will continue to improve fisheries governance in partner countries</p>

	and help develop local economies, including their blue economy policies.
2.10.4. The EESC calls on the Commission to continue the work towards a more specific action roadmap, to be based on the feedback and contributions by various blue economy actors and stakeholders and making use of the dialogue to take place in the Blue Forum for users of the sea.	<p>The Commission will continue the implementation of the new approach and will report regularly on progress achieved in various fora and institutions, including through the Blue Forum.</p> <p>The Blue Forum for users of the sea will coordinate a dialogue between offshore operators, stakeholders and scientists engaged in fisheries, aquaculture, shipping, tourism, renewable energy and other activities. It will develop synergies between their activities and reconcile competing uses of the sea.</p>
3.3.1. The EESC highlights the important role of fishing, aquaculture and related industries in ensuring low-carbon and healthy diets for Europeans. Considering the high quantity of fish and seafood being imported into the EU, there is a clear motive to reduce the EU's dependence on food imports and provide competitive conditions for European fishing, aquaculture and related industries to respond to food security and sovereignty. Considering the old age of the EU fishing fleet, funding under the European Maritime, Fisheries and Aquaculture Fund should be allocated to modernise the fleets and thus improve their environmental performance, working conditions and attractiveness. The EESC acknowledges and encourages continued efforts by fisheries to keep fish stocks at sustainable levels and protect marine ecosystems. The EESC also encourages the	<p>The new European Maritime, Fisheries and Aquaculture Fund (EMFAF) will support fishing fleets in adopting cleaner engines and techniques, provided these renovations do not generate overcapacity and overfishing.</p> <p>Fleet renewal and modernisation is a challenge for the future of the fishing sector. The rules of the Common Fisheries Policy allow the construction of new fishing vessels with private money, along with safeguards to prevent the fleet's fishing capacity from increasing. Concretely, any new fishing capacity entering the fleet must be compensated by at least the same amount of capacity being withdrawn (for example through decommissioning an old vessel). Member States thus have sufficient flexibility to manage entries and exits in and out of their</p>

<p>sharing of concrete practices such as the contribution of trawlers to collecting plastic litter.</p>	<p>fleet and to address the investment needs of the sector in a sustainable manner.</p> <p>The EMFAF can support the development of new solutions for the fleet through innovation and test of new technology (e.g. trials of energy efficient propulsion). Public investment has high added-value at a pre-market stage to allow innovations and new technologies to find outlets. However, there is no market failure or collective benefit justifying public support for building new vessels. Therefore, there is no reason to use taxpayers' money to finance new fishing vessels for individual private gain. Public support should be reserved for investment which generate collective added-value and common good, or which enable innovation with high potential.</p> <p>The EMFAF can also support the following investments to modernise the fleet and facilitate generational renewal:</p> <ul style="list-style-type: none"> - investments on board to improve gear selectivity, safety on board, energy efficiency and quality of catches; - first acquisition of a second-hand vessel of up to 24 metres by a young fisher, as a start-up support (under conditions that prevent an increase of fishing capacity); - renovation of a vessel of up to 24m in order to improve its safety, working conditions or energy efficiency (under conditions that prevent an increase of fishing capacity); - replacement or modernisation of the
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	<p>engine of a vessel of up to 24m to improve its energy efficiency and reduce its CO2 emissions (under conditions that prevent an increase of fishing capacity).</p> <p>The EMFAF specifically supports training and upskilling for fishers, as well as other initiatives to invest in people, upskilling, and social dialogue.</p> <p>The EMFAF will continue to provide financial support for fishers to retrieve and collect litter and lost fishing gears during their normal activities and to fund proper processing in ports and landing sites, in accordance with relevant EU legislation such as the Port Reception Facilities and the Single Use Plastics Directives.</p> <p>A new call for proposals on blue careers and a specific call for proposals on women aiming at increasing women's representation in the workforce and raising their profile in the formal governance of the blue economy will be launched in 2022.</p> <p>The EU values the role of fishers as stewards of the sea and encourages this role to be further promoted at national level as well as by the industry itself.</p>
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N°16 Machinery COM(2021) 202 final EESC 2021/2559 - INT/952 563rd Plenary Session – September 2021 Rapporteur: Martin BÖHME (DE-III) DG GROW – Commissioner BRETON	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.4.1. The transitional provisions to the new machinery regulation need to be specified in order to provide legal certainty for all stakeholders.</p>	<p>The transitional provisions are specified in Articles 49 and 50. However, the Commission agrees that the wording on Article 50 could be adapted to be coherent with Article 49 so that the effective transitional period for making machinery available on the market is 42 months.</p>
<p>1.4.2. A need to adapt the structure and substance of the annexes to the proposal for a regulation. The nature of the numbering, the allocation of types of machinery and overlaps with adjacent EU regulation still raise questions.</p>	<p>The nature of the numbering of the annexes follows the Commission Legal Service drafting rules.</p> <p>The allocation of types of machinery in Annex III follows the current structure of the Machinery Directive 2006/42/EC in Annex I. The potential overlapping with adjacent EU regulation has been tackled in several manners. In particular:</p> <ul style="list-style-type: none"> - recital 7 on the application of Regulation (EC) No 2019/1020 on market surveillance; - article 2.2 (m) on the exclusion of electrical and electronic products falling under the Radio Equipment Directive 2014/53/EU; - article 8 clarifying the lex specialis rule;

	<ul style="list-style-type: none"> - new Article 9 on the link with the future EU Artificial Intelligence legislation; - article 17.5 making the link with Regulation (EU) 2019/881 on cybersecurity.
1.4.3. It must be clear that machinery must be safe at the time it is placed on the market and throughout its lifetime.	<p>The current Machinery Directive 2006/42/EC already requests so in Annex I, section 1.1.2: ‘the aim of measures taken must be to eliminate any risk throughout the foreseeable lifetime of the machinery including the phases of transport, assembly, dismantling, disabling and scrapping’.</p> <p>The proposed Regulation reinforces this aspect in Annex III by requiring manufacturers to identify the hazards that may be generated by the machinery product during the lifecycle of the machinery product.</p> <p>Furthermore, a re-assessment of the machinery placed on the market is required when there is a substantial modification.</p>
1.4.4. Increasingly sophisticated machinery requires special training for users so that workers are not exposed to unnecessary risks. Mechanisms are also needed that allow clear responsibility to be attributed in the event of accidents. Workers' representatives should be enlisted in the procedure for the purchase and installation of new machinery.	<p>The purpose of the Regulation on machinery products is to ensure that machinery placed on the market is safe and that there are not restrictions to the free movement.</p> <p>There are other pieces of EU legislation that deal with workers safety, including the following:</p> <p>Article 5 of Council Directive 89/391/EEC (hereinafter: Framework Directive) provides that employers shall have a duty to ensure the safety and health of workers in every aspect related</p>

	<p>to work. The scope of this provision does not cover the responsibility of manufacturers /refurbishes putting the machinery on the market. The Framework Directive places general obligations on the employer, in particular regarding risk assessment (Art. 6 and 9), i.e. to evaluate the risks to the safety and health of workers, inter alia, in the choice of work equipment (including sophisticated machinery).</p> <p>As regards enlisting workers' representatives in the procedures for the purchase and installation of new machinery, the Framework Directive (Article 6(3) (c)) requires the employer to consult the workers and / or their representatives when introducing new technologies as regards the consequences of the choice of work equipment (such as machinery).</p> <p>As regards special training for users of work equipment (sophisticated machinery), the Framework Directive provides that the employer shall ensure adequate safety and health training in the event of the introduction of new work equipment (such as machinery), change in equipment and introduction of any new technology (Article 12).</p> <p>Directive 2009/104 on the use of work equipment by workers at work provides that when equipment involving specific risks to the safety or health of workers (Article 6) is used, employers must ensure that: (a) the use is restricted to those persons given the task of using it; and (b) specifically designated workers carry out repairs, modifications,</p>
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	<p>maintenance or servicing. Its provisions on training (Article 9) require the employer to take measures necessary to ensure that workers receive adequate training for the use of work equipment (including its risks).</p>
<p>1.4.5. The deployment of artificial intelligence requires a specifically defined security framework in which the operation of such systems can take place.</p>	<p>The requirements for the placing on the market, putting into service and use of artificial intelligence systems should be regulated by the regulation on artificial intelligence (based on the proposal made by the Commission on 21 April 2021). In the Commission's proposal, these requirements include security-specific considerations.</p> <p>The proposed regulation on machinery products is also intended to smoothly interplay with possible future cybersecurity certification schemes set in accordance with Regulation (EU) 2019/881.</p>
<p>1.4.6. The mandatory involvement of notifying bodies in the production of conformity assessments for machinery must continue to be affordable for undertakings.</p>	<p>The involvement of notified bodies is only requested for high-risk products that represent 20% of the whole machinery sector.</p> <p>Furthermore, in order to reduce costs for the small and medium-sized enterprises (SMEs), the proposal includes provisions requiring notified bodies to take account of SMEs specific interests when setting up the conformity assessment fees.</p>
<p>1.4.7. The need for continuous monitoring of legislation on machinery products, in coordination with the relevant stakeholders, in order to respond to technological innovations and challenges for producers and the protection</p>	<p>The Commission will continue working with the relevant stakeholders in the Machinery Experts Group.</p> <p>In addition, the proposal foresees the Commission empowerment to adapt the</p>

of workers' physical and mental health.	list of high-risk products to the technical progress, which will involve stakeholders in the process according to the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
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<p>N°17 Action Plan/Intellectual property COM(2020) 760 EESC 2020/5871 – INT/927 560th Plenary Session – April 2021 Rapporteur: Rudolf KOLBE (AT-III) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The EESC strongly believes that launching the Unitary Patent System needs to be a main priority and will considerably enhance the competitiveness of EU companies. Given the obvious difficulties in implementing the system, the EESC is convinced that transferring the UPS to the EU legislative system needs to become the (long-term) goal.</p>	<p>The Commission and the Member States concerned remain committed to a swift launch of the unitary patent system.</p> <p>Following a positive vote of the German Parliament in late 2020 regarding the German Act of Approval to the Agreement on a Unified Patent Court, two new constitutional challenges were initiated before the German Constitutional Court. The Commission is following the process and hope that these challenges are resolved quickly, allowing Germany to proceed with finalising its ratification.</p>
<p>1.3. The EESC stresses the importance of SME support measures in all areas of intellectual property rights (IPR) protection. In addition to financial support measures, there must be a special focus on increasing IPR know-how and on tailor-made consulting and advice services.</p>	<p>The Commission's action prioritizes competitiveness of Small and Medium Enterprises (SMEs) and conceives Intellectual Property (IP) as a tool for business strategy with special focus on SMEs needs. It aims at improving IP management, through the active use of all relevant IP protection methods, registered IP rights, unregistered IP rights, trade secrets and contractual arrangements. Not registering intellectual assets could also be an option, though it should be a conscious</p>

	<p>one.</p> <p>IP support is not standalone and there is a close link with business and innovation support. In particular, as proposed in the IP Action Plan, the Commission will develop actions along the following lines:</p> <ul style="list-style-type: none"> - provide a scheme for IP SME Vouchers to finance IPR registration and strategic IP assistance; - strategic IP assistance services for SMEs in “Horizon Europe” and beyond; - improved IP information through the European IP Info Centre, IP Helpdesks and integration into Your Europe; - IP as an asset to facilitate access to finance.
<p>1.4. The EESC would like to launch a discussion on how to boost knowledge of IPR and IPR management at all levels of the EU's education systems.</p> <p>3.2.3. The EESC believes that a major problem is the enormous lack of knowledge of IPR management strategies in EU companies, especially but not only in SMEs and micro-enterprises. [...] Awareness of the potential of IPR for entrepreneurs needs to be raised and combined with various low-barrier training programmes. The EESC suggests exploring ways of increasing the number of qualified IPR managers in EU companies.</p> <p>3.2.5. The importance of turning research results into innovation is obvious, and the</p>	<p>The Commission is ready to engage in and/or support a discussion with the Committee on how to boost knowledge of IPR and IPR management at all levels of the EU's education systems. In this respect, the Commission cooperates with the European Union Intellectual Property Office (EUIPO) Observatory on Infringement of IPR and participates in the working group discussions on public awareness. The Observatory stakeholders regularly conduct awareness raising to help EU citizens understand the value of IP in today's society¹⁰³.</p> <p>As part of the Observatory's work programme on public awareness in</p>

¹⁰³ <https://euipo.europa.eu/ohimportal/cs/web/observatory/public-awareness-campaigns>

<p>EESC therefore welcomes any activities that promote knowledge-transfer and better IP management in the R&I community. SMEs and micro-enterprises are often small partners in a project consortium and in this role need better support to turn IPR into products and to protect their rights within such consortia. This should be a particular focus of support programmes that provide tailored advice and support.</p>	<p>2021, a call for proposals has been recently launched titled “Support for awareness-raising activities on the value of intellectual property and the damage caused by counterfeiting and piracy”¹⁰⁴.</p>
<p>1.5. The EESC encourages the European Commission to implement a unitary supplementary protection certificate (SPC) title and examine the possibility of applying the SPC system to new sectors.</p>	<p>The Commission conducted an evaluation of the supplementary protection certificate (SPC) legislation and is currently exploring possible legislative initiatives, regarding in particular the potential creation of a unitary SPC and/or of a ‘unified’ procedure for the granting of SPCs.</p>
<p>1.6. The EESC calls for a social dialogue process that, in addition to legal rules, clarifies and defines fair IPR through collective bargaining in order to offer authors and producers incentives in the form of recognition of their creations as well as fair economic compensation.</p>	<p>The 2019 Directive on copyright in the digital single market¹⁰⁵ lays down new rules aiming at achieving a fair remuneration of creators. The new rules recognise the important role that collective bargaining may play in this context. The Directive should have been implemented by Member States by 7 June 2021. So far the following Member States notified Commission about the transposition of the Directive: HU, MT, DE, and NL (CZ, FR, LT only notified partially).</p> <p>The Commission has regular contacts with Member States on the new Directive and will monitor its correct implementation.</p>

¹⁰⁴ <https://euipo.europa.eu/ohimportal/en/grants-gr-002-21>

¹⁰⁵ <https://eur-lex.europa.eu/eli/dir/2019/790/oj>

<p>1.7. The EESC considers geographical indications (GI) to be an important tool for enhancing the competitiveness of local producers and emphasises the potential of adding a harmonised system for GI protection of non-agricultural products.</p>	<p>The Commission has concluded a public consultation on the Roadmap for EU-wide protection of geographical indications for non-agricultural products (Inception Impact Assessment). Stakeholders' inputs will be summarized in a public synopsis report.</p> <p>The Commission will consider the introduction of a system for sui generis protection of non-agricultural products at EU level, on the basis of a thorough impact assessment of its potential costs and benefits, and building on stakeholder feedback to the recent inception impact assessment and public consultation.</p>
<p>1.8. The EESC recognises the economic potential and the public interest of fostering the flow of data across the EU, but stresses the problems arising from unbalanced regulations.</p> <p>3.1.9. Trade secrets are intangible assets that complement intellectual property rights (IPR). They are widely used in the creative process that leads to innovation and the creation of intellectual property rights, and ensuring their effective protection is therefore extremely important. The EESC therefore considers that clarifying the basis laid down in Directive (EU) 2016/943 is an important objective.</p> <p>3.3.4. The EESC recognises the economic</p>	<p>The Free Flow of Non-Personal Data Regulation¹⁰⁶ and the General Data Protection Regulation¹⁰⁷ ensure the free movement of data in the EU. The European Data Strategy¹⁰⁸ aims to make the EU a leader in a data-driven society. Creating a single market for data will allow it to flow freely within the EU and across sectors for the benefit of businesses, researchers and public administrations.</p> <p>The proposed Regulation on data governance, which was proposed by the Commission on 25 November 2020¹⁰⁹ and on which the European Parliament and Council reached a</p>

¹⁰⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1807>

¹⁰⁷ <https://eur-lex.europa.eu/eli/reg/2016/679/oj>

¹⁰⁸ https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-data-strategy_en

¹⁰⁹ <https://ec.europa.eu/digital-single-market/en/news/proposal-regulation-european-data-governance-data-governance-act>

<p>potential of fostering data-sharing and the flow of data across the EU in all sectors, but stresses that enabling the flow and widespread use of data must be based on a balanced approach securing privacy, security, safety, ethical standards and legitimate IP protection interests. This needs to be secured in the revision of the Database Directive in 2021</p>	<p>preliminary political agreement on 30 November 2021, aims to boost data sharing across sectors and Member States and to safeguard the legitimate interests of IPR holders, including trade secrets.</p> <p>A key pillar of the Data Strategy is to ensure that data governance facilitates data sharing across sectors, strengthen mechanisms to increase data availability and overcome technical obstacles to the reuse of data.</p> <p>In order to ensure that IP remains a key enabler of the data economy, the Commission is conducting a study with the objective to better understand how trade secret protection applies in the context of the data economy, e.g what types of data/datasets can be considered a trade secret, how to preserve confidentiality while enabling trustworthy data sharing. This evidence gathering study is focusing on four sectors (health, automotive, energy, financial services).</p> <p>Based on the results of this study, the Commission will decide whether there is a need to clarify the Trade Secrets directive (2016/943/EU) when applied in the context of the data economy.</p> <p>The Commission would welcome the participation of the Committee members and industry stakeholders who would be able to provide inputs to the study.</p> <p>Regarding the Database Directive¹¹⁰, the objective will be to ensure that the</p>
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	<p>sui generis right does not interfere with the aim of the planned proposal for a Data Act, namely the access, use and sharing of data within the Data Economy, particularly in the Internet of Things environment, while balancing the legitimate interests of IP holders and the data sharing needs.</p>
<p>1.9. The EESC welcomes all measures to enforce the fight against IPR infringement, and the strengthening of the role of the European Anti-Fraud Office in the fight against counterfeiting</p> <p>3.4.2. Digitalisation has led to new forms of IP infringements such as the cyber-theft of trade secrets, illegal streaming etc. The EESC welcomes binding regulations, such as the Digital Services Act¹¹¹, ensuring a better legal framework</p> <p>3.4.3. Counterfeiting and piracy cause huge losses in EU sales, but they also pose health, safety and security threats to consumers. The EESC welcomes the cooperation of all stakeholders, the establishment of an EU toolbox and the strengthening of the role of the European Anti-Fraud Office in the fight against counterfeiting.</p>	<p>The Commission announced in the IP Action Plan that it will establish an EU Toolbox against counterfeiting to set out principles for joint action, cooperation and data sharing among right holders, intermediaries and law enforcement authorities. The EU Toolbox is scheduled for adoption in the second quarter 2022.</p> <p>As a vertical/sector-specific instrument, the EU Toolbox will set out a coherent, effective and coordinated action against counterfeiting, both online and offline, by:</p> <ul style="list-style-type: none"> - clarifying roles and responsibilities of right holders and intermediaries, both online and offline, with respect to mutual cooperation and data sharing; - enhancing cooperation between right holders, intermediaries and public authorities; - facilitating effective and efficient information and data sharing between all key actors, and - promoting the use of adequate tools and new technologies to prevent and detect counterfeiting activities.

¹¹¹ COM(2020) 825 final.

	<p>As announced in the IP Action Plan, the Commission plans to strengthen the enforcement of IPRs at EU level by broadening the Commission's mandate and assigning it to the European Anti-Fraud Office (OLAF), so that the latter does not only prevent counterfeit goods from entering the Single Market but can also act against illicit production of counterfeit goods within the EU.</p> <p>As announced in its reply to the European Parliament resolution on the matter, the Commission will set out in 2022 the actions it intends to take to address online sport piracy of live content, including live sport events. These actions will have to build on, and complement, the horizontal provisions on illegal content online included in the proposal for a Digital Services Act.</p>
<p>1.10. The EESC advocates further enhancing direct support tools for EU businesses operating in non-EU countries and the strict enforcement of IP laws and EU trade agreement provisions to protect these businesses against IPR infringements.</p> <p>3.5.2. IPR protection and enforcement is an additional challenge for EU businesses that are operating in non-EU countries. Therefore, the EESC encourages all Commission measures to improve this situation. Negotiating IP chapters with a high level of protection in Free Trade Agreements and IP dialogues with trading partners are important long-term approaches, as well as cooperation in worldwide organisations such as the WIPO</p>	<p>The Commission has set up 'international IP SME Helpdesks' in several third countries or regions (most recently in India), providing free-of-charge information and assistance to EU SMEs.</p> <p>As explained in the IP Action Plan, our citizens and businesses need to rely on a stable, global level playing field when conducting business and competing abroad. However, evidence shows that our citizens and businesses still face great challenges when operating in non-EU countries, including weak IP rules and enforcement, forced technology transfer and other unfair practices such as limitations in IP ownership of joint</p>

<p>and the WTO and participation in global IP agreements.</p>	<p>research results, very broad extraterritorial anti-suit injunctions and cyber theft.</p> <p>The Commission will use all tools available to improve the situation, including through negotiating IP chapters with a high level of protection in Free Trade Agreements and conducting IP dialogues with important trading partners, both looking at short and long term issues.</p>
<p>3.3.3. Since standardisation is a process with many different stakeholder interests, Standard Essential Patents (SEPs) require a particularly high level of transparency and fair licencing rules. The EESC therefore supports approaches for an independent system of third-party essentiality checks and measures to reduce infringements and points of friction.</p>	<p>The Commission announced in its IP Action Plan adopted in November 2021, that it will improve transparency and predictability in the Standard Essential Patents (SEP) licensing.</p> <p>The Commission presented the results of a pilot project on SEPs essentiality to the public. The study concluded that institutionalised third party checks that declared patents are essential to a standard are feasible and can bring benefits.</p> <p>Any further steps will be basis on thorough analysis and wide stakeholder debate, which is already unfolding through a series of public webinars.</p>

<p>N° 18 AI – coordinated plan COM(2021) 205 final EESC 2021/2456 – INT/939 563rd Plenary Session – September 2021 Rapporteur: Marie-Françoise GONDARD-ARGENTI (FR-I) DG CNECT – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The EESC welcomes this revised coordinated plan on Artificial Intelligence (AI), resulting from collaboration between the Commission and the Member States, and calls for its expedited implementation by all stakeholders playing their part.</p>	<p>The Commission has relaunched a Member States Expert Group on Artificial Intelligence and Digitalisation of Businesses (E03795). One of the main tasks of this Member States Group will be the follow-up and implementation of the actions proposed in the Coordinated Plan.</p>
<p>1.3. In order to yield the expected economic, social, environmental and public health benefits for all of Europe's citizens without distinction, the plan must inject new momentum into education by incorporating ethical and environmental issues, lifelong learning and skills development, as well as innovation challenges and support for workers and businesses, including smaller ones.</p>	<p>The Commission agrees with the Committee. In this context, the Coordinated Plan includes specific action points to nurture talent and improve the supply of skills necessary to enable a thriving Artificial Intelligence (AI) ecosystem (section 8); ethics and trust (section 9); environmental issues (section 10 and 11) and support for business including smaller ones (section 6 on European Digital Innovation Hubs and section 7 on funding to scale up innovative ideas and solutions).</p> <p>Under the new Digital Europe programme (DIGITAL), the Commission is devoting around €750 million to the setup of a network of more than 200 European Digital Innovation Hubs (EDIH). These hubs</p>

	<p>will be geographically spread across all EU regions and will provide businesses, especially the small and medium-sized enterprises, with the digitalisation support services they need, with at least one in every Member State focusing on AI.</p> <p>All EU Member States have pre-selected their candidate hubs, following national procedures. These candidate hubs will soon be able to apply to a Commission call to establish the initial network. The first hubs should be up and running by the second quarter of 2022. Further calls may follow.</p> <p>The network is expected to be a catalyst for the digital transformation of Europe's SMEs and to provide a major contribution to achieving the Digital Decade targets on the Digital Transformation of Business¹¹².</p>
<p>1.4. In the world of work, trust is the key to success, and AI is no exception to this rule. The EESC believes that this new plan should give social dialogue and the social partners a key role throughout the process. While the question of skills is essential, consideration must be given to all issues pertaining to automation in the world of work.</p>	<p>The Commission agrees with the Committee that social dialogue and social partners play a fundamental role in creating the trust needed for the successful adoption of AI technologies in the world of work.</p> <p>Therefore, the Commission launched a two-stage consultation of European social partners to seek their opinion on improving working conditions in platform work. Social partners were consulted, among other things, on the main challenges stemming from the algorithm-based business models in platform work and possible ways to</p>

¹¹² COM(2021) 118 final

	<p>tackle them.</p> <p>On 9 December 2021 the Commission proposed the Directive on improving working conditions in platform work (COM(2021) 762 final) that addresses the modalities of the use of AI and its impact on working conditions in the broader work context.</p> <p>The Commission has also proposed a horizontal regulatory framework for AI (AI Act), which addresses the risks associated with certain AI systems, including in the area of employment, workers management and access to self-employment. Once adopted, it will ensure that AI systems developed, deployed and used in the EU are trustworthy and compliant with harmonised essential requirements for safety and protection of fundamental rights.</p>
<p>1.5. The EESC recommends that the Commission, within the policy framework it intends to establish, strongly encourage Member States to strengthen social and civic dialogue on AI issues and tools.</p>	<p>The Commission agrees that stakeholders' dialogue on AI issues and tools is essential and the Commission will encourage Member States to strengthen it, for example through the collaboration within the framework of the Member States Expert Group on Artificial Intelligence and Digitalisation of Businesses. The Commission attaches particular attention to the involvement of social partners in the development of AI. It also highlights that social dialogue is key to providing the necessary support to workers in the uptake and monitoring of AI at the workplace.</p> <p>The Commission has also addressed</p>

	the question of social dialogue on issues related to algorithmic management in the context of its legislative proposal on the Directive on improving working conditions in platform work ¹¹³ .
1.6. The EESC points out that trust hinges on the right of every worker, consumer or citizen to the explicability of algorithmic processes in so far as these have an impact on their lives and their environment. The new coordinated plan must be part of this requirement of transparency and explicability, inseparable from the right of every citizen to challenge decisions taken solely by an algorithm.	Trust is a key element to the AI package. This is reflected both in the Coordinated Plan on AI as well as in the proposal for the AI Act. The Commission will continue its efforts to strengthen trust and transparency of AI systems both through regulatory and policy initiatives on AI.
1.7. The EESC believes that the EU can establish itself as a credible global leader in AI provided there is unwavering coordination between EU institutions, Member States and organised civil society – social partners, consumers and citizens – with a clear definition of individual responsibilities. By operating between European institutions, between them and Member States and between Member States, this coordination will maximise the overall impact while ensuring the rapid and consistent implementation of investment policies and programmes.	<p>The Commission agrees that coordination within the EU on AI is essential. The Commission will take actions to facilitate the uptake of and synergies between national actions identified in the national AI strategies and joint actions between Member States or between Member States and the Commission's initiatives under the Coordinated Plan. This may include measures to strengthen coordination mechanisms and enhance the provision of information to Member States on the practical means, including funding, to support the development and uptake of AI.</p> <p>The Commission has also set up a European Partnership on AI, Data and Robotics, to create a strong AI ecosystem in Europe, and links to</p>

¹¹³ COM(2021) 762 final

	<p>Member States initiatives, to mobilise <u>all stakeholders</u> to join forces, to drive innovation, uptake and acceptance of human-centric and trustworthy AI. The partnership leverages €1.3 billion of public investments through the Horizon Europe programme, complemented with €1.3 billion of private investment in the period 2021-2030 to address the key challenges in European AI, Data and Robotics.</p> <p>The Commission will also take actions to promote the EU vision on sustainable and trustworthy AI in the world as outlined in the Coordinated Plan.</p>
<p>1.9. The EESC welcomes the fact that the revised coordinated plan proposes specific measures to boost the implementation of the national strategies and increase synergies. However, the plan only takes on its full significance in tandem with the European data strategy – the creation of a European space for data and data protection – and the strategy for cybersecurity.</p>	<p>The availability of high-quality data, among other things, in respect of diversity, non-discrimination, and the possibility to use, combine and re-use data from various sources in a General Data Protection Regulation (GDPR) compliant way, are essential prerequisites and a precondition for the development and deployment of certain AI systems. To support actions on data, the Coordinated Plan includes a set of specific actions, including the adoption of a Data Act and investments in data spaces. The EU Cybersecurity Strategy for the Digital Decade sets out how the EU will shield its people, businesses and institutions from cyber threats, and how it will advance international cooperation and lead in securing a global and open internet.</p> <p>The Commission agrees that cybersecurity should be fully taken into</p>

	<p>account. Cybersecurity should be integrated into digital investments of key technologies such as AI from the outset. Therefore, closely concerting the coordinated plan on AI with the EU Cyber strategy for the Digital Decade throughout their development was essential for the Commission. This close connection is visible in various strategic initiatives in both documents where AI can help boost and improve cybersecurity and, vice versa, where cybersecurity plays an important role in strengthening AI.</p>
<p>1.10. To overcome the lack of binding coordination, the EESC calls for a scheme providing for ongoing monitoring of progress using performance indicators devised by all stakeholders.</p>	<p>The Commission shares the Committee's position on the importance of monitoring the coordinated plan. For this reason, the coordinated plan specifically provides that the Commission will analyse and propose by 2022 how to reinforce monitoring of the development, uptake and impact of AI technologies in the EU in the private and public sectors.</p>
<p>1.11. The EESC encourages the Member States to use the Recovery and Resilience Facility – as well as other financial instruments such as Horizon Europe, the Digital Europe programme and InvestEU – to support the development and uptake of AI, especially among the smallest businesses. A recent EIB report sheds light on the road ahead.</p>	<p>The Commission agrees that Recovery and Resilience Facility (RRF) as well as other financial instruments such as Horizon Europe, the Digital Europe programme and InvestEU are important instruments to facilitate the development and deployment of AI.</p> <p>In particular, the Commission has encouraged Member States, in the development of their recovery and resilience plans, to support AI Testing and Experimentation Facilities and set-up regional and national research excellence centres on AI, contributing</p>

	<p>to build the distributed European AI lighthouse.</p> <p>Many national recovery and resilience plans include reforms and investments to support AI research and development. For example, Czech Republic is planning to launch a European Centre of Excellence in AI for Citizens Safety and Security to support research, cooperation and introduction of new applications and create a Testing and Experimentation Facility. Spain has a wide selection of AI activities with intended RRF support, including working on creating a creation of a multidisciplinary research centre to integrate AI together with other sciences, as well as setting up a Spanish Network of Excellence in AI. Also Finland is planning to create competitive development environments for AI and other emerging technologies, for example by participating in forming a European testing and experimentation facility for AI.</p>
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N°19 AI Regulation COM(2021) 206 final EESC 2021/2482 – INT/940 563rd Plenary Session – September 2021 Rapporteur: Catelijne MULLER (NL-II) DG CNECT – Commissioner BRETON	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.3. The EESC stresses that AI has never operated in a lawless world. Because of its wide scope as well as its primacy as an EU Regulation, the AIA could create tension with existing national and EU laws and related regulatory proposals. The EESC recommends amending Recital (41) to duly reflect on and clarify the relations between the AIA and existing and upcoming legislation.</p>	<p>The relationship between the proposed Artificial Intelligence Act¹¹⁴ (AIA) and other Union and national laws has been carefully assessed and evaluated, in particular in section 1.3 of the Impact Assessment accompanying the legislative proposal. In addition, recital 41 aims to clarify that the AIA provisions are without prejudice to any other Union or national rules on the lawfulness of certain uses of AI systems. The Commission is open to further clarify this link if deemed necessary.</p>
<p>1.4. and 3.2. The definition of AI (Article 3(1) in conjunction with Annex I) has given rise to a discussion among AI scientists to the effect that a number of the examples given in Annex I are not considered AI by AI scientists, and a number of important AI techniques are missing. The EESC sees no added-value in Annex I and recommends removing it entirely from the AIA. The EESC also recommends amending the definition in Article 3 (I) as follows:</p> <p>"'Artificial intelligence system' (AI system) means software that can, in an automated manner, for a given set of human-defined objectives, generate outputs such as content,</p>	<p>The Commission believes that the definition of AI should be technology neutral, as well as precise enough to provide the necessary legal certainty, while leaving some flexibility to accommodate technical progress. Furthermore it should be borne in mind that the ambition of the AIA is to lay out the regulatory standard for the development, deployment and use of trustworthy AI by providing the first comprehensive set of rules in the field at a global level.</p> <p>In line with the objective to help shape global norms and standards for trustworthy AI, the proposal builds largely on the definition of AI proposed by the Organisation for Economic</p>

¹¹⁴ [COM\(2021\) 206 final](#)

<p>predictions, recommendations or decisions, influencing the environment it interacts with."</p>	<p>Cooperation and Development (OECD), with a focus on AI as software in order to ensure smooth integration with other EU legislation such as on medical devices, machinery or radio equipment. In order to provide legal certainty, Annex I is necessary. It is part of the definition with its list of specific AI techniques and approaches.</p> <p>Moreover, it is important for the definition of "AI system" to be future-proof and able to cover techniques and approaches which are not yet known or developed. This is ensured through the possibility to introduce targeted amendments to Annex I by way of delegated acts, in order to take account of technological and market developments.</p>
<p>3.4., 1.8., 3.5., 4.10. and 4.11.</p> <p>The EESC warns that compliance with the requirements set for medium- and high-risk AI does not necessarily mitigate the risks of harm to health, safety and fundamental rights in all instances.</p> <p>The EESC welcomes the alignment of these requirements with elements of the Ethics guidelines for trustworthy AI, but five important EGTAI requirements are not specifically dealt with in the AIA, namely: (i) human agency, (ii) privacy (iii) diversity, non-discrimination and fairness, (iv) explainability and (v) environmental and social wellbeing. This is a missed opportunity, because many of the risks AI poses are those of privacy, bias, exclusion, inexplicability of the outcomes of AI decisions, the undermining of human agency and the environment and all are reflected in our fundamental rights.</p> <p>The EESC recommends adding these</p>	<p>The AIA is deeply rooted in the work of the High-Level Expert Group on AI (AI HLEG). Most of the recommendations of the AI HLEG have been translated into the requirements proposed by the Commission in the AIA.</p> <p>It should be noted that the requirement for human agency for high-risk AI systems is taken into account in Article 14 of the proposal which requires appropriate human oversight measures to be identified by the provider of the AI system and implemented by the user, as necessary. Moreover, a high quality of training and testing datasets (Article 10) is essential to ensure that high-risk AI systems do not become the source of discrimination prohibited by Union law. In addition, the transparency requirements under Article 13 aim to ensure that high-risk AI systems are sufficiently comprehensible to the users of these systems as defined in the AIA and that they are able to interpret the systems'</p>

<p>requirements to those of Chapter 2 of Title III of the AIA.</p>	<p>outputs.</p> <p>Besides, Regulation (EU) 2016/679 (the GDPR) , Regulation (EU) 2018/1725 (the EU Data Protection Regulation), Directive (EU) 2016/680 (the Law Enforcement Directive), and Directive 2002/58 (the E-privacy Directive) already guarantee that the fundamental rights to data protection and privacy are protected when AI systems are used, while the right to non-discrimination is enshrined in existing anti-discrimination law. The AIA facilitates the implementation of those rights whenever high-risk AI systems are used, as indicated in the Explanatory Memorandum (section 3.5; see also the reply to points 1.11. and 4.27. below).</p> <p>For some of the requirements proposed by the AI HLEG, in particular environmental and social wellbeing, the Commission found it practically difficult to carry out a meaningful assessment and translate them in practicable, proportionate and enforceable legal obligations to achieve the objectives of regulatory intervention, notwithstanding their importance. The Commission pursues, however, an active policy in this respect by other means like the Coordinated Plan on AI 2021 review¹¹⁵, which envisages in chapter 11 a number of concrete action steps to bring AI into play for climate and environment. Furthermore, requirements related for instance to environmental sustainability, diversity of development teams, stakeholder participation in the design and development of the AI systems, or accessibility for persons with a disability can be further implemented through voluntary codes of conduct, which may be created by providers of AI systems with the</p>
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¹¹⁵ COM(2021) 205 final

	<p>involvement of interested stakeholders. The Commission will encourage such activities in the future. In addition, the Commission actively promotes the implementation of the Assessment List on Trustworthy Artificial Intelligence (ALTAI), developed by the AI HLEG, which helps business and organisations self-assess the trustworthiness of their AI systems under development through the lenses of the AI HLEG recommendations.</p>
<p>3.4., 1.9., 3.6. and 3.7.</p> <p>The EESC strongly recommends that the AIA provide for certain decisions to remain the prerogative of humans, particularly in domains where these decisions have a moral component and legal implications or a societal impact such as in the judiciary, law enforcement, social services, healthcare, housing, financial services, labour relations and education.</p>	<p>The human-centric approach underpins the AIA in line with European fundamental rights and values. Human oversight (Article 14) is therefore one of the essential requirements with which high-risk AI systems must comply, including measures to be implemented by both providers and users (see also Articles 29 and 61). The AIA does not mandate specifically the domains where the decisions should remain exclusive human prerogative, because this limitation normally comes from applicable sectoral laws (e.g. in the judiciary only a judge can issue a judgment based on the facts and the law).</p>
<p>1.5., 4.2., 4.3.</p> <p>Evidence exists that subliminal techniques can not only lead to physical or psychological harm, but can, given the environment they are deployed in, lead to other adverse personal, societal or democratic effects, such as altered voting behaviour. Moreover, it is often not the subliminal technique itself, but rather the decision who to target with a subliminal technique that is AI driven.</p> <p>In order to capture what the AIA aims at prohibiting in Article 5(1)(a), which is</p>	<p>Prohibited uses of AI include subliminal manipulation, which also includes cases where the AI system simply selects the person to be targeted with a subliminal technique that is AI-driven, if the person is micro-targeted in a hidden way with the objective to materially distort his or her behaviour.</p> <p>While there can be indeed other harms that may occur in addition to physical and psychological harms, the Commission has decided that it is important to keep the prohibitions of manipulation narrow to ensure legal certainty for operators and address only</p>

<p>manipulating people into harmful behaviour, the EESC recommends amending the paragraph as follows: "(...) an AI system deployed, aimed at or used to materially distort a person's behaviour in a manner that causes or is likely to cause harm to that person's, another person's or group of persons' fundamental rights, including their physical or psychological health and safety, or to democracy and the rule of law".</p>	<p>the most severe risks and harmful consequences. The remaining risks that may occur are to be addressed by the existing legislation on the protection of fundamental rights and safety and the regulation of specific activities such as online intermediaries. Notably, Directive 2005/29/EC ("the Unfair Commercial Practices Directive") regulates unfair business practices, such as misleading actions and aggressive marketing techniques to influence consumers' choices.</p>
<p>1.5. and 4.4.</p> <p>The EESC recommends amending the prohibited practice of exploitation of vulnerabilities in Article 5(1)(b) in the same manner, so as to include harm to fundamental rights, including physical or psychological harm.</p>	<p>For the same reasons as above, the Commission has decided to keep the prohibition of exploitation of vulnerabilities with a narrow scope.</p>
<p>1.6. and 4.5.</p> <p>The EESC welcomes the prohibition of "social scoring" in Article 5(1)(c).</p> <p>The EESC recommends that the prohibition of social scoring also apply to private organisations and semi-public authorities, rather than just to public authorities.</p> <p>There is no place in the EU for scoring the trustworthiness of EU citizens based on their social behaviour or personality characteristics, irrespective of the actor performing the scoring. If there were, the EU would open the door to multiple areas where social scoring would be allowed, such as at the workplace. The conditions under subparagraphs (i) and (ii) should be clarified so as to draw a clear line between what is considered "social scoring" and what can be considered an acceptable form of evaluation</p>	<p>The AIA limits the prohibition on the use of AI for social scoring only to public authorities because of the specific power imbalances and the large scale effects of such scoring systems affecting often the entire population.</p> <p>The conditions in points (i) and (ii) of Article 5(c) aim notably to draw a line between legitimate forms of evaluations that could be still considered high risk and subjected to requirements and obligations to address risks to fundamental rights from unacceptable social scoring practices that should be prohibited outright.</p>

<p>for a certain purpose, i.e. at the point where the information used for the evaluation should no longer be deemed relevant or reasonably related to the goal of the evaluation.</p>	
<p>1.7., 4.6., 4.7. and 4.8.</p> <p>The AIA aims to ban real-time remote biometric identification for law enforcement and categorise it as "high risk" when used for other purposes. This leaves "post" and "near" biometrics recognition allowed. It also leaves biometric recognition not aimed at identifying a person, but rather at assessing a person's behaviour from their biometric features allowed. The limitation to "law enforcement" allows biometric identification, as well as all other forms of biometric recognition, including all forms of "emotion recognition" for all other purposes, by all other actors, in all public and private places. This leaves the door wide open to a world where we are constantly being "emotionally assessed" for whatever purpose the actor assessing us deems necessary.</p> <p>The AIA categorises "emotion recognition" generally as low risk, with the exception of a few user domains where they are categorised as high risk. All these types of practices by AI are extremely invasive, lack any sound scientific basis and pose substantial risks of harm to a number of fundamental rights of the EU Charter, such as the right to human dignity, the right to integrity of the person (which includes mental integrity) and the right to a private life.</p> <p>Broadly in line with the call of the EDPS</p>	<p>The Commission carefully balanced the risks and the benefits of biometric systems. The Commission also analysed the existing rules.</p> <p>The General Data Protection Regulation (GDPR) already prohibits, in principle, the processing of biometric data for identification purposes, for purposes that are not law enforcement related; this includes 'post' and 'near' identification in publicly and privately accessible spaces. When it comes to law enforcement purposes, Article 10 of the Law Enforcement Directive applies and makes the processing of biometric data subject to an authorisation by Union or Member State law. The AIA lays down rules that should apply as lex specialist in respect of Article 10 of the Law Enforcement Directive.</p> <p>The AIA therefore aims to create complementary rules to the data protection acquis.</p> <p>In that spirit, AI systems used for 'real-time' remote biometric identification of natural persons in publicly accessible spaces for the purpose of law enforcement are prohibited by the AIA, except in specific circumstances and subject to specific conditions. This type of remote biometric identification is considered particularly intrusive in the rights and freedoms of the concerned persons, to the extent that it may affect the private life of a large part of the population, evoke a feeling of constant surveillance and indirectly dissuade the exercise of the freedom of assembly and</p>

and EDPB of 21 June 2021, the EESC calls for:

- a ban on use of AI for automated biometric recognition in publicly and privately accessible spaces (such as recognition of faces, gait, voice and other biometric features), except for authentication purposes in specific circumstances (for example to provide access to security sensitive spaces):
- a ban on use of AI for automated recognition of human behavioural signals in publicly and privately accessible spaces;
- a ban on AI systems using biometrics to categorise individuals into clusters based on ethnicity, gender, political or sexual orientation or other grounds on which discrimination is prohibited under Article 21 of the Charter;
- a ban on the use of AI to infer emotions, behaviour, intent or traits of a natural person, except for very specific cases, such as some health purposes, where patient emotion recognition is important.

other fundamental rights. In addition, the immediacy of the impact and the limited opportunities for further checks or corrections in relation to the use of such systems operating in ‘real-time’ carry heightened risks for the rights and freedoms of the persons concerned by law enforcement activities.

Furthermore, while under Article 10 of the Law Enforcement Directive Member States have already authorised post-processing of biometric data, they have not adopted specific legislation for real-time processing. Thus, the AIA prohibition complements existing rules in the area.

As for AI systems for emotional recognition, they might well be beneficial, for example to help the blind or people with an autistic disposition. The AIA therefore does not to ban such systems, but subjects them to transparency obligations, such as that people should be made aware when such systems are used on them. The same applies to categorisation systems. The Commission found that they can be beneficial, for example for detecting and verifying the age of video gamers.

The AIA classifies as high-risk all remote biometric identification AI systems, including real-time and post-processing, also those based on behavioural patterns, and subjects them to a third party conformity assessment. This will ensure that those systems which do not fall under the scope of Article 5(1)(d) of the AIA and could be used subject to certain requirements for high-risk AI systems, are tested and documented, so that they can be used in a way that is fundamental rights compliant.

<p>4.12. The EESC welcomes the "interwoven system" between the AIA and Union Harmonisation Legislation. It recommends extending the scope of the AIA and the requirements for high-risk AI beyond "AI safety components" or the situation where the AI system is itself a product covered by Union harmonisation legislation listed in Annex II. This is because AI can pose risks not only when used as safety components of these products and because the AI system itself is not always a product. When used, for example, as part of a diagnostic or prognostic tool in the medical field or an AI-driven thermostat that regulates a boiler.</p>	<p>The Commission was keen to ensure that, in order to avoid duplication, the AIA smoothly integrates existing sectorial frameworks by relying on existing sectorial conformity assessments, certification bodies and surveillance systems. The focus of the proposal on safety components is justified by the need to specifically target components of products, which may affect the safety of individuals. This is consistent with the proportionate regulatory approach of the AIA, which aims to specifically address risks related to safety and fundamental rights. The definition of safety components has been conceived in a broad manner, so as to include all components the failure or malfunctioning of which endangers the health and safety of persons or property. Moreover, as the AIA covers AI systems which are themselves regulated products, AI systems which perform diagnostic or therapeutic functions are high-risk.</p>
<p>4.15. The EESC strongly recommends adding the management and operation of the telecom and internet infrastructure to point 2 of Annex III. The EESC also recommends extending the scope of this point beyond AI safety components.</p>	<p>The Commission has put forward a solid methodology that helps identify high-risk AI systems within the legal framework, in light of the intended purpose of the AI system. The list of high-risk AI systems, currently included in the AIA, contains a limited number of AI systems identified by the Commission whose risks have already materialised or are likely to materialise in the near future, including in the area of the management and operation of critical infrastructure.</p> <p>According to the AIA, the Commission may expand the list of high-risk AI use cases by way of delegated acts, in order to ensure that that list can be adjusted to emerging uses and applications of AI. Given that point 2 of</p>

	<p>Annex III may potentially cover all AI systems intended to be used for the management and operation of critical infrastructure, use cases related to telecom and internet infrastructure may also be added based on strictly defined criteria for assessing the risk of harm to health and safety or the risk of adverse impact on fundamental rights, in accordance with Article 7.</p> <p>Concerning the scope of the use case currently identified under point 2 of Annex III, the Commission has aimed, in line with the overall purpose of the AIA, to address safety risks that may arise from the management and operation of road traffic and other critical infrastructure. Thus, Article 3(14) of the AIA provides for a definition of safety component which, in connection with the use case at stake, is sufficiently broad to cover all possible relevant safety risks.</p>
<p>4.17. The use of AI systems for monitoring, tracking and evaluation of workers causes serious concerns as regards workers' fundamental rights to fair and just working conditions, to information and consultation and to justified dismissal. The addition of these AI systems to the high-risk list is likely to cause conflicts with national labour laws and collective labour agreements for (un)fair dismissal, healthy and safe working conditions and worker information. The EESC calls for a guarantee of the full involvement and informing of workers and the social partners in the decision making process on the use of AI in the workplace, and on its development, procurement and deployment.</p>	<p>The AIA is mostly based on the 'Treaties' objective to ensure the establishment and functioning of the internal market (Article 114 of the Treaty on the Functioning of the European Union). It therefore aims to regulate, in view of existing and emerging developments of national laws, the development and use of certain AI systems in the internal market so as to ensure that products using such systems are safe and can be used in compliance with EU fundamental rights obligations.</p> <p>The bulk of the envisaged obligations are placed on providers of high-risk AI systems, while users' obligations under the AIA will be strictly limited to what is necessary to ensure that the AI system operates safely throughout its lifetime. This is without prejudice to other</p>

	<p>obligations users may have under other legislation, for instance concerning fundamental rights. Thus, the AIA provisions do not prescribe how and whether the technology may be used in the world of work (or in other sectors). The AIA lays down certain requirements to ensure that high-risk AI systems are safe and respect fundamental rights.</p> <p>To address the specificities of employment relations in the area of platform work, the Commission's proposal for a Directive on improving working conditions in platform work¹¹⁶ will increase transparency in the use of algorithmic management by digital labour platforms, ensure human monitoring on their respect of working conditions and give the right to contest significant automated decisions. Moreover, it will foster information and consultation of platform workers on automated monitoring and decision-making systems.</p>
<p>4.18. The requirement of "human oversight" is particularly relevant in labour relations, because the oversight will be done by a worker or a group of workers. The EESC stresses that these workers should receive training on how to perform this task. Moreover, given the fact that these workers are expected to be allowed to disregard the output of the AI system or even decide not to use it, there should be measures in place to avoid the fear of negative consequences (such as demotion or dismissal) if such a decision is taken.</p>	<p>Human oversight is indeed a key requirement to make sure that workers' rights are protected when using AI systems in the field of employment. The human oversight measures, which are to be identified by providers of high-risk AI systems according to Article 14 of the AIA, must enable the individuals to whom human oversight is assigned to:</p> <ul style="list-style-type: none"> - fully understand the capacities and limitations of the high-risk AI system and be able to duly monitor its operation; - remain aware of the possible tendency of automatically relying or over-relying on the

¹¹⁶ COM(2021) 762 final

	<p>output produced by the AI system ('automation bias');</p> <ul style="list-style-type: none"> - be able to correctly interpret the AI system's output; - be able to decide not to use the AI system or otherwise disregard, override or reverse its output; - be able to intervene on the operation of the AI system or interrupt the system. <p>Appropriate training and competence is indeed necessary for those individuals to perform these functions, identified in Article 14(4) of the AIA. This is clarified in recital 48 of the AIA. Notably, the AIA is principally an internal market legislation, which treats AI systems as products and makes sure that they are safe and compliant with fundamental rights standards. However, the establishment of specific measures to protect workers who operate AI systems is within the remit of labour legislation.</p> <p>In the platform work context, the Commission proposal for a Directive on platform work will protect workers charged with the function of monitoring of the impact of automated systems on working conditions from sanctions such as dismissal, disciplinary measures or other adverse consequences for overriding automated decisions.</p>
<p>4.19. The use of AI systems in relation to access and enjoyment of public services is broader than the use of AI systems in relation to access and enjoyment of essential private services, where for the latter only credit (worthiness) scoring by AI is considered high risk. The EESC recommends broadening the scope of point</p>	<p>The Commission has put forward a solid methodology that helps identify high-risk AI systems within the legal framework, in light of the intended purpose of the AI system.</p> <p>The list of high-risk AI systems, currently included in the AIA, contains a limited number of AI systems identified by the Commission whose risks have already</p>

<p>5(b) of Annex III to AI systems intended to evaluate the eligibility for essential private services.</p>	<p>materialised or are likely to materialise in the near future, including in the area of access to and enjoyment of essential private services.</p> <p>In its work on the legislative proposal, the Commission did not find sufficient evidence about high risks for fundamental rights and safety stemming from AI systems used in the provision of essential private services other than the AI systems defined in point 5(b) of Annex III. In line with the proportionate regulatory approach, the Commission takes note of emerging risks associated with AI systems, while remaining vigilant about the regulatory burden imposed on operators.</p> <p>According to the AIA, the Commission may, subject to certain conditions, expand the list of high-risk AI use cases in order to ensure that that list can be adjusted to emerging uses and applications of AI. The review of high-risk cases will be carried out on a yearly basis, with full involvement of Member States in the framework of the AI Board and based on strictly defined criteria, evidence and stakeholder opinions.</p>
<p>4.20. AI used by law enforcement authorities and in migration, asylum and border control management for making individual (criminal or security) risk assessments poses a risk of harm to the presumption of innocence, the right of defence and the right to asylum of the EU Charter. AI systems in general merely seek correlations that are based on characteristics found in other "cases". Suspicion in these instances is not based on actual suspicion of a crime or misdemeanour by the particular person, but merely on characteristics that that person happens to share with convicted</p>	<p>The AIA recognises those risks in recitals 38 and 39. That is why those systems are qualified as high-risk and subjected to specific requirements and obligations to address the risks.</p>

<p>criminals (such as address, income, nationality, debts, employment, behaviour, behaviour of friends and family members and so on).</p>	
<p>4.21. The use of AI in the administration of justice and democratic processes is particularly sensitive and should be approached with more nuance and scrutiny than is now the case. Merely putting systems to use to assist a judicial authority in researching and interpreting facts and the law and in applying the law to a concrete set of facts overlooks the fact that judging is so much more than finding patterns in historical data (which is in essence what current AI systems do). The text also assumes that these types of AI will only assist the judiciary, while leaving fully automated judicial decision making out of scope. The EESC also regrets there is no mention of AI systems or uses in the realm of democratic processes, such as elections.</p>	<p>The Commission agrees that current AI systems can be usefully deployed in the administration of justice. It is always the judicial authority who should make the final decision on a given case in compliance with existing Union and Member States rule of law standards and legislation on judicial proceedings. The role of AI systems is therefore to assist judicial authorities in the highly responsible and demanding work related to the administration of justice.</p> <p>In relation to AI systems used in elections, the Commission may, where justified, expand the list of high-risk AI use cases in order to ensure that the AIA can be adjusted to emerging uses and applications of AI, including in the area of democratic processes.</p> <p>The review of high-risk cases will be carried out on a yearly basis, with full involvement of Member States in the framework of the AI Board and based on strictly defined criteria, evidence and expert opinions.</p>
<p>4.14. and 4.22.</p> <p>The risks of harm to health, safety and fundamental rights cannot necessarily always be mitigated by compliance with the 5 requirements for high-risk AI, in particular when it comes to less mentioned fundamental rights that could be impacted by AI, such as the right to human dignity, the presumption of innocence, the right to fair and just working conditions, the freedom of association and assembly, the</p>	<p>As stressed by the Committee, AI systems are not operated in a lawless world. Although certain parts of the AIA are based on Article 16 TFEU on the protection of personal data, the aims of the AIA are, in general, embodied in the Treaties' objective to ensure the establishment and functioning of the internal market (Article 114 TFEU). The AIA therefore regulates the development and use of certain AI systems in the internal market so as to ensure that products using AI as such are safe and can be used in compliance with EU</p>

<p>right to strike, to name a few.</p> <p>The EESC recommends adding a provision that provides for the situation where it is either obvious or became clear during the prior conformity assessment that the 6 requirements will not sufficiently mitigate the risk of harm to health, safety and human rights (for example by amending Article 16(g) AIA).</p>	<p>fundamental rights obligations.</p> <p>At the same time, Union law in the areas of data protection, non-discrimination and consumer protection, as well as all Member States law ensuring the protection of fundamental rights, is normally applicable to public and private actors whenever they use AI technology.</p> <p>While the scope of the AIA is therefore strictly linked to the way in which the AI systems are developed and to the related strictly necessary and limited obligations concerning the use of these AI systems, it aims to facilitate the implementation of existing Union and Member States law on the protection of fundamental rights when AI systems are in use. In case infringements of fundamental rights happen, effective redress will be made possible by ensuring transparency and traceability of the AI system coupled with strong ex post controls (see also reply to points 1.11. and 4.27.).</p>
<p>4.23. The EESC welcomes the governance structure set up by the AIA. It recommends the AI Board to hold regular obligatory exchanges of view with wider society, including the social partners and NGOs.</p>	<p>Article 57(4) of the AIA provides for the opportunity for the AI Board to hold exchanges with interested third parties to inform its activities to an appropriate extent.</p>
<p>1.4. and 4.24.</p> <p>The EESC strongly recommends widening the scope of the AIA so as to include "legacy AI systems", i.e. systems that are already in use or are deployed prior to the coming into force of the AIA, in order to avoid deployers fast tracking any prohibited, high- and medium-risk AI to avoid compliance requirements.</p>	<p>The Commission believes that it is in the Union interest to adopt a balanced and proportionate regulatory approach to AI, in order to ensure that AI systems developed, deployed and used in the Union are trustworthy, while preserving the Union's technological leadership. It is thus important to ensure that the application of the AIA will not generate any serious disruption in the market and systems, and can be smoothly</p>

	<p>implemented.</p> <p>A retroactive application of the rules to systems marketed and operated would not only be disproportionate but also, in many cases, technically impossible for providers and users to handle. However, the AIA foresees that “legacy systems” which are subject to significant changes in their design or intended purpose after the application date of the AIA will be subject to the new rules.</p> <p>In addition, AI systems falling under the scope of Article 5 on prohibited practices or of Article 52 on transparency obligations would be subjected to those provisions when the AIA enters into force, also if developed or used before the date of entry into force.</p>
<p>1.4. and 4.24. The EESC strongly recommends not to exclude AI that is a component of large scale IT systems in the area of freedom, security and justice as listed in Annex IX from the scope of the AIA.</p>	<p>The AIA applies also to all AI systems that are components of large scale IT systems in the area of freedom, security and justice that are qualified as high-risk pursuant to Annex III, point 7.</p> <p>Article 83(2) of the AIA is a limited grandfathering clause that excludes applicability of the new rules to such systems that are already put into service three years after the proposal becomes applicable to enable their timely and effective operation, while ensuring that any future substantial changes to the design and purpose of those systems after this period would require compliance with the AIA.</p>
<p>1.10. and 4.25.</p> <p>The EESC recommends making third party assessments obligatory for all high-risk AI as the complexity of the requirements and accountability activities, plus the self-assessment, runs the risk of simplifying this</p>	<p>The Commission believes that, given that the AIA intervenes at the early stages of AI deployment and that, as indicated, existing EU and national regulations already apply, it is important to ensure a balanced system. Furthermore, capacities for external checks by</p>

<p>process into check lists where a simple "yes" or "no" could suffice to meet the requirements.</p>	<p>notified bodies are still in the process of being built and it may be disproportionate (even counterproductive) to impose third party checks across the board at this stage.</p> <p>For these reasons, a comprehensive ex-ante self-assessment, combined with a strong ex-post enforcement by authorities, is in the Commission's view an effective, proportionate and realistic solution for stand-alone AI systems (primarily with fundamental rights relevance) which are today unregulated before being placed on the market.</p> <p>The self-assessment will require a full, effective and properly documented ex ante compliance with all requirements of the regulation and compliance with a robust quality and risk management systems and post-market monitoring. In order to facilitate market surveillance at EU and national level, as well as to increase the transparency towards the public, it is proposed that the Commission should also maintain an EU database where all stand-alone high-risk AI systems should be registered.</p> <p>This approach is complemented by the flexibility of the AIA, which empowers the Commission to introduce a third-party conformity assessment (via delegated act) for those systems based on experience and information gathered. This will allow fast adaptation to any emerging risk or relevant regulatory finding.</p>
<p>4.26. The EESC recommends having appropriate (financial) support measures and simple and accessible tools in place for micro and small organisations, as well as civil society organisations, to be able to understand the purpose and meaning of the</p>	<p>The importance of the measures for small-scale providers and users of AI systems is recognized both in the context of the AIA (Article 55) as well as in the Coordinated Plan on AI.</p> <p>The AIA and the Coordinated Plan on AI</p>

AIA, as well as to be able to meet its requirements. These measures should go beyond supporting Digital Innovation Hubs and consist in the facilitating of access to high-level expertise regarding the AIA, its requirements, its obligations and particularly the reasoning behind these.

provide a concrete set of measures to support small-scale providers, including a priority access to the AI regulatory sandboxes, as well as support available through Testing and Experimentation Facilities (TEFs), Digital Innovation Hubs (DIHs) and the AI-on-demand platform.

The Commission notes and will consider the recommendation to facilitate access to high-level expertise regarding the content of the AIA and that such measures should go beyond supporting Digital Innovation Hubs.

Furthermore, the additional costs that follow from the requirements of AIA are very small. This is because out of the 5 sets of requirements, it is estimated that the most expensive one (robustness and accuracy) is already met by most operators (nevertheless, the requirement is indispensable in view of the consequences that may be caused by eventual non-compliance).

The second most expensive set of requirements, human oversight, mostly concerns AI users, not AI developers. So the actual costs for AI developers are in the order of EUR 6.000 to EUR 7.000, or 4% to 5% of the average cost of an AI system as assumed in the Study supporting the Impact Assessment of the AIA.

Regarding costs related to a third party assessment, those set of requirements only applies to providers of embedded AI systems, who already perform third party conformity assessment according to applicable product safety legislation, as well as to stand-alone AI systems intended to be used for remote biometric identification of natural persons, but not the rest.

1.11. and 4.27.

The EESC recommends including a complaints and redress mechanism for organisations and citizens that have suffered harm from any AI system, practice or use that falls within the scope of the AIA.

The AIA contains a number of requirements for high-risk AI systems in order to ensure that they are transparent, traceable and amenable to human oversight (see Chapter 2 of Title III of the AIA). These requirements will facilitate the implementation of existing legislation when the use of certain AI systems may lead to breaches of fundamental rights and minimise those risks by appropriate risk management and quality requirements for trustworthy AI.

As to the right to seek redress, existing legislation aimed at enforcing fundamental rights in the area of, among others, non-discrimination, consumer protection, law enforcement and border managements provides for rights and remedies whose exercise will be facilitated with the new requirements and the obligations under the AIA.

Thus, in the event that an AI system potentially causes harm to an organisation or a citizen, the competent national authority (e.g. in charge of data protection or consumer protection) may request, in the framework of the applicable redress mechanism, the competent market surveillance authority, designated under the AIA, to provide all information about the AI system that may be relevant when assessing the question of redress and demand further testing of the AI system if necessary.

Moreover, market surveillance authorities designated under the AIA will have all rights and obligations laid down in Regulation (EU) 2019/1020 on market surveillance. Thus, they should have in place appropriate procedures for following on complaints or reports on issues related to risks or non-compliance, and

	<p>they shall take into account consumer complaints when deciding which checks to perform, on which types of products and on what scale.</p> <p>Furthermore, while EU product liability law and national tort law apply, the Commission will propose targeted adaptations of civil liability rules to address the challenges of digital technologies such as artificial intelligence, create legal certainty for businesses and prevent compensation gaps.</p> <p>In addition, the EU data protection acquis, including the General Data Protection Regulation (GDPR) and the Law Enforcement Directive, contain effective provisions as regards processing of personal data, for instance in terms of the rights of the data subject (information, human intervention and review) in case of solely automated decision-making with legal or similarly significant effects, as well as rights to compensation.</p> <p>Finally, the proposal for the General Product Safety Regulation provides a safety net for AI systems related to products, which are not covered as high-risk under the AIA. Other reviews of existing sectoral safety legislation may also be considered over the next few years.</p> <p>All these initiatives are complementary and are aimed at bringing legal clarity and certainty, and thus foster the development of an ecosystem of trust around AI in Europe.</p>
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<p>N°20 Digitalisation for all (exploratory opinion requested by the presidency of the Council of the EU) EESC 2021/2647 – INT/943 562nd Plenary Session – July 2021 Rapporteur: Philip VON BROCKDORFF (MT-II) Corapporteur: Violeta JELIĆ (HR-I) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The EESC recommends the swift adoption of an inclusive EU digital government policy, building on the eGovernment Action Plan 2016/2020, the Tallinn Declaration on eGovernment, the Berlin Declaration on Digital Society and value-based digital government. The Council conclusions recognise that public administrations have the added responsibility for ensuring citizens are treated equally and are entitled to the same rights of access to digital government.</p>	<p>The Commission discussed the future of the EU's digital government policy with Member States in the eGovernment Action Plan Steering Board, an Expert Group for digital government. The Conclusion Paper as adopted by the Steering Board at its last meeting on 18 December 2021 could feed into the vision for the EU's next 'Digital Decade' as set out in the Commission Communication '2030 Digital Compass: the European way for the Digital Decade' (hereinafter 'Digital Decade Communication')¹¹⁷.</p> <p>The Communication sets out a vision, avenues and targets for Europe's successful digital transformation by 2030. This vision revolves around four cardinal points, one of which is the digitalisation of public administrations. Targets in this area include that by 2030, 100% of key public services for European citizens and businesses should be provided online and 80% of EU citizens should be using a digital ID.</p> <p>The proposed 2030 Policy Programme 'Path to the Digital Decade' confirms these targets and sets out a governance and cooperation framework aimed, inter alia, to reaching them¹¹⁸.</p>

¹¹⁷ COM/2021/118 final.

¹¹⁸ COM(2021) 574 final.

	<p>Furthermore, and as also announced in the Digital Decade Communication, the Commission proposed on 26 January 2022 a European Declaration on Digital Rights and Principles, with the objective of promoting and upholding EU values in the digital space and ensure that digitalisation delivers benefits for all Europeans. The proposed declaration states that everyone should have access to all key public services online across the Union and that nobody is to be asked to provide data more often than necessary when accessing and using digital public services.</p> <p>The proposed declaration is relevant for a number of the points made by the EESC in this Opinion, beyond e-government issues. It is also concerned with putting people at the centre of the digital transformation more generally, solidarity and inclusion ('technology that aims at uniting', including as concerns connectivity, digital education and skills, working conditions), freedom of choice (including as regards algorithms and artificial intelligence, a fair online environment when it comes to choosing services and competing fairly), participation in the digital public sphere, safety security and empowerment (including as concerns safe and secure technologies, products and services, and the protection of personal data, with a special focus on children) and sustainability.</p> <p>The Commission proposes that such declaration is solemnly and jointly signed by the European Parliament, the Council and the Commission.</p>
<p>1.3. The EESC recognises that huge investment is needed on the part of governments in order to achieve inclusivity. Moreover, it is presumed that, in Member States' recovery and resilience plans,</p>	<p>In addition to the programmes and funds mentioned by the Committee, considerable investments to improve inclusivity are also included in the national Recovery and Resilience Plans (RRPs) under the Recovery and Resilience</p>

<p>inclusivity will feature very prominently in the planned digital transformation, tapping into the EU's albeit limited Just Transition Fund as part of Next Generation EU, as well as the Digital Europe Programme and the European Structural and Investment Funds (particularly the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+)).</p>	<p>Facility (RRF), as part of NextGeneration EU.</p> <p>The recovery and resilience plans that were already assessed positively by the Commission as of 15 October 2021 reach – and sometimes largely exceed – the 20% digital target, as published in the Digital Economy and Society Index (DESI) 2021 report¹¹⁹. According to initial analyses of these plans¹²⁰, Member States focus about 37% of the digital investment under their RRFs in digital public services, followed by about 20% in the digitalisation of businesses and about 17% for human capital. Other priority areas include connectivity (about 11%) as well as digital Research and Development and digital capacities (about 15%).</p> <p>Reforms relevant for the digital area are also included in the RRFs, such as strategies to support digital skills development or modernise teaching methods, and initiatives to simplify administrative procedures and boost the use of digital public services among citizens and businesses.</p>
<p>1.6. The EESC recommends that Member States work more closely together on the development and validation of digital solutions, leading to a network for sharing best practices.</p>	<p>The Commission encourages the exchange of best practices among Member States in the field of digital government in the eGovernment Action Plan Steering Board.</p> <p>As identified in the Digital Decade Communication and confirmed in the proposed Policy Programme mentioned above, Member States and the EU need to pool resources to reach the targets identified and provide opportunities to exchange best practices, including through a new instrument facilitating the implementation of multi-country projects –</p>

¹¹⁹ [DESI 2021 Report](#)

¹²⁰ Commission services' calculations based on the information contained in the concerned National Recovery and Resilience Plans available here: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en.

	<p>the European Digital Infrastructure Consortia (EDICs). The RRF Regulation¹²¹ and the Technical Support Instrument Regulation¹²² also recognise the opportunity of developing multi-country projects, combining investments and exchanging best practices.</p> <p>On 3 June 2021, the Commission adopted the proposal for a European Digital Identity framework¹²³ to offer users self-determined personal digital wallets allowing for a secure and easy access to different services, both public and private, under the users' full control.</p> <p>On the same day, the Commission also adopted a Recommendation on a common Union Toolbox for a coordinated approach towards a European Digital Identity Framework¹²⁴. It provides for a process whereby Member States, the Commission, and private sector operators will work together to develop and validate a comprehensive technical architecture and reference framework, common standards and technical references as well as guidelines and best practices as a basis for implementing the European Digital Identity framework.</p>
<p>1.7. The EESC also recommends an EU-wide review of government policies and measures to engage the relevant stakeholders in proposing effective measures based on social justice. This should include policies and financial resources with the aim of facilitating the digital transformation. The EESC also highlights the need to significantly increase enrolment rates in STEM-related fields of</p>	<p>Delivering on the Digital Education Action Plan (2021-2027)¹²⁵, and following President von der Leyen's call for leaders' attention at top-level in her 2021 State of the Union address, in October 2021 the Commission launched a structured dialogue with Member States on digital education and skills. Member States have been invited to discuss how to bring together different strands of policy (education, digitalisation, labour, finances) into</p>

¹²¹ Regulation (EU) 2021/241.

¹²² Regulation (EU) 2021/240.

¹²³ COM(2021) 281 final.

¹²⁴ Recommendation C(2021) 3968.

¹²⁵ [COM/2020/624 final](#).

<p>education over the coming years.</p>	<p>a strong integrated, coherent and more ambitious approach to digital education and skills and to agree on key enabling factors to make digital education and training effective and inclusive. Civil society and the private sector will also be involved in the discussion. The structured dialogue will inform two Council recommendations to be proposed by the Commission in late 2022: 1) on the enabling factors for successful digital education and 2) on improving the provision of digital skills in education and training.</p> <p>In terms of financial resources, throughout the process of preparation of the RRP, the Commission strongly encourages Member States to include investments and reforms in digital education. Digital education is the top priority for investment in education and training in the recovery and resilience plans, and specifically in areas including digital infrastructure and equipment in schools and universities, digital skills, teacher training and digital education platforms and tools.</p> <p>A detailed overview of all actions related to the Science, Technology, Engineering, and Mathematics (STEM) education is included under point 3.10. below.</p>
<p>1.8. The EESC recommends strengthening the Digital Services Act (DSA) and the Digital Markets Act (DMA), as a pre-condition for a digital transformation that is trustworthy and where consumers can make choices in a truly open and competitive market. In the DSA, responsibilities and liabilities for platforms should be made</p>	<p>The Digital Services Act package of proposals presented by the Commission on 15 December 2020 includes a harmonised set of rules to ensure a safe, predictable and trusted online environment, where fundamental rights enshrined in the Charter of Fundamental Rights of the European Union are effectively protected (Digital Services Act)¹²⁶, as well as open, fair</p>

¹²⁶ COM(2020)825.

clearer and better enforceable than currently proposed. In the DMA, the use of "dark patterns" and other "non-neutral" choice architecture, which surreptitiously influence consumers' behaviour, should be outlawed.

and contestable markets in the digital sectors (Digital Markets Act)¹²⁷.

To this end, the proposed Digital Services Act lays down, in Chapter II, uniform liability exemption rules for providers of intermediary services. In addition, the proposal lays down in Chapter III obligations applicable to providers of intermediary services proportionate to the size, reach and nature of the services they provide. Finally, Chapter IV of the proposal lays down rules on its implementation and enforcement, including cooperation and coordination between competent authorities and the possibility of joint investigations (see Article 46 of the Digital Services Act).

Conversely, Article 11 of the Digital Markets Act proposal provides that obligations laid down in Articles 5 and 6 shall not be undermined by any behaviour of the gatekeeper, regardless of whether this behaviour is of a contractual, commercial, technical or any other nature. The Commission will also propose targeted legislative measures to ensure the effective compensation of damage caused by products and services enabled by artificial intelligence.

As regards consumer protection more generally, the Commission stressed in the new Consumer Agenda adopted in 2020 the importance of ensuring that consumers benefit from a comparable level of protection and fairness online as they enjoy offline¹²⁸. This includes protecting consumers against unfair commercial practices that disregard the consumers' right to make an informed choice, abuse their behavioural biases, or distort their decision-making processes, including the use of

¹²⁷ COM(2020)842.

¹²⁸ COM(2020) 696 final.

	<p>‘dark’ patterns.</p> <p>The Commission has addressed these issues, in particular, by updating on 17 December 2021 the existing guidance on the application of the Unfair Commercial Practices Directive¹²⁹.</p>
<p>1.9. Finally, the EESC recognises that digitalisation and the greening of EU economies and the EU's carbon neutrality targets in particular, go hand in hand. Going "digital and green" is of vital importance, but again the EESC emphasises that equity and social dialogue should always be the guiding principles for implementing digital and green technologies.</p>	<p>The Commission agrees that the twin transition provides us with the opportunity for a recovery that values long-term sustainability, while also embodying inclusion, equality and territorial cohesion.</p> <p>It is in this spirit that Commission President Von der Leyen has spoken about making the 2020s Europe's Digital Decade. Our level of ambition was reconfirmed in the Digital Decade Communication and in the proposal for a Policy Programme, as mentioned above. The set of digital targets and the governance framework included therein support both a sustainable and a fair recovery.</p>
<p>2.2. On their part, many business owners recognise the fact that it is necessary to gravitate towards the digital world to ensure the long-term success of their businesses. Equally, workers and the public need to understand what digitalisation is all about, how it affects their working and daily lives as members of a business organisation or public sector entity, or simply as members of a community. As is stipulated in the New Consumer Agenda, European consumers should be at the core of digital transitions with consumers being afforded adequate protection and empowerment in the process of change.</p>	<p>The Commission fully shares the overall objective of empowering both consumers and businesses to benefit from the digital transformation. Throughout a number of digital initiatives, including the proposal for Digital Services Act referred to above, the Commission seeks to ensure that an innovative and dynamic digital environment is built on user empowerment, and appropriate and proportionate accountability for all players involved.</p>
<p>2.6. While most businesses and</p>	<p>The Commission agrees that inclusion of all in</p>

¹²⁹ 2005/29/EC.

governments use basic methods of digitisation in their everyday processes, there is so much more that can be done to apply digitisation effectively. The challenge here is building trust among workers, civil servants and the general public if they are to adapt successfully to new digitised workflows and processes. In the workplace, this transition requires social dialogue, as well as respect for collective bargaining. The transition can deeply affect workers' lives and hence the need to provide information and hold consultations at an early stage of the process. Equally, the public needs to be made aware of the unintended consequences of the transformation.

the benefits of digitisation should be a priority. While digitisation processes are intended to generate simplification, they may not always bring that benefit as a result, especially to elderly groups and people with disabilities. In this respect, the Commission refers the Committee to the Strategy for the Rights of Persons with Disabilities¹³⁰ and to the principle 'Inclusion of People with disabilities' of the European Pillar of Social Rights.

Moreover, as stated in the principle 'Education, training and life-long learning' of the European Pillar of Social Rights, everyone has the rights to maintain and acquire skills that enable them to participate fully in society.

The Commission promotes social dialogue at European level and supports the European social partners by organising social dialogue meetings at cross-industry and sectoral level and by providing funding for projects involving European and national social partners.

Digitalisation is addressed in many of the funded projects, and is also a key priority in the joint work programmes of the European social partners, which are currently implementing their autonomous agreement on digitalisation concluded in June 2020. The agreement outlines a partnership process between employers and worker representatives to achieve a consensual transition by successfully integrating digital technologies at the workplace and by reaping the opportunities as well as preventing and minimising the risks for both workers and employers.

Finally, the to address the specificities of employment relations in the area of platform work, the Commission's proposal for a

¹³⁰ COM(2021) 101 final.

	<p>Directive on improving working conditions in platform work¹³¹ will increase transparency in the use of algorithmic management by digital labour platforms, ensure monitoring on their respect of working conditions and give the right to contest significant automated decisions. Moreover, it will foster information and consultation of platform workers on automated monitoring and decision-making systems.</p>
<p>2.7. Whereas digitisation appears to increase efficiency in businesses and governments (the potential benefits have always been overestimated), there is always a cost, as is the case when workers or civil servants are made redundant, or when the public, especially older people and persons with disabilities, do not adapt quickly enough or at all to digitisation. Hence the relevance of making digitalisation accessible to all regardless of age, gender, socio-economic status and disability. Similarly, SMEs may find themselves at a competitive disadvantage if they cannot keep up with the pace of digitisation in their industry, particularly if such processes require a high upfront initial cost.</p>	<p>As the Strategy for the Rights of Persons with Disabilities sets out, European policies promote a digital transformation and digital public services that are inclusive of and accessible for persons with disabilities¹³².</p> <p>During the last decade, a number of rules were adopted at EU level, including as part of the Web Accessibility Directive¹³³, the Electronic Communications Code¹³⁴, the Audiovisual Media Services Directive¹³⁵, copyright legislation¹³⁶ and European accessibility standards.</p> <p>With a view to independent living, the Strategy highlights that accelerated digital transformation offers opportunities, using information and communication technology (ICT), artificial intelligence and robotics to design on-site and remote services tailored to the needs of persons with disabilities. The effective use of these technologies requires the removal of accessibility barriers for persons with disabilities and investing in their digital skills.</p>

¹³¹ COM(2021) 762 final

¹³² [Tallinn Declaration on eGovernment, 2017](#); [Berlin Declaration on Digital Society and Value-Based Digital Government](#).

¹³³ (EU) 2016/2102.

¹³⁴ (EU) 2018/1972.

¹³⁵ 2010/13/EU.

¹³⁶ Directive (EU) 2017/1564 and Regulation (EU) 2017/1563.

<p>2.9. Digitalisation opens new windows of opportunity for businesses by creating digital-based revenue streams that were never available in the past. From social media integration to the ability to offer subscription-based data services to clients, having custom-built business applications may be the key to innovation, growth and expansion for businesses in the future. New digital technologies, especially those denoted by the acronym SMACIT (social, mobile, analytical, cloud and Internet of things), are a great opportunity for SMEs because these technologies for large and old organisations represent opportunities and existential threats simultaneously.</p>	<p>The Commission agrees about the opportunities and challenges that digitisation presents for Small and Medium Size Enterprises (SMEs) and believes that support to SMEs in their digital transformation is essential. To that aim, the Commission will, through the Digital Europe Programme (in which the EU is expected to invest EUR 7.6 billion over seven years), set up a network of Digital Innovation Hubs to support companies and connect it to the upgraded digitalisation services developed by the Enterprise Europe Network and European Clusters Network.</p> <p>As mentioned above, under the RRF, Member States are required to plan significant investments to contribute to the digital transition, including the digital transition of business, with a minimal earmarking of 20%.</p>
<p>2.10. Years of research into the outcomes of digital transformations have shown that the success rate of these efforts is consistently low: less than 30 percent of planned outcomes. Recent McKinsey results on a sample of 263 respondents show that only 16 percent of respondents said the digital transformations of their organisations had successfully improved performance. These challenges are also faced by "smart industries" such as high technology, media and telecommunications, among which the rate of successful outcomes does not exceed 26 percent. On the other hand, in organisations with fewer than 100 employees, respondents are 2.7 times more likely to boast of a more successful digital transformation than is the case in large organisations with more than 50 000</p>	<p>The Commission agrees that it is important to support digitisation processes by promoting best practice examples for digital transformation.</p> <p>The Commission welcomes the Committee recognition of the need for governments to provide adequate financial support, including through EU funds, for digitalisation of businesses of all sizes, especially SMEs. SMEs need special support in this regard, because the perceived better success rate in digitisation projects may be the result of much more selective digitisation, which often takes place later than in large companies.</p> <p>A late adoption can also lead to competitiveness losses. It is therefore important to find the right tools to promote swift and, at the same time, targeted digitalisation. To</p>

<p>employees.</p>	<p>further support the digitalisation of SMEs in Europe, the Commission has allocated EUR 750 million in funding from the Digital Europe Programme , to be matched by an equal amount of Member State funding, in the development of the EU-wide network of European Digital Innovation Hubs mentioned under point 2.9.</p> <p>The network aims to have at least 200 hubs, one in each EU region, so that all companies have access to the digitalisation support services they need. The first hubs will be in operation by the first quarter of 2022.</p>
<p>2.14. There is also an increasing tendency for individuals not to "disconnect" from digital work processes. As remote working becomes the norm in businesses and public services, it is vitally important that it takes place in the context of social dialogue and collective bargaining. The right to disconnect also needs to be recognised through an EU-wide instrument.</p>	<p>In line with the European Parliament's legislative resolution on the right to disconnect from 21 January 2021¹³⁷, the Commission invites social partners to find commonly agreed solutions to address the challenges raised by telework, digitalisation and the right to disconnect.</p> <p>The Commission will proactively support them by facilitating discussions, and by assessing existing practices and rules related to the right to disconnect.</p> <p>In parallel, the Commission will also continue to explore the context and implications of the right to disconnect and remote work.</p> <p>The evidence collected will inform the Commission's reflections on a potential EU initiative on the right to disconnect, within the broader context of remote work.</p> <p>In 2020, the European social partners signed the Framework Agreement on Digitalisation which puts forward the issues of digital skills and securing employment, modalities of connecting and disconnecting, artificial intelligence and guaranteeing the 'human in</p>

¹³⁷ P9_TA(2021)0021.

	<p>control’ principles, respect of human dignity, and surveillance.</p> <p>The Agreement aims to (i) raise awareness and improve the understanding of employers, workers and their representatives of the opportunities and challenges in the world of work resulting from the digital transformation; (ii) provide an action-oriented framework to encourage, guide and assist employers, workers and their representatives in devising measures and actions aimed at reaping these opportunities and dealing with the challenges, whilst taking into account existing initiatives, practices and collective agreements; (iii) encourage a partnership approach between employers, workers and their representatives; and (iv) support development of a human-oriented approach to integration of digital technology in the world of work, to support/assist workers and enhance productivity.</p>
<p>3.1. The ongoing digitalisation of our society and economy will only continue to grow and deepen, and whereas digitalisation promises further social and economic advantages, there are also concerns about its divisive impact on society and whether an increasing number of people are actually digitally dexterous. On paper, the transformative technologies appear to boost social inclusion rather than widening gaps between the digitally dexterous and the disadvantaged, but again the reality on the ground may be somewhat different. Many people are simply not managing to adapt to the rapid pace of the digital transformation. This applies especially to older people, persons with disabilities, and people living in</p>	<p>A basic level of digital skills for everybody is at the heart of European policies. The Commission presented in 2020 a European Skills Agenda¹³⁸. It underlines the importance of providing equal access to ‘up-skilling opportunities for all people, regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, and including low-qualified/skilled adults and people with a migrant background. Similarly, [it states that] all territories should be covered, from big cities to rural, coastal or remote areas across the whole EU’.</p> <p>Concerning digital skills, action 6 (‘Skills to support the twin transition’) puts forward a number of dedicated new measures.</p>

¹³⁸ COM(2020) 274 final.

<p>rural and remote regions.</p> <p>3.2. Whereas digitalisation for all is necessary to enhance efficiency and productivity, as well as to accelerate socio-economic development in a post-pandemic world, the digital transformation has to be carried out the right way. By this we mean that the policy on digital transformation, both for the public and the private sector, must be inclusive, avoiding at all costs the exclusion of groups within society such as older people, the socio-economically disadvantaged, persons with disabilities, and those in rural areas.</p>	<p>The European Skills Agenda sets a goal that by 2025 the share of adults aged 16-74 having at least basic digital skills should be 70% (in 2019 it was 56%). Building upon it, the European Pillar of Social Rights Action Plan envisages that by 2030 the share should reach 80%. This target was confirmed by the Digital Decade Communication and is part of the proposed Digital Policy Programme mentioned above.</p> <p>Furthermore, the 2016 Council recommendation on upskilling pathways promotes the development of basic digital skills by low-skilled and low-qualified adults.</p> <p>In connection with the Skills Agenda, the Commission commits, in the Strategy for the Rights of Persons with Disabilities 2021-2030, to join forces with the European Network of Public Employment Services to develop peer learning to shed light on the skills needed on the labour market, to step up the provision of guidance services, also for vulnerable groups – including persons with disabilities –, and on closing skills gaps, notably digital skills gaps, often in cooperation with social enterprises for labour market inclusion. The Commission plans a related action building on the results of the Blueprint for sectoral cooperation on skills under the Pact for Skills.</p> <p>Further, as announced in the Digital Education Action Plan 2021-2027¹³⁹, Member States will be supported in securing assistive technologies and in providing an accessible digital learning environment and content.</p> <p>The 2020 Council Conclusions on ‘Human Rights, Participation and Well-Being of Older Persons in the Era of Digitalisation’ call on Member States to promote active and healthy</p>
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¹³⁹ COM(2018) 22 final.

	<p>ageing – including by using the positive impact of digital technologies in public services, e.g. in health services – and longer working lives.</p> <p>The Commission invests together with the Member States in the Active and Assistive Living Programme (AAL) to create a critical mass of research, development and innovation at EU level in digital technologies and services for ageing well at home, in the community, and at work. Through the European Innovation Partnership on Active and Healthy Ageing (EIP-AHA) the Commission stimulates ecosystem building to facilitate the transfer and implementation of digitally-enabled innovative practices from one region to another and help to transform care, not simply to avoid ill health and disability, but to ensure the highest possible quality of life in terms of autonomy and connectivity of those who are dependent on others in their everyday life.</p> <p>In its initiatives for digitalisation of justice systems, protection of victims' rights and training for professionals, the Commission takes account of disability in line with the United Nations Convention on the Rights of Persons with Disabilities.</p>
<p>3.4. Above all, achieving inclusivity requires huge investment on the part of governments and it is presumed that, in Member States' recovery and resilience plans, inclusivity will feature very prominently in the planned digital transformation, tapping into the EU's Just Transition Fund as part of Next Generation EU, as well as the Digital Europe Programme and the European Structural and Investment Funds (particularly ERDF and ESF+). However, in the case of the Just Transition Fund, reservations have been</p>	<p>As mentioned under previous points, Member States have to allocate at least 20% of their recovery and resilience plans total allocation to measures supporting the digital transition. The national plans positively assessed by the Commission and already approved by the Council exceed this target and considerable investments across the European Union are underway to foster the digital transformation. The Commission is considering all instruments for investments enabling the digital and green transition.</p>

<p>expressed about its adequacy to meet the transition challenges of both digitalisation and climate change. National, regional and local governments also need to digitalise and to accelerate the implementation of new digital infrastructures, including 5G.</p>	
<p>3.7. Markets where consumers can trust, be free of manipulation and make choices in a truly open and competitive environment are a pre-condition for trustworthy digitalisation. This is often not the case, if we look at how concentrated certain markets are (social media, communications apps, search, OS etc.) and how often consumer rights are being violated. The EESC highlighted in its opinion on the New Consumer Agenda (INT/922-EESC-2020) that consumer protection rules also need to be adapted to the digitalised world. The new challenges posed by emerging digital technologies such as artificial intelligence (AI), the Internet of Things (IoT) and robotics call for a strengthening of current protection.</p>	<p>The Commission refers to its position on the EESC opinion on the New Consumer Agenda (INT/922-EESC-2020).</p> <p>The Commission, as part of the review of the EU product safety framework, recently adopted and published its proposal for a new General Product Safety Regulation. This proposal addresses the challenges of digitalisation and new technologies, including artificial intelligence and the Internet of Things. In addition to ex ante consumer protection instruments aimed at preventing damage, people should be compensated effectively if something goes wrong.</p> <p>The Commission will propose targeted adaptations of civil liability rules to address the challenges of digital technologies such as artificial intelligence, create legal certainty for businesses and prevent compensation gaps.</p> <p>The Commission also adopted on 21 April 2021 a proposal for an Artificial Intelligence Act, which lays down rules for the placing on the market and use of artificial intelligence systems in the EU.</p> <p>The Impact Assessment accompanying the Digital Markets Act proposal showed that unfair practices and lack of contestability lead to inefficient outcomes in the digital sector in terms of higher prices, lower quality, as well as less choice and innovation to the detriment of European consumers. To this end, the proposal lays down a number of obligations and</p>

	<p>prohibitions on gatekeepers that aim to ensure free choice for business and end users in a contestable market environment.</p> <p>These obligations are particularly relevant for some digital services, where problems of unfair behaviour and weak contestability are more frequent and pronounced, such as online social networking services, online search engines or online intermediation services.</p> <p>The Digital Services Act proposal brings a step-change in bridging information asymmetries and empowering consumers to understand and make informed decisions when it comes to algorithmic systems and artificial intelligence used by online platforms. It also imposes obligations to assess and mitigate societal risks on those platforms that bring the most significant impacts.</p>
<p>3.8. A further pre-condition for achieving the desired outcomes of the digital transformation is the preparation of business of all sizes, including social economy enterprises, for the digital transformation. This includes support from eligible financial resources and training programmes for small business owners and staff to get acquainted with the latest technologies and the opportunities arising therefrom. Secondly, all aspects of introducing this profound change need to be communicated at all levels in the workplace. Thirdly, it also necessary to raise awareness about the need to introduce new ways of working, behaving and communicating in line with the unprecedented change in organisational culture.</p>	<p>The Commission has taken several actions to provide advice and support for the digital transformation of SMEs, including in the social economy. These actions include, for example, the digital skills and advisory services through the Digital Innovation Hubs mentioned above.</p> <p>In addition, the Digital Volunteers Programme has been launched whereby leading European companies provide digital mentors to SMEs to deliver training, advisory services, and/or the development of joint digital projects¹⁴⁰.</p> <p>The EU Action Plan on social economy adopted on 9 December 2021 sets out the framework of action for enterprises and SMEs in social economy. The Commission will further engage with stakeholders to co-create the transition pathway of this industrial ecosystem, as part of the updated Industrial Strategy.</p>

¹⁴⁰ Digital Volunteers I Digital Skills and Jobs Platform (europa.eu)

	<p>The European networks namely, Enterprise Europe Network and Industrial Clusters, support their members towards their digital transition path: the uptake of digital solutions, the adoption of digital instruments and the development of digital components to transform their business models.</p> <p>In addition, the European Digital Innovation Hubs (EDIHs), Enterprise Europe Network and Cluster organisations have signed a cooperation agreement in order to align their efforts to support businesses to become more competitive with regard to their business/production processes, products or services using digital technologies and by providing them with access to technical expertise and experimentation facilities.</p> <p>The EDIHs and ICT clusters will equally provide innovation services, including financing advice, training and skill development that businesses need for a successful digital transformation. The EDIHs are planned to become the orchestrators of the European digital ecosystem and the Enterprise Europe Network (EEN) partners and the cluster organisations are to be an essential part of it due to their vast knowledge in the diversified business environment.</p>
<p>3.9. The digital transformation has led to a significant increase in demand for digital skills across practically all industries, from manufacturing to financial services and beyond, with demand only set to increase further in the foreseeable future. Therefore, it is imperative that governments and businesses continue to invest in education and training for all, including vocational education, to ensure that the digital</p>	<p>Important investments and reforms in this field are envisaged under the national recovery plans.</p> <p>As to the acquisition of advanced digital skills, the focus in the Digital Education Action Plan is on the upscaling of the Digital Opportunity Traineeship and on the continued rolling out of dedicated actions to increase the participation and careers of girls and women in digital and STEM (science, technology, engineering, and</p>

<p>transformation occurs smoothly and with the right talent in place to enable individuals and businesses to reap the benefits of this transition. This should also include education on participating in digital platforms.</p>	<p>mathematics) fields, including the field of entrepreneurship.</p> <p>As to education concerned with participation in digital platforms, the need to strengthen digital literacy and to empower people online will be addressed through guidelines for teachers and educators on tackling disinformation and promoting digital literacy.</p>
<p>3.10. As the digital transformation gathers pace, this needs to be accompanied by a significant increase enrolment rates in STEM-related fields of education over the coming years. Developing STEM skills is necessary to support the transformation, to bridge the gender gap, and to create the next generation of innovators. STEM education will help boost the economy and create jobs.</p>	<p>The Commission recognises the essential role of STEM disciplines and skills for addressing the opportunities of digital transformation in our society.</p> <p>STEM has been acknowledged as an important part of the key competences for lifelong learning, as outlined in the Council Recommendation on Key Competences for Lifelong Learning adopted in May 2018. In terms of funding opportunities, STEM is also one of the priorities for partnerships for cooperation projects for school and higher education level in the Erasmus+ 2021 Annual Working Programme.</p> <p>The Commission is also working closely with the EU STEM Coalition with the objective to improve STEM education across Europe. The Coalition brings 15 national STEM platforms, nine national lead partners and seven European partner organisations across Europe. It also brings together academic and non-academic actors in STEM sectors for international best practice sharing and reducing the fragmentation of initiatives.</p> <p>The Coalition's efforts at European level translate into mobilisation at the national level with local players having an active and proactive role in promoting STEM education.</p> <p>The Commission remains committed to its</p>

	<p>work on attracting more girls and young women from an early age to STEM and digital studies and careers. The work of the European Institute of Innovation and Technology (EIT) to organise training activities for girls in primary, secondary and tertiary education in digital and entrepreneurial skills continues under the Digital Education Action Plan 2021-2027 with the objective to reach 40,000 girls.</p> <p>The Girls Go Circular Project, for instance, aims to equip 8,000 schoolgirls aged 14-18 across Europe with digital and entrepreneurial skills through an online learning programme about circular economy. Under the coordination of EIT Raw Materials, the Girls Go Circular project is doing its share in contributing to reducing the digital gender gap by empowering girls to develop their digital and entrepreneurial competencies while acquiring knowledge on the circular economy.</p> <p>Additionally, building on the work of the EU STEM Coalition, new higher education programmes on integrating arts to the STEM approach will be developed as a way to attract more girls and women to the field.</p>
<p>3.12. Finally, any discussion on digitalisation for all cannot ignore its connection with the greening of EU economies and the EU's carbon neutrality targets, as well the emphasis being placed in the Recovery and Resilience Plans on initiatives that support these targets.</p>	<p>The Commission has taken important steps on both the green and digital transitions, putting them front and centre in the public debate and receiving backing at the highest political level.</p> <p>This is backed by the necessary public funding, with specific targets for digital (at least 20% in the RRF, as mentioned under various other points in this document) and the green transition (at least 37% in the RRF; 30% of the Multiannual Financial Framework for 2021-2027). The digital and green nexus has been</p>

	<p>identified as a key enabler in the European Green Deal¹⁴¹, in the EU Industrial Strategy¹⁴², in the Circular Economy Action Plan¹⁴³ and in the Zero Pollution Action Plan¹⁴⁴.</p> <p>There is clear evidence about the potential of the digital transformation to act as an enabler of the green transition, thereby helping Europe reach its 2050 climate objectives. Conversely, the growing awareness about the climate and environmental footprint of digital technologies is stimulating the development of a more sustainable ICT sector.</p>
<p>3.13. "Digital and green" should not only go hand in hand, they are essential to promoting innovation across the EU. Examples include blockchain technologies to optimise the supply chain and enhance efficiency, which would assist in reducing resource consumption while keeping track of components, products and materials, thus contributing to the circular economy. In addition, digital technologies can help neutralise or offset emissions that are technically challenging or expensive. Going "digital and green" is of vital importance, but as has been stressed in this opinion, fairness in society should always be the guiding principle for its implementation. Put differently, the benefits of digital transformation in, for instance, application of the latest technologies used to deliver smart, seamless and unobtrusive services in the areas of energy, security, mobility, wellness and community, which help</p>	<p>The Commission considers innovation to be a key enabler of the digital and green transition. For example, smart use of data can improve energy efficiency, such as using smart metering systems enabled through data gathered via the Internet of Things can track when and where it is best to consume electricity. Material efficiency can also be increased; with data gathered from devices connected through the Internet of Things, processes in construction and industry can be streamlined to use fewer resources.</p> <p>Embedding concepts, such as digital twins or building information modelling from design through construction and use, can considerably increase accuracy in constructing and operating a building, while minimising the carbon footprint.</p> <p>The Initiative on Digital Product Passports, announced in the Data Strategy¹⁴⁵, aims to provide information on a product's origin, durability, composition, reuse, repair and</p>

¹⁴¹ COM(2019) 640 final.

¹⁴² COM(2021) 350 final.

¹⁴³ COM(2020) 98 final.

¹⁴⁴ COM(2021) 400 final.

¹⁴⁵ COM(2020) 66 final.

<p>achieve carbon neutrality, should be accessible to all.</p>	<p>dismantling possibilities, and end-of-life handling. This would enable those putting the most sustainable and circular products on the market to secure market rewards and thus contribute to the circularity.</p> <p>The planned common European dataspace, in particular the Green Deal dataspace, aim at the creation of a data ecosystem for climate-neutral and smart communities (through the Living-in.EU Declaration), which will facilitate access, share and re-use of locally-relevant data (in areas such as mobility, energy, climate and zero pollution).</p> <p>The ‘Destination Earth’ initiative aims at combining scientific expertise with multiple data sources (industrial, terrestrial and special) to create high precision digital simulations of Earth to predict extreme weather events, manage natural disaster and support all Member States in their climate adaptation.</p>
<p>3.14. We recognise that this is not easily achievable built is precisely why digitalisation plans connected with the greening of EU economies should involve a multi-stakeholder consultation process and analysis, based on social dialogue and collective bargaining, where the focus is on medium- and long-term targets that effectively make a difference to Europeans' the lives.</p>	<p>The Commission believes that the digital transformation should benefit everyone. That is why our approach will be based on four strategic areas, as outlined in the Digital Decade Communication and in the proposed Digital Policy Programme, to ensure that Europe seizes the opportunity and gives its citizens, businesses and governments control over the digital transformation.</p> <p>Broad stakeholder consultations and other stakeholder engagement activities were carried out in preparation of the Digital Decade Declaration, the Digital Policy Programme and the proposal for a European Declaration on Digital Rights and Principles.</p> <p>Furthermore, beside the dedicated dialogue with stakeholders, a dedicated space was set up on the platform Futurium to facilitate the</p>

	<p>dialogue with stakeholder and the exchange of best practices between stakeholders, and to gather input on concrete actions/measures needed to achieve the Digital Decade targets.</p>
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