

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION
TO THE OPINIONS OF THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
PLENARY SESSION OF OCTOBER 2018¹

¹ Including the follow-up to one opinion adopted during the September 2018 plenary session.

N°	Title	References
SG		
1.	<p><u>Reform Support Programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the establishment of the Reform Support Programme</p> <p>Rapporteur: Petr ZAHRADNÍK (Gr. I-CZ)</p>	<p>COM(2018) 391 final - 2018/0213 COD</p> <p>EESC-2018-03054-00-00-AS-TRA</p> <p>ECO/472</p>
2.	<p><u>Sustainable mobility for Europe</u></p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Europe on the move. Sustainable Mobility for Europe: safe, connected, and clean</p> <p>Rapporteur: Giulia BARBUCCI (Gr. II-IT)</p>	<p>COM(2018) 293 final</p> <p>EESC-2018-03480-00-00-AS-TRA</p>
DG BUDG		
3.	<p><u>The Union's budget and the rule of law</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States</p> <p>Rapporteur: Jukka AHTELA (Gr. I-FI)</p>	<p>COM(2018) 324 final – 2018/0136 COD</p> <p>EESC-2018-02955-00-00-AS-TRA</p> <p>SOC/598</p>
DG EAC		
4.	<p><u>New European Agenda for Culture</u></p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A New European Agenda for Culture</p> <p>Rapporteur: Antonello PEZZINI (Gr. I-IT)</p>	<p>COM(2018) 267 final</p> <p>EESC-2018-02245-00-00-AS-TRA</p> <p>SOC/590</p>

5.	<p><u>Erasmus</u></p> <p>Proposal for a regulation of the European Parliament and of the Council establishing "Erasmus": the Union programme for education, training, youth and sport and repealing Regulation (EU) No 1288/2013</p> <p>Rapporteur: Tatjana BABRAUSKIENĖ (Gr. II-LT) Co-rapporteur: Imse SPRAGG NILSSON (Gr. III-SE)</p>	<p>COM(2018) 367 – 2018/0191 (COD)</p> <p>EESC-2018-03863-00-00- AS-TRA</p> <p>SOC/602</p>
6.	<p><u>European Solidarity Corps (2018)</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the European Solidarity Corps programme and repealing [European Solidarity Corps Regulation] and Regulation (EU) No 375/2014</p> <p>Rapporteur: Michael McLOUGHLIN (Gr. III-IE)</p>	<p>COM(2018) 440 final/2</p> <p>EESC-2018-04028-00-00- AS-TRA</p> <p>SOC/603</p>
7.	<p><u>Education package</u></p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Building a stronger Europe: the role of youth, education and culture policies</p> <p>Rapporteur: Tatjana BABRAUSKIENĖ (Gr. II-LT)</p>	<p>COM(2018) 268 final</p> <p>COM(2018) 270 final – 2018/0126 NLE</p> <p>COM(2018) 271 final – 2018/0127 NLE</p> <p>COM(2018) 272 final – 2018/0128 NLE</p> <p>EESC-2018-02470-00-00- AS-TRA</p> <p>SOC/588</p>

8.	<p><u>A new European Union youth strategy (Communication)</u></p> <p>Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: Engaging, connecting and empowering young people: a new EU Youth Strategy</p> <p>Rapporteur: Michael McLOUGHLIN (Gr. III-IE) Co-rapporteur: Adam ROGALEWSKI (Gr. II-PL)</p>	<p>COM(2018) 269 final</p> <p>EESC-2018-02256-00-00-AS-TRA</p> <p>SOC/589</p>
DG EMPL		
9.	<p><u>European Social Fund+</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)</p> <p>Rapporteur: Krzysztof Stanislaw BALON (Gr. III-PL) Co-rapporteur: Cinzia DEL RIO (Gr. II-IT)</p>	<p>COM(2018) 382 final – 2018/0206 COD</p> <p>EESC-2018-02962-00-00-AS-TRA</p> <p>SOC/597</p>
DG GROW		
10.	<p><u>Challenges and industrial change facing the EU aerospace sector (own-initiative opinion)</u></p> <p>Rapporteur: Thomas KROPP (Gr. I-DE) Co-rapporteur: Enrico GIBELLIERI (Cat. 2-IT)</p>	<p>EESC-2018-01123-00-00-AS-TRA</p> <p>CCMI/158</p>

11.	<p><u>Single market programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) No 2017/826</p> <p>Rapporteur: Oliver RÖPKE (Gr. II-AT) Co-rapporteur: Violeta JELIĆ (Gr. I-HR)</p>	<p>COM(2018) 441 final – 2018/0231 COD</p> <p>EESC-2018-03034-00-00-AS-TRA</p> <p>INT/859</p>
12.	<p><u>European Space Programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the space programme of the Union and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013, (EU) No 377/2014 and Decision 541/2014/EU</p> <p>Rapporteur: Raymond HENCKS (Gr. II-LU)</p>	<p>COM(2018) 447 final – 2018/0236 COD</p> <p>EESC-2018-02993-00-00-AS-TRA</p> <p>INT/861</p>
13.	<p><u>Connected and automated mobility (communication)</u></p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions - On the road to automated mobility: An EU strategy for the mobility of the future</p> <p>Rapporteur: Ulrich SAMM (Gr. I-DE)</p>	<p>COM(2018) 283 final</p> <p>EESC-2018-02771-00-00-AS-TRA</p> <p>TEN/673</p>
14.	<p><u>Industrial policy towards 2030</u></p> <p>Strategic developments in industrial policy by 2030, with a view to strengthening the competitiveness and diversity of the industrial base in Europe and focusing on long-term performance within global value chains (exploratory opinion requested by the Austrian presidency)</p> <p>Rapporteur: Carlos TRIAS PINTÓ (Gr. III-ES) Co-rapporteur: Gerald KREUZER (AT-Cat. 2)</p>	<p>EESC-2018-02008-00-00-AS-TRA</p> <p>CCMI/161</p>

DG JUST		
15.	<p><u>Package on European company law</u></p> <p>Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law Proposal for a Directive amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions</p> <p>Rapporteur: Dimitris DIMITRIADIS (Gr. I-EL) Co-rapporteur: Norbert KLUGE (Gr. II-DE)</p>	<p>COM(2018) 239 final - 2018/0113 COD</p> <p>COM(2018) 241 final – 2018/0114 COD</p> <p>EESC-2018-01917-00-00-AS-TRA</p> <p>INT/841</p>
16.	<p><u>Taking of evidence and service of documents in civil or commercial matters</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1393/2007 of the European Parliament and of the Council on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters (service of documents)</p> <p>Rapporteur: Bernardo HERNANDEZ BATALLER (Gr. III-ES)</p>	<p>COM(2018) 378 final – 2018/0203 (COD)</p> <p>COM(2018) 379 final – 2018/0204 COD</p> <p>EESC-2018-03992-00-00-AS-TRA</p> <p>INT/867</p>
17.	<p><u>Strengthening whistleblower protection at EU level</u></p> <p>Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee – Strengthening whistleblower protection at EU level Proposal for a Directive of the European Parliament and of the Council on the protection of persons reporting on breaches of Union law</p> <p>Rapporteur: Franca SALIS-MADINIER (Gr. II-FR)</p>	<p>COM(2018) 214 final</p> <p>COM(2018) 218 final – 2018/0106 COD</p> <p>EESC-2018-02855-00-00-AS-TRA</p> <p>SOC/593</p>

18.	<p><u>New Justice, Rights and Values Fund</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the Rights and Values programme Proposal for a Regulation of the European Parliament and of the Council establishing the Justice programme</p> <p>Rapporteur: Jean-Marc ROIRANT (Gr. III-FR)</p>	<p>COM(2018) 383 final/2 – 2018/0207 COD</p> <p>COM(2018) 384 final – 2018/0208 COD</p> <p>EESC-2018-02950-00-00-AS-TRA</p> <p>SOC/599</p>
DG RTD		
19.	<p><u>Horizon Europe</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination Proposal for a Decision of the European Parliament and of the Council on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation</p> <p>Rapporteur: Gonalo LOBO XAVIER (Gr. I-PT)</p>	<p>COM(2018) 435 final – 2018/0224 COD</p> <p>COM(2018) 436 final – 2018/0225 COD</p> <p>EESC-2018-03007-00-00-AS-TRA</p>
DG TAXUD		
20.	<p><u>Customs Programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the 'Customs' programme for cooperation in the field of customs</p> <p>Rapporteur: Laure BATUT (Gr. II-FR)</p>	<p>COM(2018) 442 final – 2018/0232 COD</p> <p>EESC-2018-03432-00-00-AS-TRA</p>
21.	<p><u>Financial support for customs control equipment</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment</p> <p>Rapporteur: Antonello PEZZINI (Gr. I-IT)</p>	<p>COM(2018) 474 final – 2018/0258 COD</p> <p>EESC-2018-04010-00-00-AS-TRA</p>

22.	<p><u>Review of EU excise duties</u></p> <p>Proposal for a Council Directive amending Directive 92/83/EEC on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages</p> <p>Proposal for a Council Directive laying down the general arrangements for excise duty (recast)</p> <p>Proposal for a Decision of the European Parliament and of the Council on computerising the movement and surveillance of excise goods (recast)</p> <p>Proposal for a Council Regulation amending Regulation (EU) No 389/2012 on administrative cooperation in the field of excise duties as regards the content of electronic register</p> <p>Rapporteur: Jack O'CONNOR (Gr. II-IE)</p>	<p>COM(2018) 334 final – 2018/0173 CNS</p> <p>COM(2018) 346 final – 2018/0176 CNS</p> <p>COM(2018) 341 final – 2018/0187 COD</p> <p>COM(2018) 349 final - 2018/0181 CNS</p> <p>EESC-2018-03104-00-00-AS-TRA</p>
23.	<p><u>Fiscalis 2021-2027</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the 'Fiscalis' programme for cooperation in the field of taxation</p> <p>Rapporteur: Krister ANDERSSON (Gr. I-SE)</p>	<p>COM(2018) 443 final – 2018/0233 COD</p> <p>EESC-2018-02780-00-00-AS-TRA</p>
DG OLAF		
24.	<p><u>EU Anti-Fraud Programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme</p> <p>Rapporteur: Giuseppe GUERINI (Gr. III-IT)</p>	<p>COM(2018) 386 final – 2018/0211 COD</p> <p>EESC-2018-04019-00-00-AS-TRA</p> <p>INT/858</p>
DG FISMA		
25.	<p><u>EU sovereign bond-backed securities (SBBS)</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on sovereign bond-backed securities</p> <p>Rapporteur: Daniel MAREELS (Gr. I-BE)</p>	<p>COM(2018) 339 final – 2018/0171 COD</p> <p>EESC-2018-02774-00-00-AS-TRA</p> <p>ECO/471</p>

26.	<p><u>Institutional investors' and asset managers' duties regarding sustainability</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341</p> <p>Rapporteur: Carlos TRIAS PINTÓ (Gr. III-ES)</p>	<p>COM(2018) 354 final – 2018/0179 COD</p> <p>EESC-2018-02766-00-00-AS-TRA</p> <p>ECO/466</p>
27.	<p><u>Sustainable finance: taxonomy and benchmarks</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment</p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks</p> <p>Rapporteur: Daniel MAREELS (Gr. I-BE)</p>	<p>COM(2018) 353 final) – 2018/0178 (COD)</p> <p>COM(2018) 355 final – 2018/0180 (COD)</p> <p>EESC-2018-02767-00-00-AS-TRA</p>
28.	<p><u>Action Plan on Sustainable Finance</u></p> <p>Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions – Action Plan: Financing sustainable growth</p> <p>Rapporteur: Carlos TRIAS PINTÓ (Gr. III-ES)</p>	<p>COM(2018) 97 final</p> <p>EESC-2018-01695-00-01-AS-TRA</p>
DG ECFIN		
29.	<p><u>European Investment Stabilisation Function</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the establishment of a European Investment Stabilisation Function</p> <p>Rapporteur: Philip VON BROCKDORFF (Gr. II-MT)</p> <p>Co-rapporteur: Michael SMYTH (Gr. III-UK)</p>	<p>COM(2018) 387 final - 2018/0212 COD</p> <p>EESC-2018-03003-00-00-AS-TRA</p>
30.	<p><u>InvestEU</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the InvestEU Programme</p> <p>Rapporteur: Petr ZAHRAĐNÍK (Gr. I-CZ)</p>	<p>COM(2018) 439 final - 2018/0229 COD</p> <p>EESC-2018-03065-00-00-AS-TRA</p>

31.	<u>Euro area economic policy 2018</u> Rapporteur: Javier DOZ ORRIT (Gr. II-ES)	COM(2017) 770 final EESC-2018-02936-00-01-AS-TRA
DG MOVE		
32.	<u>Road infrastructure safety management</u> Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/96/EC on road infrastructure safety management Rapporteur: Brian CURTIS (Gr. II-UK)	COM(2018) 274 final – 2018/0129 COD EESC-2018-02974-00-00-AS-TRA ECO/467
33.	<u>European Maritime Single Window environment + Electronic freight transport information</u> Proposal for a Regulation of the European Parliament and of the Council establishing a European Maritime Single Window environment and repealing Directive 2010/65/EU; Proposal for a Regulation of the European Parliament and of the Council on electronic freight transport information Rapporteur: Stefan BACK (Gr. I-SE)	COM(2018) 278 final – 2018/0139 COD; COM(2018) 279 final – 2018/0140 COD EESC-2018-03005-00-00-AS-TRA TEN/668
34.	<u>Implementation of the TEN-T projects</u> Proposal for a Regulation of the European Parliament and of the Council on streamlining measures for advancing the realisation of the trans-European transport network Rapporteur: Dumitru FORNEA (Gr. II-RO)	COM(2018) 277 final – 2018/0138 COD EESC-2018-02770-00-00-AS-TRA TEN/669

<p>35.</p> <p>DG CLIMA co-lead</p>	<p><u>CO2 standards for lorries + Weights and dimensions for road vehicles</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council setting CO2 emission performance standards for new heavy-duty vehicles; Proposal for a Decision of the European Parliament and of the Council amending Council Directive 96/53/EC as regards the time limit for the implementation of the special rules regarding maximum length in case of cabs delivering improved aerodynamic performance, energy efficiency and safety performance</p> <p>Rapporteur: Stefan BACK (Gr. I-SE)</p>	<p>COM(2018) 275 final – 2018/0130 COD</p> <p>COM(2018) 284 final – 2018/0143 COD</p> <p>EESC-2018-03137-00-00-AS-TRA</p> <p>TEN/675</p>
<p>36.</p>	<p><u>Proposal on adjusting TEN-T in the light of Brexit</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1316/2013 with regard to the withdrawal of the United Kingdom from the Union</p> <p>Rapporteur-general: Stefan BACK (Gr. I-SE)</p>	<p>COM(2018) 568 final – 2018/0299 COD</p> <p>EESC-2018-04862-00-00-PAC-TRA</p> <p>TEN/683</p>
<p>37.</p>	<p><u>Discontinuing seasonal changes of time</u></p> <p>Proposal for a Directive of the European Parliament and of the Council discontinuing seasonal changes of time and repealing Directive 2000/84/EC</p> <p>Rapporteur-general: Maria NIKOLOPOULOU (Gr. II-ES)</p>	<p>COM(2018) 639 final - 2018/0332 COD</p> <p>EESC-2018-04580-00-00-PAC-TRA</p> <p>TEN/685</p>
<p>38.</p>	<p><u>Ship inspection and survey organisations with regard to the United Kingdom's withdrawal proposal</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 391/2009 with regards to the withdrawal of the United Kingdom from the Union</p> <p>Rapporteur-general: Séamus BOLAND (Gr. III-IE)</p>	<p>COM(2018) 567 final – 2018/0298 COD</p> <p>EESC-2018-04796-00-00-PAC-TRA</p> <p>TEN/682</p>

DG ENER		
39.	<p><u>Tyre labelling</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the labelling of tyres with respect to fuel efficiency and other essential parameters and repealing Regulation (EC) No 1222/2009</p> <p>Rapporteur: András EDELÉNYI (Gr. I-HU)</p>	<p>COM(2018) 296 final – 2018/0148 COD</p> <p>EESC-2018-03474-00-00-AS-TRA</p> <p>TEN/674</p>
DG CNECT		
40.	<p><u>Digital Europe Programme</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the Digital Europe Programme for the period 2021-2027</p> <p>Rapporteur: Norbert KLUGE (Gr. II-DE) Co-rapporteur: Ulrich SAMM (Gr. I-DE)</p>	<p>COM(2018) 434 final – 2018/0227 COD</p> <p>EESC-2018-03902-00-00-AS-TRA</p> <p>TEN/677</p>
41.	<p><u>Accessibility and reuse of public and publicly funded data</u></p> <p>Proposal for a Directive of the European Parliament and of the Council on the re-use of public sector information (recast) and Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Towards a common European data space"</p> <p>Rapporteur: Baiba MILTOVIČA (Gr. III-LV)</p>	<p>COM(2018) 234 final – 2018/0111 COD;</p> <p>COM(2018) 232 final</p> <p>EESC-2018-02410-00-00-AS-TRA</p> <p>TEN/665</p>

DG ENV		
42.	<p><u>Single use plastics</u></p> <p>Proposal for a Directive of the European Parliament and of the Council on the reduction of the impact of certain plastic products on the environment</p> <p>Rapporteur: Maria NIKOLOPOULOU (Gr. II-ES)</p>	<p>COM(2018) 340 final – 2018/0172 COD</p> <p>EESC-2018-03041-00-01-AS-TRA</p> <p>NAT/742</p>
43.	<p><u>LIFE Programme for the Environment and Climate Action</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013</p> <p>Rapporteur-general: Lutz RIBBE (Gr. III-DE)</p>	<p>COM(2018) 385 final – 2018/0209 COD</p> <p>EESC-2018-03317-00-00-PAC-TRA</p> <p>NAT/748</p>

DG AGRI		
44.	<p><u>CAP – legislative proposals</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council</p> <p>Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013</p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands</p> <p>Rapporteur: John BRYAN (Gr. III-IE)</p>	<p>COM(2018) 392 final – 2018/0216 (COD)</p> <p>COM(2018) 393 final - 2018/0217 COD</p> <p>COM(2018) 394 final/2 - 2018/0218 COD</p> <p>EESC-2018-03141-00-01-AS-TRA</p> <p>NAT/747</p>
45. Opinion adopted during the plenary session of September 2018	<p><u>Improving the food supply chain</u></p> <p>Proposal for a Directive of the European Parliament and of the Council on unfair trading practices in business-to-business relationships in the food supply chain</p> <p>Rapporteur: Mr Peter SCHMIDT (GR11-DE)</p>	<p>COM(2018) 173 final - 2018/0082 COD</p> <p>EESC-2018-02438-00-00-AS-TRA</p> <p>NAT-VI/734</p>

DG REGIO		
46.	<p><u>Common Provisions Regulation 2021-2027</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument</p> <p>Rapporteur: Stefano MALLIA (Gr. I-MT)</p>	<p>COM(2018) 375 final – 2018/0196 COD</p> <p>EESC-2018-02791-00-00-AS-TRA</p> <p>ECO/461</p>
47.	<p><u>Regulation on the European Regional Development Fund 2021-2027</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund</p> <p>Rapporteur: Ioannis VARDAKASTANIS (Gr. III-EL) Co-rapporteur: Ester VITALE (Gr. II-IT)</p>	<p>COM(2018) 372 final – 2018/0197 COD</p> <p>EESC-2018-03269-00-01-AS-TRA</p> <p>ECO/462</p>
DG HOME		
48.	<p><u>Asylum and Migration Fund (AMF) and Integrated Border Management Fund</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for border management and visa</p> <p>Rapporteur: Giuseppe IULIANO (Gr. II-IT)</p>	<p>COM(2018) 471 final – 2018/0248 COD</p> <p>COM(2018) 473 final – 2018/0249 COD</p> <p>EESC-2018-03636-00-01-AS-TRA</p> <p>SOC/600</p>

49.	<p><u>Internal Security Fund</u></p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing the Internal Security Fund</p> <p>Rapporteur: José Antonio MORENO DIAZ (Gr. II-ES)</p>	<p>COM(2018) 472 final – 2018/0250 COD</p> <p>EESC-2018-02917-00-00-AS-TRA</p> <p>SOC/601</p>
DG ECHO		
50.	<p><u>Strengthening the EU's civil protection response - rescEU</u></p> <p>Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism</p> <p>Rapporteur: Dimitris DIMITRIADIS (Gr. I-EL)</p>	<p>COM(2017) 772 final – 2017/0309 COD</p> <p>EESC-2018-03220-00-00-AS-TRA</p> <p>NAT/750</p>
DG CLIMA		
51.	<p><u>European Finance-Climate Pact (own-initiative opinion)</u></p> <p>Rapporteur: Rudy DE LEEUW (Gr. II-BE)</p>	<p>EESC-2018-01241-00-00-AS-TRA</p> <p>NAT/735</p>

<p>N°1 Reform Support Programme COM(2018) 391 final EESC 2018/3054 - ECO/472 538th Plenary Session – October 2018 Rapporteur: Mr Petr ZAHRADNÍK (Gr. I-CZ) SG/SRSS – VP DOMBROVSKIS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>RECOMMENDATIONS</p>	<p>The Commission takes note of the specific recommendations proposed by the Committee. They will be taken into account in subsequent negotiations with the Parliament and the Council.</p>
<p>1.1 [...] The European Economic and Social Committee proposes that, when carrying out structural reforms with the support of the programme, the social impact and consequences also be monitored at Member State level.</p>	<p>According to the proposal for Regulation establishing the Reform Support Programme², when submitting proposals for reform commitments under the Reform Delivery Tool, Member States shall provide information on the expected economic and social impacts of the reforms supported by the Programme in the Member State. The Commission will take these elements and justification into account when assessing the proposal for reform commitments.</p>
<p>1.2 [...] The European Economic and Social Committee also believes that the linkage between the Reform Support Programme and the European Semester could be even greater and more direct than provided for in the proposal for a Regulation.</p>	<p>The European Semester will play a crucial role in identifying key challenges and reforms that can be supported by the Reform Delivery Tool or the financial support component of the Convergence Facility. Reforms that are proposed under these instruments will have to address challenges identified in the context of the European Semester. The new Reform</p>

² {SEC(2018) 280 final} - {SWD(2018) 310 final} - {SWD(2018) 311 final}.

	<p>Delivery Tool will therefore make the European Semester more effective. In addition, the dialogue between the Member States and the European Commission will take place in the context of the European Semester and the reforms will be proposed by the Member States through their National Reform Programmes. Reporting on the progress made on the achievements of the reform commitments will also be done via the National Reform Programmes.</p>
<p>1.4 [...] the European Economic and Social Committee is convinced of the need to develop the programme's potential further in order to ensure that these synergies can actually be achieved. [...] the European Economic and Social Committee also recommends introducing the option of directly linking funds from the programme to the corresponding operational programme under cohesion policy.</p> <p>3.6 [...] This is particularly relevant in relation to the common provisions for the seven funds (and in particular those relating to cohesion policy instruments), while consistency should also be maintained when it comes to setting the enabling conditions. (The European Economic and Social Committee recommends that the programme should focus on implementing these as a matter of priority as part of the reform effort.).</p>	<p>The objective of the Reform Support Programme is to contribute to addressing national reform challenges of structural nature and strengthening the administrative capacity of the Member States. As such, it complements the objectives of other Union programmes. The Reform Support Programme will complement structural and cohesion funds: the Reform Delivery Tool will be based on a mechanism of financing not linked to cost, and will aim at fostering the implementation of structural reforms. The structural and cohesion funds finance the cost of investment-related operations that foster cohesion objectives. In addition, in order to ensure complementarities and synergies between the two types of programmes, the Reform Support Programme foresees a strengthened coordination mechanism among the Commission services concerned and also with the Member States. The coordination mechanism will pay particular attention to the consistency with the structural and cohesion funds to ensure that there is no overlap of funding and that there is coherence and</p>

	synergy with possible enabling conditions and with measures linked to the sound economic governance.
<p>1.5 The European Economic and Social Committee also recommends that the procedures for evaluating the success of reforms (and therefore also the conditions for the actual disbursement of funds under the programme) be further clarified and defined. [...]</p> <p>3.3 [...] The European Economic and Social Committee wonders how the programme will evaluate the success of reforms that ought to receive support but whose results only become apparent over a very long period of time. [...]</p>	<p>The payment of financial contributions to the Member States will be made once the agreed milestones and targets for reform commitments under the Reform Delivery Tool and the financial support component of the Convergence Facility have been achieved and the reform has been completed. A positive assessment of the fulfilment of reform commitments may also include assessment (based on indicators) related to outcomes, which can be realistically achieved in the time-horizon of the reform commitments (maximum of three years).</p> <p>Member States will submit to the Commission a request for payment of the financial contribution and the Commission will assess whether the relevant milestones and targets (such as the adoption of law, piloting of the reform, etc.) have been satisfactorily implemented. The Commission may be assisted by relevant experts for this purpose. The payment will be made when the assessment of the Commission is positive. If the assessment is negative, the payment of all or part of the financial contribution can be suspended (Member States will have the possibility of presenting their observations). The suspension will be lifted where the Member State has taken the necessary measures within a period of six months. Where the Member State has not taken the necessary measures within a period of six months, the financial contribution will be cancelled (Member States will</p>

	<p>have the possibility of presenting their observations).</p> <p>Where within five years of the payment, the conditions that allowed payment have changed significantly in the Member State (e.g. the achievement of reform commitments were reversed), the Commission shall recover the amounts paid (Member States will have the possibility of presenting their observations).</p>
<p>1.5 [...] It also recommends here conducting a thorough follow-up of the staging of reforms and effectively addressing the potential risk of moral hazard. The European Economic and Social Committee thinks it highly desirable to create a platform for cooperation between Member States on matters relating to the form and nature of structural reforms.</p> <p>4.4 The European Economic and Social Committee recommends paying attention to the staging of reforms over time, whereby implementation of reform can be timed in line with the receipt of support from the programme, and the problem of moral hazard this entails. The European Economic and Social Committee also recommends that attention be paid to possible cases where the programme is supporting reforms that have already been implemented.</p>	<p>A number of features of the Reform Support Programme aim to reduce the risk of moral hazard:</p> <ul style="list-style-type: none"> - the link to the European Semester will ensure that only those reforms that have not (or not sufficiently) been implemented are proposed for funding under the Reform Delivery Tool or the financial support component of the Convergence Facility; - the proposal for reform commitments may be discussed with the Commission and the Member States in the Economic Policy Committee to ensure that their proposals are effectively addressing the reform challenges; - the financial contribution will be paid only once all the milestones and targets have been achieved; and - financial contributions shall be recovered by the Commission in case of reform reversals within five years of the payment.
<p>1.6 [...] As the programme is designed to be managed centrally, the European Economic and Social Committee regrets that it cannot be used for structural projects of pan-European importance, and it recommends that the programme be</p>	<p>Reforms supported under the Reform Support Programme can be of pan-European importance. The Programme can support similar reforms in different Member States and can also support reforms with a cross-border dimension</p>

<p>extended to include reforms of this kind.</p>	<p>(with positive spill-over effects). This is already the case for technical support projects under the Structural Reform Support Programme.</p>
<p>1.7 [...] The European Economic and Social Committee is not entirely convinced that the retrospective payment of funds (especially given that the payment may be made several years after the implementation of the reform) provides sufficient motivation for a Member State to carry out a structural reform.</p> <p>3.11 [...] the European Economic and Social Committee has doubts as to whether the programme is a real incentive for the implementation of structural reforms. Its concern is based on the fact that the funding can be paid even up to three years after the reform commitments have been fulfilled. The European Economic and Social Committee feels that a one-off funding payment long after the reform activities began is not a very motivating tool.</p>	<p>One single payment at the end of the implementation of the reform commitments under the Reform Delivery Tool or the financial support component of the Convergence Facility will encourage Member States to start and fully complete reforms to which they have committed. It also constitutes an important safeguard against moral hazard – ensuring that reform efforts will be continued until the full implementation and will not stop mid-way.</p>
<p>3.3 [...] the European Economic and Social Committee is also interested in how any potential disputes between the European Commission and a Member State, with regard to whether the reform proposal is correct and the reform has been successful, will be resolved. Also in this connection, the European Economic and Social Committee recommends the creation of a platform for cooperation between Member States on matters relating to the nature of structural reforms.</p>	<p>The proposed Regulation provides that upon completion of the reform commitments, Member States will submit to the Commission a request for payment of the financial contribution. The Commission will assess whether the relevant milestones and targets have been satisfactorily implemented.</p> <p>If the assessment is negative, the proposed Regulation provides the possibility for the Member State to present its observation within a period of two months after the communication of the Commission's conclusion. Contradictory procedures are provided for suspension of payment, cancellation of payment and recovery of payments (in case of reform reversal). If,</p>

	<p>following the appropriate contradictory procedures provided in the proposed Regulation, the Commission has taken a decision to cancel the financial contribution, or to seek repayment of the amount in case of reform reversal, the Member State concerned has the right to bring the matter before the Court of Justice of the European Union, as per the general rules established by the Treaty.</p>
<p>3.5 [...] The European Economic and Social Committee notes that the sole criterion for this purpose is the population of the Member State concerned. Nevertheless, the Committee recommends that the possibility also be considered of using a multiple-criteria matrix, taking into account the extent of the need for structural reforms in the light of conditions in a given Member State.</p>	<p>The aim of the Reform Delivery Tool is to provide incentives for the implementation of reforms in all European Union Member States – small and large Member States, as well as richer and poorer – all Member States have reform needs. Therefore, the financial allocation per Member State should provide for an incentive that is meaningful and large enough to allow for implementation of reforms in each Member State. The incentive should therefore be in line with the size of the country. At the same time, the allocation should also allow for a fair distribution of the financial envelope among the Member States.</p> <p>The allocation key that is proposed – based on the share of the country's population in the total European Union population – meets these criteria:</p> <ul style="list-style-type: none"> - more populous Member States can benefit from a higher maximum contribution; and - the maximum net benefit per capita will remain constant across all Member States, since the amount per European Union citizen will be the same. <p>The Reform Delivery Tool also takes into account Member States' reform</p>

	<p>needs. First, the indicative national allocation does not set a limit to the amount of money that a Member State can obtain. It only represents the maximum allocation that a Member State can get in each stage and each call of the allocation process. Second, the Reform Delivery Tool is voluntary. These two features ensure that Member States that consider that they do not have reform needs or that do not wish to submit proposals for financial rewards may decide not to present reform proposals under the Reform Delivery Tool. At the same time, those Member States that have significant reform needs may make several proposals and receive a much higher amount than their maximum allocation, as the unused funds will be pooled and attributed through periodic calls in the second stage of the allocation process.</p>
<p>3.8 [...] It regrets even more the fact that the programme is designed to be centrally managed. Given that the programme requires an extremely high degree of interaction on the part of the Member States (which will in practice implement it), the question arises as to why this programme is designed to be managed centrally and not implemented by means of shared management.</p>	<p>An essential feature of the Reform Support Programme is that there is no fixed pre-allocation of funding to Member States, contrary to the structural and cohesion funds. It instead requires independent assessment and adequate selection of proposals (submitted by Member States on a voluntary basis) for reform commitments or requests for technical support. The assessment and selection need to be done in a similar manner for all Member States and on the basis of the same objective criteria. It can therefore not be done by the Member States themselves. This is why shared management is not a suitable delivery mode.</p> <p>The Reform Support Programme, unlike the structural and cohesion</p>

	<p>funds, is not based on co-financing of the financial cost of the reforms. It offers financial incentives for reform commitments that are implemented but it is not linked to the actual cost of the projects, which is more typically the case for operations under the structural and cohesion funds.</p> <p>The Regulation provides for a very active interaction between the Commission and the Member State on different levels: policy dialogue in the context of the European Semester, peer counselling to help Member States prepare high quality requests, and a possibility for the Commission to provide observations and for Member States to provide additional information on the first draft of the reform proposal submitted by the Member State. Such a close cooperation is best achieved/facilitated under direct management.</p> <p>In addition, the Reform Support Programme builds upon the experience of the Structural Reform Support Programme, which has been managed under direct management, an attractive feature of which has proven to be its administrative simplicity. Using direct management will also ensure continuity and maintain the coherence of a single framework for the three instruments.</p>
<p>3.9 [...]European Economic and Social Committee recommends defining what is meant by structural reform for the purposes of this programme, particularly in order to prevent unnecessary overlaps with reform activities supported by other chapters of the European Union budget.</p>	<p>The eligible reforms under the Reform Delivery Tool are defined in Article 8 as those addressing challenges identified in the European Semester of economic policy coordination.</p> <p>The assessment criteria set out in Article 11(7) include an assessment of whether the reforms are expected,</p>

	through their implementation, to have a lasting impact, where relevant by strengthening the institutional and administrative capacity of the Member State concerned.
4.1 [...] the European Economic and Social Committee calls for very careful monitoring by experts of the acceptance of reform commitments and the final evaluation of the compliance of structural reforms with conditions relating to macroeconomic and fiscal discipline.	The proposal for Regulation establishing the Reform Support Programme (Article 11) and its annexes (Annex II) set out detailed rules defining criteria and procedures for assessing proposals for reform commitments. It also provides that the Commission may be assisted by experts for the purpose of the assessment of proposals for reform commitments submitted by Member States, as well as for the assessment of whether the relevant milestones and targets have been satisfactorily implemented. The Economic Policy Committee may also provide its opinion on the proposals for reform commitments submitted by Member States.
4.2 The European Economic and Social Committee calls for an explanation of the idea put forward in the proposal that the programme is intended to offset the high political costs incurred in the short term in the case of some structural reforms and to remove the obstacles associated with these reforms.	The Commission considers that one of the reasons for slow and uneven implementation of reforms is that the benefits often materialise only over the long term, while their economic, social and political costs are incurred in the short term. National governments might therefore refrain from embarking on the implementation of some reforms due to high political costs in the short term (e.g. pension reforms) and/or to adverse effects on some segments of the population (e.g. adverse effects on employment in the coal mining sector as a consequence of transition to a low-carbon economy). Implementation of structural reforms can also be hindered by the lack of political commitment to

	<p>reforms at national level. This can be linked to the time horizon of governments (i.e. linked to the electoral cycle), which is often too short to be able to capitalise on the long-term benefits of reforms. Far-reaching reforms require time to prepare, implement and involve stakeholders, in line with national practices. In this respect, better incentives could accelerate reform implementation, including by enabling suitable reform packaging and reform sequencing and by supporting flanking measures if necessary.</p>
<p>4.3 The European Economic and Social Committee recommends establishing clearer and more detailed rules for evaluating the amendments carried out of the reform commitments (Article 13 of the proposal).</p>	<p>The assessment of the amendment of the reform commitments will be carried out in the same way as the assessment of the initial reform commitment. The proposal for Regulation establishing the Reform Support Programme (Article 11) and its annexes (Annex II) set out detailed rules defining criteria and procedures for assessing proposals for reform commitments.</p> <p>The proposed Regulation provides that an amendment of the reform commitments may be made (on the ground of a request by the Member State concerned, based on objective circumstances) only once in the implementation period of the reform commitments.</p>
<p>4.5 The proposal for a regulation opens up the possibility that, for example, some of the funds allocated to cohesion policy could be transferred to this programme. The European Economic and Social Committee also favours the option of transferring or merging in the opposite direction, where the funds from the programme could be</p>	<p>The possibility for the Member States to transfer funds from the cohesion policy to the Reform Support Programme is an appropriate and useful option, notably for the technical support instrument under the Reform Support Programme, which has a considerably lower budget compared to</p>

<p>directly linked to the relevant operational programme under cohesion policy.</p>	<p>that of the structural and cohesion funds. Member States can already request such transfer of funds for technical support under the current Structural Reform Support Programme. A transfer of funds from the Reform Support Programme to cohesion policy operational programmes (run in shared management) cannot be envisaged or justified by similar elements. In addition, such a transfer would not be possible since the funds are not allocated per Member State.</p>
<p>4.7 In the case of the convergence facility, the European Economic and Social Committee notes that some non-euro area European Union Member States are structurally better prepared to join than some of its existing members. Their main obstacle is not economic (often higher gross domestic product growth coupled with a high degree of real convergence, exemplary fiscal discipline, external balance surplus or low unemployment) but political (which, however, the convergence facility is incapable of influencing).</p>	<p>Only Member States that have credibly committed to adopting the euro in the foreseeable future are eligible to apply for support under the Convergence Facility. These countries can apply provided that they have taken demonstrable steps towards adopting the single currency within a given timeframe. The demonstrable steps will include a formal letter from the government of the Member State to the Commission stating its concrete intention to join the euro area within a reasonable timeframe.</p> <p>The Member State will also have to present a credible time-bound roadmap for implementing concrete measures to prepare for a successful participation in the euro area.</p>
<p>4.8 The European Economic and Social Committee also asks for a more detailed explanation as to whether the nature of the reform commitment differs somehow in the convergence facility as compared with the reform delivery tool.</p>	<p>The reform commitments presented for financial support under the Convergence Facility shall aim to implement reforms that are considered important for the Member State's preparation for participating in the euro area. It shall refer to the formal letter from the government stating the clear commitment to join the euro area</p>

	<p>within a reasonable timeframe and presenting a credible time-bound roadmap for implementing measures to prepare for successful participation in the euro area. The proposal shall not concern reforms that are already proposed or implemented under the Reform Delivery Tool. In addition to the assessment based on the criteria for assessing reform commitments under the Reform Delivery Tool, the Commission will also assess whether the proposal is in line with the Member State's roadmap and whether it is expected to contribute to its successful implementation. The reforms supported under the Convergence Facility should also have a high expected impact on the performance and resilience of the economy of the Member State.</p>
--	--

N°2 Sustainable mobility for Europe COM(2018) 293 final EESC 2018/3480 – TEN/666 538th Plenary Session – October 2018 Rapporteur: Ms Giulia BARBUCCI (GR.II-IT) DG MOVE – Commissioner BULC	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

N°3 The Union's budget and the rule of law COM(2018) 324 final EESC 2018/2955 – SOC/598 538th Plenary Session – October 2018 Rapporteur: Mr Jukka AHTELA (Gr. I-FI) DG BUDG – Commissioner OETTINGER	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<p>N°4 New European Agenda for Culture COM(2018) 267 EESC 2018/2245 - SOC/590 538th Plenary Session – October 2018 Rapporteur: Antonello PEZZINI (GR.I-IT) DG EAC – Commissioner NAVRACSICS</p>	
Points of the European Economic & Social Committee considered essential	European Commission position
<p>1.4 (&3) – the EESC calls for the “launch of the Agenda to provide an opportunity to reflect on the vision of a New European Renaissance aimed at creating a European Cultural Area”</p>	<p>With full respect of the subsidiarity principle and the European Union’s competence in the field of culture, the Commission welcomes the Committee’s ambitious vision. European Union policy initiatives, such as the New European Agenda for Culture and funding opportunities in the field of culture, are very much in line with the idea of a European Cultural Area.</p>
<p>1.5 –A revitalised European Agenda for Culture must, in the opinion of the EESC, be based on a shared strategic vision comprising the following in order to bring about the European Cultural Area:</p> <ul style="list-style-type: none"> • common values of identity and on freedom and solidarity; • pivotal principles of freedom of movement, establishment and provision regarding persons, goods and services operating in the cultural sphere in Europe; • schemes for managing and planning initiatives focusing on the cultural heritage; • practical measures to restore and preserve the vast artistic heritage, bringing European culture to life for future generations³; • making full use of European culture in international relations; 	<p>In the New European Agenda for Culture, the Commission promotes each of the elements set out in the shared strategic vision which the Committee calls for:</p> <ul style="list-style-type: none"> - emphasising the role of culture in reinforcing common values and strengthening European identity in all its diversity - highlighting free movement (mobility) of cultural professionals, goods and services including a specific action under Creative Europe for 2019 - detailing several actions on cultural heritage, including 10 European Initiatives under the European Year of Cultural Heritage (EYCH); the Commission has since set out actions

³ Cf. Specialist restoration services: www.opencare.it.

<ul style="list-style-type: none"> • more robust governance of European policies, giving greater scope to those who produce and shape culture in its expressive forms and in the cultural and creative industries; • support for bringing together small creative enterprises, particularly those with social objectives; • cultural synergies and exchanges, as these contribute to sharing European society's myriad forms of expression. 	<p>to ensure the long-term legacy of European Year of Cultural Heritage in a new European Framework for Cultural Heritage (November 2018)</p> <ul style="list-style-type: none"> - detailed commitments in relation to nine actions on culture in international relations by the Commission, High Representative and Member States - proposing measures to improve governance of European cultural policy collaboration, and promote cultural synergies and exchanges among Member States through the Work Plan for Culture; and among cultural and creative industries and organisations through sectoral and thematic dialogues - promoting European Union policies and programmes to bring together small creative enterprises, including through Creative Europe funded projects on creative hubs and culture for social inclusion.
<p>1.6 - On the cultural supply side, initiatives must be clear and readily accessible to recipients, making use of new channels of multilingual communication so that the European Cultural Area is in practice the heritage of everyone.</p>	<p>The cross-cutting actions set out in the New Agenda include strengthening the European digital platform as a comprehensive multilingual record of European shared heritage. This includes newly curated multilingual smart content to enhance the offer provided by the platform. In addition, in every country participating in the Creative Europe programme, national desks provide information in the national languages through dedicated websites and social networks.</p>
<p>1.7 (& 4.10.1) – “cultural citizenship Erasmus”</p>	<p>The Commission considers that the Committee's proposal for a cultural citizenship Erasmus is already covered within the scope of the promotion of artists' mobility and cultural education</p>

	under Creative Europe and other activities under Erasmus+.
1.7 (& 4.10.1) – the launch of a European Cultural Charter	At this stage, the Commission does not plan to launch a European Cultural Charter. However, the European Union and all its Member States are already parties to the UNESCO 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions. The Commission also supports Member States in their implementation of the Council Work Plans for Culture.
1.8 (& 4.5.4 & 4.10.1) – the EESC believes that it can play a proactive role (...) including through joint initiatives such as a European Week of Culture, European Cultural Nights and European Ambassadors for Culture.	The Commission welcomes the interest of the EESC in participating in European Union-wide cultural initiatives. The New European Agenda for Culture already includes 36 new initiatives to this effect. Initiatives similar to those proposed by the Committee are also part of the European Year of Cultural Heritage. Furthermore, the Commission will continue to support the European Heritage Days.
1.9 – The Committee is committed to monitoring the new Agenda and completing the ECA [European Cultural Area], based on regular reports to be submitted by the Commission.	The Commission services are happy to liaise with the Committee as necessary to monitor the New European Agenda for Culture. The Commission does not plan to submit regular reports in this respect but will continue to report publicly on the implementation of the Council Work Plans for Culture.
4.5 The new ECA should comprise the following, accompanied by a timeframe: 4.5.1 Bolstering European cultural policies and instruments to support and disseminate identity values... 4.5.2 Full roll-out of freedom of	The 36 actions in the Commission's New European Agenda for Culture address each of the objectives set out by the Committee in points 4.5.1 - 4.5.5, and each action includes a timeframe. The Commission welcomes the Committee's support for these

<p>movement, establishment and the right to provide a service...in the cultural sphere</p> <p>4.5.3 An “economy of culture” centred on socially inclusive systems...</p> <p>4.5.4 The promotion of European culture in international relations... as a tool capable of transforming artists/creators into European Cultural Ambassadors</p> <p>4.5.5 Bottom-up mechanisms, giving greater scope for all...who...produce, create and shape culture</p>	<p>actions.</p>
<p>4.6 Common challenges need to be addressed by creating a fully-fledged "cultural internal market" promoting:</p> <ul style="list-style-type: none"> • mobility of artists, services and cultural enterprises • mobility of works of art • cooperation through transnational projects • inter-cultural dialogue • targeted measures to enhance European cultural identity • measures to restore and preserve the Europe's vast artistic heritage, with strands dedicated to multimedia R&I and to sustainability • greater creative independence • the development of a humanistic digital culture capable of scaling back the manipulative domain of fake news algorithms and online disinformation. 	<p>Measures to address each of these challenges are included in the Council Work Plan for Culture 2019-22, the European Framework for Action on Cultural Heritage (developed to ensure the long-term legacy of the European Year of Cultural Heritage) as well as in the Commission proposals for the next Multiannual Financial Framework, especially Creative Europe, Erasmus, Digital Europe.</p>
<p>4.7 promote – especially among young people, through education – the firm belief that cultural diversity and the multiplicity of art forms represent essential elements of human development and fundamental freedoms, and that cultural exchange helps</p>	<p>Policy collaboration under the previous European Agenda for Culture and Council Work Plans for Culture has firmly anchored Cultural Awareness and Expression as a key competence in education. Links between culture,</p>

to strengthen democratic citizenship.	education and youth policy will continue under the New Culture Agenda and Work Plan, as well as under the Creative Europe and Erasmus programmes.
4.8 the new European Agenda for Culture to be incorporated into and embedded in the next EU Multiannual Financial Framework.	The New European Agenda for Culture is directly reflected in the Commission proposals for the next Multiannual Financial Framework – notably Creative Europe and Erasmus, but also in other programmes.
4.9 the beneficiaries of regulatory, structural and financial support programmes and measures must have access to clear and transparent information about them on social networks.	The Commission regularly uses social media (Creative Europe Facebook and Twitter accounts), online platforms (Yammer network European Cooperation on Culture), web updates, Creative Europe national desks and newsletters to inform beneficiaries and other stakeholders about regulatory, structural and financial support programmes.
4.10 action directly targeted at the final beneficiaries of European cultural policy to increase participation levels.	The New European Agenda for Culture includes Eurostat data showing that over a third of Europeans do not participate at all in cultural activities, so there is clear scope to increase cultural participation. While this is primarily a matter for national and sub-national authorities, the New Agenda proposes to continue European collaboration on policies and practices to increase participation and bring culture to more diverse audiences.

<p>5.1 A digital user guide, with a user-friendly website (...) should ensure that the many EU instruments now available can be accessed.</p>	<p>The Commission welcomes the list of examples of relevant European Union instruments set out by the Committee. The Staff Working Document accompanying the New European Agenda for Culture lists in some detail the current European Union instruments, which are relevant to cultural projects. The Commission uses social media (Creative Europe Facebook and Twitter accounts), web updates, Creative Europe national desks and regular newsletters to inform cultural stakeholders about European Union funding opportunities. Centralising and updating this information in one website may be a disproportionate use of limited resources, but the Commission will consider means of achieving the same result.</p>
---	---

<p>N°5</p> <p>Erasmus</p> <p>COM(2018) 367 final</p> <p>EESC 2018/3863 - SOC/602</p> <p>Plenary Session – October 2018</p> <p>Rapporteur: Tatjana BABRAUSKIENĖ (GR.II-LT)</p> <p>DG EAC – Commissioner NAVRACSICS</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.2. [The EESC] expects that the future Erasmus programme will consider education and training from a holistic perspective , where key competences and basic skills play a crucial role alongside continuous upskilling as part of lifelong learning, with special focus on validation and recognition.	The Commission proposal for the future Erasmus programme post-2020 encompasses all education and training sectors and actions. In a context where borders between traditional education and training sectors are becoming less clear-cut, the proposal suggests to reinforce the integrated approach of the programme, underpinned by a lifelong learning perspective.
1.3. suggests that the name remain unchanged and that the name " Erasmus+ " be retained, as the latter symbolises the fact that all the programmes are contained under one umbrella.	During the celebrations of 30 years of Erasmus in 2017, it became clear that the Erasmus constituency and the general public are very much aware of all the sectors the programme encompasses and all the opportunities it offers. That is why the Commission decided to drop the 'plus' in an attempt to unify the Erasmus brand. More prominence will be given to the sectors other than higher education, i.e. schools, vocational education and training, youth and sport, through a bigger budget and continued targeted communication efforts.
1.4. welcomes the proposal to double the programme's budget, but calls for it to be tripled.	<p>The Commission believes that its proposal to more than double the budget (in current prices) for Erasmus demonstrates its strong commitment to the programme, even more so in a context of competing priorities and unprecedented funding challenges, in particular those caused by the withdrawal of the United Kingdom from the European Union.</p> <p>In addition, many important areas covered by Erasmus, such as education, lifelong learning, youth and skills, will benefit from synergies with</p>

	actions funded under other programmes and funds (e.g. European Social Fund+, Horizon Europe, the Digital Europe Programme and the European Solidarity Corps), in line with their respective intervention logic and objectives.
1.6. highlights the fact that the actions under the youth chapter were previously the most successful in reaching out to those with fewer opportunities and that this should be reflected in the allocation of funding.	<p>Building on the positive experience gathered under the youth chapter of the current programme, the Commission proposes to reinforce the inclusive dimension of the future programme and to enhance its accessibility, across all fields of action.</p> <p>A series of measures is proposed to this effect:</p> <ul style="list-style-type: none"> - introduction of more flexible learning mobility formats, such as short-term and group mobility, which are the most successful in reaching out to people with fewer opportunities. - increased investment in school pupil mobility, mobility of learners in vocational education and training and youth mobility. - adjusted level of financial support, i.e. increased grant levels to fit the needs of participants with fewer opportunities. The situation on the ground in the countries participating in the programme will be duly analysed in this regard, in close cooperation with the National Agencies. - enhanced outreach to learners with fewer opportunities via youth or adult organisations and sport clubs.
<p>1.7. requests that Discover EU should contain a strong learning component if it is to be a part of the programme.</p> <p>4.17. The EESC is concerned about the lack of educational components in DiscoverEU. (...). If this is lacking then it does not belong to Erasmus+. (...)</p> <p>DiscoverEU gives the impression of being an initiative that primarily benefits privileged young people. It only covers travel costs and</p>	<p>DiscoverEU will build on the pilot, which was launched in 2018, and which has been a success so far: after the first phase of its roll-out, participants reported having improved their language skills, become more independent, and better at dealing with unexpected situations. Two thirds of the participants (70%) indicated that they would not have been able to finance such a travel pass without the DiscoverEU initiative.</p> <p>The design of the future DiscoverEU will ensure full consistency of the action with the overall</p>

<p>therefore excludes disadvantaged young people that cannot afford to travel.</p> <p>The role of youth organisations in the implementation of this action will require further explanation.</p>	<p>Erasmus programme objectives. It will be a high-quality, inclusive action with a robust and structured learning dimension, a stepping stone for other Erasmus activities.</p> <p>The learning dimension will be based on informal (self) learning, enhanced development of key competences, and better knowledge about European culture and history, all captured and validated efficiently.</p> <p>DiscoverEU is a low threshold opportunity with a fast, simple and user-friendly application process. The format is flexible and additional travel budget is available for people with special needs (e.g. the participation costs of an accompanying person can be covered) or people coming from remote areas.</p>
<p>1.8. stresses that the physical experience should not be eclipsed by virtual tools or replaced by them but must remain complementary to such tools.</p>	<p>The Commission proposal for the future Erasmus programme post-2020 suggests more blended and virtual mobility opportunities, making full use of digital innovations. This will enable the Commission to reach larger target groups using a limited set of resources, in particular those with fewer opportunities and those for whom moving physically to another country would be an obstacle. This will enhance the inclusiveness and the accessibility of the programme, reaching a larger number of individuals and organisations. It can also prepare the ground for physical mobility</p> <p>The intention of the Commission is neither to abandon nor to reduce the number of opportunities offered through traditional physical mobility formats; on the contrary, virtual mobility would complement physical mobility, where it brings added value.</p>

<p>1.9. agrees with the increased number of objectives on adult learning and continuing vocational education and training (CVET), and suggests that the widened scope be reflected in the allocation of funding.</p> <p>4.9. (...) the EESC is concerned that once again adult learning and support for low-skilled adults will be allocated the smallest percentage of the budget. The EESC doubts that this amount, together with the future ESF+ budget, will be sufficient to support the 70 million low-skilled adults who need to be integrated into the labour market, to retain their jobs, and to be supported in their transition between jobs.</p>	<p>The Commission proposes significantly increasing the minimum pre-allocated funding for adult learning to ~ 1.19 billion EUR, a budget reserved for adult education staff mobility and cooperation projects. This is more than double compared to the current Erasmus+ budget giving a strong boost to the sector. The minimum pre-allocated funding for vocational education and training will also more than double (5.23 billion EUR).</p> <p>Nonetheless, it is clear that the programme will not be able to cover all adults. Since the policy priority is currently on Upskilling Pathways and low-skilled adults (considering the huge needs in terms of basic skills and literacy), the Commission proposes that the priority in the future programme should be aligned to this policy priority.</p> <p>Adults are also covered in other sectors, e.g. mobility grants for vocational education and training learners within the framework of continuous vocational education and training. These activities will typically target adults with good levels of basic skills who need re-skilling or up-skilling.</p> <p>In addition, the potential of the European Social Fund+ should be harnessed to provide support to the adult learning sector at national level. The increased visibility for adult learning, up-skilling and re-skilling in the Commission's proposal for the European Social Fund+ should help achieve this goal.</p>
<p>1.13. recommends giving priority in the new programme's Youth chapter to "volunteer-led" activities and organisations instead of using the terminology "big" and "small". Also, grants to large-scale European youth events should be considered.</p>	<p>The Commission's intention is not to exclude any activities or organisations based on size. The Commission proposal offers opportunities for a diverse range of organisations and institutions to cooperate, forge partnerships and develop networks. This includes the 'small-scale partnerships' which aim to reach out to grassroots organisations and newcomers to Erasmus, reducing entry barriers to the programme for organisations with smaller organisational capacity.</p> <p>In addition, the programme will support large-</p>

	<p>scale European youth events, such as the European Youth Week. Support to the European Union Youth Dialogue is also envisaged.</p> <p>It should be underlined that the current volunteering activities for the 2018-20 period and the future ones under the next multiannual financial framework 2021-27 fall and will fall under the scope of the European Solidarity Corps. The latter will ensure a single entry point for volunteering activities, including mobility and exchange, as a separate programme to Erasmus.</p>
<p>1.17. stresses the absolute need for the permanent committee governing the programme to give all relevant European-level stakeholders and social partners a permanent position in its structure.</p> <p>4.23. As the programme's budget is based on the financial contribution of EU citizens, the EESC underlines the importance of democratic governance in the future programme (...)</p>	<p>The role, mandate and composition of the programme committees are strictly defined in Regulation 182/2011⁴. Any deviation from these rules would imply modifications of this legal framework.</p>
<p>4.3. The EESC considers that the next Erasmus programme needs to be complementary to other Union funds and programmes, especially to the future ESF+. (...)</p>	<p>Synergies between the current Erasmus+ programme and the European Social Fund are already possible today but there is still a great, untapped potential. In the next programming period, the Commission therefore aims to make these synergies stronger by including them in the various legal bases of the funding instruments proposed for the post-2020 period. Article 29 of the proposed Erasmus Regulation allows for combined and sequential funding, notably through the European Social Fund+, scaling-up or mainstreaming the results of high-quality Erasmus projects at national or regional level. Furthermore, the European Social Fund+ could supplement the number of individual mobility grants for</p>

⁴ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers; OJ L 55, 28.2.2011, p. 13–18.

	<p>applicants that scored above thresholds in Erasmus evaluations but were rejected due to insufficient funding available; or top up the Erasmus grants, in order to increase the level of financial support for individual mobility, especially for learners with fewer opportunities.</p>
<p>4.10. While the EESC appreciates the efforts made to increase the VET budget, it should be noted that no particular measures are envisaged to provide higher quality, attractive, accessible and inclusive VET. At the same time, mobility for VET learners and apprenticeships must be improved (...)</p>	<p>The financial support for vocational education and training will be increased under the future programme, boosting the sector significantly, notably in terms of quality and inclusiveness. These aspects will be fully taken into account when implementing the programme with the full involvement of relevant stakeholders and implementing bodies.</p> <p>As explained in the Staff Working Document⁵ accompanying the Commission proposal, the next programme will also support international mobility activities for staff and learners in vocational education and training, as well as the set-up of specific innovation partnerships aiming to modernise vocational education and training systems by identifying and supplying the right set of skills, knowledge and competences to match the labour market demand. The future platforms of 'Centres of vocational excellence' will act as drivers of excellence and innovation with a proactive role in local and regional economic and social development strategies, while being able to adapt to the specificities of the vocational education and training system in different Member States.</p>
<p>4.12. The EESC also welcomes the increase in the budget for staff, in particular for teacher and trainer mobility (...). The EESC believes that the proposal could provide further support to teachers, trainers, other (educational) staff, university</p>	<p>Support for staff mobility will be boosted across all sectors and actions of the programme.</p> <p>From a legal perspective and in line with the Financial Regulation, Erasmus grants are not meant to pay a salary but rather to provide a</p>

⁵https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-actions-erasmus-programme-swd_en.pdf

<p>professors and researchers who need to be replaced in their job while participating in mobility periods. (...)</p>	<p>financial contribution to implement activities within a project. Hence, costs related to the replacement of teachers, trainers, other (educational) staff, university professors and researchers while they are participating in mobility periods would not be eligible.</p>
<p>4.16. The European Voluntary Service (...) has now been removed. Since the activities are now to fall under the remit of the European Solidarity Corps and not Erasmus+, the links between these two programmes should be further developed and clarified.</p>	<p>Opportunities for young people to experience exchanges, cooperation and civic action in a European context are available through Erasmus+ and the European Solidarity Corps, which are fully complementary. They are targeting similar constituencies, but in different manners:</p> <ul style="list-style-type: none"> - the future European Solidarity Corps will be a single entry point for young people interested in solidarity. It will provide opportunities for an increased number of volunteers, trainees and employees in solidarity areas, as well as in the field of humanitarian aid. - the new Erasmus programme will include a comprehensive set of opportunities for young people: youth exchanges, youth worker mobility, partnerships, youth policy dialogue and platforms, policy cooperation to encourage young people's engagement, participation and networking in civic and democratic life at grassroots level, as well as opportunities to discover Europe through travelling. <p>The same implementing bodies according to one set of rules regarding their governance will implement both programmes. Furthermore, the European Union Youth Strategy provides a coherent policy framework to all youth activities at European Union level.</p>
<p>4.18. It is particularly necessary to simplify and rationalise applications to projects under the next Erasmus programme.</p>	<p>Simplification measures have already been introduced in the current programme and efforts in this respect will continue under the next programme through:</p> <ul style="list-style-type: none"> - the design of the actions, such as small-scale partnerships with lighter administrative requirements and the increased use of virtual

	<p>cooperation platforms;</p> <ul style="list-style-type: none"> - the implementation stage through shorter application forms, simpler funding rules (e.g. increased use of lump sums, especially for small-scale projects), leaner reporting obligations and simpler international actions; - increased user-friendliness and inter-operability of IT systems; - simpler work arrangement and lighter administrative burden for National Agencies through a simplified evaluation of the ex-ante compliance assessment.
--	---

<p>N°6 European Solidarity Corps (2018) COM(2018) 440 final/2 EESC 2018/4028 - SOC/603 538th Plenary Session – October 2018 Rapporteur: Michael McLOUGHLIN (GR11-IE) DG EAC – Commissioner NAVRACSICS</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1 The EESC welcomes the commitment to the renewed European Solidarity Corps (ESC) with an increased budget and target for participation.</p> <p>1.2 We welcome the full and new legal basis for the ESC, a dedicated budget and the merging with the EU Aid Volunteers.</p>	<p>The Commission appreciates the support of the Committee for continuing the European Solidarity Corps under the next Multiannual Financial Framework 2021-2027, including the integration of the European Union Aid Volunteers.</p>
<p>1.3 There is a need for a new comprehensive EU volunteering policy which will address all relevant issues and engage with the Member States beyond the concept of the European Solidarity Corps.</p> <p>1.5 In the future, the EU needs to develop two independent support programmes, one for youth and one for volunteering, while accepting there will be some overlap.</p> <p>1.9 Consistent with a lifelong learning approach, there should be no age restriction on the ESC as it should be a support for volunteering.</p> <p>1.16 The EU needs to show its willingness to invest in other forms and types of volunteering beyond the ESC.</p>	<p>The Commission proposed the European Solidarity Corps as a one-stop-shop for young people wanting to show solidarity and support European communities in need of help, whilst at the same time developing their skills and improving their prospects on the labour market.</p> <p>The proposal for the new European Solidarity Corps is based on Articles 165(4) and 166(4) of the Treaty on the Functioning of the European Union, which address young people. The humanitarian strand of the proposal is anchored in Article 214(5), which also speaks of ‘young Europeans’.</p> <p>The European Solidarity Corps will be supported by policy cooperation in the youth field. The European Union Youth Strategy 2019-2027, which was adopted by Council in November 2018, fosters policy cooperation between the Commission and Member States underpinning the opportunities given to young people in</p>

	<p>European Union programmes, such as the European Solidarity Corps.</p> <p>The Commission has also proposed a new Erasmus programme to support other youth activities promoting non-formal and informal learning, and youth participation. As a matter of principle, the Commission tries to avoid overlap between its funding programmes, while promoting synergies and complementarity.</p> <p>Citizens interested in humanitarian volunteering can do so any time with humanitarian organisations (e.g. Red Cross or Caritas) in their respective countries or abroad through national volunteering schemes or expert positions in projects funded by Member States or the European Union. Furthermore, the new legislation on the Union Civil Protection Mechanism envisages the establishment of a network that would involve young professionals and experienced volunteers in the area of emergency management.</p>
1.4 We welcome the budget breakdown prioritising the volunteering strand and wish to see a continued emphasis on this.	<p>The Commission confirms that the focus of the new programme will be on volunteering. However, the Commission does not propose to insert a budget breakdown in order to allow for flexibility in programme implementation, in accordance with identified needs and demands as they evolve over time and which can be adjusted at the annual programming stage.</p>
1.7 Robust statistics, including on the community impact of the ESC actions, must be produced in a timely manner to assist in evaluation and decision making on the ESC, and even if these are negative they should be public.	<p>Articles 19 and 20 of the proposed Regulation lay down the monitoring and evaluation provisions of the future programme. In particular, Article 19(3) specifies that ‘...data for monitoring Programme implementation and evaluation are collected efficiently, effectively, in a timely manner and at the appropriate level</p>

	<p>of detail’.</p> <p>Further details on a suggested monitoring and evaluation framework are given in annexes 4 and 5 of the evaluation accompanying the proposed Regulation⁶.</p>
<p>1.8 The employment strand needs to be subject to strict regulation and regular review to ensure commitments made in relation to it are met.</p> <p>1.12 National Agencies should be provided with enhanced support to deal with the employment strand and labour market issues.</p> <p>1.13 The major documents on ensuring fair treatment of people on internships, traineeships and other measures outlined in this report should be utilised and reported on in the monitoring of the ESC.</p>	<p>Further to the reply to 1.7, articles 19 and 20 apply to the whole programme, including the occupational dimension.</p> <p>Organisations offering a placement need to apply for a quality label at the National Agency of their country, which ensures their compliance with the principles and requirements of the European Solidarity Corps, as regards their rights and responsibilities during all stages of the solidarity experience. National Agencies will reassess the attributed quality label periodically and could revoke it if, in the context of the checks to be performed, they found that the conditions that led to its attribution were no longer fulfilled.</p> <p>Both traineeships and job activities are subject to ‘the applicable regulatory framework of the country’ where the activity takes place, as stated in article 8(1) and 8(2) of the Regulation. Furthermore, traineeships must also take into account the ‘principles of the Quality Framework for Traineeships (2014/C 88/01)’ and shall not substitute jobs. Traineeships must furthermore always be paid by the host organisation.</p> <p>The Commission will cooperate with and support National Agencies to ensure they are well equipped for the tasks entrusted to them, including by providing guidance documents or staff training programmes, where needed, also for the employment</p>

⁶ Ex-ante evaluation accompanying the Proposal for a Regulation, SWD(2018)317 final, 11.06.2018, pp. 29-33.

	<p>strand.</p> <p>The Commission takes note of the documents mentioned by the Committee (general comment 3.9.2) and reiterates the aim of ensuring high quality activities, including traineeships and jobs.</p>
<p>1.10 We reiterate our view that the ESC should be restricted to the not for profit sector and this value should be maintained regardless of who delivers projects.</p>	<p>The programme is open to all organisations regardless of their legal form or sector to which it belongs, provided the nature and/or scope of the activity of the Solidarity Corps participant commit to the common good and serve others. Article 16(2), which states that '[a]n application from an entity to become a European Solidarity Corps participating organisation shall be assessed by the competent implementing body of the European Solidarity Corps on the basis of [...] the 'no-profit principle' in compliance with the Financial Regulation', ensures that no profit can be produced by activities funded under the Solidarity Corps.</p>
<p>1.14 The main civil society platforms in the field (the European Youth Forum (YFJ) and the European Volunteering Centre (CEV)) should be centrally involved in the regulation and oversight of the ESC.</p>	<p>As emphasised in recital 41 of the proposed Regulation, the Commission will regularly consult relevant stakeholders during the implementation of the programme. The Commission has already done so when preparing the new programme.</p>

N°7 Education package COM (2018) 268 final COM (2018) 270 final COM (2018) 271 final COM (2018) 272 final EESC 2018/2470 - SOC/588 538th Plenary Session – October 2018 Rapporteur: Tatjana BABRAUSKIENĖ (G.RII-LT) DG EAC–Commissioner NAVRACSICS	
Points of the European Economic & Social Committee considered essential	European Commission position
<u>3.11 Improving teaching and language learning</u>	
<p>3.11.4 Language learning should target all and support those in need, while being improved as part of formal, non-formal and informal learning, and be implemented as part of the European Framework for Key Competences and supported by sustainable public finances.</p> <p>3.11.5 The Employment Guidelines 2018 propose that "mobility of learners and workers should be promoted with the aim of enhancing employability skills and exploiting the full potential of the European labour market." Lack of language competences can be considered a key barrier to mobility. The EESC underlines that the proposal should target learners far beyond those in compulsory education, and emphasise language learning for all, from a young age to beyond retirement, with special attention to IVET and CVET, higher education and adult learning.</p>	<p>The Commission shares the Committee's views on the importance of language learning for all, and the particular attention it pays to adult learners.</p> <p>However, the Recommendation on improving the teaching and learning of languages focuses on the compulsory education sector only with a view to having a coherent strategy towards learning objectives and thus setting a solid basis for further lifelong learning.</p> <p>Lifelong learning is specifically covered by the Council Recommendation on Key competences for lifelong learning⁷, with literacy and multilingual competence being two of the key competences in this context.</p>
3.11.6 Language learning policy should aim at teaching learning by doing, via	The Commission welcomes the idea of 'learning by doing' for learning

⁷ 2018/C 189/01.

<p>student exchanges, voluntary and other activities such as the European Solidarity Corps, supported by the present and future Erasmus+ Programmes.</p>	<p>languages.</p> <p>The proposal for the new Erasmus programme post 2020 will continue to support student and youth exchanges, and it also contains provisions for pupils' mobility. The current volunteering activities for the 2018-20 period and the future ones under the next multiannual financial framework 2021-27 fall and will fall under the scope of the European Solidarity Corps. The latter will ensure a single entry point for volunteering activities, including mobility and exchange, as a separate programme compared to Erasmus.</p>
<p><u>3.12 High-quality early childhood education and care systems</u></p>	
<p>3.12.1 The benchmark of the ET2020 Strategy for the participation of 95% of children between the age of 4 and compulsory schooling in ECEC has almost been met. However, 17 million children out of more than 32 million children below the age of compulsory schooling in the EU still do not have access to early childhood services provision. In addition, there are still gaps in equal access for children from socio-economically disadvantaged backgrounds[...]</p> <p>3.12.2 The EESC welcomes that the proposal aims to further encourage governments to improve access to and quality of early childhood education. [...]</p>	<p>According to the most recent Education and Training Monitor⁸, evidence shows that early childhood education and care (ECEC) is beneficial for the development of children's cognitive skills, language development, academic achievement and social and emotional skills. However, only high-quality Early Childhood Education and Care can improve children's well-being and competences.</p> <p>In 2016, the ET2020 benchmark of 95% for participation in Early Childhood Education and Care of children between 4 and the age of compulsory schooling was reached. Nonetheless, the need to improve access to Early Childhood Education and Care and to provide high-quality care remains. The new ET2020 Working group on Early Childhood Education and Care will support Member States' efforts in developing inclusive</p>

⁸<https://ec.europa.eu/education/sites/education/files/document-library-docs/volume-1-2018-education-and-training-monitor-country-analysis.pdf>

	Early Childhood Education and Care systems to allow equal and equitable access of all children to high-quality Early Childhood Education and Care across Europe.
<p>3.12.4 ECEC staff should be supported to enhance their professionalisation and to develop a supportive working environment. The initial education and continuing professional development of ECEC teaching staff should be of high quality while meeting educators' and children's needs, e.g. how to ensure inclusiveness, teaching democratic values.</p> <p>3.12.5 (Gender imbalance in the teaching and ECEC sectors)</p>	The above mentioned Working group on early childhood education and care will also support Member States' efforts in further professionalising staff involved in Early Childhood Education and Care. Discussions will relate to initial training, continuing professional development, career pathways and attractiveness of the profession, including discussions on reducing the gender gap.
<u>3.13 Automatic mutual recognition of diplomas and learning periods abroad</u>	
3.13.3 The EESC underlines that the initiative should also focus on recognising formal, non-formal and informal learning abroad [...].	The Council Recommendation on automatic mutual recognition of diplomas and learning periods abroad focuses on formal learning. Non-formal and informal learning are covered by the 2012 Council recommendation on the validation of non-formal and informal learning ⁹ , as also recalled by the Committee opinion. It is of course possible that qualifications are partially or totally obtained following validation of non-formal or informal learning outcomes. To the extent that they are the same qualifications as the ones obtained through formal learning, they fall under the provisions of the Recommendation.
3.13.4 Permeability and trust between vocational and higher education is still a	The Council Recommendation acknowledges the importance of building

⁹ 2012/C 398/01.

<p>challenge across but also within countries. Academic and vocational education should be given the same value. European tools and instruments and principles for higher and vocational education should support each other (EQF, ECVET, EQAVET, EQAR, etc.) while the learning outcomes principle needs to be fully implemented to reach automatic recognition of learning mobility in Europe.</p>	<p>on the existing European tools and instruments and invites Member States to extend their use.</p>
--	--

<p>N°8 A new European Union Youth Strategy (Communication) COM(2018) 269 final EESC 2018/2256 - SOC/589 538th Plenary Session – October 2018 Rapporteur: Michael McLOUGHLIN (GR.III-IE) DG EAC– Commissioner NAVRACSICS</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1. The EESC welcomes the EU Youth Strategy for 2019–2027 (hereafter Strategy) and in particular the creation of the EU Youth Coordinator as a part of it.</p> <p>1.14. While welcoming the specific, new EU Youth Strategy, the EESC strongly recommends youth mainstreaming throughout the work of all the different directorates-general (DGs) of the European Commission.</p>	<p>The Commission appreciates the support of the Committee for the new European Union Youth Strategy 2019-2017, in general, and the creation of a European Union Youth Coordinator within the Commission, in particular. A key responsibility of the European Union Youth Coordinator will be to harness links between Commission services with a view to applying a cross-sectoral approach to youth policy.</p>
<p>1.2. The Committee believes that, being cross-sectoral in its nature, the Strategy should be more connected with existing EU programmes, such Erasmus+, the Youth Guarantee and the European Solidarity Corps.</p>	<p>The Commission agrees with this statement, which is reflected in the new European Union Youth Strategy, adopted in November 2018. It states that the Strategy will promote effective use of European Union programmes and funds; and Member States are invited to explore synergies between funding sources at European Union, national, regional and local levels.</p>
<p>1.4. The EESC believes that the scope of the Strategy should be extended by action aiming at protecting, supporting and equipping young people with rights, knowledge and skills to face global challenges such as digitalisation, climate change and the rise of populism.</p> <p>1.5. The EESC recommends that the</p>	<p>The Commission confirms the importance for young people to gain knowledge and skills to help them face global challenges. The new European Union Youth Strategy aims to engage with young people and hear their voice on such challenges. It emphasizes the importance of empowering them through quality youth work so they are well equipped with the relevant knowledge to</p>

<p>Strategy have high-level aspirations for cross-sectoral work regarding other relevant EU policy areas including employment, education, health, migration and equality.</p> <p>1.6. The Committee recommends that the Strategy pays more attention to employment issues affecting young people, particularly in terms of the discussion on the future of work as well as other social issues such as mental health, equality and education.</p>	<p>participate fully in society.</p> <p>A ‘dual approach’, composed of specific youth initiatives and mainstreaming cross-sector initiatives, is one of the guiding principles of the European Union Youth Strategy.</p> <p>Youth Goals developed by young people in the course of the 6th cycle of the Structured Dialogue cover quality employment, mental health, equality and learning. The new European Union Youth Strategy invites the Commission and Member States to contribute to realising these goals.</p>
<p>1.8. The Committee is convinced that youth involvement in decision-making processes should be promoted beyond one-off events. Moreover, in further developing the Youth Dialogue, the role of youth voluntary organisations and National Youth Councils needs to be improved and additional avenues utilised. The EU institutions should take the lead in this regard, with the EESC being at the forefront of institutions enhancing youth involvement at EU level.</p> <p>1.7. While agreeing with the Commission that the Strategy should promote democracy, the EESC believes that it should also promote a broader civic engagement, including voting, volunteering, youth-led NGOs, workplace democracy and social dialogue.</p>	<p>The Commission agrees that the involvement of young people in decision-making processes should be promoted in a systematic way. In this spirit, ‘Participation’ is one of the guiding principles of the Youth Strategy.</p> <p>Under the core area ‘Engage’ of the new European Union Youth Strategy, Member States and the Commission are invited to engage with young people in policy-making at all levels and promote democratic participation of all young people in society. The Commission acknowledges the key role of youth organisations and councils when it comes to turning this into reality, and supports them through its programmes.</p> <p>The Committee will be involved in the European Union Youth Strategy Platform that will be established to facilitate participatory governance.</p>
<p>1.9. Increased spending on youth work along with long-term investments in public services need to be encouraged, especially where there have been cuts in public services.</p>	<p>Supporting youth work is one of the priorities of the European Union Youth Strategy. Under the core area ‘Empower’, the Commission and the Member States are invited to develop and</p>

	implement a European Youth Work Agenda for quality, innovation and recognition of youth work, and to consider the question of resources in this context. Erasmus+ supports youth work exchanges and capacity building.
<p>1.10. The Strategy needs to reflect a rights-based approach, for example drawing on the UN Convention on the Rights of the Child where relevant.</p> <p>1.11. The Strategy needs to give more attention to young women and girls, young LGBTIQ+, young people with disabilities and young migrants and refugees.</p>	In line with the Charter of Fundamental Rights, 'equality and non-discrimination' is one of the guiding principles of the new European Union Youth Strategy.
1.12. Greater upward convergence should be required amongst Member States in relation to youth policy, and national plans covering similar areas should be required to facilitate this. The Indicators process, which began in the last strategy, needs to be strengthened to achieve this.	<p>Youth policy is a national competence; European Union cooperation in the youth field is thus voluntary. The new European Union Youth Strategy proposes 'Future National Activities Planners' to make implementation of youth policies at various levels more transparent and to highlight opportunities for synergies in cooperation and mutual learning.</p> <p>The European Union Youth Strategy also invites the Commission and Member States to review the dashboard of the European Union Youth Indicators and to explore the possibility of establishing additional indicators.</p>
1.13. The EESC suggests that the European Union Youth Portal should use as many online tools as possible with reference to current youth engagement.	The European Union Youth Strategy stresses the importance of quality information for young people, support services as well as platforms for young people, such as the European Youth Portal.

<p>N°9 European Social Fund Plus (ESF+) COM(2018) 382 final EESC 2018/2962 – SOC/597 538th Plenary Session - October 2018 Rapporteur: Mr Krzysztof BALON (GR.III-PL) Co-rapporteur: Ms Cinzia Del Rio (GR.II-IT) DG EMPL – Commissioner THYSSEN</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.3 The EESC is highly critical of the proposal because it provides for a financial cut in EU cohesion policy. With specific reference to the ESF+, there is a 6% decrease in real terms. Furthermore, the EESC does not agree with the elimination of the minimum share (currently set at 23.1%) of cohesion policy funding under the ESF+. Bearing in mind that the ESF+ is the main funding instrument for implementing the European Pillar of Social Rights (EPSR), the EESC calls for 30% of total resources for economic, social and territorial cohesion policies to be allocated to the ESF+, and within the ESF+ for 30% of resources to be earmarked for social inclusion measures.</p>	<p>Despite a slight reduction in the new Multiannual Financial Framework budget in real terms compared to the 2014-20 period, cohesion policy still represents the highest share in the proposal for Multiannual Financial Framework 2021-2027. The relative share of the European Social Fund+ in cohesion policy allocations, at about 27%, is even higher than in the current period. Indeed, the European Social Fund+ cannot be regarded simply as a sum of its current predecessor programmes (European Social Fund, Youth Employment Initiative (YEI), Fund for European Aid to the Most Deprived (FEAD), and elements of the Employment and Social Innovation (EaSI) and European Union Health programmes), as policy challenges, which those programmes address, have also evolved.</p>
<p>1.4 The merging of different funds and programmes under the new ESF+ "umbrella" should be implemented with care, taking account of any potential increase in their effectiveness and efficiency compared to separate delivery frameworks. The EESC asks the Commission to further simplify the rules of the ESF+ for both managing authorities and beneficiaries, while ensuring</p>	<p>Under the merged fund, general provisions are established for all the components of the European Social Fund+. Depending on the nature of the activities, management will be shared, direct or indirect.</p> <p>European Union level actions and priorities under Employment and Social</p>

<p>that projects comply with EU values. The enabling condition of active inclusion, under which Member States must have national strategies against poverty and social exclusion in order to qualify for funding under the ESF+, should continue to apply to all Member States during the next MFF funding period.</p> <p>4.5 The merging of different funds and programmes under the new ESF+ "umbrella" should be implemented with care, taking account of any potential increase in their effectiveness and efficiency compared to separate delivery frameworks.</p>	<p>Innovation and Health strands will continue to be managed directly or indirectly by the Commission, while former European Social Fund, Youth Employment Initiative and Fund for European Aid to the Most Deprived actions will continue to be managed in a shared mode with Member States, respecting the subsidiarity principle.</p> <p>Moreover, the European Social Fund+ will include a series of improvements, including a greater budgetary flexibility and better integration between the current activities. The complementarities between social experimentation, analytical work, capacity-building, transnational activities and greater upscaling/deployment at national level will also become clearer due to the simplified European Social Fund+ structure.</p> <p>In addition, while common rules are established for all shared management components, simpler rules will remain where they already exist, for instance in the context of the Fund for European Aid to the Most Deprived. This is justified by two main reasons: operations for basic material assistance are simpler and standardised, and stakeholders have called for keeping this approach and not imposing the more demanding European Social Fund rules (e.g. for reporting of indicators' data, audit trail).</p>
<p>1.6 The European Union should make full use of the experience and capacity of the social partners and other civil society organisations (CSOs) operating at local, national and European level by involving them, alongside service users and according to their different roles, in the tasks of</p>	<p>The partnership principle will be further enhanced in the context of the European Social Fund+:</p> <p>Balanced representation of social partners, civil society organisations and other stakeholders involved in the</p>

<p>programming, implementing, monitoring and evaluating EU funding. Social partners and the other CSOs are crucial players in the European democratic project. In the ESF+ context, this means that public authorities should facilitate their access to the available resources.</p> <p>4.8 The European Union should make full use of the experience and capacity of the social partners and other CSOs operating at local, national and European level by involving them, according to their different roles, alongside service users, in programming, implementing, monitoring and evaluating EU funding¹⁰. To this end, it will be necessary to make clear reference to the European Code of Conduct on Partnership. Compliance with this code must be considered as an enabling condition.</p>	<p>delivery of policies related to employment, education and skills and social inclusion will have to be ensured within the monitoring committees of the operational programmes and, more generally in the implementation of the funds.</p> <p>Adequate resources should be allocated to the capacity building of all the above stakeholders. This support may take the form of, inter alia, dedicated workshops, training sessions, coordination and networking structures or contributions to cover the stakeholders' costs incurred for the participation in meetings related to the preparation, implementation, monitoring and evaluation of the programmes.</p>
<p>4.11 The EESC asks the European Commission to further simplify the rules of the ESF+ for both managing authorities and beneficiaries. However, the Commission and managing authorities should take specific measures to ensure that simplification would not expose to financial risks the CSOs working for and with people affected by poverty and social exclusion. Such risks are particularly associated with the extensive requirements for personal data collection.</p>	<p>The European Social Fund+ will introduce more simplification for all relevant stakeholders. It will allow Member States to roll-over existing management structures and will make it easier for national European Social Fund authorities and project implementers to indicate and reimburse costs on the basis of lump sums or standard costs previously agreed with the Member States (for example a standard price agreed for a training programme). This will allow Member States to focus on their core task of helping people.</p>

¹⁰ See [OJ C 173, 31.5.2017, p. 15.](#)

N°10 Challenges and industrial change facing the EU aerospace sector (own-initiative opinion) EESC 2018/1123 – CCMI/158 538th Plenary Session – October 2018 Rapporteur: Mr Thomas KROPP (Gr. I-DE) DG GROW – Commissioner BIENKOWSKA	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

N°11 Single market programme COM(2018) 441 final EESC 2018/3034 – INT/859 538th Plenary Session – October 2018 Rapporteur: Mr Oliver RÖPKE (Gr. II-AT) DG GROW – Commissioner BIENKOWSKA	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

N°12 European Space Programme COM(2018) 447 final EESC 2018/2993 – INT/861 538th Plenary Session – October 2018 Rapporteur: Mr Raymond HENCKS (Gr. II-LU) DG GROW – Commissioner BIENKOWSKA	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

N°13 Connected and automated mobility (communication) COM(2018) 283 final EESC 2018/2993 – TEN/673 538th Plenary Session – October 2018 Rapporteur: Mr Ulrich SAMM (Gr. I-DE) DG GROW – Commissioner BIENKOWSKA	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

N°14 Industrial policy towards 2030 EESC 2018/2008 – CCMI/161 538th Plenary Session – October 2018 Rapporteur: Mr Carlos TRIAS PINTÓ (Gr. III-ES) DG GROW – Commissioner BIENKOWSKA	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<p>N° 15 Package on European company law COM(2018) 239 final COM(2018) 241 final EESC 2018/1917 - INT/841 538th Plenary Session - October 2018 Rapporteur: Dimitris DIMITRIADIS (Gr.I-EL) DG JUST – Commissioner JOUROVA</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
	The Commission welcomes the support of the Committee for the Company Law Package.
<p><i>Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law – COM(2018) 239 final</i></p>	
<p>1.6 The EESC believes that the submission of scanned copies of passports, ID cards or power of attorney should not be acceptable and will undermine legal certainty. Power of attorney forms should be public documents and should be properly checked before filing information. Legal persons registered in the national registries should use online registration and filing tools, if they are represented by their legal representative, who is a natural person and not a holding company.</p> <p>3.5.6 The EESC supports, as an ultimate safeguard to avoid fraud, the provision that allows Member States to require the physical presence of relevant persons before a competent authority but only where justified by an overriding reason of public interest. The EESC believes that this digital procedure should not be used by holding companies or in the case of</p>	<p>The Commission believes that it is of utmost importance to prevent fraud in online company law procedures and to ensure security of identification means.</p> <p>Therefore, the proposal provides that Member States shall recognise electronic identification means which comply with Article 6 of Regulation (EU) No 910/2014¹¹. In addition, it mentions that Member States may also recognise other identification means such as a scanned copy of a passport, if they consider it useful, possibly along with other identification means. However, Member States are not obliged to accept scanned copies of passports, ID cards or power of attorney. The proposal stipulates that Member States shall ensure that the</p>

¹¹ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC; OJ L 257, 28.8.2014, p. 73–114.

<p>representatives with power of attorney that could disguise the actual interested party and cautions against "identity theft".</p>	<p>online registration may be carried out by submitting information or documents in the electronic form, including electronic copies of the documents and information. Requirements concerning documents fall under national law.</p> <p>The proposal envisages in all cases the involvement of natural persons – including when representing a legal person – as it obliges Member States to allow the use of identification means of Union citizens for the purpose of online registration and online filing. In addition, the power of attorney also needs to be verified.</p>
<p>1.9 The EESC believes that there should be free and easy cross-border access to business registers in order to confirm company information, e.g. for disqualification of its directors, to allow the control of company information and to reduce cross-border fraud.</p>	<p>The Commission agrees that it is important to ensure cross-border access to company information in business registers. Therefore, the proposal extends the list of company data stored in the registers that should be available free of charge. This list now contains the most important data. It also responds to stakeholders' calls for more free-of-charge information, while taking into account that the revenue from access to company information is sometimes an important source of revenue for national business registers. The Commission also proposed provisions on exchange of information between Member States on disqualified directors in order to avoid fraud.</p>
<p>3.5.7 (...) To ensure legal certainty and avoid fraud, Member States should be allowed to provide for preventive controls by competent authorities and/or notaries throughout the entire</p>	<p>The Commission agrees that there is a need for strong safeguards to avoid fraud in online procedures. The proposal aims to ensure that</p>

<p>lifecycle of companies, including where templates are used, provided that the procedure may be carried out fully online. Online submission of documents and the automatic exchange of extracts from the business registers shall not affect the requirements according to the national law in the registration State as to the form and accuracy of the submitted documents.</p>	<p>Member States can continue to provide for preventive controls by competent authorities and/or notaries throughout the entire lifecycle of companies, including where templates are used, provided that the procedure may be carried out fully online.</p> <p>While the proposal requires Member States to ensure that online registration of companies may be carried out by submitting information or documents in electronic form, including electronic copies of documents and information, the requirements concerning documents fall under national law.</p>
<p>1.18 The EESC stresses the need for all digital tools and processes for the purposes of these proposals to be fully accessible, especially to people with visual disabilities.</p> <p>3.7 As a general remark, the EESC stresses the need for all digital tools and processes for the purposes of these proposals to be fully accessible to people with disabilities, and especially to those with visual disabilities.</p>	<p>The Commission encourages Member States to ensure that all digital tools and processes are fully accessible, in particular to people with visual disabilities when implementing the Directive.</p>
<p><i>Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions – COM(2018)241 final</i></p>	
<p>1.4 The EESC is against loopholes enabling letter box companies to abuse legislation for fraud, tax evasion, money laundering, reduction of labour standards or social protection and increasing unfair competition. It urges the authorities involved to detect and punish fraudulent practices. The EESC supports the limitation of choice of the Member State of registration to the one with which the company has a genuine link.</p>	<p>The Commission agrees that it is essential to prevent companies, including letter-box companies, intending to use the cross-border procedures for abusive or fraudulent purposes from doing so. Therefore, the Commission proposal includes strong safeguards against artificial arrangements, with the aim to ensure that operations are not allowed if</p>

	<p>they would lead to undue prejudice to stakeholders', including employees', rights or to undue tax advantages.</p> <p>In addition, Member States of destination can fully apply their incorporation requirements to companies converting, dividing or merging into their territories.</p>
<p>1.11 The EESC supports the Commission's proposal to facilitate cross-border mobility of companies, which sets clear conditions through secondary legislation. However, as the Court of Justice of the European Union has emphasised in its case law, it should be made clear that the purpose of a company to enjoy the benefit of a more favourable legislation does not, in itself, constitute abuse of the freedom of establishment. Company mobility will facilitate employment in the EU as a whole. However, the detrimental effects of a conversion, division or merger on local and regional labour markets should be taken into account as well.</p>	<p>The Commission agrees that it is important to make it clear that, as set out in the case law of the Court of Justice of the European Union, the company's purpose to enjoy the benefit of a more favourable legislation does not, in itself, constitute abuse of the freedom of establishment. This is explained in the explanatory memorandum to the Commission proposal.</p> <p>At the same time, it is also important to take into account possible abuses that would unduly prejudice stakeholders, in particular employees. This is why the Commission proposal aims at the same time at deepening the Single Market by facilitating cross-border mobility of companies for legitimate reasons and at providing the necessary safeguards, including as regards protection of employees' rights.</p>
<p>1.12 The EESC suggests that the Commission pays attention to the divergences between cross-border merger Directive 2005/56/EC and the proposed procedures on cross-border conversions and divisions with a view to possible consequences for their effectiveness and attractiveness.</p> <p>3.6.13 The EESC strongly supports the</p>	<p>The rules for cross-border conversions and divisions in the Commission proposal are largely based on the existing European Union rules for cross-border mergers. However, there are a number of differences, which the Commission saw as necessary due</p>

<p>proposal of the European Commission which establishes for the first time the procedure for cross-border conversion and complements the already established procedures of cross-border mergers and divisions by enhancing protection of the stakeholders. However, the resulting differences between the procedures of the cross-border merger on the one hand and the cross-border conversion and division on the other may affect the relative attractiveness of the latter. The EESC suggests that the Commission analyses these effects.</p>	<p>to the fact that cross-border conversions and divisions are considered riskier operations than cross-border mergers, in particular for safeguarding employment rights and in terms of risk of abuse. It is important to ensure that strong safeguards are in place to address these risks.</p>
<p>1.13 The EESC believes that the new procedure for the transfer of company seat (cross-border conversion) will establish legal certainty through its ex-ante control in the Member State of origin and in the Member State of destination, which, in the latter case, should be limited to review its requirements for the connection of a converted company to its national legal order. It also believes that a general clause against abuse of the right of establishment would be useful.</p> <p>3.6.5 The EESC would like to express its reservations about whether a lengthy and costly procedure fulfils the criteria regarding the exercise of the freedom of establishment in another Member State and is compatible with the judgment of the Court of Justice of the EU in Case C-106/16, Polbud. It is important to emphasise that the Court interpreted Article 54 of the Treaty of the Functioning of the EU and applied the general principle of proportionality. Thus the right of a company for cross-border conversion derives from the Treaty itself and the Member States (and the EU institutions) must be careful not to infringe it. Therefore the EESC supports the procedure for the transfer of company seat (cross-border conversion) in the departure Member State but recommends that the procedure in the destination Member State (Article 86p) be limited to an ex-ante control of</p>	<p>The structured and multi-layered procedure proposed for cross-border conversions aims to provide clarity for companies and the competent national authorities on the one hand, and a reliable legal framework for stakeholders affected by companies' operations, on the other hand. This is necessary due to the complexity of cross-border conversions and the multitude of the interests concerned. In designing this procedure, the Commission aimed to strike the right balance between providing legal certainty and yet not restricting the companies' right to benefit from the freedom of establishment.</p> <p>In its proposal, the Commission suggested that the ex-ante control (to ensure that companies cannot use the cross-border conversion to create artificial arrangements) is carried out by the departure Member State and that the control carried out by the destination Member State is based on a pre-conversion certificate (issued by the departure Member State), and mainly focuses on verifying that the converting company complies with provisions</p>

<p>its requirements for the connection of a converted company to its national legal order. There should be, however, a general clause against abuse of the right of establishment of the company. In this way the new procedure will not impose unnecessary burdens beyond its stated aims and at the same time will give the authority to the destination Member State to control abuse even after the conversion.</p>	<p>of national law.</p> <p>The Commission trusts that the requirement for the departure Member State not to authorise the cross-border conversion where it constitutes an artificial arrangement, as put forward in its proposal, amounts to a general clause against abuse of the right of establishment of the company as requested by the Committee.</p>
<p>1.14 The EESC supports the Commission's proposal in taking into account the fact that conversions, mergers and divisions can be used fraudulently; however, it remains unclear what an "artificial arrangement" is. Therefore, the EESC suggests that in order to elucidate the expression "artificial arrangement" it is necessary that criteria or indicators are established which point out fraudulent practices or undue tax advantages which hinder legal certainty, fair competition and social protection.</p> <p>3.6.6 Clarification is needed on the concept of "artificial arrangements" of a company in a Member State in order to obtain undue tax advantages. This is a concept elaborated mostly by the Court of Justice of the European Union and is included in Recitals and Article 86(c)(3). It is a key concept that will allow or prohibit the freedom of establishment of a company in another Member State. Clear criteria or indicators must be set so that genuine economic activity based on sound economic decisions should not be obstructed according to the <i>Polbud</i> case of the Court of Justice of the European Union.</p>	<p>The Commission agrees that genuine economic activity based on sound economic decisions should not be obstructed. The aim of the Commission's proposal is to offer to honest entrepreneurs the choice of where to do business and how to grow or reorganise the business but, at the same time, to ensure that companies intending to use the cross-border procedures for abusive or fraudulent purposes would be prohibited from doing so.</p> <p>The Commission takes note of the Committee's proposal to establish criteria or indicators to clarify the meaning of the concept of 'artificial arrangement'. The Commission proposal put forward some elements (in Article 86n), which a Member State authority should take into account when carrying out 'in-depth' assessment concerning the existence of an artificial arrangement (e.g. the intent, the sector, the investment, the net turnover and profit or loss, number of employees, the composition of the balance sheet, the tax residence, the assets and their location, etc.).</p>

<p>1.16 The EESC welcomes the intention of the Commission to protect existing workers' participation rights. However, it would like to see the role of European Works Councils enhanced in the event of large company transformations according to Directive 2009/38/EC.</p> <p>3.6.14 The EESC welcomes the intention of the Commission to protect existing workers' participation rights. The EESC believes that in the company resulting from a cross border conversion, at least, the same level of all elements of employee participation as laid down in the law of the departure Member State must continue to apply, along the lines of the procedure and the standard rules provided for in Directive 2001/86/EC.</p> <p>3.6.15 The EESC emphasises the significant role played by European Works Councils set up in large size companies to be transformed and requests their enhanced involvement, according to Directive 2009/38/EC.</p>	<p>It is an important aim of the Commission's proposal to protect the most affected stakeholders, such as employees, in a suitable and proportionate manner.</p> <p>The rules for employee participation in cross-border conversions and divisions are based on the existing cross-border mergers rules, which, in turn, are to a large extent based on Directive 2001/86/EC¹². One of the conditions for starting the negotiations on employee participation between employees/their representatives and the company's management is where the national law of the destination Member State does not provide for at least the same level of employee participation as operated in the company prior to the conversion. At the same time, the proposal provides stronger safeguards for conversions and divisions given that those are perceived to be riskier operations than cross-border mergers, in particular for safeguarding employment rights and in terms of risk of abuse.</p> <p>The proposal does not affect Directives 2009/38/EC¹³ and 2002/14/EC¹⁴. The Commission takes note of the Committee's</p>
--	--

¹² Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees; OJ L 294, 10.11.2001, p. 22–32.

¹³ 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.

¹⁴ 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.

	opinion as regards the involvement of European Works Councils.
<p>3.6.9 Cross-border divisions: These are subject to diverse or incompatible national rules in only 13 Member States, without any EU harmonisation despite their importance for growth. In order to prevent abuse and protect stakeholders an EU legal framework must be introduced for limited liability companies, similar to cross-border conversions. A two stage procedure must be established. In the first stage the division terms are drafted together with two fully explained reports, on the implications of the division to creditors and to employees. In addition, an independent expert report is needed for medium and large enterprises. This is only a first step and the EESC believes that the proposal should also cover cross-border division by acquisition of assets/liabilities of existing company/-ies, and not only the case where new companies are created.</p>	<p>The Commission notes the Committee's opinion that the proposed rules should also cover cross-border divisions by acquisition. This issue was considered by the Commission when drafting the proposal. In the Commission's view, the cases where a dividing company transfers assets and liabilities to existing companies in different Member States are more complex than the cases where assets and liabilities are transferred to new companies. The former cases could require involvement of many authorities from different Member States to assess how to protect stakeholders' interests and to prevent the risk of abuse.</p> <p>Therefore, the Commission decided not to regulate those in the proposal. Instead, the proposal includes a provision on reporting (Article 3), according to which a future report on the evaluation of the Directive would assess the feasibility of providing rules for cross-border divisions not covered by the Directive.</p>
<p>3.6.10 Currently, national rules differ greatly between Member States and sometimes impose excessive administrative procedures which the Commission needs to mitigate throughout the new proposal in order not to discourage businesses from pursuing new opportunities. Though the EESC is in support of the new rules and procedures, these must however be carefully scrutinised so that they will not incur extra administrative burden and cost, which</p>	<p>The Commission aims to strike the right balance in the proposal between enabling companies to be more efficient and to fully seize the business opportunities in the Single Market while providing more legal certainty and proportionate safeguards for all those affected by the companies' operations. The balance put forward in the proposal</p>

<p>goes beyond the goals they serve on protection of employees, creditors and shareholders.</p>	<p>was based on extensive consultations with stakeholders, which preceded the proposal.</p> <p>It is now essential, from the Commission's point of view, that the rules, as finally agreed by the Council and the European Parliament, ensure the right balance between enabling companies to move and at the same time providing adequate and proportionate safeguards to those who need them.</p>
---	---

<p>N° 16 Taking of evidence and service of documents in civil or commercial matters COM(2018) 378 final COM(2018) 379 final EESC 2018/3992 - INT/867 538th Plenary Session - October 2018 Rapporteur: Mr Bernardo HERNANDEZ BATALLER (GR.III-ES) DG JUST – Commissioner JOUROVA</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>5.2 Although this proposal presupposes that the courts concerned will behave in a diligent and effective way [...], it does not establish any provision in the case of a refusal on the part of the requested court due to undue delay, lack of motivation or insufficient motivation. [...] a solution should be found to ensure that this does not happen.</p>	<p>The Commission understands this point in the sense that the objective of the Committee is to deter courts from refusing the execution of requests by unduly delaying them or without sufficient justification. The Commission notes that Article 10(10 of Regulation 1206/2007 sets time limit for the requested court to execute the request, whereas Article 15 of the Regulation obliges the court to notify the requesting court in case of delay. In addition, Article 14 of Regulation (EC) No 1206/2001¹⁵ creates an obligation to execute requests for the taking of evidence only if they are in compliance with the requirements laid down therein. The Impact Assessment accompanying the proposal (SWD(2018) 285 final)¹⁶ has not revealed that unjustified refusals are a problem in practice.</p>
<p>5.2.5 [...] The proposal should lay down a provision requiring Member States to guarantee that their courts will be digitally up-to-date and to ensure that their technological infrastructure</p>	<p>The Commission's proposal for the new Article 6 of the Regulation would require an adequate technological infrastructure in order to comply with</p>

¹⁵ Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters; OJ L 174, 27.6.2001, p. 1–24.

¹⁶ Commission Staff Working Document: Impact Assessment accompanying the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters {SWD/2018/285 final}.

is adequate.	the obligations under the proposal after the transitional period at the latest.
5.3 [...] Article 1(4) of the proposal which establishes a restrictive notion of 'court' should be made specific.	The Commission notes that European Union legal instruments in the area of private international law systematically do not cover or explicitly exclude arbitration. In this proposal, arbitration is not included because of the structural differences between arbitration and adjudication by state courts with compulsory jurisdiction.
5.5 [...] {With regard to Article 17(b) of the proposal,} non-nationals should also be permitted to perform the officials' tasks without the need for prior authorisation, as would nationals of the receiving state, provided that the state in question gives its authorisation.	The Commission notes that Article 17b of the proposal is drafted along the lines of the corresponding Article 15 of the Hague Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters. This provision restricts the taking of evidence by diplomatic officers or consular agents to nationals of the State that the officers or agents represent.
5.9 [...] No provision is made for ascertaining who is responsible in the event that cyber-attacks or computer system failures and crashes lead to the dissemination of sensitive information or even destroy the evidence of a proceeding.	The Commission notes that that the proposed digitalisation measures take into account the requirements of data protection and privacy. The system to be introduced for electronic exchanges between the designated courts should feature a fully reliable and secure technical solution that ensures the integrity and privacy of the transmitted data. A pre-defined set of users of the system (only Member States' courts and judicial authorities) gives an additional guarantee that personal data will be handled appropriately. Furthermore, the system should introduce a decentralised structure, enabling communication directly between its endpoints and thus reducing risk by minimising the number of data processors. An important additional factor with regard to the

	protection of personal data is the General Data Protection Regulation (EU) 2016/679 ¹⁷ , which applies since May 2018 and which increases awareness and prompt action to ensure the security and integrity of databases, and swift reactions to breaches of privacy in the judiciary.
6.3 [...] All the linguistic versions would need to be aligned in order to make clear that the proposed Regulation affects not only the document that triggers the procedure, but also all the judicial documents that relate to the proceedings.	During the Council negotiations, possible linguistic discrepancies will be discussed and corrections will be made where required.

¹⁷ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance); *OJ L 119*, 4.5.2016, p. 1–88.

<p>N°17 Strengthening whistleblower protection at EU level COM(2018) 214 final COM(2018) 218 final EESC 2018/2855 – SOC/593 538th Plenary Session – October 2018 Rapporteur: Ms Franca SALIS-MADINIER (Gr. II-FR) DG JUST – Commissioner JOUROVA</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 Commission to review the legal basis for the directive so as to include workers' rights under Article 153 of the Treaty on the Functioning of the EU (TFEU).</p>	<p>The Directive will have a clear positive impact on workers. It will ensure a consistent high level of protection from retaliation across the European Union for people who report breaches of European Union rules in the context of their work. In line with the principle of subsidiarity, the proposal covers areas of Union law where enforcement gaps have been identified and where whistleblowers' reporting would bring clear value added in addressing those enforcement issues.</p> <p>In the areas of employment and equal treatment, there already exists a well-established system of enforcement provisions, which provides for reporting of violations of individual workers' rights and for protection of those seeking to enforce such rights. In particular:</p> <ul style="list-style-type: none"> • The existing Directives on equal treatment protect against victimisation in response to a complaint or to proceedings to enforce compliance with this principle and • The existing rules on health and safety at work protect workers and workers' representatives when raising issues of compliance with their employers. <p>The rules of the Directive on whistleblower protection will run parallel to these existing</p>

	<p>European Union rules. If an improvement of these existing rules is considered necessary, such an improvement should take place within the context of this acquis, not through whistleblower protection.</p> <p>While the Parliament has recently proposed in their opinion to include workers' rights in the scope of the Directive, by adding Article 153 of the Treaty on the Functioning of the European Union as one of the legal bases, the legal aspects involved will have to be carefully analysed in the context of the negotiations to ensure that the rules to be adopted are legally solid.</p>
<p>1.5. Former employees, trade union representatives and legal persons as defined in article 3 are able to report wrongdoing and benefit from the same protection; they must be clearly listed in Article 2 of the directive.</p>	<p>Former employees are already included in the proposal in the definition of reporting person under Article 3, where it is stated that reporting persons are those who report information on breaches acquired in the context of 'current <i>or past</i>' work-related activities (paragraphs 9 and 10). Moreover, both co-legislators have given more visibility to this category.</p> <p>As regards legal persons, the proposal provides for protection against retaliatory measures taken vis-à-vis the reporting person as a natural person, but also against those that may be taken against the legal entity representing the whistleblower (i.e. termination of a services contract with the whistleblower's company).</p> <p>Trade union representatives have a three-fold role in the proposal: they can be involved in the establishment of the internal channels; they may be designated as recipients of internal reporting; and they can be nominated as 'trusted persons' for providing advice to the whistleblower. In the latter role and where they provide support to whistleblowers, the Proposal provides that they should be protected if they suffer retaliation.</p>

	<p>Moreover, a workers' representative can, like any other employee, also report a breach falling within the scope of the Proposal and benefit from the protection of the proposed Directive.</p> <p>However, the Proposal does not include the possibility to report a breach by a workers' representative on behalf of another employee. All Member States have already implemented special protection for workers' representatives reporting concerns in their representative capacity. The Proposal will not affect their obligations and immunities, in as much as they already enjoy protection against retaliation when conducting their functions and may have special channels for reporting which may not coincide with the internal channels intended for whistleblowing.</p>
<p>1.6. The Committee recommends (Article 13) a two-stage reporting procedure initially giving the whistleblower access to internal channels or to the competent authorities (whichever is preferred); and subsequently, if necessary, to civil society/the media, in the interests of fairness and legal certainty.</p>	<p>The obligation on whistleblowers to first use internal and/or external channels, where available and where they can be expected to function properly, is meant to ensure that information on actual or potential breaches of European Union law which can harm the public interest reaches swiftly those closest to the source of the problem and most able to remedy it.</p> <p>It is necessary to ensure the early and effective resolution of risks to the public interest as well as to prevent unjustified reputational damage from public disclosures.</p> <p>At the same time, the proposal pursues a balanced approach, based on the case-law of the European Court of Human Rights on the right to freedom of expression. The Court has developed principles balancing the interest of employers to manage and to protect their interests with the interest of the public to be protected from harm.</p> <p>In line with these principles, the Proposal provides the necessary flexibility for the</p>

	whistleblower to choose the most appropriate channel depending on the individual circumstances, particularly when deciding whether to use internal or external channels.
1.8. The directive should more clearly encourage the negotiation of internal reporting channels with trade union representatives, in the context of the social dialogue, as called for in the 2014 Council of Europe recommendation and the 2017 European Parliament report.	The Proposal already provides for that possibility in Article 4(1), which is formulated to reflect the relevant principle of the 2014 Council of Europe recommendation.
1.9. The Committee recommends that a whistleblower who initially acted anonymously and whose identity is subsequently revealed should benefit from the protection afforded by the directive.	<p>While the Proposal does not prescribe whether anonymous reporting is permitted and should be followed-up, its provisions, particularly the measures of protection, would apply notwithstanding whether the whistleblower had initially reported anonymously and his/her identity was subsequently revealed.</p> <p>This could be clarified during the negotiations on the final text.</p>
1.11. The EESC recommends that, under Article 15(6), compensation should not be referred to national law (variable), and that the directive should provide for full compensation for damages, without any ceiling, on the model of the United Kingdom legislation.	The approach of the proposal on the remedies available for the whistleblower mirror the existing provisions in other European Union labour law, for example, that in the Directive 2006/54/EC ¹⁸ of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and the principle contained in the European Pillar of Social Rights, particularly number 7, which establishes: ‘(...) right to access to effective and impartial dispute resolution and, in case of unjustified dismissal, a right to redress,

¹⁸ Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast); OJ L 204, 26.7.2006, p. 23–36.

	<p>including adequate compensation’.</p> <p>The choice of compensation, provided that is adequate and proportionate to remedy the form of retaliation, is determined at national level.</p>
<p>1.13. The EESC calls on the Commission to include an explicit non-regression clause in Article 19, in order to ensure that implementation of the directive in no way diminishes more favourable rights granted to whistleblowers prior to this directive in the Member States and in those areas to which the directive applies.</p>	<p>While some precedents of inserting non-regression clauses exist at European Union level in the employment acquis, the Commission would reserve its position on this request since maintaining different regimes of whistleblower protection could undermine the overall harmonisation and legal certainty for the whistleblower. It may also run against the rights of the persons concerned (i.e. if a two-tiered use of channels is maintained instead of the three tiered provided by the proposal).</p>
<p>1.15. The EESC calls on the Commission to make provision in the directive for awareness-raising campaigns at European and national level, including campaigns aimed at young people, to change the public perception of whistleblowers.</p>	<p>The Communication accompanying the proposed directive stresses the importance of awareness-raising, and encourages Member States to consider further measures, including practical ones, such as general public information campaigns to promote a positive perception of whistleblowers as people acting for the public good and out of loyalty to their organisation and society and to provide general information about available reporting channels and protection.</p> <p>Once the proposal is adopted, the Commission will explore ways to support Member States in that endeavour.</p>
<p>1.7. The EESC recommends that at any stage of the reporting process whistleblowers have access to trade union representatives, who should be empowered to represent them and to provide advice and support.</p>	<p>The proposal already provides in Article 5, paragraph 3, the possibility for workers' representatives to be designated as ‘trusted persons’ for the purposes of giving confidential advice to the whistleblower.</p>
<p>1.10. The EESC recommends that the text of Article 15(5) relating to the <i>prima facie</i></p>	<p>Article 15(5) of the proposal introduces a similar system of reversal of the burden of</p>

<p>burden of proof be amended. It is sufficient that the whistleblower "provides evidence that he or she made a report".</p>	<p>proof as those contained in European Union labour law, such as the one established in Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment.</p> <p>The wording of Article 15(5) of the proposal may be further clarified during negotiations.</p>
<p>1.12. The EESC calls for the deletion of Article 17(2), which is superfluous (penalties for defamation and false accusation already being provided for in national law).</p>	<p>Article 17(2) aims at preventing malicious reporting by whistleblowers through the introduction of specific penalties (administrative, civil, criminal) which go beyond general measures available at national level to victims of defamation.</p> <p>This clause is specifically designed to balance the provisions, to win trust in the system of reporting, and to prevent over-burdening internal and external reporting channels with intentional false statements, as well as to prevent reputational damages of the person concerned.</p>
<p>1.14. The EESC recommends that the publication of periodic reports by public bodies and the Member States be made mandatory.</p>	<p>The proposal provides for an obligation of reporting by Member States to the Commission in its Article 21.</p>

<p>N°18 New Justice, Rights and Values Fund COM(2018) 383 final/2 COM(2018) 384 EESC 2018/2950 - SOC/599 538th Plenary Session - October 2018 Rapporteur: Jean-Marc ROIRANT (GR.III-FR) DG JUST - Commissioner JOUROVA DG HOME - Commissioner AVRAMOPOULOS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1. 2. The EESC calls for consistency of policy and funding to be ensured between the EU's external and internal policy engagement in human rights and democracy, and calls for overall funding of EUR 1.4 billion, of which at least EUR 500 million should be allocated to the strand on citizen engagement and participation..</p>	<p>The Commission attaches great importance to the objectives pursued by the programme and therefore has proposed to protect European Union spending in this area from budget cuts despite the overall pressure to achieve savings given the current budget circumstances. Furthermore, the Commission has conducted a thorough spending review and impact assessments, which have been the basis for the proposed budget allocation. Within this framework, the Commission believes that the budget put forward for Justice, Rights and Values fund will make it possible to respond to the challenges identified.</p>
<p>1.3. The EESC believes that the Fund should be based on a truly participative and bottom up-approach in order to respond to the EU's current challenges as regards promoting rights and EU values, fostering democracy, bolstering citizens' trust in the EU through their direct participation in shaping Europe's future, and sustaining a vibrant civil society.</p>	<p>The proposed programmes are based on a bottom-up approach and will be implemented mainly through calls for proposals. Programmes' stakeholders will notably be civil society organisations, local authorities, networks of towns and administrations active at local level. These will have the possibility to apply to the programmes and be able to propose activities addressing their needs on the ground, within the objectives of the</p>

	programmes.
<p>1.4. The EESC also calls for the use of innovative funding tools to allow civil society participation and capacity to be reinforced at local, national and transnational level such as through the provision of technical assistance, preparatory actions led by more experienced partners or cascading grants, thereby enabling different levels of grants or a two-step application process. It calls for specific earmarking of funding for civil society organisations, namely at least 50% of the different strands.</p>	<p>The proposed regulation will enable benefitting from all possibilities provided by the Financial Regulation.</p> <p>The new financial rules were subject to extensive consultations with stakeholders, including civil society organisations. Taking into account the organisations' responses, the revised Financial Regulation includes a number of new measures making access to funding much easier.</p> <p>There is no earmarked funding for any of the possible beneficiaries of the two programmes, which are civil society organisations (CSO), but also equality bodies, universities, citizens associations, networks of municipalities, etc. The vocation of the future programmes to provide funding to a broad variety of beneficiaries will remain in the future and is essential for the success of the programmes. Of course, civil society organisations will be among the main beneficiaries of those programmes, in particular of the Rights and Values programme. This is already the case in the current programming period.</p> <p>Earmarking funding for civil society organisations would be rather counter-productive as it could limit, more than guaranteeing, an increased funding to civil society organisations. Instead, the approach followed is to secure a key role in the implementation of the budget of the programme for civil society organisations, leaving the calculation of the exact amounts to the request from the ground through a bottom-up approach that the</p>

	Committee is also asking to implement. This will allow flexibility to allocate more budget if the need on the ground is greater.
1.5. The EESC welcomes the decision to extend the duration of operating grants on a multiannual basis for all programmes and strands of the Fund, and stresses the need to further ensure the sustainability and continuity of actions.	The duration of operating grants is not defined in the regulations but in the work programme, within all possibilities provided for by the Financial Regulation.
1. 6. The EESC proposes to rename the Fund “Citizens, Rights and Values” and the strand “Citizen Engagement and Participation” within the Rights and Values programme “Europe for Citizens” in order to ensure consistency with the Fund objectives, which are closely linked to the citizenship dimension and to empowerment, participation of rights holders, protection of victims, common history and memory.	<p>The Commission believes that the name ‘Rights and Values’ represents well the content of the new programme which goes beyond the concept of citizens. The Rights and Values programme is not merely a continuation of the Europe for Citizens programme but the result of its merging with the Rights, Equality and Citizenship programme with a re-shaping of objectives and activities, based on different legal basis than the current ones.</p> <p>For these reasons and because it includes the Justice programme, the Commission believes that the name ‘Justice, Rights and Values’ represents well the content of the new Fund.</p>
1.7. The EESC regrets the fact that actions related to freedom of expression of the media, media pluralism and the need to address fake news and targeted misinformation have been removed from the final version of the Rights and Values programme and proposes therefore to create synergies with the Creative Europe programme given the relevance of these actions to EU values and to the promotion of a democratic and pluralist society.	Actions relating to media pluralism and media freedom will be funded under the cross sectoral strand of the Creative Europe programme. Synergies will be sought between the two programmes, which are part of the same cluster.
1.8. The EESC calls for financial support	The role of civil society organisation is

<p>under the Justice programme to be further extended to civil society organisations, encompassing activities ranging from awareness raising, mutual learning and exchange, analytical and monitoring activities, to training and capacity-building and calls for the participation of civil society organisations in the Justice Programme to be monitored.</p>	<p>highlighted in the Commission's proposal for the Justice programme both in the preamble and in the list of activities.</p>
<p>1.9. The EESC takes stock of the Commission's ongoing work regarding the implementation of a preparatory action proposed by the European Parliament to develop an EU fund offering financial support for litigation cases relating to violations of democracy, the rule of law and fundamental rights targeted at civil society organisations and calls for these activities to be incorporated into the Justice programme.</p>	<p>The preparatory action regarding litigation, whose implementation is currently ongoing, will provide an overview of gaps and needs and thus contribute to inform the Commission reflection on future actions in this area.</p>
<p>1.10. The EESC considers this Fund to be an important tool for reinforcing gender mainstreaming, gender budgeting and gender disaggregating data collection. In particular, it welcomes the inclusion of actions aimed at preventing and combatting all forms of violence against women, children and young people in the Rights and Values programme and calls for further coherence and synergies with the Justice programme activities relating to victims' rights and enforcement. It also calls for a breakdown by sex of programme indicators for both programmes</p>	<p>The promotion of gender equality and gender mainstreaming are explicit and key objectives of the Rights and Values Programme. Gender mainstreaming is also a principle included in the preamble of the proposed Justice programme.</p> <p>As for the indicators, in the annex of the proposals, a limited set of core indicators – linked to the specific objectives – has been defined and should generate information in a systematic way on implementation and performance of the programme. These indicators will be used for official performance reporting at European Union level for all programmes and need to remain concise with the same approach across all programmes.</p> <p>In addition to the above, there will also be a constant follow-up of the evolution of the programme and its</p>

	activities. In this respect, the feasibility of using sex-disaggregated data could be analysed taking into account the need to limit the impact in terms of reporting requirements for small projects, for instance town-twinning, as well as for small organisations.
1.11. The EESC welcomes the proposal to extend the role of the National Contact Points of the Europe for Citizens programme to the different strands of the Rights and Values programme given their effective role in liaising with and supporting potential beneficiaries on the ground. It requires appointed entities to be independent of their national government and to have a thorough knowledge of the needs of the civil society sector and of local actors. It calls for adequate funding, the development of guidelines on their role and tasks, ways to ensure the programme's greater visibility, as well as training.	The Commission proposal envisages that the programmes set-up and support programme desks/national contact network. The current experience of the Europe for Citizens programme will be used to define the role of the network that is intended to be a useful tool to help potential beneficiaries and be in charge of supporting the dissemination of programme results. The funding and support to National Contact Points to provide quality advice will be further detailed in the implementation of the programme.

<p>N°19 Horizon Europe COM(2018) 435 final COM(2018) 436 final EESC 2018/3007 - INT/858 538th Plenary Session - October 2018 Rapporteur: Mr Gonalo LOBO XAVIER (GR.I-PT) DG RTD – Commissioner MOEDAS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2 The European Economic and Social Committee emphasises that science, research and innovation must be key elements of the European community-building process and therefore supports the Horizon Europe approach of bringing citizens closer to these activities and achievements. For this purpose, effectively communicating not only the opportunities of the programme but also the effects of innovation and research activities on citizens' lives must be part of the strategy to encourage more support from Member States for this effort.</p>	<p>The Commission appreciates the Committee's support for better communication with citizens on the programme and its results. Apart from the usual channels (Cordis, Participant Portal etc), missions with their concrete and recognisable objectives are designed to involve stakeholders and enthuse citizens.</p>
<p>1.3 The European Economic and Social Committee calls for urgency in defining strategic missions that can stimulate research and innovation ecosystems across Europe and that boost collaborative research as the main vehicle to deliver knowledge and create impact.</p>	<p>The Commission agrees with the Committee on the urgency for missions.</p>
<p>1.4 The European Economic and Social Committee supports the fact that missions will be open to diverse, bottom-up solutions and cover the whole research and innovation lifecycle. As missions should address medium to long-term goals, the high importance of low Technological Readiness</p>	<p>The Commission agrees. The missions will cover activities for both low Technological Readiness Levels where useful, and disruptive innovations where possible. Recital 13 of the Horizon Europe Framework Programme proposal already implies</p>

<p>Level (TRL) research should also be reflected in their approach. They should not be focused only in linear innovation models, which often are restricted to incremental innovation, but should explicitly incentivise disruptive innovation models</p>	<p>that lower Technological Readiness Levels will be supported. It should be noted that grant based funding is limited up to Technological Readiness Level 8, while for supporting Technological Readiness Level 9 activities, which are very close to the market and thus can potentially distort fair competition, financial instruments are considered instead.</p>
<p>1.5 As regard to missions and the co-design process, the European Economic and Social Committee emphasises that bringing decisions too close to final users may limit the missions' scope and disruptiveness. The mission boards should have high quality and sufficient critical mass from all stakeholders, so as to avoid incremental research or, at the opposite extreme, missions that are far beyond existing technical/technological capacities.</p>	<p>The mission boards, if established, will indeed be put together with due attention for the balance between incremental and breakthrough innovation.</p>
<p>1.6 The European Economic and Social Committee highlights the European Innovation Council (EIC) as an important instrument to support breakthrough innovation and boost entrepreneurship and competitiveness at European Union level. The European Economic and Social Committee believes that the European Innovation Council should particularly focus on very innovative and breakthrough Small and medium-sized enterprises and start-ups.</p>	<p>The Commission agrees. This focus is the essence of the proposal.</p>
<p>1.7 The European Economic and Social Committee agrees that Horizon Europe should bring in social sciences and humanities (SSH) in a systematic way. SSH should be approached in conjunction with the technological approach.</p>	<p>The Commission agrees. Throughout Horizon Europe, each scientific discipline will be encouraged to contribute, including social sciences and humanities (SSH). Technological challenges often also require SSH to increase user acceptance and support, the use of new business models, integrate social and psychological</p>

	aspects, etc.
1.8 Open science: the European Economic and Social Committee considers introducing a certain timeframe for publishing all the scientific results in order to assure that all project outcomes will be made available in suitable repositories and within well-defined timeframes. The European Economic and Social Committee recommends regular consultation with research stakeholders regarding future requirements in open science. The established opt-out possibilities should be maintained under Horizon Europe	The Commission agrees. Open science and the opt-out possibilities should remain part of Horizon Europe. The consultation with the research stakeholders on open science should be continued, e.g. in the working group on the Model Grant Agreement and in the programme committee in its various configurations.
1.9 The European Economic and Social Committee agrees that the redesigned pillar structure will improve internal coherence, in particular through the integration of industrial technologies into Pillar 2, enhancing the contribution of industry to tackling global challenges, and matching supply with demand for new solutions.	The Commission agrees. Industry has to be involved in designing and implementing solutions for global challenges.
1.10 The European Economic and Social Committee also welcomes the aim of further simplifying state aid rules to facilitate the combination of different funds that can be instrumental in overcoming the major disparities between Member States and regions in terms of the number of successful R&I projects. Synergies among the different Union funding programmes and Union policies, namely with structural funds.	The Commission agrees and will continue to work on improving synergies between Horizon Europe and other European Union funding programmes (including the funds in shared management), also taking into account state aid and the maximum funding rates, to facilitate funding for R&I projects in a manner that preserves fair competition between companies in the European Union.
1.11 The European Economic and Social Committee highlights the fact that supporting the mobility of researchers via Marie Skłodowska-Curie Actions (MSCA) is also fundamental to further strengthening the European Research Area, while European Union and national policies must aim at	The Commission agrees that Marie Skłodowska-Curie Actions help strengthen the European Research Area. To avoid any brain drain, working conditions at regional and national level have to be attractive indeed. It also notes that European Research Council

<p>adequate and attractive working conditions for professionals to avoid the ‘brain drain’ phenomenon that is truly counterproductive for the achievement of cohesion in the European Union. In addition, it is vital to strengthen support for early career researchers in the European Research Council programme.</p>	<p>already provides a large share of its funding to early career researchers.</p>
<p>1.12 The European Economic and Social Committee believes that special focus should be placed on science education and science communication in the pillar of ‘Strengthening the European Research Area’. This would strengthen the science with and for society within this pillar and consequently within Horizon Europe.</p>	<p>The Commission agrees. This will be part of strengthening the European Research Area and will also include activities on disseminating and exploiting results, and support science, society and citizens (see Art. 46 of the Horizon Europe Framework Programme proposal).</p>

<p>N°20 Customs programme COM(2018) 442 final EESC 2018/232 - INT/860 538th Plenary Session - October 2018 Rapporteur: Ms Laure BATUT (GR.II/FR) DG TAXUD – Commissioner MOSCOVICI</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
1. The EESC is pleased to note the importance accorded to customs within the internal market, as well as the objective of the Commission proposal.	General comment: the Commission welcomes the support of the Committee and would like to thank the Committee. The opinion does not require amendments to the initial Commission proposal. It rather expresses a number of priorities that the Commission will take into account during the programme implementation, subject to the outcome of negotiations.
The EESC believes that in policy terms European customs, which already apply a common legal code, should function as a single entity.	The Commission shares the Committee's view.
1.1.1 The EESC believes that the amount earmarked for the customs programme may prove to be insufficient in view of the breadth of the proposal's objectives and the targets set. The Committee recommends that the Commission make it easier for national customs authorities to benefit fully from the programme, and from the promised synergies between programmes, and it would like the Commission to ensure flexibility between the budget priorities of the Multiannual Financial Framework.	<p>The Commission takes note of the Committee's view on the amount of funding. The Commission will work towards facilitating the access of national customs authorities to the European Union programmes by providing them with clear information and guidance.</p> <p>Additional flexibilities compared to the current period are part of the Commission's proposal for post-2020.</p>
1.1.2 The EESC recognises the difficulty of making quantitative forecasts about the cost of Brexit, which could well be very high, and recommends that the proposal under	The Commission accepts this recommendation but would like to make the following clarification: In principle and given that the withdrawal is anticipated in late

discussion be adjusted as and when needed.	March 2019, it is expected that the current Customs 2020 programme will cover the possible costs linked to the United Kingdom withdrawal from the Union.
1.2 The EESC welcomes the provision for instruments to finance and facilitate the development and maintenance of EU-wide IT customs systems. The EESC recommends that the programme be run in a way that ensures simultaneous roll-out of technological innovations to all the participating Member States.	The Commission agrees with the Committee and would like to thank the Committee for its support.
1.3 The EESC believes that enhancing the skills of administrative staff and customs training are essential to the smooth operation of EU customs cooperation. It recommends making full use of the programme to build on progress already made.	The Commission shares the Committee's view.
1.4 The EESC recommends that the programme help to strengthen respect for fundamental rights and data protection within its sphere of application.	The Commission agrees with the Committee.
1.5 The EESC recommends that participating countries be helped to meet their obligation to report on implementation of the programme using the proposed indicators, considering that budgetary constraints mean national administrations may not always have sufficient time or staff.	The Commission will work towards minimising the administrative burden in implementing the programme and, in particular, when it concerns the reporting and monitoring processes.

<p>N°21 Financial support for customs control equipment COM(2018) 474 final EESC 2018/258 – INT/870 538th Plenary Session - October 2018 Rapporteur: Mr Antonello PEZZINI (GR.I-IT) DG TAXUD – Commissioner MOSCOVICI</p>	
Points of the European Economic and Social Committee (EESC) opinion considered essential	European Commission position
<p>1.1 The EESC considers it essential, in the light of growing problems linked to the control of the EU's external borders, to implement a system that couples the protection of individuals and border security with the creation of profitable trading links with third countries.</p>	<p>General comment: the Commission welcomes the support of the Committee and would like to thank the Committee. The opinion does not require amendments to the initial Commission proposal. It rather expresses a number of priorities that the Commission will take into account during the programme implementation subject to the outcome of negotiations.</p>
<p>1.5 The Committee welcomes the Commission's efforts to improve EU border controls and to boost the required funds and instruments, with the aim of ensuring innovative, high-quality customs controls and, ideally, the uniform application of customs legislation implemented in the external border offices.</p>	<p>The Commission fully shares the Committee's view and would like to thank the Committee for its support.</p>
<p>1.6 The Committee believes that the amount of funding allocated is insufficient considering the aims to be pursued and should, moreover, include equipment for monitoring phytosanitary safety and instruments for carrying out advanced spectrography on goods containers.</p>	<p>The Commission takes note of the Committee's view on the amount of funding allocated to the Instrument. The Commission would like to clarify that the exact amount needed by each Member State to modernise its equipment will only be known after performing the needs assessment preceding the start of the programme.</p>
<p>1.7 The Committee also considers it important to provide equipment with the commensurate speed to those customs offices under greatest pressure to</p>	<p>The Commission agrees with the committee. It will analyse the needs at EU level before the start of the programme in view of ensuring that funds</p>

carry out controls.	are allocated where there is the greatest need.
<p>1.9 The EESC recommends close coordination with the Customs programme.</p> <p>The EESC recommends promptly updating the "toolbox" of customs equipment. The EESC considers it vital to ensure that customs equipment is high-quality and innovative.</p>	<p>The Commission agrees with the Committee and will ensure the necessary coordination with the Customs programme.</p> <p>The list of customs control equipment eligible for funding, which is included in Annex 1 of the proposal, is purely indicative and can be updated at any time. The Commission will ensure that the customs control equipment purchased complies with the relevant quality and state-of-the-art standards as stated in the programme objectives.</p>
<p>4.2 The Committee appreciates the European Commission's efforts to boost funds and instruments, in order to reinforce external border controls and ensure innovative, high-quality customs controls, with a view to strengthening the customs union.</p>	<p>The Commission fully shares the Committee's view and would like to thank the Committee for its support.</p>

<p>N°22</p> <p>Review of the EU excise duties</p> <p>COM(2018) 334 final, COM(2018) 346 final, COM(2018) 341 final, COM(2018) 349 final</p> <p>EESC 2018/3104 – ECO/468</p> <p>538th Plenary Session - October 2018</p> <p>Rapporteur: Mr Jack O'CONNOR (GR.II-IE)</p> <p>DG TAXUD – Commissioner MOSCOVICI</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.1 The EESC welcomes the measures contained in this package proposed by the Commission. It believes that they will largely achieve the goals set out, – namely, to provide greater certainty and clarity over the treatment of certain alcoholic products, facilitate cross-border trade under streamlined and modernised systems, and reduce the administrative and legal burdens on small enterprises.</p>	<p>The Commission shares the Committee's view and would like to thank the Committee for its support.</p>
<p>1.4 The Committee calls for a review within five years of the proposal to increase the lower duty threshold for beers to assess the impact of this optional provision.</p>	<p>A review clause for the proposal to amend the Alcohol Tax Directive has been included in the Directive. The principle of the review clause has been accepted by all Member States.</p>

<p>N°23 Fiscalis 2021-2027 COM(2018) 443 final EESC 2018/233 - ECO/470 538th Plenary Session - October 2018 Rapporteur: Mr Krister ANDERSSON (GR.I-SE) DG TAXUD – Commissioner MOSCOVICI</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 Commission proposal for a regulation on a new Fiscalis programme. National tax authorities still suffer from insufficient capacity and insufficient cooperation and the EESC agrees that there is an urgent need to improve the operation of tax policy, including administrative cooperation and support to the tax authorities.</p>	<p>General comment: the Commission welcomes the support of the Committee and would like to thank the Committee for its support. The opinion does not require amendments to the initial Commission proposal.</p>
<p>1.3 The EESC is concerned that the proposed budget of EUR 270 million may not suffice, considering the extensive programme proposed by the Commission and the rapid ongoing digitalisation. The EESC therefore recommends a mid-term review of the adequacy of the funding.</p>	<p>The Commission takes note of the Committee's view on the amount of funding allocated to the programme. In its proposal, the Commission has proposed a mid-term review for the entire Multiannual Financial Framework.</p>
<p>1.5 The EESC encourages the Commission to engage with Member States in developing a common basic training course for tax authorities in order to improve the functioning of the single market.</p>	<p>The Commission would like to thank the Committee for this proposal, which it finds interesting.</p>
<p>1.8 The EESC believes that it is important that civil society at large becomes an active part of the Fiscalis programme.</p>	<p>The Commission would like to remind that the Fiscalis programme aims to be a support instrument to tax administrations. However, wherever beneficial for the achievement of the actions implementing the programme's objective, representatives of civil society might take part in actions organised under the programme, as external experts.</p>

<p>3.6 The EESC notes from the outcome of the evaluation of the current programme that actions on joint audits, project groups, working visits and expert teams for IT collaboration have been among the most successful tools and urges the Commission to give these actions priority in the new Fiscalis programme. The EESC welcomes the introduction of multiannual work programmes to reduce the administrative burden for both the Commission and Member States. The EESC supports most of the proposed budget being spent on IT capacity-building activities.</p>	<p>The Commission shares the Committee's view and would like to thank the Committee for its support.</p>
--	--

N°24 EU Anti-Fraud Programme COM(2018) 386 final EESC 2018/4019 – INT/869 538th Plenary Session – October 2018 Rapporteur: Mr Giuseppe GUERINI (Gr. III-IT) DG OLAF – Commissioner OETTINGER	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<p>N°25 EU sovereign bond-backed securities (SBBS) COM(2018) 339 final EESC 2018/171 – ECO/471 538th Plenary Session – October 2018 Rapporteur: Daniel MAREELS (Gr. I-BE) DG FISMA – VP DOMBROVSKIS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.6. [...] Self-certification of the composition of the underlying portfolio by SPEs needs to be strengthened [...] Tighter and even prior monitoring by the European Securities and Markets Authority (ESMA) would seem appropriate.</p>	<p>The Commission proposed a decentralised setup based on self-certification in conformity with the approach followed for Simple Transparent and Standardised (STS) securitisations. This approach was chosen to ensure that originators remain liable for issuing instruments meeting eligibility criteria, and should incentivise investors to perform appropriate due diligence, while minimising additional costs on supervisors (as well as moral hazard concerns).</p>
<p>1.10. [...] The Committee is inclined to think that acquisition [by private savers and consumers] should only be considered for “senior” tranches but not for “junior” tranches.</p>	<p>Even though retail investors (savers and consumers) are unlikely to be big players in the sovereign bond-backed securities market for a variety of reasons, conceptually there is no reason not to allow them to invest in any sovereign bond-backed securities tranche.</p> <p>The Commission understands the Committee’s concerns with investor protection issues. However, investor protection for retail holdings has been significantly strengthened by Directive 2014/65/EU¹⁹ on Markets in Financial</p>

¹⁹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU Text with EEA relevance; OJ L 173, 12.6.2014, p. 349–496.

	<p>Instruments ('MiFID'). Properly enforced, the rules of Markets in Financial Instruments Directive already bestow the level of investor protection desired by the co-legislators.</p> <p>A blanket prohibition of sales of (sub-senior) sovereign bond-backed securities tranches to retail investors would appear disproportionate, as retail investors are presently able to invest in much riskier products (securitisation, equity etc.). At the same time, any such prohibition would also be very hard or even impossible to enforce, since sovereign bond-backed securities would be also traded on secondary markets, where policing of transactions is very hard, if not altogether impossible in practice.</p>
--	--

<p>N°26 Institutional investors' and asset managers' duties regarding sustainability COM(2018) 354 final EESC 2018/2766 - ECO/466 538th Plenary Session – October 2018 Rapporteur: TRIAS PINTÓ (Gr.III-ES) DG FISMA – VP DOMBROVSKIS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The EESC fully supports the EC Proposal on Disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341 and saw particular merits in fighting greenwashing, social-washing, etc..., by increasing transparency on products that claim pursuance of sustainable investment objectives.</p>	<p>The Commission welcomes the Committee's support to the Proposal. It also welcomes the fact that the Committee understands the urgency to act in order to progress on sustainable finance matters and, in the specific context of this proposal, the need to introduce transparency requirements on financial market participants with regard to the integration of sustainability risks in their investment decision-making process and to increase the level and quality of information as regards financial products available on the market which target sustainable investments.</p>
<p>3.3 The EESC advocates including financial products linked to pensions in the new taxonomy and benchmarks – they will be able to play a part in the long-term investments under the EFSI 2.0 and the future "InvestEU" fund planned for the 2021-2027 MFF.</p>	<p>The Commission already clarified that the Proposal on Disclosures aims at reaching regulatory neutrality and consistency across sectors. As a consequence, the scope of that proposal is broad and covers the relevant entities and products, including specific occupational and pensions products in general.</p>
<p>3.4 Thus the future pan-European personal pension products (PEPPs) could become a flagship sustainable product, given the significant value of ensuring a long-term flow of financial resources that also enable a</p>	<p>The Proposal on Disclosures introduces additional requirements to existing disclosure elements of the relevant sectorial legislation and aims at ensuring level playing field across</p>

<p>variety of challenges facing European society to be tackled – in short, ensuring people's future well-being while also financing strong and sustainable infrastructure. In the EESC's view, this would be the default investment option and should enable PEPP savers to recover invested capital, including by means of subsidiary institutional support from the European Union.</p>	<p>sectors. It is about 'disclosure', that is the proposal requires relevant entities under scope to prove, via disclosure, that what they claim the products they offer are and do in terms of sustainability objectives, is actually so. Pension products are covered by this proposal. The increased information will allow end-investors to easily understand which financial products, including pension products, pursue sustainable objectives across the European Union and to take better-informed investment decision related to sustainability.</p>
<p>3.6 Capital market integration should also consider reforms and incentives promoting individual and collective sustainable pan-European pension plans. Public pensions systems should be encouraged to also make sustainable investments from their reserve funds, where these exist.</p>	<p>Similar remark as on the previous point. This proposal is about disclosing what relevant entities claim they do in term of sustainable investments. The objective is to increase the level and quality of information available on the markets on sustainability issues, increase markets' awareness, and promote market discipline. Financial products, including pension products, that are marketed as being sustainable but will not be able to prove it via the disclosures requirements under this proposal, would be penalised by clients, while there will not be distortions in capital allocation by end-investors.</p>
<p>3.7 Moreover, the EESC has emphasised that financial intermediation services should, as an essential component of their legal duties, proactively liaise with customers to provide them with clear information on the possible financial risks and the benefits of including ESG factors. Where retail investors are involved, it must be ensured that they have clearly understood</p>	<p>The proposal provides for mandates to the Education Savings Accounts for the development and adoption of technical standards to clarify and harmonise the disclosures in the different reporting documents covered by the proposal. When developing these standards, the Education Savings Accounts should aim at accurate, fair, clear, not misleading, simple and concise</p>

all the information provided.	disclosures.
<p>3.10 Finally, the EESC must once again express its sincere regret that even the most advanced countries have failed to close the gender gap. Sustainable finance offers effective answers here: "gender lens investing" can include financing women-owned businesses, companies with a strong record of female employment, or firms that improve the lives of girls and women via their products and services.</p>	<p>This proposal is about disclosure with respect to sustainability issues and it concerns financial products where a principal-agent situation appears. These are those products where an agent (asset managers, for instance) manages money on behalf of the principal (that is the end-investor), with the objective of reducing information asymmetries typical of such situations, because the end-investor cannot directly monitor nor influence the decision the manager takes on his/her money.</p> <p>Disclosure about financial products that have social and governance objective could cover gender issues.</p>
<p>3.11 Moreover, according to the Boston Consulting Group, both millennials and women are increasingly seeking to align their financial and investment targets with their values, without lowering their expected returns. In other words, they are looking for certain amount of added value, beyond the financial return.</p>	<p>Thanks to this proposal, end-investors, including millennials and women, will be able to take better-informed decisions on where to invest their money and chose those financial products that reflect their sustainable values thanks to the higher information available on the sustainability characteristics of the products.</p>

N°27 Sustainable finance: taxonomy and benchmarks COM(2018) 353 final EESC 2018/178 - ECO/467 538th Plenary Session – October 2018 Rapporteur: Daniel MAREELS (Gr.I-BE) DG FISMA – VP Dombrovskis	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
BENCHMARKS	
	<p>The Commission welcomes the Committee's opinion on the Commission's proposal on low carbon and positive carbon impact benchmarks and the acknowledgment of its importance in improving transparency and addressing risks of greenwashing.</p>
<p>2.6.4 To establish new "low carbon" and "positive carbon impact" benchmarks that the developers will need to apply in order to give investors certainty on the matter.</p>	<p>The Commission's proposal creates a new category of benchmarks ('the low carbon' and the 'positive carbon impact benchmarks') and establishes minimum standards for the methodology of these benchmarks.</p> <p>Administrators marketing a benchmark as a low carbon or positive carbon impact benchmark, as defined in the proposal, shall comply with the minimum standards.</p> <p>The Commission also proposes to increase the disclosure requirements on how the benchmarks methodologies take into account the environmental, social and governance factors for each benchmark that is promoted as pursuing environmental, social and governance objectives.</p>

<p>N°28 Action Plan on Sustainable Finance COM(2018) 97 final EESC 2018/1695 - ECO/456 538th Plenary Session – October 2018 Rapporteur: Carlos TRIAS PINTÓ (Gr.III-ES) DG FISMA – VP DOMBROVSKIS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
	<p>The Commission welcomes the Committee's opinion on the Commission's Action Plan on financing sustainable growth and is pleased to note the Committee's support of many of the actions presented in the Action Plan, including the three legislative proposals presented in May 2018.</p>
<p>II. The taxonomy should be dynamic and be constructed gradually on the basis of a clear definition of ESG criteria for sustainable economic activities; a suitable starting point would be the configuration of environmental factors (E), while introducing safeguards in the social sectors and in relation to good corporate governance.</p> <p>4.6.2 The EESC agrees with the Commission on the urgent need to activate the first stage of building a robust but dynamic "Sustainability Taxonomy", ensuring market consistency and clear guidance about what is green, social and related to good governance, with a holistic approach.</p>	<p>The Commission takes note of the Committee's concerns and is pleased to note the suggestion of the Committee to develop the Taxonomy gradually. This is indeed the Commission's aim.</p> <p>The activities that a European Union Taxonomy will consider as environmentally sustainable will be required to not only contribute substantially to at least one of the six environmental objectives defined but also not cause any significant harm to any of the other environmental objectives. Furthermore, the economic activities will also need to comply with minimum social safeguards, such as fundamental labour rights, in order to be included in the Taxonomy.</p> <p>It is also worth clarifying that corporate governance would need to be assessed at the level of the company or entity investing into environmentally</p>

	sustainable activities, while the European Union Taxonomy looks into the nature of economic activities.
4.3 Endogenous saving is a prerequisite for robust economic growth, and this will mean financing sustainable SME projects through local banks.	The Commission would like to point out that capital markets can play an important role in the process as well as complement bank funding.
4.6.3. The backbone of this process is a technical Expert Group on sustainable finance which must at all times be able to provide highly qualified and detailed expertise on strategic industrial sectors in order to build up a robust and credible green and social taxonomy .	The Commission established the Technical Expert Group (TEG) on Sustainable Finance in order to help determine which economic activities make a substantial contribution to achieving the European Union environmental objectives, starting in the field of climate change. This technical work would feed into a legislative proposal of the Commission to establish a framework to facilitate environmentally sustainable investments. Technical work on further environmental objectives beyond climate change is foreseen. The social dimension of sustainability might be developed at a later stage, as indicated in the Commission proposal for a Regulation on the establishment of a framework to facilitate sustainable investment {COM/2018/353 final}.
5.3.3 In view of this, it is necessary to better define the perimeters of the so-called " green supporting factor ", ensuring that there is exhaustive and rigorous empirical evidence based on a clear and precise definition of what is meant by "green investment".	The Commission will explore the feasibility of recalibrating the capital requirements for banks (so called 'green supporting factor') when it is justified from a risk perspective, while ensuring that financial stability is safeguarded. The thinking behind any potential change in prudential rules would be based on the assumption that ignoring risks associated with climate change and other sustainability factors can create longer-term risks for financial stability and costs for banks

	and insurers, whose assets are exposed to such risks.
6.2.1 The EESC notes that the EU Directive on disclosure of Non-Financial Information was transposed with scant ambition and a methodology that was not harmonised, affecting only large corporations and thus contributing very little to fair and comprehensive sustainable investment in Europe.	The current work of the Technical Expert Group (TEG) on Sustainable Finance includes a report on improving the current non-financial reporting framework. A revision of this framework is foreseen in 2019.
6.2.6 The EESC also suggests that the Commission invite ESMA to: <ul style="list-style-type: none"> – assess current practices in the credit rating market, analysing the extent to which ESG considerations are taken into account, and – include environmental and social sustainability information in its guidelines on information to be disclosed by credit rating agencies, and consider additional measures, where necessary. 	The European Securities and Markets Authority is currently working on these assessments in line with our proposed initiatives in the Action Plan.

<p>N°29 European Investment Stabilisation Function COM(2018) 387 final EESC 2018/3003 - ECO/473 538th Plenary Session – October 2018 Rapporteur: Mr Philip VON BROCKDORFF (GR.II-MT) DG ECFIN –Commissioner MOSCOVICI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2 The EESC understands that the EISF differs from the European Stability Mechanism (ESM), which evolved as a backstop fund during the financial crisis. However, a clear distinction needs to be made between the two funds. The EISF is much more limited in scope and the EESC has concerns about the size of the fund in the event that asymmetric shocks affect two or more Member States.</p> <p>3.6 A clear distinction, therefore, needs to be made between the two funds. The EISF is much more limited in scope, and though it is intended for any size of Member State, the EESC is of the view that the proposed EUR 30 billion fund would be more typically suitable for smaller euro area and non-euro area Member States. The EESC therefore raises concerns about the size of the fund in the event that asymmetric shocks affect two or more Member States. The proposed EISF cannot therefore be considered as the definitive solution for Member States facing one-off problems such as an ecological disaster, an energy crisis or a localised banking crisis.</p>	<p>The Commission determined the funding for the European Investment Stabilisation Function within the context of the proposal on the multiannual financial framework 2021-2027. The formulas for determining the amount of support have been calibrated so that the EUR 30 billion envelope of the European Investment Stabilisation Function would have been enough to provide support to all the Member States that would have met the double activation trigger in the last crisis. The Commission estimates that the support would have been able on average to stabilise around 10% of public investment expenditure, which is non-negligible. Moreover, if its contracting parties agree, the European Stability Mechanism could provide stabilisation support in addition to the European Investment Stabilisation Function, which would further increase the stabilisation capacity.</p>
<p>1.4 The EESC notes that having</p>	<p>The Commission believes that the</p>

<p>unemployment as the sole criterion to activate support may lead to some deficiencies with regard to the timeliness of the stabilisation function. The EESC therefore suggests other complementary indicators which normally precede unemployment in terms of predicting an impending large shock, in a way that an initial level of support can be triggered before the "large" shock is fully transmitted to the unemployment indicator.</p>	<p>activation trigger in the European Investment Stabilisation Function proposal is the best available option and consistent with what has been suggested in the literature. The indicator has the advantage of being well-known, harmonised and available at high frequency. Using a single indicator has also the advantage of triggering support in the most automatic fashion as possible, which is an essential feature in face of severe shocks. Conversely, using several indicators would require either a likely complex algorithm to determine activation or ample margin of discretion left to the Commission. The fact that it is a lagged indicator does not pose a significant problem, because public finances also react to the business cycle with a lag and match the unemployment cycle quite well. Other indicators of the business cycle such as the output gap, Gross Domestic Product growth or trend growth have significant problems in terms of the estimation methodology, ensuring equal treatment among Member States and the risk of providing European Investment Stabilisation Function support when it is not needed.</p>
<p>4.3 It would therefore be valuable to have an instrument that can be activated before the symptoms are fully translated to the labour market. In other words, it is necessary to complement the unemployment criterion with a set of early warning indicators that can include the change in exports of goods and services, the change in the level of inventories and other leading indicators that clearly indicate the presence of an economic shock. In this way the proposed stabilisation function would be much more timely and effective.</p>	<p>.</p> <p>It should also be recalled that the central level stabilisation capacity aims at complementing rather than substituting for the other existing lines of defence against disruptive shocks. These include the following: integrated, well-functioning markets; the action of national governments through national fiscal policies; the common monetary policy. The European Investment Stabilisation</p>

	Function comes in addition to these three lines of defence.
4.4 Furthermore, the 15 year average unemployment rate which has to be exceeded for a Member State to qualify for support may work against countries that have been successful in reducing structural unemployment. A shorter time frame of perhaps five years would be more suitable.	<p>The European Investment Stabilisation Function proposal was designed to minimise the risk that the function is activated when support is not warranted. While there may be a theoretical risk that it is not activated when needed, Commission simulations over past downturns have not shown any example where this would have been the case.</p> <p>TA double activation trigger with respect to the unemployment rate was used for three reasons: (i) to ensure a level playing field among Member States and avoid situations where countries with permanently high unemployment receive European Investment Stabilisation Function support on a continuous basis and do not implement needed structural reforms; (ii) to restrict the activation to situations where the country is indeed affected by large shocks with a temporary and country specific element; (iii) to avoid situations where the European Investment Stabilisation Function support is given to a Member state where the recovery is already on track.</p> <p>It should also be noted that the shorter the period for measuring the long-term unemployment level, the closer the double activation trigger comes to a simple activation trigger and the more frequent the function is activated.</p>

1.5/4.6 Given that the EISF is not considered as "additional" to the other financial instruments, namely the Balance of Payments Facility and the European Financial Stabilisation Mechanism (EFSM), the EESC is of the view that utilising the EISF would reduce the overall borrowing capacity. It is therefore incumbent on the European Commission to balance on an on-going basis outstanding re-payments on the part of concerned Member States and contingent liabilities.

It is important that the European Investment Stabilisation Function is not viewed with a financial assistance programme mind-set. Financial assistance programmes address problems of a more structural nature. In contrast, the stabilisation function would deal with shocks of a more cyclical nature, which can impact a country even if it has been implementing the needed reforms. The European Investment Stabilisation Function would help stabilising the economy before the country is forced to ask for a financial assistance programme and when the adjustment costs are much lower.

Moreover, the European Investment Stabilisation Function would not provide support if a Member State is in a financial assistance programme or is forced to ask for one. This is for two main reasons: (i) to prevent any inconsistencies between the European Investment Stabilisation Function and financial assistance programme instruments; (ii) to re-deploy the limited resources of the European Investment Stabilisation Function towards other Member States, notably those affected by negative spillovers from the Member State benefitting from a financial assistance programme.

<p>1.6/4.9 The EESC refers to the oversight of public investment that the Member State concerned would be subject to on the part of the Commission, as required by the proposal. The EESC is not against this in principle but is of the view that the Member State concerned should be allowed sufficient leeway in determining the type of investment required and therefore advocates that a balance be struck between the Commission's oversight on one side and, on the other hand, the concerned Member State's discretion on public spending. The EESC also takes the view that public investment should also be regarded as an instrument of solidarity.</p>	<p>Member States have a high degree of leeway in deciding what investment to support with the loans from the stabilisation function. They are required to invest in the thematic objectives of the common provisions regulation as well as education and training, which is a very broad definition for eligible public investment. The role of the Commission is only to check that the Member State has invested at least the equivalent of the European Investment Stabilisation Function loan in eligible public investment and has maintained its level of public investment at the average level of the previous five years.</p>
<p>1.7 The EESC urges the Commission to investigate how an insurance mechanism to cater for macroeconomic stabilisation could operate across the EU. The EESC is of the view that a well-crafted union-wide insurance scheme that acts as an automatic stabiliser amidst macroeconomic shocks would be more effective than the proposed EISF. Should another financial and economic crisis hit the EU in the meantime, the EESC advocates a coordinated approach to deploy all relevant financial instruments including the EISF.</p>	<p>The European Investment Stabilisation Function proposal gives the possibility to establish a voluntary insurance mechanism in the future, if and when Member States agree to this.</p>
<p>3.1 The EESC notes that at the current level of political and societal integration, a large federal budget in the euro area is unrealistic. The EESC has consistently supported the Commission in its efforts to advance and complete Economic and Monetary Union (EMU)²⁰. At the same</p>	<p>The Commission welcomes the Committee's support of its efforts to advance and complete Economic and Monetary Union. The European Investment Stabilisation Function proposal represents a balanced and pragmatic proposal to lay the first</p>

²⁰ See for example EESC opinion on Euro area economic policy, [OJ C 173, 31.5.2017, p. 33](#) and EESC opinion on Deepening EMU by 2025, [OJ C 81, 2.3.2018 p. 124](#).

<p>time, the Committee has often underlined its concerns about the ongoing lack of political commitment from Member States that is key to the completion of EMU²¹. The proposals for EISF seem to reflect this and thus represent something of an interim solution. The dichotomy between a centralised monetary policy and national fiscal policies is therefore set to remain. The positive side of the proposal is that the EISF aims to make national fiscal policies more stabilising with respect to asymmetric shocks, while achieving long-term sustainability. In this regard, the proposal is seen by the EESC as a step towards a somewhat closer euro area integration, and possibly an attempt to encourage non-euro Member States to join the single currency.</p>	<p>building blocks for a fully-fledged stabilisation function.</p>
<p>4.1 The EESC acknowledges that in applying the formula to determine the loan amount for the eligible Member State (euro area members and aspiring members in the European exchange rate) the loans would provide some boost to public investment (assuming these are quality investments) at times of asymmetric shocks, but the impact is unlikely to be immediate. Economic recovery will take time and any positive effects are likely to be felt in the medium and long term. The proposal, therefore, needs to be more realistic about the intended aims and possible outcomes of the EISF.</p>	<p>The positive impact of the European Investment Stabilisation Function on the economy should not be viewed only in the medium/long term, but also in the short term. The concessional financing provided by the European Investment Stabilisation Function eases financial market pressures on a Member State faced with a severe shock. In turn, the function would prevent cuts in public investment as occurred in the last crisis, which exacerbated the recessionary spiral. The cuts in public investment depressed growth and tax income additionally, which further deteriorated the situation. The proposed European Investment Stabilisation Function aims to prevent such cuts in the future.</p>
<p>4.5 The EESC notes that the EISF, as proposed, would be allowed to borrow</p>	<p>The intergovernmental agreement setting up the stabilisation and support</p>

²¹ Directive

See for example EESC opinion on Economic and Monetary Union Package, [OJ C 262, 25.7.2018, p. 28](#).

<p>money on capital markets and lend to Member States with interest being subsidised to cover the costs of the loans. As stated earlier, the subsidy would be financed based on what is known as "seigniorage" and collected through national contributions to an SSF. The EESC is of the view that Member States need to demonstrate their political and financial commitment <i>a priori</i>.</p>	<p>fund provides for a formula that determines how much participating Member States contribute to the fund. According to that, euro area Member States would contribute the equivalent of 6% of the monetary income allocated to their respective national central bank. It is however not possible to establish a fixed number because the amount of monetary income varies from one year to the next.</p>
---	---

<p>N°30 InvestEU COM(2018) 439 final EESC 2018/3065 – ECO/474 538th Plenary Session – October 2018 Rapporteur: Mr Petr ZAHRADNÍK (Gr. I-CZ) DG ECFIN – Commissioner Moscovici</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2 The EESC stresses the need to carry out a thorough market test of projects with a view to ensuring the adequacy of specific projects that lend themselves to the use of financial instruments.</p>	<p>The Commission fully agrees. The proposal for an InvestEU Regulation²² and the Financial Regulation provide for that. In line with Article 209.2(h) of the latter, financial instruments and budgetary guarantees will have to be based on ex-ante evaluations, individually or as part of a programme, containing explanations concerning the choice of the type of financial operation taking into account the policy objectives pursued and the associated financial risks and savings for the budget.</p> <p>The adequacy of the InvestEU Programme to support specific types of projects has been assessed as part of the Impact Assessment of the proposal (SWD (2018) 3014 final).</p>
<p>1.3 The EESC supports a strong link between InvestEU's social investment and skills programme, on the one hand, and the standard social policy support instruments on the other, in particular the European Social Fund and the Youth Employment Initiative, as well as with employment and social innovation programmes.</p>	<p>The Commission agrees that such links are essential. The Commission's proposal ensures the complementarity of the InvestEU Programme, in particular its "Social Investments and Skills Window", with the grant financing and other actions under the policy areas covered by the new</p>

²² COM(2018) 439 final.

	<p>European Social Fund+ (ESF+). Synergies will be facilitated notably by the possibility for Member States to implement up to 5% of their European Social Fund+ attributions through InvestEU via a Member State compartment, addressing thus country specific market failures and investment gaps while drawing on financial products designed at central level.</p>
<p>3.5 The success of the instrument is highly dependent upon a well-functioning monitoring system.</p>	<p>The Commission fully agrees. Annex III of the proposal for an InvestEU Regulation includes a comprehensive set of indicators which will be the basis for the annual report by the Commission to the Parliament and Council on the progress of InvestEU and the bi-annual reports of implementing partners to the Commission. On the basis of the experience with the implementation of the programme, the Commission will consider whether additional and/or revised indicators should be established.</p>
<p>3.8 The EESC recommends that the proposal for a regulation set out and treat more fully and clearly the actual ways that individual sources can be combined with what InvestEU has to offer. This combining of sources is precisely the declared aim, but without a clear manual it could run into practical obstacles. From an EU budget perspective, it should be possible to combine different financial resources within a project in both directions: as a contribution to the InvestEU programme of funds under shared management, and as a contribution by the InvestEU programme to national, tailor-made financial instruments implemented under shared management. Appropriate implementation rules</p>	<p>The Commission agrees that such additional clarification and guidance is necessary. In the course of the negotiations, the Commission has clarified the broad principles for blending resources under InvestEU with resources originating from other centrally managed programmes. The Commission services are currently also working on a guidance clarifying the modalities of implementing funds under shared management through Member State compartments under InvestEU. It will be considered if these clarifications will need to be complemented with additional guidance targeting e.g. relevant</p>

guaranteeing such flexibility should be included in the regulation.	stakeholders, such as National Promotional Banks or Managing Authorities.
3.9 The EESC also recommends that a typology of projects suitable for InvestEU be drawn up, alongside ones where using grants will continue to be more appropriate (i.e., those where direct financial returns are unlikely or outright impossible, even in the long term).	Investment guidelines, which will be adopted by the Commission through a delegated act under the InvestEU Regulation, will specify the type and characteristics of products suitable for different beneficiaries and operations eligible for support under that regulation.
3.10 With regard to the InvestEU programme proposal, as well as in the wider context of the full spectrum of measures of the 2021-2027 multiannual financial framework, the EESC recommends assessing the EFSI's economic impact to date in each of the Member States, including overviews of the use of the funds and the benefits ensuing from them.	The Evaluation of the European Fund for Strategic Investments (SWD (2018) 316), which underpins the InvestEU proposal, assessed the economic impact of European Fund for Strategic Investments. Because of the nature of the programme, this evaluation focused on European Union-wide impact while also analysing the geographical distribution of investments supported by European Fund for Strategic Investments.
4.2 The EESC draws attention to the need for more precise alignment between the content of the four main policy windows of the InvestEU programme and a more detailed specification of the supported activities under Annex II. In order to improve the practical orientation of project promoters, the EESC recommends that Annex II be elaborated more carefully with a view to achieving greater consistency with the wording of Chapter II of the proposal for a regulation.	It should be noted that Annex II lists merely the broad categories of areas eligible for financing under InvestEU, while these will be complemented by more detailed guidance in the investment guidelines. Moreover, the sectors were not linked to the windows on purpose, to allow for flexibility. It will be considered during the legislative process if Annex II should be amended to reflect more accurately/fully the objectives of the InvestEU Programme.
4.3 The EESC would welcome an indication of what is to be done in the event that the guarantee from the EU budget is, for some reason, not enough to secure the	The proposed provisioning rate and volume of the InvestEU Guarantee have been carefully calibrated on the basis of past experience with similar

<p>expected investment volume or in the event that the conditions for a return for the fund deteriorate.</p>	<p>vehicles and the expected risk profile and volume of future operations.</p> <p>As provided for in Article 211(7) of the Financial Regulation, the Commission may propose to the European Parliament and the Council adequate replenishment measures or an increase of the provisioning rate if necessary, in particular when the level of provisions for a budgetary guarantee falls under specific thresholds.</p>
<p>4.6 The EESC calls for further clarification on how the role of the privileged implementing partner, the European Investment Bank, will work in practice and how it will be ensured that its operations do not end up crowding out other implementing partners, primarily those operating nationally.</p>	<p>The purpose of InvestEU is to crowd-in public and private investment through an EU budget guarantee, as foreseen in the relevant provisions on additionality in the InvestEU proposal and under Article 209 of the Financial Regulation. The legislative discussions have concluded that the European Investment Bank should be entrusted with a 75% share of the EU Guarantee, with 25% open to other implementing partners. The EIB will also support the Commission in the guarantee's risk management.</p>

<p>N°31 Euro area economic policy 2018 COM(2017) 770 final EESC 2018/2936 - ECO/475 538th Plenary Session – October 2018 Rapporteur: Mr Javier DOZ ORRIT (GR.II-ES) DG ECFIN – Commissioner Moscovici</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 The EESC agrees with the aims of the Council Recommendation and with some of its proposals. However, it expresses its disagreement with the proposal for the aggregate fiscal stance of the euro area to be neutral, as well as with the way that the recommendation on salaries is formulated. It thus reiterates the points it made in its earlier opinion on the Commission's proposal for a Recommendation.</p>	<p>The fiscal policies of euro-area Member States are currently insufficiently differentiated, resulting in a slightly expansionary and procyclical fiscal stance for the euro area as a whole in 2019. This is particularly due to the lack of fiscal adjustment in some highly indebted Member States. Compliance with the Stability and Growth Pact (SGP), along with the planned use of some fiscal space in some euro-area Member States with large external surpluses, would result in a broadly neutral to mildly restrictive fiscal stance for the euro area. Such a fiscal stance would contribute to a broadly balanced overall policy mix, given the continued support to the economy from monetary policy, and would reduce the risks of financial instability.</p>
<p>1.2 The economic policy of the euro area should be designed as part of a project to reform the EMU that will overcome the shortcomings in terms of structure and functioning that have plagued it since its inception, and which should aim for greater integration and more democratic governance. The EESC expresses its concern about the paralysis that the reform process is currently experiencing, the lack of commitment on the part of many</p>	<p>The Commission welcomes this consideration. The recommendations on the economic policy of the euro area aim to provide a framework within which Member States adopt economic policies that are in coordination with other Member States' policies, and recommend Economic and Monetary Union reform as part of the necessary elements for a stable, prosperous and inclusive euro area economy.</p>

<p>governments and some governments' hostility, as well as the lack of strong political leadership to overcome these issues.</p>	<p>Recommendation 4 adopted by the Council calls for completing the Banking Union as a means to reinforce financial stability and recommendation 5 calls for swift progress on completing the Economic and Monetary Union.</p>
<p>1.7 Social and political motives must also be included in this call for a greater fiscal effort: the EU and the Member States must make a greater commitment to the fight against poverty and inequality and to increased social cohesion, in particular by providing adequate funding for the implementation of the European Pillar of Social Rights. If the EU and the Member States do not do this, it is the EESC's view that the political crises we are experiencing will intensify and nationalist and anti-European tendencies will grow, endangering the very existence of the EU.</p>	<p>In its proposal for the next Multiannual Financial Framework (MFF) adopted on 2 May 2018, the Commission underlined the vital role of the Union budget in delivering on the commitment made by Leaders at the Gothenburg Social Summit in November 2017. Furthermore, the Commission's proposal for the next Multiannual Financial Framework reflects the need for strengthening the social dimension of the Union, including through the full implementation of the European Pillar of Social Rights.</p> <p>The Commission proposed a dedicated budget of EUR 101 174 million to address this. Those resources should allow the future European Social Fund+ to play a key role in increasing social cohesion across the European Union and delivering on the European Pillar of Social Rights.</p> <p>The envelope of the future European Social Fund+ remains at a level overall comparable to 2014-2020 and cohesion policy maintains the largest share of the Multiannual Financial Framework.</p>
<p>1.8 The recommendation to raise wages, if strictly applied, would only affect a small number of countries. The EESC considers that the effort to limit unit labour costs should not come from reducing or freezing wages, but from an increase in productivity brought about by greater investment, more</p>	<p>The Commission shares the view that wage growth has been subdued over the recovery. As stressed in the Annual Growth Survey 2018, the Commission agrees that increasing productivity is key to promote wage growth.</p> <p>The Commission has also called</p>

<p>innovation and better training of workers. In any case, wage levels need to be determined by the social partners through collective bargaining. The European Semester should propose legislative changes that would reinforce this collective bargaining in those states in which it has been weakened as a result of the crisis, and re-introduce it in places where it does not exist in spite of the provisions of Article 28 of the EU Charter of Fundamental Rights. Likewise, additional measures must be taken to raise the lowest wages.</p>	<p>several times, in the framework of the European Semester, for stronger bargaining frameworks and for the involvement of social partners in the design and implementation of policies.</p> <p>Finally, the Commission fully agrees with the need to prevent in-work poverty, as also called for by the European Pillar of Social Rights.</p>
<p>1.12 The EESC believes that the European authorities should commit themselves effectively to the fight against misappropriation of public funds, tax fraud and aggressive tax planning, money laundering, tax havens and unfair tax competition between Member States. This is not only a requirement in terms of political ethics and compliance with laws; it is also a stabilising factor for public finances.</p>	<p>The Commission has promoted a very ambitious agenda against tax evasion and avoidance in recent years, and there is now substantial Union law in place to increase tax transparency, block tax avoidance and counter money laundering. This should help Member States fight tax abuse and protect their national revenues. The Union's listing process for non-cooperative tax jurisdictions is also incentivising countries worldwide to review their tax regimes and systems, and bring them into line with good governance standards. In addition, provisions are now included in Union legislation governing financing and investment operations that ensure that Union funds are not used in projects supporting tax avoidance or money laundering.</p>
<p>3.1 The EESC reiterates the need for a general economic policy strategy that takes into account international agreements, environmental sustainability objectives, the reduction of energy dependency, the digital revolution, and other global challenges. The EESC appreciates the Commission's initiatives in these areas but, as it stated in its opinion on the Economic and monetary</p>	<p>The Commission agrees with the aims outlined in the Committee's opinion, and holds them as being implicit in the conditions and framework within which the recommendations for the economic policy of the euro area should be applied. Nevertheless, the scope of those recommendations is limited to economic policy for the euro</p>

union package, it feels that there is no economic strategy at European level that covers them, nor sufficient resources to finance them.

area.

Building on the vision set out in the Five Presidents' Report, the Commission presented its roadmap for deepening Europe's Economic and Monetary Union in December 2017. As a next step, in the Multiannual Financial Framework, in May 2018 the Commission proposed two new budgetary instruments for the deepening of the Economic and Monetary Union, namely a European Investment Stabilisation Function alongside a proposal for a Reform Support Programme.

The European Investment Stabilisation Function would help maintain public investment levels in the event of large asymmetric shocks, thus preserving stability and facilitating economic recovery.

The Reform Support Programme would provide support for priority reforms in Member States. It comprises three different elements: a Reform Delivery Tool, to provide financial support to reforms; a Technical Support Instrument, to provide technical expertise; and a Convergence Facility, to boost support for Member States wishing to join the euro. The programme will be voluntary, with no co-financing required from the Member States. The overall size of the budget of the Programme is EUR 25 billion. It builds on the experience of the Structural Reform Support Programme.

Those instruments are complementary to, and will work in full synergy with the reform priorities identified in the context of the European Semester of

	<p>economic policy coordination, as well as other European Union funding instruments for jobs, growth and investment, such as the European Structural and Investment Funds, the new InvestEU Fund and the Connecting Europe Facility.</p>
<p>3.4 The EESC calls on the Commission to ensure the implementation of the European Pillar of Social Rights and to follow the recommendations of the EESC opinion on Funding the European Pillar of Social Rights , and regrets that the Council's recommendations and the Commission's 2021-2027 MFF proposal make no reference to this. Likewise, the recommendations of the high level group on investing in social care and support should be taken into account.</p>	<p>The European Social Fund+ will be the European Union's main financial instrument to strengthen Europe's social dimension, by putting the European Pillar of Social Rights into practice.</p> <p>The European Social Fund+ proposal²³, adopted on 30 May 2018, with a total budget of EUR 101 174 million in current prices, will significantly contribute to the implementation of all three chapters of the European Pillar of Social Rights: equal opportunities and access to the labour market, fair working conditions and social protection and inclusion.</p> <p>Moreover, the European Regional Development Fund will continue strongly supporting the implementation of the European Pillar of Social Rights.</p> <p>Ample references are made to the implementation of the European Pillar of Social Rights in the Multiannual Financial Framework proposal, in the proposal for the Common Provisions Regulation, and the European Social Fund+ proposal.</p> <p>The Commission's proposals on the European Union Funds place a strong emphasis on simplifying, reducing administrative burden and delivering</p>

²³ COM(2018) 382 final.

	results.
<p>3.8 The EESC recognises there are limitations to a meaningful fiscal policy at the level of the EU because of the limited nature of the economic union that relies mainly on the coordination of economic policies of its constituent states compared with the full monetary union. In particular, the EESC draws attention to the fact that, to date, the Commission and the Council have paid little attention to the asymmetric nature of the European Semester process, which focuses solely on ensuring that remedial action is taken in Member States with deficit balances. The Commission and the Council should propose measures that would prevent both excessive deficits and surpluses.</p>	<p>The common fiscal rules are geared towards pursuing debt sustainability at national level, while providing room for macroeconomic stabilisation. The Commission is recommending that Member States differentiate their fiscal policies according to their specific situation. The most recent example is the Commission recommendation for a Council recommendation on the economic policy of the euro area (COM(2018) 759 final), which stated that ‘the strengthening of fiscal sustainability of the euro area and its Member States requires differentiated national policies in full respect of the Stability and Growth Pact and should take into account fiscal space.[...] Increasing public investment, in particular in Member States with fiscal space, would support growth and rebalancing’. However, the Commission is aware of the limitations of the current architecture of the Economic and Monetary Union, in particular with regard to instruments to absorb large macroeconomic shocks in the euro area. For that reason, on 31 May 2018, the Commission proposed a Regulation for the establishment of a European Investment Stabilisation Function. Within the existing set-up where fiscal policy is a national prerogative, such proposal aims at supporting the ability of euro-area Member States to respond better to rapidly changing economic circumstances and stabilise their economy in the event of large asymmetric shocks, without endangering fiscal sustainability.</p>

<p>3.9 Another reason to question the neutral fiscal stance is the investment gap in the euro area. A return to pre-crisis levels has not been achieved. Public investment has decreased from an essentially stable level of 3.2% of GDP (in 1997-2007, and between 2009 and 2013), to a level of 2.6% of GDP in 2017 and 2018. This gap is one of the most negative factors in the economic situation and represents a serious handicap for the future of Europe's economy and societies. As a result, the EESC reiterates its request that the financial "golden rule" be applied, in other words that investment expenditure should not be counted for the purposes of compliance with the SGP deficit targets, bearing in mind the sustainability of public finances in the long term. The EESC draws attention to the fact that spending money on productive investment may also contribute to this sustainability.</p>	<p>The Commission is mindful of the positive impact of productive investment on potential growth and of the corresponding effect on the dynamic of the debt-to-Gross Domestic Product ratio. In order to keep a representative view of the state of public finances, the Stability and Growth Pact cannot envisage the exclusion of any kind of expenditures from the scope of budgetary surveillance. However, a specific treatment to take into account the need to preserve and foster public investment is embedded in the Stability and Growth Pact, in particular in difficult times. Furthermore, the Communication on 'Making the best use of the flexibility within the existing rules of the Stability and Growth Pact'²⁴ issued by the Commission in 2015 and the ensuing 'Commonly agreed position on Flexibility within the Stability and Growth Pact' endorsed by the Economic and Financial Affairs Council provide additional guidance on the best possible use of the flexibility within the existing rules of the Stability and Growth Pact, including to foster productive investment, without modifying or replacing those rules.</p>
<p>3.10 It is important to underline that this investment gap is also found in Member States that ought to contribute to a more active European fiscal policy. A significant example might be public investment in Germany. The German public investment was 2.1% of its GDP between 2013 and 2017, one of the lowest rates in the euro</p>	<p>External rebalancing, including large external surplus, is at the core of the Commission macroeconomic surveillance. In view of this, the Commission and the Council have repeatedly invited Member States with large current account surpluses, like Germany or the Netherlands, to foster</p>

²⁴ COM(2015) 12 final.

<p>area. Its net rate of public capital formation (taking into account the depreciation of the capital stock) was negative (-0.08%) in the same period, as it was in 2003-2007 (-0.11%), and was only +0.06% in 2008-2012. Meanwhile, the net rate of private capital formation, which was between 6% and 8% of GDP in the 1990s, fell from 3.2% to 2.2% of GDP between 2008 and 2017. At the same time, Germany financed investments in other countries. Its balance of payments surplus – 8.0% of GDP in 2017 – is forecast to reach 7.9% in 2018 and 7.6% in 2019. The recommendations of the Council and the Commission should send an important signal and help to remedy the low domestic investment level in Germany. Improved credibility in the sustainability of economic policies should promote public and private investments also in other countries experiencing current account surpluses.</p>	<p>investment and support domestic demand, including by using fiscal policy. In the case of Germany, the recommendations of the Commission and the Council have repeatedly invited Germany to address its investment weakness and to improve its growth potential by: accelerating public investment while respecting the fiscal objective; facilitating private investment and supporting productivity by reforming the services sector and regulated professions and making taxation more investment friendly; stimulating the labour market activity of second earners, low-income earners and older workers to boost households' incomes.</p>
<p>3.11 The EESC calls on the Commission and the Council, taking into account Article 3 of the Treaty on European Union, to treat the growth of investment rates as a priority aim of the euro area's economic policy guidelines, until they return to pre-crisis levels. This growth should be geared towards a model of sustainable development in its three dimensions: economic, social and environmental.</p>	<p>Notwithstanding the rightly emphasised priority given to the growth of investment rates, they should return to values justified by economic fundamentals. In the years leading up to the global economic and financial crisis, investment rates exceeded such values in certain countries, mainly reflecting investment in construction that was both unsustainable in the long run and not contributing to growth in productive capacity. Therefore, the Commission fully supports the call for investment that leads to sustainable development as described.</p>
<p>3.13 The expansionary monetary policy is coming to an end. Quantitative easing will end in December when the ECB stops buying assets. As of summer 2019, following the assessment of the medium-</p>	<p>The strengthening of fiscal sustainability of the euro area requires differentiated national policies taking into account Member States' fiscal space and the cyclical conditions of the</p>

<p>term inflation outlook, the reference interest rates may begin to rise. The ECB president, Mario Draghi, has been insisting for several years that fiscal policy, together with appropriate structural reforms, should aid monetary policy in order to strengthen recovery and achieve the inflation targets. As have the IMF, the OECD, and many academic circles. With regard to fiscal policy, this request has not been taken on board by European policy-makers. Now that monetary policy is retreating, a more active fiscal policy in the euro area is all the more necessary.</p>	<p>economy, in compliance with the Stability and Growth Pact. At the current juncture, Gross Domestic Product exceeds potential output in almost all euro-area Member States. Thus, some euro-area Member States that still have high public debt should take advantage of the favourable macroeconomic conditions and the accommodative monetary policy to rebuild fiscal buffers. At the same time, Member States that have sizeable budget surplus should use part of them to increase investment.</p>
<p>3.14 There are other economic and social factors, and internal political imbalances, as well as economic risk factors and global geopolitical uncertainties, which should also encourage the use of fiscal policy to strengthen growth and to overcome the consequences of the crisis, which are still being felt in many European countries. What the EESC is proposing helps to better ensure medium-term financial sustainability and to reduce the imbalance of excessive surpluses.</p>	<p>The Stability and Growth Pact allows calibrating the pace of fiscal adjustment, with the double objective to support the economy and preserve the sustainability of public finances. Furthermore, the Commission recommends that all Member States should improve the quality and composition of public finances. In line with the past recommendations to the euro area, some Member States with large external surpluses plan to use some of their fiscal space in 2019. This is useful to enhance their potential growth and will contribute to the correction of imbalances.</p>
<p>3.15 In order to overcome and counteract the political instability and the centrifugal forces that have been growing within the EU since the crisis and questioning its very existence, there is a need for robust projects to reform the EMU and the EU involving more integration with more democracy and a stronger social dimension; there is also a need to strengthen growth by means of budgetary and fiscal policies, with a model that promotes the reduction of inequality in income distribution. This is possible</p>	<p>The Commission shares the Committee's concerns for reform of the Economic and Monetary Union, inclusiveness, and growth. This is why the recommendations on the economic policy of the euro area call for Member States to pursue policies that support growth that is sustainable and inclusive, and to increase productivity growth and investment, thereby increasing growth potential. This is also why the recommendations invite</p>

<p>without calling into question the future sustainability of public finances. A strategy to complete the EMU should also be launched, incorporating all EU Member States that are not constitutionally exempt.</p>	<p>an appropriate balance between ensuring the sustainability of public finances and supporting the economy through investment. The recommendations also call for Member States to support sustainable and adequate social protection systems, which contribute to social inclusion. Finally, an entire recommendation is dedicated to calling for swift progress on completing the Economic and Monetary Union, taking into account the Commission initiatives launched in autumn 2017, and in an open and transparent manner towards non-euro area Member States.</p>
<p>3.16 Outbreaks of global geopolitical instability (some of them in the EU's neighbourhood), and the deterioration in transatlantic relations in relation to trade, the environment and foreign, security and defence policy brought about by the decisions of the current American administration, prompt the EESC to underline the importance of ensuring that the EU has a strong economy that supports its political leadership in the world. A trade war on several fronts, coinciding with a rise in economic and political nationalism, would create a high-risk economic and geopolitical scenario. The EU should try to avoid this and, if necessary, be prepared to deal with it.</p>	<p>The Commission fully agrees with the Committee that a trade war on several fronts, coinciding with a rise in economic and political nationalism, would create a high-risk economic and geopolitical scenario, and that the Union should try to avoid this and, if necessary, be prepared to deal with it. In this context, the Presidents of the European Commission and of the United States of America agreed on 25 July 2018 to launch a new phase in the trade relationship between the United States and the European Union, with a view to facilitating trade and avoiding an escalation of trade tensions.</p> <p>A Joint Statement was adopted, providing for the elimination of tariffs on industrial goods; increased cooperation on regulatory issues and standards; the facilitation of trade in soybeans; and increased trade in liquefied natural gas (LNG) to allow the European Union to better diversify its energy supply. They also agreed to join forces to better protect European</p>

	<p>and United States companies from unfair global trade practices and to work closely with like-minded partners to reform the World Trade Organisation. An Executive Working Group was set up to carry that joint agenda forward, and was asked inter alia to identify short-term measures to facilitate commercial exchanges. It was agreed that during the process of implementing the Joint Statement the European Union and the United States would fully respect the spirit of this agreement, unless either party terminates the negotiations. Both sides also agreed to resolve the steel and aluminium tariff issues. The Commission is committed to implement the Joint Statement of 25 July 2018 in good faith.</p>
<p>3.20 Despite the economic recovery, in many countries there is a discrepancy between previously existing jobs and newer ones, which are more precarious and offer lower wages. This gap is also generational: it particularly affects young people, as well as many workers in the digital economy whose work depends on online platforms. The recommendations made by the Council and the European Semester have revealed their concern about improving the quality of employment. The EESC calls for concrete plans and measures to ensure that this is a priority. The participation of the social partners in the adoption of the necessary measures, by means of social dialogue and collective bargaining, is essential. Likewise, it is essential that measures are taken enabling the lowest wages to be significantly increased. The participation of civil society organisations in improving workers' social and living</p>	<p>The Commission is aware that technological change brings along both opportunities and challenges. To ensure that all citizens can reap the benefits of these changes, investment in education, skills and training is crucial.</p> <p>Moreover, it is key to provide equal access to social protection for all workers, including the self-employed and those in non-standard forms of employment. Apart from the policy recommendations issued in the frame of the Semester, the Commission has proposed a specific Council Recommendation on access to social protection for workers and the self-employed.</p> <p>The Commission has put in place in 2015 a structured dialogue with the civil society organisations that work in the social area and receive European Union funding. That structured</p>

<p>conditions should also be encouraged.</p>	<p>dialogue gives the Commission the possibility to consult them regularly on any type of files related to social and employment issues.</p>
<p>3.21 The Council's recommendation on the rise in wages, if rigidly applied, would only affect a small number of countries and could lead to additional divergences between them as well as to an increase in inequalities. The EESC considers that the increase in productivity brought about by greater investment, more innovation and better training of workers should improve the competitiveness of the weaker European economies, as opposed to internal devaluations which, moreover, have undesirable social consequences. The increase in wages also contributes to the growth of domestic demand and promotes fiscal balance through increased tax revenues.</p>	<p>See also reply to the point 1.8 above.</p> <p>Higher productivity growth in countries that lag behind is a precondition for real convergence and reduction in cross-country wage differences. The Council's recommendation on wage increases takes into account the need to align real wage growth with productivity growth over the medium term in a subset of countries, in addition to the rebalancing issue. Realignment of wage and productivity developments may contribute to making growth more inclusive.</p> <p>Whilst the recommendation mentions countries with large current account surpluses in particular, faster wage growth in those countries also allows other countries to gain competitiveness without having to resort to 'internal devaluations', i.e., cuts to their nominal wages.</p>
<p>3.22 In any case, wage levels need to be determined by the social partners through collective bargaining. Legislation may also contribute to this in certain Member States, at least as far as minimum wages are concerned. The European Semester should encourage Member States to adopt measures that strengthen collective bargaining, based on the autonomy of the social partners as well as on social dialogue, particularly in those Member States where these have been weakened by crisis management policies, or where this right does not currently exist, in spite of the provisions of Article 28 of the EU Charter</p>	<p>The Commission supports the strengthening of social dialogue and collective bargaining, as called for by the European Pillar of Social Rights.</p> <p>While social dialogue should take place according to national specificities, the importance of fully involving social partners has been repeatedly called for by the Commission in the frame of the European Semester. As stated most recently by the 2019 Annual Growth Survey, 'in a context of declining collective bargaining coverage, policies enhancing the institutional capacity of social partners could be beneficial in</p>

of Fundamental Rights.	countries where social dialogue is weak or has been negatively affected by the crisis’.
<p>3.24 In the same study, the OECD emphasises that the EU budget is small and has been decreasing in relation to European GNI since 1993. The EESC is very concerned to find that this trend would continue if the post-2020 MFF is adopted as proposed by the Commission, making it more difficult to act to achieve upwards economic and social convergence among European countries. As noted in its opinion on the Reflection Paper on the Deepening of the Economic and Monetary Union , the fact that an agreement has yet to be reached with regard to completing the EMU along the lines explored in the Future of Europe reflection papers is having a negative impact on this situation.</p>	<p>The Commission put forward in May 2018 a new, modern long-term budget, tightly geared to the political priorities and objectives of the Union at 27. The proposed budget combines new instruments with modernised programmes to deliver efficiently on the Union’s priorities and to rise to new challenges. The proposals also show how the financing of the budget could be simplified and reformed to forge a stronger link with the political priorities. Those proposals are designed to make a unique impact in building a prosperous, secure and cohesive Europe. They do so by focusing on the areas where the Union is best placed to deliver.</p> <p>In each area, the Commission proposes the level of funding that will be needed to live up to our collective ambitions. The legal proposals for the individual future financial programmes will follow in the coming weeks.</p> <p>The proposals also respond in a realistic and balanced way to the budgetary consequences of the withdrawal of the United Kingdom. The departure of an important contributor to the Union budget will have a financial impact and the future Financial Framework must take account of that. Maintaining a level of support that matches the Union’s ambitions across the priority areas will require additional contributions from all Member States in a fair and balanced way. In parallel, no effort must be spared to make the Union</p>

	<p>budget more efficient. The Commission is proposing savings in some of the main spending areas and reforms across the budget to make it more streamlined and to get the most from every euro.</p>
<p>3.26 Business investment needs to be encouraged in order to promote growth. The EESC reiterates the importance of quickly completing the Capital Markets Union and finalising the process to establish the Banking Union. The EESC is concerned about the delays that the Banking Union is experiencing – as a common protection mechanism, using the ESM, has still not been provided for the Single Resolution Fund – and about the obstacles being encountered in the effort to set up a European deposit insurance scheme (EDIS), which go beyond the justified fears that the large number of non-performing loans in some countries can cause.</p>	<p>The Commission welcomes the Committee's support for the completion of the Banking Union and the Capital Markets Union.</p> <p>In 2018, the focus has been on risk reduction measures: decisive progress has been made in the negotiations on the Banking Package and on aspects of the Commission's proposals on the non-performing loans package.</p> <p>In parallel, data shows that banks' capital and liquidity positions have continued to improve and banks' leverage has decreased while loss-absorbing capacity has increased. At the same time, Nonperforming Loans on banks' balance sheets have continued to decline and MREL buffers (MREL) are being built up.</p> <p>The Commission has repeatedly declared that risk reduction and risk sharing should go hand in hand to allow the Banking Union to deliver its full potential in reinforcing financial stability and underpinning the single market in banking.</p> <p>The Commission welcomes the agreement to create a common backstop for the Single Resolution Fund and the endorsement of a term sheet on the European Stability Mechanism (ESM) reform.</p> <p>With respect to European deposit insurance scheme, the Commission set out its ideas for the way forward in its</p>

	<p>October 2017 Communication on completing the Banking Union and shares the view that European deposit insurance scheme should be put in place as soon as possible. Extensive technical work has taken place and the achievements on risk reduction pave the way for progress on this front.</p>
<p>3.28 The EESC reiterates the need to urgently implement additional effective measures against misappropriation of public funds, tax evasion, money laundering, tax havens and unfair tax competition, starting with the implementation of the fifth Directive against money laundering and terrorist financing and drawing up a single consistent and reliable list of real tax havens worldwide to which appropriate sanctions are applied.</p>	<p>The first Union list of non-cooperative jurisdictions was agreed in December 2017, and will be updated in early 2019. In addition to the 'blacklist', the Union's listing process has also resulted in around 70 countries worldwide taking concrete commitments to improve their tax good governance standards. Member States also agreed on sanctions that could be applied to the jurisdictions listed by the Union, and work is ongoing to see how these sanctions can be coordinated further.</p> <p>The implementation of the fourth anti-money laundering Directive was an important step forward, also from a tax perspective. There is a strong link between money laundering and tax evasion and therefore it is welcome that Member States agreed that tax crime is explicitly mentioned as a criminal offense in the context of money laundering. The fifth anti-money laundering Directive, which should be transposed by Member States by 10 January 2020, would further contribute to that agenda by enhancing the rules on the collection and transparency of beneficial ownership information.</p>
<p>3.29 Effective measures should also be taken to combat aggressive tax planning practised by multinational companies,</p>	<p>Concerning aggressive tax planning (ATP), in 2019 the Commission will be reviewing the transposition of the Anti-</p>

<p>particularly in the digital economy. This crucial fight must be able to blend the broad thrust of global measures with other measures that can be applied in the EU. At the same time, appropriate tax harmonisation in the euro area and in the EU needs to be progressively developed.</p>	<p>Tax Avoidance Directive in all Member States, which should be effective for the 1 January 2019, bringing new and harmonized anti-abuse rules for all Member States to reduce the risk of aggressive tax planning.</p> <p>The Commission has also proposed the Common Consolidated Corporate Tax Base (CCCTB) that is a very effective response to aggressive tax planning within Member States and a breakthrough in terms of tax harmonization.</p> <p>It has also tabled the Public Country-by-country reporting to increase transparency requirements of multinational enterprises in terms of taxes.</p> <p>Concerning particularly the digital economy, which will already benefit from the measures mentioned above, the Commission has also made a dedicated proposal on a Digital Services Tax. It will address the distortion of the level-playing field between non-digital and digital companies, the latter being able to avoid or decrease their tax liabilities by avoiding permanent establishment in Member States.</p> <p>Those three proposals remain under discussion in the Council.</p>
---	---

<p>N°32 Road infrastructure safety management COM(2018) 274 final EESC 2018/2974 - TEN/667 538th Plenary Session – October Rapporteur: Brian CURTIS (Gr.II-UK) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 The European Economic and Social Committee (EESC) welcomes the proposal to amend Directive 2008/96/EC on Road Infrastructure Safety Management (RISM). In particular, the Committee believes that the measures put forward by the Commission should overcome the shortcomings of the current directive (harmonisation, information sharing and limited scope) and should play a key role for the implementation of the Strategic Action Plan on Road Safety.</p>	<p>Infrastructure indeed plays a key role in the Commission's Strategic Action Plan on Road Safety (see chapter 3 of the Action Plan), as it is a contributing factor in about 30% of serious road accidents. The proposal for a revision of Directive 2008/96/EC²⁵ addresses the shortcomings of the current directive by introducing a network-wide road assessment that should allow comparisons across the European Union, more transparency in the follow-up to road safety management procedures and an extension of scope beyond the Trans-European Transport Network to all primary roads.</p>
<p>1.2 The Committee endorses the initiative "Vision Zero", which aims to record no fatalities and serious accidents on the roads by 2050, to be achieved adopting the "Safe System" approach, promoted by the World Health Organisation. The implementation of this strategy will require the involvement of all sectors and of all road users to achieve strengthened governance. It is important that the indicators are clear and can be monitored. Civil society organisations should be actively involved in</p>	<p>The Commission is working closely with Member State experts to define a limited number of clear key performance indicators, to be finalised in mid-2019, which will be used to monitor progress throughout the period 2021-2030.</p> <p>The Commission's strategy is devised as an open process which strongly encourages involvement of civil society, for example by inviting their contributions to biennial results</p>

²⁵ Directive 2008/96/EC of the European Parliament and of the Council of 19 November 2008 on road infrastructure safety management; OJ L 319, 29.11.2008, p. 59–67.

<p>all stages of shaping, implementing, monitoring and evaluating the strategy.</p> <p>4.3 The Committee endorses the "Vision Zero" goal to be achieved using the "Safe System" approach. This will require the involvement of all sectors and of all road users to achieve strengthened governance. It is important that the indicators set for meeting these goals are clear and can be monitored. Civil society organisations should be actively involved in all stages of the shaping, implementation, monitoring and evaluation of the strategy.</p>	<p>conferences and meetings of the High Level Group on Road Safety (at the stage of shaping policy as well as in gathering their views of its implementation), in the context of the European Road Safety Charter (http://erscharter.eu) and in the activities of the newly nominated European Coordinator for road safety and related aspects of sustainable mobility. An important part of the Coordinator's mandate is to listen to all stakeholders and to link them into relevant discussions.</p>
<p>1.3 The Committee believes that a systematic and proactive risk mapping procedure across the TEN-T network and on all motorways, as well as all primary roads, is a crucial step in planning new infrastructure measures. Nevertheless, due to the different states of implementation of the current RISM directive, it is important to establish realistic targets and deadlines for all Member States and to provide financial support for the most backward regions, included Six Western Balkans Countries. Furthermore, the Committee argues that the scope of the RISM should be extended to all main rural and urban streets, in order to achieve an effective drastic reduction in fatal and serious accidents by 2030.</p> <p>4.6 The Committee believes that the initiative for a systematic and proactive risk mapping procedure across the European TEN-T network and on all motorways (outside of the TEN-T network), as well as all primary roads, is a crucial step in planning the scale and type of infrastructure measures to be taken on the European road network. Nevertheless, due to the different</p>	<p>Targets and deadlines are discussed in the context of the ongoing negotiations on this proposal. The Commission hopes that co-legislators will maintain the high level of ambition in the original proposal.</p> <p>Road infrastructure safety upgrades already qualify for funding under structural and cohesion funds, and the Commission encourages cohesion countries to make greater use of these possibilities. In parallel to this proposal, the Commission is working on strengthening funding solutions for road safety, including in cooperation with the European Investment Bank.</p> <p>As regards the Western Balkan countries, please see under point 5.3 below.</p> <p>As regards a possible extension of scope to urban roads, the Commission shares the objective to reduce drastically fatalities and serious injuries. However, its impact assessment showed that the Directive's instruments are less suited for an urban context, and might entail excessive</p>

<p>states of implementation of the current RISM Directive, it is important to establish realistic targets and deadlines for all Member States, and to provide adequate financial measures to support the most backward regions and countries²⁶.</p> <p>5.2 The Committee, in line with the recommendation of the European Transport Safety Council²⁷, argues that the scope of the RISM should be extended to all main rural and urban streets. This wider approach is necessary to achieve an effective drastic reduction in fatal and serious accidents by 2030. This proposal is based on the fact that the Commission proposal has an impact on half of the accidents that occur on EU roads, and that the great majority of the serious injuries occur on urban roads.</p>	<p>implementation costs for local authorities.</p>
<p>1.4 The EESC considers the achievement of high road safety performances to be strategic, but an increased budget is needed in the next Multiannual Financial Framework 2021-2027, in order to ensure continuity in the long term, so that the ambitious targets the EU has set itself can be met. In particular, the Committee points out that the EU strategy is mainly focused on financing the building of new infrastructure, but adequate funds should also be allocated to the maintenance and upgrading of existing roads. Moreover, the EESC believes that a stronger budget for transport will have an additional positive impact for Europe's growth and jobs.</p> <p>4.4 The EESC welcomes the decision to</p>	<p>The Commission takes good note of the Committee's view that an increased budget is needed for transport under the next Multiannual Financial Framework. It agrees that investment in transport should have beneficial effects for growth and jobs.</p> <p>The Commission is working on facilitating access to funding for road safety. The purpose is indeed not to focus on building new roads, but on road safety upgrades of existing roads. It should also be noted that, under the European Fund for Strategic Investment (EFSI), financing of upgrading and rehabilitation of transport infrastructure is already available.</p>

²⁶ TEN/669, Implementation of the TEN-T projects, Dumitru Fornea, 2018, (See page XX in the OJ).

²⁷ COM(2018) 274 p.7.

<p>allocate EUR 200 million (period 2018-2020) to road safety. However, the Committee considers it necessary to increase the financial envelope available in the next Multiannual Financial Framework (MFF) 2021-2027, in order to ensure continuity in the long term, so that the ambitious targets the EU has set itself can be met²⁸. (The European Commission has estimated that the investments needed to deliver the core TEN-T network will amount to around EUR 500 billion for the period 2021 to 2030, while the finalisation of the comprehensive network will cost around EUR 1 500 billion.)</p> <p>4.5 The EESC believes that a stronger budget for transport will have an additional positive impact for Europe's growth and jobs. The funds invested will have a leverage effect, helping to create 13 million jobs a year up to 2030 and to generate additional revenue of up to EUR 4500 billion (1.8% of the EU GDP). This means that every billion euro invested in the TEN-T network should create up to 20 000 jobs²⁹.</p> <p>4.7 The Committee points out that the EU strategy is mainly focused on financing the building of new infrastructure. Nevertheless, the maintenance and upgrading of existing roads should also receive adequate funds, because these factors are equally crucial for keeping a high standard of road safety.</p>	
<p>1.5 The Committee supports the proposal on new performance requirements for road markings and signs, to develop cooperative, connected and automated mobility systems (C-ITS). The EESC recommends extending</p>	<p>The Commission welcomes the Committee's support as regards road markings and signs. It promotes the spreading of good practice and successful legislative as well as non-</p>

²⁸ COM(2018) 277.

²⁹ TEN/672, Connecting Europe Facility (CEF), Plosceanu and Watson, 2018, (Not yet published in OJ).

<p>such an approach to all available transport (intermodality), in order to maximise the impact of such a strategy. Also, the EESC considers that any strategy on road safety should start from proper education and training for private and professional drivers, because human error is still the main cause of accidents.</p> <p>4.8 New performance requirements for road markings and signs are crucial to developing cooperative, connected and automated mobility systems (C-ITS). The Committee considers it essential to enable vehicles and road infrastructure to exchange information constantly in order to face the "mixed traffic system", characterised by vehicles using different technologies: human, assisted and automated driving³⁰. To complete the strategy on safe mobility it is important to extend such an approach to all available transport (intermodality), with a direct impact on the reduction and safety of traffic volumes³¹.</p> <p>4.9 The EESC is convinced that new technologies can make a sensible contribution to upgrading road safety standards, taking into account their limitations and the precautions that needed when using them. Also, the EESC considers that any strategy on road safety should start from proper education and training for private and professional drivers, because human error remains one of the main causes of accidents.</p>	<p>legislative approaches across modes, taking into account the specificities of each mode.</p> <p>Training of drivers is indeed another crucial aspect of the Commission's road safety work. Council and Parliament have recently adopted revised European Union rules on training for professional drivers. The Commission is exploring possible future initiatives regarding safe road use (see chapter 5 of the Action Plan).</p>
<p>1.6 The EESC supports the proposal to take vulnerable road users into account systematically in all road safety management</p>	<p>Technological developments regarding vehicles and infrastructure need to go hand in hand. This is why the present</p>

³⁰ TEN/673, Connected and automated mobility, Samm, 2018, (See page XX in the OJ).

³¹ TEN/666, Sustainable Mobility for Europe, Barbucci, 2018, (See page XX in the OJ).

<p>procedures. In particular, the Committee recommends parallel development with other specific safety provisions for vehicles to close the loop.</p> <p>4.10 The EESC supports the proposal to take vulnerable road users into account systematically in all road safety management procedures. This approach is in line with new trends and habits of EU citizens (e.g. more cyclists). The Committee recommends parallel development with other specific safety provisions for vehicles to close the loop (e.g. advanced emergency braking systems, lane departure warning and a different design for heavy-duty vehicle cabins to facilitate visibility of cyclists and pedestrians, as well as sensors to detect them)³².</p>	<p>proposal is closely linked to the parallel proposal for a revision of the Vehicle General Safety Regulation, which seeks to make a number of vehicle safety features mandatory, including features to protect vulnerable road users, such as advanced emergency braking and direct vision requirements for lorries.</p>
<p>5.1 The EESC considers it important that physical and digital infrastructure be developed in parallel. It is also important to complete 5G coverage on all of Europe's motorway and primary road networks as soon as possible to enable effective connectivity between roads and vehicles and between vehicles and vehicles³³. Here too, the EESC recommends adequate and long-term financial support in the next MFF 2021-2027.</p>	<p>The implementation of Directive 2010/40/EU³⁴ (the Intelligence Transport Systems Directive) provides for the deployment of a digital Intelligence Transport Systems infrastructure through national access points where road, traffic and travel data are made available to service providers to support the development and provision of road safety-related, safe and secure parking places for trucks, real-time traffic and multimodal travel information services.</p> <p>Regarding connectivity, the Commission is currently finalising European Union specifications necessary to ensure compatibility, interoperability and continuity for the</p>

³² INT/863, Security of vehicles/protecting vulnerable road users, Hencks, 2018, (Not yet published in OJ).

³³ TEN/673, Connected and automated mobility, Samm, 2018 (See page XX in the OJ).

³⁴ Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport Text with EEA relevance; OJ L 207, 6.8.2010, p. 1–13.

	<p>deployment and operational use of European Union-wide Cooperative Intelligence Transport Systems services based on trusted and secure vehicle-to-vehicle and vehicle-to-infrastructure communication.</p> <p>Regarding 5G, the Commission has adopted in September 2016 the Communication <i>5G for Europe: An Action Plan</i> {COM(2016)588}, with in particular the target of uninterrupted 5G coverage by 2025 for all urban areas and all major terrestrial transport paths.</p>
<p>5.3 In 2015, the EU began a new venture to extend TEN-T strategy to the Western Balkans³⁵. This initiative, supported through the Western Balkans Investment Framework (WBIF) and the Connecting Europe Facility (CEF), should have a crucial impact on the EU enlargement process. The EESC recommends including the implementation of the Strategic Action Plan on Road Safety in the framework of this ambitious infrastructural project. This measure should be in line with the Commission proposal to extend the scope of RISM to road infrastructure outside urban areas completed using EU funding. In particular, it should enable six Western Balkans Countries to join the EU without experiencing a safety and infrastructural gap.</p>	<p>All six Western Balkans countries endorsed a Road Safety Declaration in 2018, prepared in close cooperation and with continuous advice from the Commission. The Declaration calls for 'applying the infrastructure safety management principles on the trans-European road network, and in particular on its most dangerous sections through a combination of proper planning and safety assessment, design, building and maintenance of roads'. The Commission encourages its swift implementation. Furthermore, Western Balkans countries are encouraged to follow the European Union's Road Safety Policy Framework 2021-2030 and its Strategic Action Plan on Road Safety when developing overall policies and concrete measures to improve their road safety records.</p>

³⁵ http://europa.eu/rapid/press-release_STATEMENT-15-4826_de.htm

<p>N° 33 European Maritime Single Window environment + Electronic freight transport information COM(2018) 278 final COM(2018) 279 final EESC 2018/3005 – TEN/668 538th Plenary Session – October Rapporteur: Stefan BACK (GR.I-SE) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>European Maritime Single Window environment (EMSWe)</p> <p>-----</p> <p>1.4 The EESC underlines that the adequacy of the standard and certification requirements to be defined by the Commission in delegated or implementing acts will be of key importance to the correct operation of the planned concepts and to the confidence of users in digital solutions. [...]</p> <p>1.5 The EESC believes that flawless functioning of the systems, ensuring security, integrity of communications, privacy and confidentiality of commercial and, as appropriate, other sensitive information, are key elements for creating confidence. The EESC draws attention to the ongoing work in the Economic Commission for Europe (UNECE) of the UN Economic and Social Council to ensure high and universal standards in this regard.</p> <p>1.8 and 3.12 The EESC draws attention to the potential added value of being able to submit electronic information to authorities worldwide in accordance with harmonised standards such as those being developed by UNECE.</p>	<p>European Maritime Single Window environment (EMSWe)</p> <p>-----</p> <p>The absence of binding common standards in the Reporting Formalities Directive has led to the introduction of National Single Windows technically different for practically each port call. Data sets, formats and interfaces differ, sometimes even within a Member State. In order to overcome this situation and reach the objective of reducing the administrative burden in maritime, the Commission has put the mandatory harmonisation of standards, formats and interfaces used across Europe amongst the main pillars of the proposal on the European maritime Single Window environment.</p> <p>In this work, considering the international dimension of the maritime sector, the Commission will take into account the standardisation work carried out by the most important international sectorial bodies, such as the World Customs Organisation, the United Nations Economic Commission for Europe and the International Maritime Organisation, in which the</p>

	Commission takes part actively.
<p>1.9 and 4.1.4 Regarding the Maritime Single Window proposal, the EESC is concerned that the option left open for specific national requirements could easily turn into an obstacle to the smooth functioning of the internal market. The EESC expects that the implementation of this option will be closely monitored by the Commission and that a continuous dialogue between the Commission and the Member States will help to limit specific national requirements.</p>	<p>The impact assessment showed that the majority of the stakeholders, including Member States, perceive that the benefits from including the national requirements would be higher for them than the overall costs. The Commission acknowledges that the reporting obligations stemming from national and local legislation are often disproportionate compared to the other modes of transport. The Commission has already started work to inventory and study possible harmonisation of national and local reporting requirements. In order to tackle the issue of proliferation of national reporting requirements, the proposal on the Maritime Single Window entitles the Commission to assess the necessity of the inclusion of additional national data elements into the European Maritime Single Window environment data set. The Commission will take into account the principle set out in the Facilitation of International Maritime Traffic (FAL) Convention of the International Maritime Organisation where requests for additional information should be kept to a minimum.</p>
<p>3.2 The EESC reiterates its support for innovative solutions and supports the form of legislative act chosen, considering that clear and mandatory obligations on Member States are a necessity if an electronic information system is to work adequately across the European Union.</p>	<p>The Commission agrees that the Reporting Formalities Directive 2010/65/EU³⁶ did not achieve its objectives. To achieve the objectives and avoid difficulties during implementation, a Regulation replacing the current Directive is proposed as the</p>

³⁶ Directive 2010/65/EU of the European Parliament and of the Council of 20 October 2010 on reporting formalities for ships arriving in and/or departing from ports of the Member States and repealing Directive 2002/6/EC Text with EEA relevance; OJ L 283, 29.10.2010, p. 1–10.

<p>3.3 In this context, the EESC calls to mind its warnings about problematic implementation – because its substance is predominantly non-mandatory – of the directive that the Maritime Single Windows proposal would, if adopted, repeal.</p>	<p>most adequate instrument.</p>
<p>1.10 The EESC points to the importance of addressing the social effects of digitalisation in this context too. This includes providing early information, establishing a dialogue, addressing the changing character of jobs and the need to develop new skills, and enabling the workforce to adapt to the new context. In the opinion of the EESC, digitalisation of the transport sector may make it more attractive as a workplace and therefore help to resolve current recruitment problems in the sector.</p>	<p>In the impact assessment, the direct social effects foreseen are the decrease in cumbersome and repetitive work tasks for shipping operators. In a situation where the maritime transport sector finds it increasingly difficult to recruit competent and qualified staff, actions to make the maritime profession more attractive by reducing administrative burdens should therefore be highly welcome.</p>
<p>3.4 That said, the EESC agrees that it may be necessary to strike a balance between full harmonisation and interoperability. Clearly, there is a need for far-reaching harmonisation in the context of a system that is to facilitate clearance of ships arriving at and leaving EU ports, which will for instance require a flawlessly functioning interface between ship and shore with harmonised standards and procedures. [...]</p>	<p>The Commission is fully committed to addressing the lack of harmonisation of maritime transport reporting, as this creates an obstacle to an efficient and optimised movement of ships and cargo and thereby hampers the smooth functioning of the internal market.</p>
<p>3.10 The EESC takes note of the specific provisions in both proposals to ensure confidentiality of commercial and, in the case of the Maritime Single Window, other sensitive information. Furthermore, the EESC would like to draw attention to the high levels of security against tampering and the high level of protection of privacy inherent in a well-conceived and well-managed Pipeline Data Exchange Structure.</p> <p>3.11 The EESC points out the importance of the ongoing work in UNECE on the</p>	<p>The Commission acknowledges that the current Reporting Formalities Directive does not provide sufficient specifications on confidentiality issues. To address this, the proposal on the European Maritime Single Window environment has a specific provision on confidentiality in article 8 : <i>‘Member States shall, in accordance with the applicable Union or national legislation, take the necessary measures to ensure the confidentiality</i></p>

<p>issues set out in point 3.10 above, and in particular its White Paper on a Data Pipeline Concept for Improving Data Quality in the Supply Chain. In the opinion of the EESC, this is a further argument for making electronic documentation mandatory to the widest extent possible.</p>	<p><i>of commercial and other sensitive information exchanged in accordance with this Regulation’.</i></p>
<p>Electronic freight transport information (EFTi)</p> <p>-----</p> <p>➤ Evolution of the regulatory regime for business to authority electronic freight transport information (eFTI) exchange into a fully mandatory one, <i>i.e.</i> also to operators, not just authorities (points 1.6 and 3.6)</p> <p><i>“The EESC takes note of the fact that the Freight Information proposal essentially creates an option, not an obligation, to enable the submission of documents in electronic form. The EESC accepts the reasons for this choice at this point in time but would nevertheless like to see a rapid evolution towards a mandatory system, considering the facilitation of compliance monitoring at all times that this would entail, and the reduced volumes of paper it would mean, particularly for operational staff such as lorry drivers. A suitable occasion to address this issue could be the review of the Regulation provided for in Article 15 of the proposal.” (point 3.6)</i></p>	<p>Electronic freight transport information (EFTi)</p> <p>-----</p> <p>The Commission impact assessment estimates put the costs for the economic operators of achieving a fully paperless environment, expected over a 20 years scenario, at EUR 4.4 billion. If the operators were required to use electronic means in their exchanges with authorities shortly after the start of the application of the Regulation, most of this amount would need to be invested upfront. The timing of making the electronic exchange of information mandatory needs therefore to be carefully considered, in order to ensure that the cost-benefit ratio remains positive for all the economic operators concerned.</p> <p>A system that is initially voluntary for the economic operators would encourage competition among the providers of the respective IT platforms and services. As the price-quality ratio becomes more competitive, the expectation is that a majority of economic operators will make the switch to digital.</p> <p>For that reason we agree with the Committee suggestion that the review of the effectiveness of the Regulation’s implementation, currently foreseen</p>

	<p>within five years from the date of its application, would provide a good opportunity to assess whether and as of when a fully mandatory regime for business-to-administration Electronic freight transport information exchange should be applied.</p>
<p>➤ Extension of the scope of the application of the Regulation to other administrative documentation or information requirements contained in other Union transport legislation (points 1.7, 3.7 and 3.8)</p> <p><i>“Examples of this are for instance posting notifications and information to be provided in the context of posting of workers, or information provided to prove compliance with the provisions on driving and resting time.” (point 3.8)</i></p>	<p>The Commission has considered, as part of its impact assessment process, the opportunity of including under the scope of its initiative other types of administrative documents and/or information requirements, used in the context of the transport and logistics processes to prove regulatory compliance. However, it concluded that whilst the electronic exchange of such information/documents should be considered, inclusion in the same legislative act is not the most efficient way of achieving this goal.</p> <p>The main reason is related to the compatibility between the types of information exchanged and of the electronic exchange systems.</p> <p>The information concerned by the Electronic freight transport information Regulation proposal issues primarily from, and is exchanged primarily within, the business domain. Occasionally, it also needs to be made available to the authorities when required for proving compliance with existing transport legislation. The Electronic freight transport information proposal³⁷ establishes therefore a framework for business-to-authorities information exchanges which, it is expected, will form part of a wider business-to-business electronic</p>

³⁷ COM(2018) 279 final.

	<p>information exchange environment.</p> <p>By contrast, other types of regulatory information requirements– such as on the means of transport and personnel qualification certificates – concern information issued by authorities for the sole purpose of serving as evidence of rule compliance by the economic operator to other authorities. In a non-digital environment, the economic operator is just a ‘carrier’ of this information, in paper or plastic card format, between the authorities. Yet, consistent with the ‘only once’ principle, in a digital environment, the exchange of this information would require a direct, authority-to-authority information exchange system.</p> <p>For this reason, the Commission considers that ensuring the digital exchange of these types of information should be addressed in the framework of separate and targeted legislative initiatives(s).</p> <p>Thus, the possibility of using electronic information systems for administrative cooperation between Member States and for sending posting declarations is being considered in the context of the negotiations on the Mobility Package I via the use of IMI (the Internal Market Information system). Internal Market Information system could be an important tool to improve smart enforcement and cooperation in the context of posting workers in the road transport sector. At the same time, the obligation to record and store information on resting and driving times electronically, for access by authorities, is already provided in the dedicated European Union legislation,</p>
--	---

	and is dealt with under proposals of Mobility Package I.
<p>➤ Re-use of international standards when defining the specifications of the eFTI exchange environment: points 1.8 and 3.12</p> <p><i>“The EESC draws attention here to the potential added value of being able to submit electronic information to authorities worldwide in accordance with harmonised standards such as those being developed by UNECE.”</i> (point 3.12)</p>	<p>The Commission is well aware of the need to ensure the interoperability of the electronic exchange environment to be set up at European Union level with systems developed in other parts of the world and, for that purpose, of the importance of taking account of available international standards. This is also reflected in Recital 9 of the proposal, which underlines that, in defining the specifications for the system implementation, “due account should be taken of relevant data exchange specifications laid down in relevant Union law, and in relevant European and international standards for multimodal data exchange...”.</p>
<p>➤ The “key importance” of the standard and certification requirements to be defined by the Commission in delegated and implementing acts “to the correct operation and confidence of the users” in the system (points 1.4 and 3.13)</p>	<p>The Commission agrees that the adoption of the implementing and delegated acts is indeed key to enable the effective application of the Regulation. For that reason, the Commission intends to start preparatory work as soon as possible, including in the framework of its Digital Transport and Logistics Forum expert group.</p>
<p>➤ The relevance of UNECE work on “a Data Pipeline Concept for Improving Data Quality in the Supply Chain” and “the high levels of security against tampering and the high level of protection of privacy inherent in a well-conceived and well-managed Pipeline Data Exchange Structure” (points 1.5, 3.10 and 3.11)</p>	<p>The Commission will assess the compatibility of the Pipeline Data Exchange Structure as defined in the United Nations Economic Commission for Europe White Paper with the framework for electronic information exchange proposed in the Regulation. The Commission will take it into account when preparing the relevant implementing acts and, more specifically, in the context of the dedicated impact assessment process</p>

	foreseen for assessing and making recommendations on different options for implementation.
--	--

N°34 Implementation of the TEN-T projects COM(2018) 277 final EESC 2018/2770 – TEN/669 538th Plenary Session – October Rapporteur: Dumitru FORNEA (GR.II – RO) DG MOVE – Commissioner BULC	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>The EESC believes that the initiatives grouped together in the third "Europe on the Move" package are necessary in order to provide an efficient legal framework at European level and to reaffirm the Member States' political and financial commitment to deliver the trans-European transport network (TEN-T) on time: the core network should be finalised by 2030 and the comprehensive network by 2050.</p>	<p>The Commission agrees with this statement and appreciates the Committee's support. This proposal, together with the new proposal establishing the Connecting Europe Facility (COM(2018)438 final), is necessary to achieve the common goal to complete the Trans-European Transport Network core network by 2030.</p>
<p>1.5 The EESC endorses the technical assistance proposed under Article 9, but would point out to the Commission that further details are needed with regard to the eligibility criteria and the procedure to be followed in order to be accorded the technical assistance provided for in the proposal.</p>	<p>The Commission refers to existing technical assistance possibility through the current and future funding opportunities for technical assistance, e.g. under the Connecting Europe Facility Programme Support Actions or other EU-funded programmes. They encompass the technical assistance programmes for Member States and their bodies, studies as well as technical and IT support to the programme. The envisaged assistance also covers different horizontal types of support, e.g. the ex-ante assessment in the public procurement area³⁸.</p>
<p>1.9 The EESC takes note of an incoherence in the text of the proposal since in the definitions in Article 2(e) "Cross-border project of common interest" that notion is</p>	<p>The Commission takes note of this statement and the need to ensure clarity regarding the implementation of cross-border projects. Cross-border projects of</p>

³⁸ COM(2017) 573 final.

<p>limited to projects implemented by a joint entity. However, in Article 7(2) and Article 8(1) the notion also seems to cover projects where no joint entity is in place.</p>	<p>common interest referred to in Article 7 are not limited to projects where a joint entity is set up. However, Article 8 requires the compulsory use of only one national legislation for the procurement of cross-border projects of common interest, where a joint entity is set up for the implementation of the project.</p>
<p>The EESC believes that the cross-border coordination mechanisms provided for the TEN-T network can be strengthened by boosting the authority of and stepping up the tools available to European coordinators. In order to make optimal use of the experience and capacity of European coordinators, it might be necessary to revise the legislation laying down their remit, extending their responsibilities with a view to consolidating European leadership in implementing the cross-border transport infrastructure projects undertaken by the Member States.</p>	<p>The Commission proposal provides for a reinforced mandate of the TEN-T European Coordinators to facilitate the cooperation of national permit granting bodies. Under this proposed regulation, the European Coordinators shall be empowered to follow the permit granting procedure for cross-border projects of common interest and to facilitate contact between the competent authorities of the Member States concerned. Furthermore, the European coordinator concerned is to be informed by the competent authority when the time-limits for the comprehensive decision to be taken are not observed, and to be able to make requests regarding the progress achieved for the permit granting procedures, which are being delayed.</p>
<p>1.12 The EESC notes that it is not clear which sanctions are laid down for the failure to comply with the legal provisions established by the proposal for a regulation. In view of the proposal's chief objective, specifically reducing delays, this aspect needs to be clarified so as to bolster the legally binding nature of the regulation and ensure that Europeans, civil society, public authorities and national and European-level courts and tribunals will have a transparent and predictable legal framework.</p>	<p>The Commission stresses that it did not intend to set up a system of sanctions in case timeframes are missed for individual projects by Member States. It is the Commission's intention to build on the existing systems and enhance good practices in Member States.</p>
<p>3.5 The EESC welcomes the establishment</p>	<p>The Commission is participating in</p>

<p>by the Commission of a benchmark for the length of permit granting processes, but would point out that it is important to consult the competent national authorities to ensure that the proposed deadlines are realistic in light of the specific situations in the Member States. On the basis of experience to date, it is possible that the time required to comply with each stage in the procedure – including approval of the technical documents, the technical and economic indicators and the public procurement procedures, and concluding and delivering on the relevant contracts by the deadlines set and in accordance with national legislation – may exceed the deadlines proposed in this regulation by a considerable amount.</p>	<p>debates with national authorities on this proposal. There are ongoing discussions on the exact time limits that will be defined in an agreed regulation with Member States. The proposed time limits to the permit granting procedures of three years can be extended to take into account unforeseen elements. However, the Commission stresses that the most important element is to ensure adequate synchronisation of the various steps and processes and increase the level of certainty for the project promoters. Moreover, the Commission recalls that in the measures designed for the energy sector, provided for in the trans-European energy Regulation³⁹ managed to bring down the duration of the process to grant permits for energy transmission Projects of Common Interest from 10 years to 3.5 years⁴⁰.</p>
<p>3.10 Similarly, better, more specialised training of magistrates, justice officials and lawyers in the area of public interest infrastructure projects could lead to shorter court proceedings and deliver a higher standard of justice, while complying fully with legal requirements.</p>	<p>The Commission agrees with the Committee that capacity building is key for enhancing the process leading to the authorisation of complex infrastructure projects. In this regard, it believes that technical assistance provided under this proposal for a Regulation would contribute to building capacity where appropriate.</p>
<p>3.11 Procurement procedures for transport infrastructure works are extremely time consuming, and a major factor in TEN-T</p>	<p>The European Union legal framework for public procurement was recently modernised with the entry into force and</p>

³⁹ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC).

⁴⁰ Commission Staff Working Document Accompanying the document Commission Delegated Regulation amending Regulation (EU) No 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest, SWD(2017) 425 final.

<p>project delays. The EESC believes that the pace of infrastructure project implementation could be picked up if standardised terms and conditions and specific arrangements for public procurement were established at European level.</p>	<p>the transposition of Directives 2014/25/EU⁴¹ and 2014/24/EU⁴². As identified in the Impact Assessment, a gap currently remains in the area of cross-border procurement and the Commission believes that further synchronisation and a single set of rules between the Member States concerned should be applied in the context of cross-border projects to facilitate their implementation, as provided for in Article 8 of the Commission proposal.</p>
<p>3.12 The EESC believes that national authorities can cut back on potential conflict in the implementation of TEN-T projects by involving the stakeholders/parties involved from the very planning stage of transport infrastructure and by organising consultations with the public, civil society organisations and relevant local authorities in an efficient and timely manner. Social and civic dialogue at national, regional and local level can make a key contribution to boosting public acceptance of transport infrastructure projects and to improving the administration's working methods by establishing and implementing integrated permit granting processes.</p>	<p>It is the Commission's aim to provide clarification and better coordination of procedures across the Union, to allow for stronger involvement of civil society and contribute to increased public acceptance of the development of infrastructure projects.</p>
<p>3.13 In some Member States, TEN-T and TEN-E infrastructure projects are subject to misinformation and denigration campaigns as they sometimes clash with the geopolitical interests of states or interest groups which want to make political capital from the progress or lack of progress made in infrastructure projects promoted by the EU. Awareness raising</p>	<p>The Commission recalls that various information sources are available to the public and that it communicates regularly on its activities and the Trans-European Transport Network policy in particular. Information regarding projects can also be requested through Commission representation offices in all Member States</p>

⁴¹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC Text with EEA relevance; OJ L 94, 28.3.2014, p. 243–374.

⁴² Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC Text with EEA relevance; OJ L 94, 28.3.2014, p. 65–242.

<p>activities and timely identification of such threats are key to a political and social climate conducive to the implementation of European transport infrastructure policies. The European authorities can neutralise the harmful effects of misinformation by staying in contact with the mass media and by further developing the institutional tools for providing accurate information and consulting the public.</p>	<p>and delegations in third countries. Information regarding Trans-European Transport Network projects is also available through the Innovation and Networks Executive Agency. In addition, the European Coordinators play a key role in engaging with relevant stakeholders and in being the public face for the development of the Trans-European Transport Network.</p> <p>The Commission would like to point out that its impact assessment led to the conclusion that measures specifically aimed at mitigating the inherent resistance of some stakeholders, by conducting public information and awareness raising activities would not be effective enough and would not adequately address the problems being faced by Trans-European Transport Network projects.</p>
--	--

<p>N°35 CO2 standards for lorries + Weights and dimensions for road vehicles COM(2018) 275 final COM(2018) 284 final EESC 2018/3137 – TEN/675 538th Plenary Session – October 2018 Rapporteur: Mr Stefan BACK (Gr.I-SE) DG CLIMA – Commissioner ARIAS CAÑETE DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 The European Economic and Social Committee welcomes the Proposal for a Decision of the European Parliament and of the Council amending Council Directive 96/53/EC ('The Decision proposal') and notes that it only means the earlier implementation of substantive amendments to Directive 96/51/EC, already agreed. The European Economic and Social Committee underscores the need to consider the drivers' working environment when adopting implementing rules and urges the European Commission to consult with appropriate stakeholders in this context.</p>	<p>The Commission notes that the 'substantive amendments' should refer to Directive (EU) 2015/719⁴³. Providing for more space in cabins of drivers, which is one of four requirements for elongation of cabins, will indeed provide drivers with more comfort.</p> <p>The Commission has consulted stakeholders for the original impact assessment, including purchaser and user organisations (leasing companies, drivers associations, consumer groups).</p>
<p>1.2. The European Economic and Social Committee also welcomes the Proposal for a Regulation of the European Parliament and of the Council setting CO₂ emission performance standards for new heavy-duty vehicles (the 'Regulation proposal') as a balanced approach to addressing the need to reduce CO₂ emissions from heavy-duty vehicles as a contribution to the implementation of the undertakings made</p>	<p>The Commission welcomes the support of the Committee to the proposal and the recognition that it represents a balanced approach to address the different objectives: reducing emissions, providing savings for consumers; safeguarding employment and competitiveness.</p>

⁴³ Directive (EU) 2015/719 of the European Parliament and of the Council of 29 April 2015 amending Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic (Text with EEA relevance); OJ L 115, 6.5.2015, p. 1–10.

<p>under the Paris Agreement and taking into account the specific provisions made by the October 2014 European Council regarding the transport sector.</p> <p>4.2.1 The European Economic and Social Committee welcomes the Commission's proposal, which appears to strike a reasonable balance between the aims of reducing greenhouse gas emissions in relation to mobility, encouraging innovation in the European Union automotive industry, and improving its competitiveness. It is a follow-up to the proposal on the monitoring and reporting of CO₂ emissions from heavy-duty vehicles, mentioned in point 2.3 above and welcomed by the European Economic and Social Committee.</p>	
<p>1.3. The European Economic and Social Committee also welcomes the objective of the Regulation proposal of promoting innovation and the competitiveness of the European Union automotive industry in low-emission heavy-duty vehicles in the face of competition in this sector from China, Japan and the United States of America.</p>	<p>The Commission welcomes the Committee's support for the objective of the proposal of promoting innovation and the competitiveness of the European Union automotive industry.</p>
<p>1.4 Still, the European Economic and Social Committee regrets the complexity of the proposal which makes it difficult to access. The European Economic and Social Committee also regrets that a common terminology and common criteria are not used for what the Regulation proposal calls zero and low emission vehicles, as different designations are used in other proposals in the mobility package. Common terminology and, where possible, common criteria, would have made the texts clearer.</p> <p>4.2.2 The European Economic and Social</p>	<p>The Commission would like to highlight that the technical nature of the proposal requires detailed and accurate legal drafting. The definition of zero and low emission vehicles is specific to the current stage of development of the heavy-duty vehicles market. It is consistent between the various proposals in the mobility packages. There will also be a possibility to review it as part of the 2022 review.</p>

<p>Committee takes note that the Regulation proposal is a very complex piece of legislation. The European Economic and Social Committee regrets that it seems to have been impossible to draft a clearer and more easily accessible text. In this context the European Economic and Social Committee also regrets that the terminology for the designation low – or zero – emission vehicles varies so much in the three proposals relating to vehicle CO₂ emissions that are part of the mobility package. For instance, Article 4 and Table 2 in Annex of the proposal with amendments to Directive 2009/33 on the promotion of clean and energy efficient vehicles⁴⁴ and Article 3 of the proposal for a recast of Regulation 715/2007 on the CO₂ standards of cars and vans⁴⁵ each define low – or zero emission in a different way. A third terminology is used in the Regulation proposal. It is regrettable that a coherent common terminology has not been used.</p>	
<p>1.5 The choice of a technology-neutral approach is necessary, in the opinion of the European Economic and Social Committee, bearing in mind the dynamic developments in the field of alternative energy sources and also in view of the need to avoid national solutions that would create an obstacle to the smooth operation of the internal market.</p> <p>4.2.4 The European Economic and Social Committee appreciates the technology-neutral approach of the Regulation proposal, as this should create the conditions for a broad approach to developing zero- or low-emission powertrains, including further development of the combustion engine.</p>	<p>The Commission welcomes the Committee's support for a technology-neutral approach, as intended in the proposal.</p>

⁴⁴ [COM\(2017\) 653 – 2017/0291 \(COD\).](#)

⁴⁵ [COM\(2017\) 676 – 2017/0293 \(COD\).](#)

<p>1.6 The 15% reduction level regarding average specific CO₂ emissions 2020 – 2025 is challenging but still in line with the reduction level adopted by the October 2014 European Council as what could reasonably be demanded from the transport sector.</p> <p>4.2.6 The European Economic and Social Committee takes note of the 15% target for CO₂ emission reduction during the period 2020-2025 and takes the view that this must be considered to be a challenging objective, bearing in mind that this kind of obligation is new for heavy-duty vehicles, which are also a type of vehicle that is new to the kind of requirements set out in the Regulation proposal.</p>	<p>The Commission welcomes the Committee's support for a 15% reduction target for 2025, as proposed by the Commission.</p>
<p>1.7 The European Economic and Social Committee also welcomes the flexibility provided by the proposed debit/credit system.</p>	<p>The Commission welcomes the Committee's support for a flexibility system as proposed by the Commission.</p>
<p>1.8 The European Economic and Social Committee underlines the importance of foreseeability regarding both the automotive and the transport industries, considering the time and investment required to develop new products and the need for foreseeability regarding the legal framework when making investments in new equipment. For that reason, the European Economic and Social Committee would also wish to see more precise targets for the CO₂ trajectory after 2030.</p> <p>4.2.8 Foreseeability is important to both the automotive industry and the transport sector. For the former, it is a question of knowing what to expect when developing new models and new technical solutions, both of which are long-term projects. For the latter, it is a question of being able to make</p>	<p>The Commission welcomes the Committee's support for providing certainty for investors in the transport sector. In light of the uncertainty of technological development in the industry, the Commission considers that the 2030 target should be set as part of the early review in 2022.</p> <p>Setting more precise targets for the CO₂ trajectory after 2030 would be premature. There is currently a lack of robust information on how the performance and costs of more innovative and prospective technologies might evolve in the medium term. This issue will be considered as part of the 2022 review.</p>

<p>well-informed choices, for instance when investing in a new vehicle. For that reason, it is important that more precise targets are defined for the CO₂ trajectory after 2030.</p>	
<p>1.9 The European Economic and Social Committee draws attention to the fact that innovation often means changed working conditions and a need for training to adapt to new requirements. This calls for efforts to make transformation possible in a socially sustainable way and to facilitate a dialogue between social partners.</p> <p>4.2.9 Innovation could also lead to changes in working conditions in the automotive industry, and a need for new competences. This could also follow from a changed working environment and new technologies which could put new demands on, for example, drivers. This social aspect of technological developments must be sufficiently dealt with in order to ensure adequate working conditions and training to acquire new skills. Dialogue between social partners is also necessary to ensure a sustainable transition.</p>	<p>The Commission shares the views of the Committee on the importance of ensuring a socially fair and sustainable transition.</p> <p>The proposal is expected to lead to an increase in the number of jobs in Europe. It is estimated to create up to 25,000 additional jobs in 2025.</p> <p>The main source of European Union financial support to the initial and continuing skill development of workers is the European Social Fund. The European Social Fund, as the main European Union instrument for investing in people, can be used for the upskilling and reskilling of workers. For 2014-2020, EUR 5.1 billion have been allocated to the priority ‘adaptation of workers, enterprises and entrepreneurs to change’.</p>
<p>1.10 The European Economic and Social Committee also underlines the importance of testing the actual CO₂ performance of vehicles in real driving conditions, bearing in mind for instance the additional effects on CO₂ emission levels of digitalisation and more efficient driving techniques, bringing improved efficiency, better capacity utilisation and reduced costs per unit transported.</p>	<p>The Commission welcomes the Committee’s support for an effective governance of the proposal.</p> <p>Provisions on independent testing by third parties are already included in Regulation (2018/858)⁴⁶, which will replace the current Type-Approval Framework Directive as of 1 September 2020.</p>

⁴⁶ Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (Text with EEA relevance.) PE/73/2017/REV/1; OJ L 151, 14.6.2018, p. 1–218.

<p>1.11 The European Economic and Social Committee therefore takes the view that the Regulation proposal would also contribute to the improved competitiveness of the European transport industry.</p> <p>4.2.3 As well as the environmental objectives of the proposal, the European Economic and Social Committee also particularly welcomes the competitiveness aspect, bearing in mind that CO₂ standards and monitoring systems for heavy-duty vehicles are in place in, for instance, China, Japan and the United States. It is therefore important that the EU automotive industry is encouraged to achieve similar standards, in order to be able to compete efficiently in these and other markets.</p>	<p>The Commission welcomes the recognition that the proposal would contribute to the improved competitiveness of the European transport industry.</p>
<p>1.12 The European Economic and Social Committee notes a problem of clarity regarding the status under the Regulation proposal of 'vocational vehicles', as further developed under point 5.1. In the opinion of the European Economic and Social Committee, the effects of the specific status of vocational vehicles should be better explained, possibly by an addition to recital 17.</p> <p>5.1 According to the explanatory memorandum, exemptions from the CO₂ emission standards are provided for vocational vehicles. Specific exemptions are set out in Article 1, second subparagraph (calculation of reference CO₂ emissions), and in Article 4 (average specific emissions of a manufacturer). On the other hand, they</p>	<p>The Commission thanks the Committee for raising the issue of the definition of vocational vehicles. The Commission would like to inform the Committee that an amendment of Regulation (EC) No 2017/2400⁴⁷ received on 30 October 2018, a positive opinion of the Technical Committee for Motor Vehicles. This amendment specifies further the definition of vocational vehicles.</p>

⁴⁷ Commission Regulation (EU) 2017/2400 of 12 December 2017 implementing Regulation (EC) No 595/2009 of the European Parliament and of the Council as regards the determination of the CO₂ emissions and fuel consumption of heavy-duty vehicles and amending Directive 2007/46/EC of the European Parliament and of the Council and Commission Regulation (EU) No 582/2011 (Text with EEA relevance.) OJ L 349, 29.12.2017, p. 1–247.

<p>are not mentioned in Article 2 (scope) nor in Article 6 (manufacturer specific emission targets). The situation of those vehicles under the Regulation proposal therefore does not seem entirely clear. It appears, however, that vocational vehicles are in fact covered by the CO2 reduction aims set out in Article 1(a) and (b) and taken into account when establishing the manufacturer-specific emission targets and for the purpose of establishing emission debts under Article 7. In the opinion of the European Economic and Social Committee, the effects of the specific status of vocational vehicles should be better explained, possibly by an addition to recital 17.</p>	
<p>1.13 The revenues from the penalties to be paid in case of non-compliance with the targets set by the Regulation proposal should, in the opinion of the European Economic and Social Committee, be earmarked for financing the development of innovation and sustainable transport solutions to reduce the CO2 footprint of heavy-duty vehicles.</p> <p>5.3 Article 8 of the Regulation proposal states that the amounts of the excess emission premium shall be considered as revenue for the general budget of the Union. The European Economic and Social Committee takes the view that such amounts should be earmarked for the development of sustainable solutions either in the automotive sector or in the transport sector.</p>	<p>In the context of the proposals for reforming the revenue side, the Commission holds that revenue generated in the course of execution or enforcement of European Union legislation (excess emission premiums being a clear case) should accrue to the European Union Budget. Such revenue complements the own resources.</p> <p>In the Commission proposal on heavy duty vehicles, possible revenues from penalty payments are therefore considered as general revenue for the European Union budget in line with the principle of the universality of the budget. It means that, in principle, any revenue should be available and used for financing any expenditure within the total European Union budget.</p>
<p>1.14 The European Economic and Social Committee finally remarks that the term 'excess emission premium' used in Article 8 to designate what is in fact a sanction does</p>	<p>The Commission thanks the Committee for the remark on the excess emission premium.</p> <p>The Commission considers the current</p>

<p>not appear appropriate and should be changed for instance to ‘excess emission penalty’.</p> <p>5.2 The term ‘excess emission premium’ in Article 8 of the Regulation proposal implies more something that is received rather than a kind of penalty to be paid, which it in fact is. It might be useful, for the sake of clarity, to consider a change, such as ‘excess emission penalty’, which corresponds more to the reality.</p>	<p>formulation of Article 8 of the proposal sufficiently clear on the nature of the instrument, and on the financial implications of non-compliance.</p>
<p>4.1.1 The European Economic and Social Committee supports the initiative to enable earlier implementation of the provisions on the use of a cab design that should improve energy efficiency and hence reduce emissions as well as improving the competitiveness of the European Union automotive industry. The European Economic and Social Committee underscores that the proposal does not entail any substantive changes to Directive 96/53/EC, but only adjusts the implementation timetable.</p>	<p>The Commission underlines that its proposal to amend Directive 96/53/EC⁴⁸ has a narrow scope, which is limited to reducing the implementation period. As such, the proposal of the Commission should indeed not in any way be confused with particular amendments stemming from the previous revision of Directive 96/53/EC.</p>

⁴⁸ Council Directive 96/53/EC as regards the time limit for the implementation of the special rules regarding maximum length in case of cabs delivering improved aerodynamic performance, energy efficiency and safety performance.

<p>N°36 Proposal on adjusting TEN-T in the light of Brexit COM(2018) 568 final EESC 2018/4862 – TEN/683 538th Plenary Session – October Rapporteur: Stefan BACK (Gr.I-SE) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.7 The EESC therefore questions the configuration of the proposed new corridor leg as it may not correspond to future traffic flows and thus may fall short of the objective of TEN-T Core Network Corridors to facilitate the most important long-distance traffic flows.</p>	<p>The proposal in question, amending Regulation 1316/2013⁴⁹, sets out the alignment of the North Sea-Mediterranean corridor until the end of 2020 only. Alignment of the corridor post-2020 will be addressed in the context of the proposal for a Regulation establishing the Connecting Europe Facility (COM(2018)438 final). The latter will repeal Regulation 1316/2013.</p>
<p>1.8 The EESC also notes that some of the ports that could come to the fore under the new circumstances are not core ports and therefore do not fulfil a basic criterion for becoming part of a core network corridor, and that a review of the TEN-T Guidelines Regulation is not scheduled until 2023.</p>	<p>The Commission agrees with the fact that ports on the comprehensive network could not be considered in the context of this proposal.</p>
<p>1.11 Nevertheless, the EESC regrets that no impact analysis was carried out to check the suitability of the proposed configuration, e.g. for perishable goods, and to consider the most efficient and sustainable configuration of an itinerary intended to replace the UK land bridge as a TEN-T link to and from Ireland.</p>	<p>In view of the limited time horizon of this amendment (see comment on point 1.7), the Commission based its choice of ports on the existing traffic flows between Ireland and core ports on the North Sea-Mediterranean corridor.</p>

⁴⁹ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 Text with EEA relevance; OJ L 348, 20.12.2013, p. 129–171.

<p>1.12 The EESC therefore recommends that a dedicated review clause be added to the Proposal, stipulating that the Commission should review the adopted Regulation within two years of it becoming applicable. That review should be based on an assessment of the changes in actual transport flows between the Republic of Ireland and the continental EU and serve as a basis for appropriate proposals on the alignment of relevant TEN-T core network corridors.</p>	<p>Such a review is not necessary in view of the limited time horizon of this proposal (see comment on point 1.7).</p>
<p>1.14 The EESC questions why the Proposal does not propose cancelling existing links with and through the UK. If EU legislation on TEN-T does not apply to the UK, there would be no legal basis for implementing those links. It would therefore seem wise to remove them.</p>	<p>The proposal will only apply in the case of a 'no withdrawal agreement' scenario. In this case, European Union legislation, including Regulation 1316/2013 will no longer apply in the United Kingdom.</p>
<p>3.7 The EESC also notes that the corridor alignment now proposed by the Commission has been questioned, both in detail and in broad terms. During the consultation procedure preceding the Proposal, the roadmap, which is largely followed by the Proposal, was questioned by a number of ports on the southern coast of the English Channel and by the association of French ports and regional authorities, which raised the issue of making the ports of Dunkirk, Calais, Le Havre, Roscoff and Brest part of the proposed link of the North Sea-Mediterranean Corridor and of modifying the alignment of the Atlantic Core Network Corridor. Likewise, various Irish interests have questioned the efficiency of a long sea link as a replacement for the "land bridge" via the UK, as shorter sea routes are available, for instance from Ireland to ports in Brittany. It has been maintained that shorter sea routes will be more suitable, e.g.</p>	<p>Feedback on the roadmap was limited (seven replies). There was no feedback from Irish stakeholders.</p> <p>In view of the limited time horizon of this amendment (see comment on point 1.7), the Commission based its choice of ports on the existing traffic flows between Ireland and core ports on the North Sea-Mediterranean corridor.</p> <p>Ports on other corridors (Le Havre) and comprehensive ports in Bretagne and Normandy could not be considered in this context.</p>

for perishable goods	
3.14 It appears to the EESC that the potential economic, social and environmental consequences of the proposed measure are sufficiently significant to warrant an impact assessment as set out in the Interinstitutional Agreement on Better Law-Making.	Due to the nature of the proposed measure, no impact assessment was planned, in line with the Better Regulation Guidelines.
3.16 Pending such a review, the EESC sees no reason to modify the Proposal, also bearing in mind that the situation of none of the core ports in the English Channel that are currently part of the corridor will change as a consequence of the modification.	The Commission agrees that the proposal does not change the situation of any of the core ports on the corridor.

<p>N° 37 Discontinuing seasonal changes of time COM(2018) 639 final EESC 2018/4580 – TEN/685 538th Plenary Session – October Rapporteur: Maria NIKOLOPOULOU (Gr.II-ES) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 European Economic and Social Committee considers it essential to provide more time for debate and analysis. It is crucial to reach a broad consensus among citizens and the unanimous support of all the Member States to ensure effective, harmonised and consensual implementation of the proposal.</p> <p>1.6 The transition towards a new hour system will require a long period of ICT testing in advance to ensure its effective implementation.</p>	<p>The Commission proposed an ambitious timing in view of its expectation that the co-legislators could finalise their deliberations before the end of the current legislative period. The proposal is now being discussed by the Council and the European Parliament, and the final timeline for entry into force will be for the co-legislators to decide upon. The Commission has taken note that a number of Member States have undertaken national consultations on the proposal, or still plan to do so before formulating their position.</p>
<p>1.2 The Committee sees well-conducted on-line public consultation as a tool that can provide indications about public preferences and supplement established democratic processes. It regrets that national governments and organised civil society were not sufficiently consulted prior to the urgent publication of the proposal.</p> <p>Nevertheless, the Commission did not take into adequate account that a large majority of participants were from a single country, the proposal was rejected in certain Member States, and there is no clear unanimity about the real benefits of</p>	<p>The public consultation was open for everyone to participate, be it citizens, stakeholders or Member States. The Commission actively informed about the public consultation through the press, on social media and also via targeted invitations to all Member States to participate. While the large majority of participants were citizens, the Commission also received contributions from stakeholders and public authorities.</p> <p>As for all public consultations, the Commission has clearly acknowledged⁵⁰ that the results are based on voluntary contributions and that they are not</p>

⁵⁰ SWD(2018) 406 final.

<p>abolishing the current harmonised arrangement or whether it would be better to adopt winter or summer time.</p>	<p>statistically representative. The Commission has also recognised that the largest amount came from one Member State, although respondents did participate from all Member States. Nevertheless, the public consultation generated around 4.6 million replies, the largest amount of replies ever received in a Commission consultation, of which 84% favoured an abolishment of the biannual time switch, and these results have been considered very seriously by the Commission. The final choice of the permanent standard time is an issue of national competence of each Member State. It lies, therefore, outside the scope of the Commission's proposal. The Member States are best placed to consider the specific and local circumstances and preferences that need to be taken into consideration in making this choice.</p>
<p>1.4 The Committee points out that the urgent procedure adopted by the Commission was criticised in several Member States, with citizens considering that the EU's priorities lie elsewhere (the economic crisis, unemployment, immigration, etc.), which may lead to problems with the initiative's social acceptance.</p>	<p>While the Commission acknowledges that this initiative may not be seen as a priority matter by some citizens, it is equally clear that many others have expressed their appreciation for the Commission's proposal.</p> <p>The final decision on the proposal now lies with the Council and the European Parliament.</p>
<p>1.5 The EESC, as well as the Commission, considers that unanimity between all the Member States on which time to select is essential if the current level of harmonisation is to be ensured. Otherwise, the time difference between countries who are currently in the same hour zone could cause fragmentation and distortion of the internal market.</p>	<p>The Commission agrees that it is important to avoid a 'patchwork' of time zones in Europe and has called on Member States to closely coordinate with each other when making their respective choices of permanent standard time. However, the Commission thinks the risk of this materialising is minimal. Already today, Member States are free to choose their own standard time, and no 'patchwork' of time zones has emerged.</p>

--	--

<p>N° 38 Ship inspection and survey organisations with regard to the United Kingdom's withdrawal proposal COM(2018) 567 final EESC 2018/4796 – TEN/682 538th Plenary Session – October Rapporteur: Séamus BOLAND (Gr.III-IE) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 The EESC agrees with the Commission proposal to amend Regulation (EC) 391/2009 on ship inspections and certification, which is necessary as a result of the United Kingdom's withdrawal from the European Union (EU).</p> <p>1.2 The EESC believes that the changes proposed will create an environment of opportunity and recommends that the Commission foster closer cooperation between all of the relevant European, national institutions, and the recognised organisations, with which Member States have signed authorisation agreements.</p> <p>1.3 The EESC welcomes the fact that this proposal brings legal certainty to an industry upon which there is a huge dependency in relation to the smooth transporting of goods in conditions that are proven to be of the highest safety standards. It therefore recommends that the proposal be urgently adopted.</p> <p>1.4 The EESC welcomes the Commission's intention to report on its effects after an adequate period of application and recommends that sufficient action is taken, in particular where consequences were not foreseen by the scope of the regulation change.</p>	<p>The Commission notes Committee's positive opinion towards its proposal.</p> <p>The only recommendation put forward by the Committee is related to the call for more efficiency by developing closer cooperation between the involved parties. In this regard, the Commission will seek to identify the most efficient practical arrangements in the implementation of the relevant provision and the involvement of the related Member States in the assessment of the Recognised Organisations. Potential suggestions could be built upon the experience gained during the implementation of the new provision and possible recommendations could be included in the report of the Commission under Article 2 of the proposal.</p>

<p>N°39 Tyre labelling COM (2018) 296 final EESC 2018/3474 - TEN/674 538th Plenary Session – October 2018 Rapporteur: Mr András EDELÉNYI (GR.I-HU) DG ENER – Commissioner ARIAS CAÑETE</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>4.1 Amendment of the Regulation using delegated powers must be restricted to measures arising from technological progress, and must not concern substantial changes such as new provisions on mileage, abrasion or re-treaded tyres, for which regular re-examination is proposed.</p>	<p>The Commission considers that having to make amendments through co-decision would be very time consuming. Using delegated acts would allow quick adaptation, and the Parliament and Council would still have oversight of the draft regulation and could object to it. This is in line with the energy labelling framework Regulation (EU) 2017/1369⁵¹, under which the parameters on energy labels are determined also through delegated acts.</p>
<p>4.2 It is too early to change the parameter classes: in practice, where rolling resistance and wet grip classes are concerned, fewer than 1% of products on the market obtain an A, and so this category is practically empty. In accordance with Regulation (EU) 2017/1369, an amendment to the scale is only justified if 30% of products have reached the highest class.</p>	<p>While it is true that for rolling resistance, the three top classes only contain 43% of C1 tyre models on the market, for wet grip 90% of C1 models are in the top three classes. This provides consumers with misleading information, as a C-class product would be considered among the best performing products (on the A to G scale), while in reality it is one of the worst performing ones. It also has to be considered that for external rolling noise the General Safety Regulation is taking out the bottom class of the</p>

⁵¹ Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (Text with EEA relevance.); OJ L 198, 28.7.2017, p. 1–23.

	market.
4.4 Re-treading C3 tyres would permit savings in raw materials and energy to be made around the world. Consideration should be given to voluntary labelling by manufacturers of re-treaded C1 and C2 tyres, to meet the demand for buyers wanting minimum label performance.	According to the Commission proposal ⁵² , re-treaded tyres will be covered by the scope of the Regulation once a suitable testing method is available. The Tyre Labelling Regulation is a directly applicable internal market measure that harmonises requirements for all suppliers, dealers and importers in the European Union. A voluntary scheme would lead to confusion for consumers and undermine the internal market.
The European Economic and Social Committee considers the deadline for preparing for the implementation of the regulation in question is short, and should be extended by a year. For the products covered by these provisions, it would be far simpler and more manageable to consider the date of manufacture rather than the date of placing on the market.	The Commission considers that an application date of June 2020 gives suppliers and dealers sufficient time to adapt to the revised requirements. Applying the requirements from date of manufacture rather than date of placing on the market is not practical because labelling requirements would apply as soon as the tyre was produced, which could be a long time before it enters the supply chain. This would be particularly challenging for tyres manufactured outside the European Union territory. Finally, such an approach would be contrary to the existing framework for tyre labelling and energy labelling in general and would lead to confusion.
4.7.1 In the longer term, the Union should consider introducing advisory information concerning the end-of-life recyclability of tyres, not on the label but rather in the technical documentation and technical promotional material.	This recommendation could indeed be considered in the future.
4.7.2 After the next review period of the	Based on input from technical experts,

⁵² COM (2018) 296 final.

<p>regulation, it could be worth reconsidering whether additional differentiation needs to be applied concerning snow tyres (in tests, in the technical documentation and technical promotional material or on the label).</p>	<p>the Commission considers that it is currently not possible to put in place further differentiation of snow and ice performance of tyres (as the range of performance is too narrow and the spread of results is too wide).</p> <p>The next review could look at this issue again to see if the situation has changed.</p>
--	--

<p>N°40 Digital Europe programme COM (2018) 434 final EESC 2018/227 - TEN/677 538th Plenary Session – October 2018 Rapporteur: Mr Norbert KLUGE (GR.II-DE) Co-rapporteur: Ulrich SAMM (GR.I-DE) DG CNECT – Commissioner GABRIEL</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.3 and 3.7 [...] Digital Europe programme should be linked with the principles of research funding under Horizon 2020 (Horizon Europe), which are based inter alia on the European Charter for Researchers and the principles of "responsible research and innovation" and "open science" (Sections 1.3 and 3.7).</p>	<p>Horizon Europe will be the sole centrally-managed European Union programme supporting research and technological development. The Digital Europe programme will focus on large-scale digital capacity and infrastructure building, with the objective of wide uptake and deployment across Europe of critical existing or tested innovative digital solutions. Therefore, as the Digital Europe programme is a deployment programme instead of a research programme, the principles of research funding may not be fully applicable.</p>
<p>1.4. and 4.5 [...] The EESC supports the European Parliament's proposal that the budget for digital skills should be increased from EUR 700 million (7.6% of the total budget) to EUR 830 million (9% of the total budget). [...]</p>	<p>While the Commission appreciates the Committee's concerns regarding the level of funding for digital skills, it nevertheless considers that the proposed split of the budget presents a balanced approach taking into account the role of the five Specific Objectives to achieve the overall goal of the programme.</p> <p>The Commission would also stress that the final budgetary allocation will depend on the outcome of the horizontal negotiations on the next multiannual financial framework.</p>

<p>1.5, 3.10 and 4.1 [...] The EESC emphasises that the programme must not focus solely on specific efforts to gain high-level and advanced digital skills and capacities. There should be comprehensive support for businesses, workers and consumers for the introduction and use of both basic and advanced digital technologies as this is of decisive importance for the quantity and quality of jobs in Europe, and for its competitiveness. [...]</p>	<p>As noted by the Committee, broad digital skills will be supported by other European Union programmes and national funding.</p> <p>In particular, the Specific Objective 4, Advanced Digital Skills will be complementary to the European Social Fund Plus, which will support education and training in the area of basic and medium skills, and European Globalisation Adjustment Fund, which will fund IT training for laid off workers across all skills levels. Digital Europe programme should remain focused on Advanced Digital Skills also in order to develop synergies between all areas it supports. These synergies would be weakened or lost if the intervention in the area of skills was made excessively broad.</p>
<p>1.7. The Commission should involve social partners and civil society in the implementation of the programme, including the Digital Innovation Hubs. The implementation of the programme should be socially inclusive (points 1.7, 3.9, 3.11 and 4.4)</p>	<p>The Commission agrees with the elements of the position of the Committee.</p> <p>Firstly, the intervention under Artificial Intelligence should be based on human-centric and inclusive approach respecting European values.</p> <p>Secondly, the Commission does not object to emphasizing the objective of bridging digital divide across the Union, thus indirectly contributing to more socially inclusive intervention. The broad geographical coverage of the Digital Innovation Hubs will also ensure that the society in less developed regions of the Union will not be left behind.</p> <p>Thirdly, the Commission agrees to incorporate gender balance in the</p>

	intervention under Advanced Digital Skills.
1.8. The programme should lead to economic participation and job creation across all the regions of Europe. The programme should be coordinated with other programmes, notably ERDF and Cohesion Fund. (points 1.8, 3.4, 4.3)	The Commission agrees with the position of the Committee. It wishes to draw the Committee's attention to the fact that the synergies of the Digital Europe programmes with other programmes are already emphasised in the Commission's legislative proposal, notably in Annex 3.
1.10. Compliance with ethical principles, in particular in the area of Artificial Intelligence (Sections 1.10, 3.2, 4.6 and 4.7)	<p>The Commission agrees in principle with the position of the Committee. The issues of legal liability related to the use of Artificial Intelligence (Section 4.7) go beyond the scope of this proposal.</p> <p>The Commission takes seriously the challenges and opportunities related to Artificial Intelligence. A High-Level Expert Group on Artificial Intelligence (HLEG-AI) developed draft guidelines on the ethical implications of Artificial Intelligence, covering key issues such as biases or fairness. A draft version of these guidelines was published on 18 December 2018. HLEG-AI will support the implementation of the Commission's strategy on Artificial Intelligence that includes the Coordinated Action Plan on Artificial Intelligence {COM(2018) 795} and the Commission's Communication on Artificial Intelligence for Europe (COM(2018) 137).</p>

<p>N°41 Accessibility and re-use public and publicly funded data COM (2018) 234 final COM(2018) 232 final EESC 2018/2410 - TEN/665 538th Plenary Session – October 2018 Rapporteur: Ms Baiba MILTOVIČA (GR.III-LV) DG CNECT – VP ANSIP / Commissioner GABRIEL</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The European Economic and Social Committee recommends that a more active and targeted approach and a 'high legislative intensity' option are chosen in order to solve specific problems. This may be accompanied by a change to the options listed in the impact assessment.</p> <p>(Point 1.5.1, 1.5.6)</p>	<p>In its Impact Assessment supporting the recast proposal of the public sector information (PSI) directive, the Commission chose the option that allows for a targeted and proportional intervention, amounting to an incremental strengthening of the Commission's open data policy. The Impact Assessment showed that it would lead to a significant improvement over the baseline scenario, including reduction of administrative burden and lowering barriers to market entry by Small and Medium-sized Enterprises. It is a policy option that is broadly acceptable to stakeholders.</p> <p>Although the benefits of the higher intensity regulatory intervention scenario were considerable, that scenario was also generally characterised by a lower feasibility, higher compliance costs, and higher risks for legal and policy coherence.</p> <p>In addition, the introduction in the proposal of the 'High Value Datasets' to be made available across the European Union free of charge can be seen as a measure bridging the distance between the intervention options, by applying regulatory measures foreseen</p>

	within the high intensity scenario, albeit only for a limited set of data.
<p>The European Economic and Social Committee recommends to set out plainly and simply in the directive which legal provision takes precedence in the event of conflicts between this directive and some other pieces of legislation: the General Data Protection Regulation, the Database Directive or the INSPIRE Directive.</p> <p>(point 1.5.2)</p>	<p>The Impact Assessment delivers a comprehensive overview of the complementarity of the public sector information Directive with the General Data Protection Regulation (GDPR)⁵³, the Database directive⁵⁴ and the INSPIRE directive⁵⁵.</p> <p>The proposal to remove an explicit reference to data protection legislation in the articles of the public sector information Directive was made for a technical reason, namely that the protection of personal data is now ensured by a regulation, and not a directive. The reference to the rules on data protection in article 1 was considered superfluous, given that the General Data Protection Regulation is of general application, binding in its entirety and directly applicable.</p>
<p>The European Economic and Social Committee recommends evaluating further the position of the stakeholder groups concerning the choice of solutions for tackling the individual problems and assessing the overall societal relevance of the various stakeholder groups, leading to a more objective and more informed choice of options for individual issues.</p> <p>(point 1.5.3, as well as points 1.5.5 and 1.5.6)</p>	<p>The Commission conducted all the necessary consultation actions in order to assess the functioning of the public sector information Directive, to consider the scope of the review and to reflect on policy options. The opinions of both public sector information holders (public bodies, public undertakings) and re-users (public, private, commercial and non-commercial actors) were sought, leading to the conclusion that stakeholders are most likely to support</p>

⁵³ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance); OJ L 119, 4.5.2016, p. 1–88.

⁵⁴ Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases; OJ L 77, 27.3.1996, p. 20–28.

⁵⁵ Directive 2007/2/EC of the European Parliament and of the Council of 14 March 2007 establishing an Infrastructure for Spatial Information in the European Community (INSPIRE); OJ L 108, 25.4.2007, p. 1–14.

	<p>lighter regulation.</p> <p>Further consultation actions will take place with the preparation of the delegated act establishing a list of high-value datasets foreseen by the recast proposal of the public sector information Directive.</p>
<p>The European Economic and Social Committee considers that because information and documents increasingly have to be produced within a short period, the maximum processing time of twenty working days is in some cases too long, and that the possibility should be considered to give more flexibility.</p> <p>(point 1.5.4)</p>	<p>This provision (Article 4.2 in the proposal), which has been in the Directive since its first adoption in 2003, has so far never generated any specific comment from stakeholders.</p> <p>It should be noted that this provision serves as a safeguard. In case of appropriate implementation of the Directive, this provision would hardly be used since data resources will increasingly be published online by default, making the request procedure superfluous.</p>
<p>The European Economic and Social Committee considers that the extension of the scope may lead to market distortions between public companies and private companies operating in the same market, and that the extension of the scope also to private companies can solve that problem and, at the same time, promote innovation in public companies.</p> <p>(point 3.1.1)</p>	<p>Different options have been considered and consulted with the stakeholders during the Impact Assessment process, leading to the conclusion that a soft approach should be adopted as regards the extension of the scope to public undertakings in the transport and utilities sector. These would be covered by a relatively light regime:</p> <ul style="list-style-type: none"> • they would be under no obligation to release the data they do not want to release or to deal with requests for the re-use of their data; • once they release data to a re-user, non-discrimination, transparency and non-exclusivity obligations for downstream data re-use would apply; • they would be able to recover full costs when charging for re-use,

	<p>together with a reasonable return on investment.</p> <p>Since public undertakings would be free to decide if they want to open up their data or not, they would be able to protect their investment into data and preserve their competitive position vis-à-vis private companies operating on the same market. The extension of the scope of the Directive towards private undertakings would create new obligations towards a large set of entities with far-reaching consequences. The Impact Assessment accompanying the proposal cautioned against the related administrative burden and even wider competition risks.</p>
<p>The European Economic and Social Committee considers that on high-value datasets, there is no clear information on procedures for the compilation, maintenance and use of high-quality data sets; and there is no clear information on mechanisms for compensating data holders for making data available free of charge.</p> <p>(point 3.1.5)</p>	<p>The Commission proposal sets out the main features and an adoption procedure for a European list of high-value datasets, which should be openly and freely available for re-use across the whole European Union, via Application Programming Interfaces (APIs). It therefore creates a legal basis for the adoption of a delegated act establishing such list together with the modalities relating to the availability for re-use of these high-value datasets.</p> <p>The preparation of this act will be based on a dedicated Impact Assessment, taking into account effects on the operating budgets of the public sector bodies and effects on competition on the markets where the public undertakings concerned operate. It will rely on a stakeholder consultation process, and will closely involve Member States representatives.</p>
As regards the data lock-in, the European	The public sector information Directive

<p>Economic and Social Committee considers that the aim of strengthening Small and medium-sized enterprises must not be jeopardised by overly strict prohibitions of data lock in impeding the development and output of innovative, local projects with Small and medium-sized enterprises.</p> <p>(point 3.1.4, as well as point 3.3.4)</p>	<p>in principle prohibits exclusive agreements on access to public data. However, the results of Directive evaluation show that some large market players continue seeking preferential access to public data without using exclusive agreements <i>per se</i>, thus jeopardising the development of innovative solutions by start-ups and Small and medium-sized enterprises. To address this risk, the proposal includes new transparency requirements, which do not prohibit the conclusion of data lock-in agreements. Instead, they aim to ensure that the arrangements which risk creating exclusivity are not concluded behind closed doors, and that all market participants with an interest in the data are duly informed and can exercise their 'right to reuse'.</p> <p>The new requirement is easy to implement and is simply an add-on to already existing procedures and institutions (those used for e.g. reviewing/approving exclusive agreements). Therefore, it should not, in practice, create undue administrative burden.</p>
---	---

<p>N°42 Single use of plastics COM(2018) 340 final EESC 2018/3041 - NAT/742 538th Plenary Session – October 2018 Rapporteur: Maria NIKOLOPOULOU (Gr.II-ES) DG ENV - Commissioner VELLA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4.1 Consideration should be given to expanding the list of ten products, and other products should be included for which sustainable alternatives are already available on the market in sufficient quantity and at a reasonable price;</p>	<p>To ensure the application of the proportionality principle, this proposal focuses on the 10 single-use plastic items most commonly found on the European beaches. Together with fishing gear, these items constitute as much as 70% of marine litter in the European Union. The final agreement on the Directive reached by the co-legislators on 18th of December added to Article 5 and Annex I Part B, concerning restrictions on placing on the market products made of oxo-plastic as well as the following products made of expanded polystyrene: food containers, beverage containers and cups for beverages. Further items could be addressed later on, should that be justified and proportional. The implementation of this Directive will have positive impacts on all aquatic ecosystems.</p>
<p>1.4.2 The principle according to which all biodegradable products must also be compostable should be clarified, with specific deadlines for photodegradation on land and sea;</p>	<p>This Directive does not address directly the issue of biodegradation or compostability. In Article 15 it is envisaged that the Commission will make an assessment of the scientific and technical progress concerning criteria or a standard for biodegradability in the marine environment applicable to single-use plastic products within the scope of this directive. For the time being, there is</p>

	<p>no generally acceptable standard for biodegradation in the marine environment. There is a risk that distinguishing biodegradable plastics from other plastics would imply to consumers that the first are less harmful to the environment than the latter, possibly leading to less caution in handling waste from such products and increased littering. While biodegradation of waste in strictly controlled conditions can offer an important contribution to waste minimisation on land, the conditions in the coastal and marine environment (temperature, light, salinity, oxygen concentration, abundance and nature of microorganisms etc.) are not only extremely diverse but also generally unfavourable to biodegradation of plastic. All these consideration will have to be addressed during the scientific work on the relevant standards.</p>
<p>1.4.3 Fishermen can play a crucial part in cleaning the seas and oceans. The incentives for returning fishing gear should be extended as soon as possible to include all the waste collected while fishing. In order to fully develop a new system for cleaning up seas and oceans, all relevant stakeholders and local authorities should be involved. In addition, all ports, including smaller ones, should possess an advanced system for the collection and transparent management of waste;</p>	<p>While this directive focuses on top 10 single-use plastic items and fishing gear, Commission proposal on the revision of the Port reception facilities (PRF)⁵⁶ directive complements the directive by including passively fished waste (waste collected in nets during fishing operations). In order to contribute to tackle the marine litter problem, the Port reception facilities directive proposes a ‘no special fee’ system, in which payment of the indirect fee would give all ships, including fishing vessels and recreational craft, the right to deliver all garbage without any additional direct fees. This system includes the disposal in ports of end-of-life fishing nets and</p>

⁵⁶ COM(2018) 33 final.

	<p>passively fished waste.</p> <p>The Port reception facilities directive applies to all ports and any exemptions should be limited to small unmanned ports and small remotely located ports, and those with limited traffic of recreational craft only, provided their waste management system is fully incorporated in the municipal waste infrastructure.</p>
<p>1.4.4 Although 90% of the single-use plastic products present in the European market are produced in third countries, all companies in the sector should receive support in the transition towards more sustainable production. In particular, innovation and development of sectors such as ecodesign, bioplastics and secondary raw materials must be encouraged through the use of financial and fiscal tools. In this way, the EU can benefit from significant growth in the trade balance, as well as fostering the development of more sustainable companies and providing more high-quality jobs;</p>	<p>The Plastics Strategy provides for several actions to promote investment and innovation in the plastics value chain, including Horizon 2020 (by early 2018, already EUR 250 million were spent on Research & Innovation topics relevant to the Plastics Strategy, and EUR 100 million to be spent on relevant topics during the remainder of Horizon 2020), European Fund for Strategic Innovation, and structural funds. The Commission is preparing a Strategic Research Innovation Agenda on plastics to guide future funding decision.</p>
<p>1.4.7 The strategy for single-use plastic will have a limited effect if the Commission does not intervene with an ad hoc strategy for more sustainable management and monitoring of inland waters (lakes and rivers), through which 80% of the waste in the oceans passes. The Committee recommends fostering the dissemination of governance systems that involve public and private authorities and organised civil society, such as "river contracts", which should be seen as a</p>	<p>The Directive will also have impact on inland waters (lakes and rivers) since it is mostly focusing on the prevention of the littering of the items addressed.</p> <p>The Water Framework Directive (WFD)⁵⁷ is the main instrument at European Union level for sustainable water management, including in rivers and lakes. It envisages management at the level of river basins, in an integrated manner. Exchanges of best practices, such as those related to governance, are</p>

⁵⁷ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy; OJ L 327, 22.12.2000, p. 1–73.

fundamental requirement for access to certain environmental protection funds (e.g. Interreg);	a common feature of the 'Common Implementation Strategy' of the Water Framework Directive, which brings together all European level stakeholders.
1.4.8 The introduction of labelling and traceability systems for plastic products could represent added value with regard to waste management and recycling processes. The creation of a specific logo could strengthen consumer confidence, especially for products manufactured with secondary raw materials;	Traceability of substances of concern is a priority in the Communication on the options to address the interface between chemical, product and waste legislation {COM(2018) 32}. The Plastics Strategy also envisages actions to improve the confidence of consumers in recycled products.
1.4.9 The directive should be revised every three years as opposed to every six years. This proposal is justified by the fact that the monitoring mechanisms are already active and have been validated (counting method). Furthermore, such a measure would resolve any problems that may arise during the implementation phase and, if necessary, ensure that the list of the ten products could be modified or expanded based on the implementation status of the directive and any developments in the field of ecodesign;	Member States should be allowed enough time to report and implement this Directive. The methodology to identify and classify beach litter indeed exists but time is needed, for example to monitor the placing on the market for some products. The final agreement on the Directive, reached by the co-legislators on 18 December, , provides, in its Article 15, for the evaluation taking place five years after the end-date for transposition of the Directive.

<p>N°43 Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013 COM(2018) 358 final EESC 2018/3317 - NAT/748 538th Plenary Session – October 2018 Rapporteur: Mr Lutz RIBBE (GR.III-DE) DG ENV – Commissioner VELLA</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.1. [...] The European Economic and Social Committee does, however, explicitly welcome the continuation of the programme in general.	The Commission thanks the Committee for its support.
3.11. In the field of biodiversity protection, however, the mainstreaming approach of funding the Natura 2000 network primarily via the European Union's regional development funds and the second pillar of the Common Agricultural Policy has been a miserable failure. [...]	In the 2014-2020 period, EUR 3.7 billion has been allocated to biodiversity, nature and green infrastructure from Cohesion Policy funds alone. Through the 2014-2020 Rural Development Programmes, around 80 million hectares of agricultural land and close to 8 million hectares of forests will receive funding under Priority 4 for restoring, preserving and enhancing ecosystems – a total budget of around EUR 44.5 billion.
<p>Nature and the environment in the EU are undergoing a major crisis. In the view of the European Economic and Social Committee (EESC), the LIFE programme (with its wholly insufficient level of funding) is an inadequate response to this contemporary environmental crisis and will be unable to have any sort of substantial impact.</p> <p>The budget foreseen for the new LIFE Programme is considered limited in</p>	<p>The budget proposed by the Commission is the result of a delicate balance among several European Union funding programmes. The Programme for the Environment and Climate Action (LIFE) budget proposal contains an increase of almost EUR 2 billion compared to the present period. The majority of European Union financing for climate will come from an effective mainstreaming climate objectives into other Union policies</p>

<p>comparison to the needs, especially concerning the Natura 2000 network. Due to the limited budget for the LIFE Programme, the Committee has reservations concerning support for projects to implement Water Framework Directive (2000/60/EC) and the Marine Strategy Framework Directive (2008/56/EC).</p> <p>(Points 1.1., 3.13., 3.15)</p>	<p>and programmes. The Commission has proposed that 25% of the next multiannual financial framework will address climate –related issues, i.e. EUR 320 billion.</p>
<p>4.7. The European Economic and Social Committee welcomes the fact that the ‘clean energy transition’ sub-programme sets a new focal point within the climate action strand of the Programme for the Environment and Climate Action (LIFE).</p>	<p>The Commission thanks the Committee for its support and acknowledges the importance of the new ‘clean energy transition’ sub-programme of the Programme for the Environment and Climate Action (LIFE), complementing the sub-programme Climate Change Mitigation and Adaptation.</p>
<p>The LIFE Programme should help to offer support small and medium-sized enterprises, small and large civic initiative groups, trade unions, private individuals and municipalities, to develop innovative breakthroughs, beyond the sole take-up of available technologies, e.g. in the scope of the clean energy transition.</p> <p>(points 4.4 and 4.5)</p>	<p>The Commission recognises the potential of the Programme for the Environment and Climate Action (LIFE) to fund innovative actions and acknowledges the innovation capabilities of small and medium-sized enterprises, small and large civil society organisations, trade unions, private individuals and municipalities. However, innovation <i>per se</i>, in particular when it comes to technological innovation, will be covered more in the realm of Horizon Europe. This complementarity between the Programme for the Environment and Climate Action (LIFE) and Horizon Europe as regards supporting the clean energy transition will ensure coherence of European Union funding.</p>
<p>4.9. The new LIFE Regulation is much less restrictive than the current Programme, giving the Commission considerably more flexibility in the selection and funding of projects. In the EESC’s view, this will</p>	<p>The Commission thanks the Committee for its support in favour of the increased flexibility. This will allow the Programme to better target new and key environmental and climate</p>

result in significantly more efficient use of resources.	challenges.
<p>4.15. Recital 27 therefore quite rightly also focuses on enforcement aspects, including monitoring and permitting processes and the quality of the environmental inspection and law enforcement mechanisms. Given their contribution to these objectives, the European Union Network for the Implementation and Enforcement of Environmental Law, the European Network of Prosecutors for the Environment and the European Union Forum of Judges for the Environment could also, under Article 12 of the proposal, be awarded grants – i.e. get official support – “without a call for proposals”. The European Economic and Social Committee welcomes such grants, and stresses the importance of ensuring that other key stakeholders in society that can advance European Union environmental policy can also be supported with relatively little red tape, as provided for in Article 10(5) of the proposal.</p>	<p>The Commission thanks the Committee for its support to efforts to simplify the access to funding for key actors in the field of implementation and enforcement of environmental legislation.</p>

<p>N°44 CAP - legislative proposals COM(2018) 392 final COM(2018) 393 final COM(2018) 394 final/2 EESC 2018/3141 – NAT/747 538th Plenary Session - October 2018 Rapporteur: Mr John BRYAN (Gr. III-IE) DG AGRI - Commissioner HOGAN</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>A strong CAP policy, with a strong CAP budget based on the European Model of Agriculture and Food Production, supporting an economically socially and environmentally sustainable European agriculture policy and farming sector involving the highest standards, and contributing to ensuring a competitive agricultural sector, is very important for the European Union and all its citizens. Modernising and simplifying the CAP in this reform is essential to make it more fit for purpose to meet the needs for a more sustainable and viable EU farming and agriculture sector everywhere in Europe and in order to address the new challenges on climate change and the environment.</p>	<p>The Commission has proposed a reformed and modernised Common Agricultural Policy (CAP) aiming to ensure access to safe, high quality, affordable, nutritious and diverse food and a fully integrated Single Market for agricultural goods in the Union. The reformed policy will place greater emphasis on the environment and climate. It will support the transition towards a fully sustainable agricultural sector and the development of rural areas. The Commission proposes to introduce a new delivery model, shifting from today's compliance-based policy to a result-oriented policy to deliver on common objectives set at European Union level but more flexibly implemented at national level.</p>
<p>Proposals to reduce the CAP budget are unacceptable. The maintenance of an appropriate financial envelope for the CAP is a precondition for the sustainability (economic, environmental and social) of European Union farming in order to preserve incomes and jobs and ensure the production of environmental public goods, thus contributing decisively to the vitality of the rural environment and to the stability of the economy as a whole. The</p>	<p>The Commission proposal for the next Multiannual Financial Framework (MFF) has been drawn up in a very challenging budgetary context of the United Kingdom withdrawal from the European Union and the need to provide adequate financing for existing policies and new challenges. The Commission has proposed to reduce the amounts for the Common Agricultural Policy (CAP) only moderately – by less than 5% compared to its European Union</p>

<p>European Economic and Social Committee supports the view that the European Union budget should be increased to 1.3% of GNI to provide adequate funding for the CAP and the new policy objectives and challenges identified.</p>	<p>27 allocation in 2020. The Commission proposal for the next MFF represents a very fair outcome for agriculture and European farmers. It reflects the Commission's commitment to a strong, well-funded CAP and recognises the continuing importance of direct payments as an essential form of income support. For the European Agricultural Guarantee Fund it reflects also the commitment to equity between Member States and to a more balanced distribution of direct support. For the European Agricultural Fund for Rural Development, the Commission has not proposed to reduce support to rural areas, but a rebalancing of the European Union and Member States' financing with the aim of maintaining an adequate level of the support to rural areas.</p>
<p>The European Economic and Social Committee welcomes the new direction proposed for CAP on subsidiarity, with greater responsibility and flexibility for Member States through the CAP Strategic Plans and new delivery model based on performance. However, the European Economic and Social Committee is keen to ensure that the CAP remains a strong common policy across all Member States and that the single market is fully preserved. Maintaining the current two-pillar CAP structure with strong direct payments under Pillar I to support farm incomes and rural development measures in Pillar II to support vulnerable sectors, regions and social infrastructure and foster the transition to more sustainable and innovative farms is essential. The common organisation of the markets and an effective single market are also critical.</p>	<p>The Commission welcomes the support to the new delivery model and the maintenance of the two-pillar structure. With the current proposal, the common nature of the policy is kept. The CAP reform proposals are based on a carefully thought through balance between more flexibility for Member States to ensure better targeted and simpler interventions and the need for common elements to ensure progress towards our common objectives and avoid the risk of renationalisation.</p>
<p>The increased emphasis and higher</p>	<p>The process of translating the Common</p>

<p>ambition in the CAP proposals on the environment and climate change is positive. The specific objectives are clear and strong, covering key issues like water, air and soil as well as landscape and biodiversity, and the sustainable production of quality food. The measures set out in the text of regulation to achieve the objectives must, however, be described much more clearly and specified. An adequate CAP budget is essential to deliver on these objectives, with proper incitative payments for farmers.</p>	<p>Agricultural Policy (CAP) into quantified targets and operational objectives is proposed to take place at CAP plan level. Member State intervention strategies will have to be underpinned by quantitative targets and milestones reflecting what is needed to achieve the environment and climate objectives.</p> <p>Adequate budget:</p> <p>For relevant rural development payments in Pillar II, the Commission proposed a strong mandatory ring fencing which will amount to 30%.</p> <p>On top of it, the Commission proposed the possibility for Member States to transfer 15% from direct payments to rural development and an additional 15% transfer towards rural development for spending on climate and environment.</p>
<p>40% of agricultural expenditure is to go towards the European Union's climate change objectives. The European Economic and Social Committee welcomes this goal, but expects the European Union to set out a clearly defined set of measures in this connection.</p>	<p>The 40% contribution of Common Agricultural Policy towards climate change is estimated through the application of specific weighting differentiated on the basis whether the support makes a significant (100%) or a moderate (40%) contribution towards the climate change objectives. Basic and complementary payments in the future CAP will be subject to an enhanced conditionality with the corresponding bundle of requirements and standards mentioned in Annex III of the CAP proposal. As not all requirements and standards fully contribute to climate change, the 40% Rio marker applies for these payments to ensure appropriate conservativeness in the approach.</p>
<p>Having been promised in several previous reforms of the CAP, the European Economic and Social Committee is strongly of the view that the commitments</p>	<p>Simplification has been a key priority for the Commission. The proposed new delivery model offers a huge potential for simplification for Member States in form</p>

<p>on simplification at farm level must be delivered in this reform. However, the European Economic and Social Committee is concerned that the new subsidiarity and conditionality involving CAP strategic plans for both CAP Pillar I and II and additional Statutory Management Requirements (SMRs) and Good Environmental and Agricultural Conditions (GAEC) will increase rather than reduce the volume of bureaucratic burden on individual farmers.</p>	<p>of less prescriptive and more targeted choice and design of interventions in line with their needs. For a more comprehensive overview of the simplification potential of the Commission proposals see Commissioner Hogan's Remarks on Simplification and Subsidiarity, presented at the July AGRI Council⁵⁸,</p> <p>There is no reason that the administrative burden for farmers would increase with the enhanced conditionality as compared to the current situation. Statutory Management Requirements must be respected by farmers independently from conditionality and standards for Good Environmental and Agricultural Conditions are largely already implemented in the present policy. Conditionality will provide more flexibility to adapt rules to local situations and needs as compared to the current greening.</p>
<p>CAP Pillar I direct payments and Pillar II funding must be fully protected to ensure viable and sustainable farms. Direct payments should only go to genuine farmers and clear objective criteria should be adopted at European Union level to better define a genuine farmer.</p>	<p>The Commission proposals support targeting of Direct Payments to genuine farmers in the view of improving the performance as well as the public perception of the Common Agricultural Policy. The Proposal contains a common EU framework to be applied in a consistent manner to all farmers. In order to minimise administrative burden, the framework gives Member State the possibility to use the criteria and administrative controls that best reflect their circumstances.</p>
<p>Increased support for generational renewal and young farmers is positive. This</p>	<p>The Commission welcomes the support to the new approach to foster generational</p>

⁵⁸ available at https://ec.europa.eu/commission/commissioners/2014-2019/hogan/announcements/remarks-commissioner-phil-hogan-simplification-and-subsidiarity-july-agri-council-brussels_en

increase in aid must be accompanied by additional measures that allow for effective generational renewal.	renewal. Member States should, in their Strategic Plans, present a sound strategy to address this challenge in their territory. At least 2% of the current envelope of direct payments is proposed for this objective. On top of this, young farmers could benefit from investment support, knowledge transfer and training, support for working capital through financial instruments.
Any proposals on internal or external convergence, flattening, degressivity and redistribution must be based on objective and non-discriminatory criteria and cannot be allowed to undermine viable farm units and erode fair competition conditions or farmers' competitiveness in the various regions of the European Union.	The Commission has proposed that Member States can design interventions based on a needs assessment. Those interventions shall be developed based on objective and non-discriminatory criteria, shall be compatible with the internal market and shall not distort competition, as defined in Article 9 of the Commission proposal.
Any cuts to CAP Pillar II funding are unacceptable, as a strong Rural Development Programme is critical to support more vulnerable areas and sectors and lead to more balanced territorial development.	<p>The rebalancing of support between the European Union and the Member States should allow keeping an adequate level of support to rural areas. Furthermore, the Common Agricultural Policy reform proposal provides for expanded options for Member States to transfer resources between the two CAP pillars. While the possibility to transfer 15% between pillars is maintained in the proposals, Member States will also have the option to transfer another 15% from Pillar 1 to Pillar 2 for spending on climate and environment measures without national co-financing. In any case, the CAP Strategic Plans are to be designed in a way that takes into account synergies with other European Union-funded and national instruments in order to maximise effects, in particular in the most vulnerable areas and sectors.</p> <p>The Commission has not proposed to cut support for rural development. The</p>

	<p>Commission proposal for the Multiannual Financial Framework 2021-2027 includes a total contribution from the European Agricultural Fund for Rural Development (EAFRD) of EUR 78.8 billion in current prices. The proposed European Agricultural Fund for Rural Development support remains substantial and should be seen together with the proposal to increase national co-financing, rebalancing support between the European Union and Member State budgets and with the aim to keep adequate public support to rural areas.</p>
Key issues in the Common Agricultural Policy reform 2021-2027	

<p>European Model of Agriculture and Food Production</p> <p>A strong CAP supporting an economically, socially and environmentally sustainable European agricultural policy and farming sector is essential for the European Union in terms of food security and food sovereignty and to meet the growing demand for higher quality food from the Community's 512 million citizens⁵⁹. In addition, the European Union must be mindful of global population growth, estimated to reach 9.5 bn by 2050, with 3.0 bn living in water stressed areas, leading to increased food shortages and famine. The European Economic and Social Committee finds it therefore necessary that the European Union concentrates on knowledge transfer and experience-sharing about how more and better food can be produced sustainably and locally in other parts of the world.</p>	<p>The next-generation Common Agricultural Policy proposed by the Commission incorporates even stronger elements of sustainability and tools for guaranteeing food security.</p> <p>For many years now, European Union farm policy has been in line with the Union's development objectives (policy coherence for development).</p> <p>In order to ensure consistent development objectives, the EU supports inter alia food security, responsible investments in sustainable agriculture as well as job creation.</p> <p>The Commission strengthens its policy dialogue with development partners such as the African Union to share expertise and best practice on agriculture and rural development policies, including quality policy, organic farming, agricultural research, food safety and access to markets.</p>
<p>The European Economic and Social Committee is strongly of the view that the CAP 2021-2027 must support and facilitate in all parts of Europe the European Model of Agriculture and Food Production involving the family farm structure, as well as cooperatives, producer groups and other forms of farming, and food produced to the highest standards in the world⁶⁰. The new CAP must better address the issue of low agricultural incomes and closing the widening income gap between farmers and salaries in the wider economy⁶¹. The European agricultural model cannot be brought under world market conditions and at</p>	<p>Maintaining the market orientation of the Common Agricultural Policy is essential because without market orientation, the economic sustainability of farming in Europe would be put in question.</p> <p>The future CAP will provide the possibility to support producer organisations who engage in common actions on production, marketing, reduction of costs, environmental actions and food waste reduction.</p>

⁵⁹ Eurostat – EU population January 1st 2017.

⁶⁰ EESC opinion – *A possible reshaping of the CAP*, OJ C288, 31.8.2017, p. 10

⁶¹ Presentation by R. Ramon Sumoy, DG Agri, Unit C.1, to the EESC study group on 25/6/2018.

<p>world market prices. The European agricultural model is therefore now more than ever under threat from current developments and for that, reason needs to be supported and promoted by a strong CAP⁶².</p>	
<p>While recognising the benefits of trade for the agriculture sector, it is essential that European Union agricultural policy through the CAP protects the highest level of standards in farming, food production, environmental controls, health and safety and workers' rights in the world. The European Economic and Social Committee believes that there needs to be a much more coherent European Union policy approach towards international trade deals in the agriculture and food sector and the CAP⁶³. While the CAP is striving to maintain the highest standards, in some trade negotiations, such as Mercosur, the European Union is accepting food imports, which fail to meet European Union food safety standards and are produced with lower environmental standards. Globalisation cannot be allowed to undermine European standards, markets and European Union citizens.</p>	<p>In terms of sustainability, the environmental safeguards built into EU food and farming policy are already robust, certainly in a global comparison, and are in the process of being strengthened even further.</p> <p>The Commission works to ensure that Europe's food supply is the safest in the world and that the same sanitary and phytosanitary (SPS) standards (in the area of food safety, animal health and plant health) apply to all products regardless of their origin. This means that all imports to the European Union have to meet our sanitary and phytosanitary standards or standards that are at least equivalent to ours.</p>
<p>The Committee notes with concern the large number of farmers in the United Kingdom who voted in favour of Brexit, apparently due to the intrusiveness and complexity of the CAP on the ground. In order to prevent similar issues in other Member States, thereby increasing populist and anti-European Union pressures, the European Economic and Social Committee requests the Commission to ensure that real and</p>	<p>The Common Agricultural Policy proposals focus on the simplification and modernisation of the policy to keep it fit for the future. In addition to the objectives stated in the Treaty: farm income, food security, and integration of environmental protection requirements, the future CAP will also address new societal demands (e.g. food and health quality).</p>

⁶² OJ C 354 du 28.12.2010, p.35

⁶³ OJ C283, 10.08.2018, p. 69 Sections 10.2/10.3/10.4.

practical simplification measures at farm level are a central part of the CAP proposals for 2021-2027.	
Given the diverse nature of European agriculture, culinary heritage and market prospects, quality differentiation is a strategic goal and part and parcel of the future of European agriculture, together with efforts to improve efficiency and competitiveness. The CAP should therefore provide different ways to promote quality policy, as has been the case in the past. To meet this objective, quality should also be highlighted when developing the CAP strategic plans.	Indeed, quality is a distinctive feature of European agriculture and it is highlighted in the CAP Strategic Plan Regulation proposal, in particular in coupled support interventions (see Art. 29), in the sectoral interventions (Art. 42 for fruit and vegetables, Art. 49 for apiculture, Art. 51 for wine, Art. 55 for hops, Art. 56 for olives and Art. 59 for all other sectors) and under rural development (Art. 71)
CAP structure and new measures	
The proposals contain new measures on additional environmental and climate change conditionality for all CAP payments (Pillar I and Pillar II) as well as new subsidiarity proposals with a new delivery model (CAP Strategic Plans) designed to provide Member States with much more responsibility and flexibility in terms of how they meet specific objectives, how they tackle specific problem areas and how they implement and apply compliance. This increase in subsidiarity should not result in greater renationalisation; rather, it should lead to the adaptation of the general measures to the specific circumstances of each territory.	<p>There are several safeguards that will ensure that renationalisation will not be the case:</p> <ul style="list-style-type: none"> - the legislation will include common EU objectives, basic EU requirements applicable to the types of interventions, as well as several important common elements - the approval of the CAP Strategic Plans by the Commission will include a thorough assessment of the completeness, consistency and coherence and the effective contribution to the CAP objectives of the national strategy and Member State will be supported by the Commission in the preparation of the CAP plans - annual performance reporting will allow for the early detection of risks and the first signs of underperformance. Depending on the circumstances, the Commission will be able to take appropriate corrective action, including the request to Member State to draw-up

	an action plan, suspension of payments and financial correction.
<p>Increased environmental and climate change ambition</p> <p>While recalling that farmers already contribute to environmental and climate protection, the European Economic and Social Committee acknowledges the increased emphasis and higher ambition in the proposals on the environment and climate change and the alignment with the European Union commitments under the Paris Agreement and the Sustainable Development Goals (SDGs). However, the European Economic and Social Committee points out that achieving delivery on these ambitious targets should not hamper the competitiveness of the sector and will require an adequate Common Agricultural Policy budget.</p>	<p>The European Union has committed to ambitious climate and energy targets, where all sectors, including agriculture, have to contribute.</p> <p>One of the general objectives of the Common Agricultural Policy is to foster a smart, resilient and diversified agricultural sector ensuring food security. This is reflected in various specific objectives, which refers to elements of competitiveness. The new delivery model leaves a wide margin of subsidiarity to Member State on how to set out their intervention strategy in order to better achieve all their CAP objectives.</p> <p>The contribution to the Sustainable Development Goals will also improve the resilience of the sector and thus its viability and its competitiveness in the long run.</p>
<p>Society is demanding that food production and farming be environmentally sustainable and it is essential that the Common Agricultural Policy is modernised and focused to meet these demands. Sustainability consists of three inseparable elements; economic, social and environmental. All three are equally important. Delivery on care for the environment and action on climate change are essential in the new Common Agricultural Policy. The European Economic and Social Committee is pleased that one of the three general objectives set down in the proposals is to "bolster environmental care and climate action and to contribute to the</p>	<p>Pillar II will have a strong mandatory ring fencing for climate and environment, which will amount to 30% in Commission proposals.</p> <p>On top of this, there will be the possibility for Member States to transfer 15% from direct payments to rural development and an additional 15% transfer towards rural development for spending on climate and environment.</p>

<p>environmental and climate objectives of the Union"⁶⁴. Such measures should have sufficient budgetary support so as not to compromise the overall cost-effectiveness of family-run farms.</p>	
<p>The Committee is pleased that of the nine specific objectives set down in the proposals, three are dedicated to environmental and climate change improvement. Specifically, these proposals:</p> <ul style="list-style-type: none"> – contribute to climate change mitigation and adaptation, as well as sustainable energy; – foster sustainable development and efficient management of natural resources such as water, soil and air; – contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes. – it is crucial that the relevant actions and programmes under the schemes for the climate and the environment be backed up with an incitative component, which would encourage uptake among farmers and send a strong signal to the public. 	<p>Incentive component:</p> <p>Under the Eco-Scheme, a payment may be granted for incentivising and remunerating the provision of public goods by agricultural practices beneficial to the environment and climate.</p>
<p>In terms of biodiversity and landscape, the proposals on conditionality set out the details on the conservation of wild birds, natural habitats and wild flora and fauna: a minimum share of agricultural surface devoted to non-productive features or areas, retention of landscape features, ban on hedge cutting or trees during birds' breeding and rearing season and measures</p>	<p>It will be up to Member State to set in their CAP Strategic Plans quantified targets at the level of result indicators on what they want to achieve in the programming period.</p> <p>On the basis of an European Union-level menu (conditionality/ Eco-schemes/ Pillar II) the Member State will then design "interventions" for achieving them.</p>

⁶⁴ COM(2018) 392 final, Article 5 – General objectives, p.41

<p>to avoid invasive species (GAEC 9), establishment of buffer strips along watercourses (GAEC 4) or crop rotation (GAEC 8). However, the European Economic and Social Committee proposes that the European Union should attach clear quantitative targets to the GAECs, which should be binding on the Member States.</p>	<p>This objective- and planning-based approach will allow Member States to pursue the CAP's environmental and climate objectives with a much more joined-up and targeted response than at present.</p> <p>The Good Environmental and Agricultural Conditions (GAEC) are binding on the Member States and objectives are specified for each standard in Annex III.</p>
<p>40% of agricultural expenditure is to go towards the European Union's climate change objectives. The European Economic and Social Committee welcomes this goal, but expects the European Union to set out a clearly defined set of measures in this connection.</p>	<p>Following the proposed delivery model, Member States have to design interventions and allocate funds in line with their identified needs and the CAP objectives specified in the legal act. Climate-related actions can be addressed by a wide range of interventions, including management commitments, investments, knowledge transfer, and innovation actions.</p>
<p>However, the European Economic and Social Committee is keen to ensure that the CAP remains a common policy across all Member States and that the single market is fully preserved. CAP Strategic Plans cannot allow Member States to renationalise markets or create barriers to or restrictions of fair competition in the single market. Under no circumstances shall the implementation of these strategic plans be seen as a step towards the co-financing of the whole CAP.</p>	<p>The proper functioning of the single market must be safeguarded. To that end, CAP Strategic Plans will have to be designed according to common rules, with a view to achieving common objectives, and will be approved by the Commission that will be attentive to preserving a level-playing field.</p>
<p>It is critically important that a level playing field be maintained in terms of implementation at farm level, particularly in relation to cross-compliance and GAEC. Member States and regions must be prevented from adopting gold plate or light-touch variation on implementation</p>	<p>It is important to leave leeway in the national translation of the standards so as to adapt the rules to local situations and needs. The Commission will check during the approval of the CAP Strategic Plans that Member State do not “gold plate” or do not light-touch variation on</p>

plans.	implementation plans.
<p>The proposal requiring Member States to develop and submit CAP Strategic Plans for both CAP Pillar I and II will be more complex than the current system. It is essential that this requirement is not allowed to delay implementation and under no circumstances can it delay the efficient and timely delivery of direct payments to farmers. The regions should be involved here, and their expertise fully harnessed.</p>	<p>According to the Commission proposals, the national CAP Strategic plans will replace the plethora of different programming documents and notifications currently to be established by each Member State for direct payments, rural development and market programmes. This is expected to increase simplification and cost-effectiveness in the implementation of the CAP. The proposal anticipates the starting of the implementation of the CAP Strategic Plans as of the year 2021, thus ensuring continuity in the provision of direct payments. In addition, elements of flexibility for a possible partial approval of the plans are included in the proposal. The proposed provisions in respect of coordination and governance systems provide the necessary framework for a full involvement of regional authorities, including the environmental authorities, which will help ensuring the quality of the Plans and easing their verification and adoption at EU level.</p>

<p>Simplification and conditionality</p> <p>The European Economic and Social Committee strongly supports simplification and requests that the political commitment made on this must be delivered on at farm level under the new CAP proposals. While recognising positive elements, the proposed functioning of the new delivery model, the enhanced conditionality, the introduction of indicators in Pillar I and the obligation to prepare detailed CAP strategic plans are particularly worrying and go against real simplification.</p>	<p>Simplification has been a key priority for the Commission and the Commission would like to clarify that the new delivery model offers a huge potential for simplification for Member States in the form of less prescriptive and more targeted choice and design of interventions in line with their needs.</p> <p>The Commission would like to stress that the common framework and the enhanced flexibility are two parts of the same concept of revised partnership which is based on a well-thought through balance between 'common' and 'better targeting/flexibility' using the full potential of subsidiarity without running the risk of renationalisation.</p> <p>In this new framework, measurable targets will be needed based on a switch from compliance to performance-orientation.</p>
<p>Despite the positive moves on simplification in the Omnibus Regulation, the extension of the yellow card system and the adoption of satellite technology for area checking, the CAP proposals still retain a large volume of detailed requirements with a heavy bureaucratic burden on individual farmers, the vast majority of whom are operating as sole operators under severe income pressure.</p>	<p>Commission's proposals reflect the change of approach from a compliance-based to a performance-based delivery model opening significant room for simplification by extending subsidiarity to Member States in key areas such as controls and penalties, the geo-spatial application etc. The use of innovative technologies envisaged in these proposals (e.g. satellite technology, area monitoring) will modernise and improve the administration, monitoring and overall operation of the CAP. This approach will help not only Member States' administrations but will have multiple benefits for the farmers in terms of reducing burden and avoiding penalties (e.g. decreasing the time and complexity to submit applications for CAP aid, spending less time on the field for inspection controls, benefiting from</p>

	synergies with other digital technologies, such as crop monitoring and yield forecasting to manage their farms better).
<p>To deliver real simplification at farm level, while maintaining full and adequate controls, it is necessary to reduce the volume and burden of bureaucracy on farmers. The current CAP delivery system relies on detailed requirements at European Union level and features tight controls, penalties and audit arrangements⁶⁵. There should be a full review and redesign of the control system at farm level: increased use of technology, satellite inspection and remote sensing, increased tolerances and inspections cannot be allowed to delay payments⁶⁶. In relation to the increased use of remote sensing, the correct identification of the eligible area should also fall on the authorities responsible for monitoring.</p>	<p>In line with the new delivery model and in light of the subsidiarity given, Member States will have the flexibility to design their own control and penalties' system in Integrated Administration and Control System and the possibility to exploit the potential of new technologies, as proposed by the Commission.</p> <p>The Commission's proposal provides for a number of new technology tools such as the satellite based area monitoring system, in order for Integrated Administration and Control System post-2020 to be modernised and adapted to the future delivery model.</p> <p>Member State will also have the possibility, if they decide to do so, to use these tools for the dual purpose of policy monitoring and checks. This will allow Member State to design control systems that are simple for farmers and administrations, targeted to the interventions designed by Member State in accordance with their strategic plans.</p>
<p>The current inspection and penalty regime is designed to catch and penalise as opposed to correcting and improving. The European Economic and Social Committee is proposing the concept of the right to rectify with a close-out model introduced at farm level which would allow farmers to correct unintentional non-compliances without penalty.</p>	<p>Overall, the approach of the proposed horizontal regulation is preventative rather than repressive. In line with the performance-based delivery model, the design of the control and penalties system is left to Member States.</p> <p>Conditionality aims at increasing awareness of beneficiaries and is, therefore, closely linked to the farm advisory system (FAS). It distinguished between minor non-compliances,</p>

⁶⁵ COM(2018) 392 final, p. 3

⁶⁶ OJ C283, 10.08.2018, p. 69 Section 1.9/6.4

	negligent and intentional infringements. Minor non-compliances can be subject to an early warning with no penalty applied. Negligent and intentional infringements call for proportional and deterrent sanctions. A system of tolerances would not be consistent with the underlying sectorial legislation on animal, public and plant health, animal welfare, climate and environment.
Specific proposals from the European Economic and Social Committee	
As well as examining income tests and labour inputs on the farm as proposed, the definition of a genuine farmer should be expanded to include objective and non-discriminatory criteria such as income, assets, time input, output and education criteria among other things. In line with the recent changes introduced in the Omnibus Regulation, Member States could maintain the flexibility to better target the eligibility of support. Thus, it should be possible to design a common framework whilst leaving the possibility to adapt the definition to the real needs and conditions of Member States.	Within the common EU framework for genuine farmer set in the proposal, Member States maintain the flexibility to define their own criteria. The criteria mentioned in the proposals are only examples; Member States may decide not to use them and/or to use other criteria. The criteria should meet the CAP objectives, be objective, non-discriminatory and compliant with the Union law (notably Member State shall cater for specific requirements for the conservation of agriculture related species and habitats under, respectively, Directive 2009/147/EC ⁶⁷ on the conservation of wild birds and Directive 92/43/EEC ⁶⁸ on the conservation of Natural Habitats and Flora) and principles and respect the provisions of paragraph 1 of Annex 2 to the WTO Agreement on Agriculture.

⁶⁷ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds; OJ L 20, 26.1.2010, p. 7–25.

⁶⁸ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora; OJ L 206, 22.7.1992, p. 7–50.

<p>General objectives</p> <p>The European Economic and Social Committee wishes to point out that it is not possible to achieve the general objectives around smart, resilient and diversified agriculture, food security, environmental care and climate action and strengthening the socio-economic fabric of rural areas without having an economically sustainable farming sector in the first place. Achieving a viable farming sector must be a general objective of the CAP.</p>	<p>The first general objective of the new Common Agricultural Policy is precisely 'Support viable farm income and resilience across the EU territory to enhance food security' and covers the importance of having an economically sustainable farming sector.</p>
<p>Indicators</p> <p>The European Economic and Social Committee considers that the proposal to introduce indicators to measure the achievement of the objectives set out with quantified milestones and targets against detailed criteria set down in Annex I⁶⁹ should apply at national level only and must not increase the bureaucratic burden on farmers. The new CAP indicators must be simple, realistic, easily quantifiable, controllable and applicable to local realities. They should be directly linked to the defined CAP objectives.</p>	<p>Indicators were selected in relation to each objective, for performance, monitoring and evaluation. They were streamlined, so that achievements can be measured in a meaningful and realistic way.</p> <p>For the first time, the draft basic act includes a comprehensive set of indicators (impact, result, output), providing a robust basis for performance assessment.</p> <p>As part of their CAP strategic plans, Member States will have to set targets and milestones for result indicators. This is in line with subsidiarity.</p>
<p>GAEC</p> <p>The European Economic and Social Committee proposes that having a minimum and a maximum stocking rate for grasslands should be considered in the context of maintaining land in GAEC.</p>	<p>It is important to leave leeway to Member States for the definition of their national Good Environmental and Agricultural Conditions (GAEC), so as to adapt the rules to local needs and situations. Setting minimum and maximum stocking densities, if possible combined with other relevant obligations, would be positive for the environment and in particular to improve biodiversity on farms.</p>
<p>It also recommended not to apply the cap to payments that reward public services,</p>	<p>Achieving a fairer distribution of support is one of the major objectives of the</p>

⁶⁹ [COM\(2018\) 392](#), Annex I – Impact, result and output indicators pursuant to Article 7

<p>especially payments in the area of the environment and climate, for which it called for a clear incentive component.</p>	<p>future Common Agricultural Policy. Accordingly, the Commission's post-2020 proposal includes, inter alia, a mechanism of degressivity (and ultimate capping) of the level of payment. However, the Committee is right that the capping of the payments for 'ecoschemes' could dissuade the biggest farms from voluntarily applying such schemes.</p>
<p>The Committee also advocated a higher premium for grassland.</p>	<p>Setting minimum and maximum stocking densities, if possible combined with other relevant obligations, would be positive for the environment and in particular to improve biodiversity on farms. Member State will have the possibility to support such eco-schemes under the 1st pillar.</p>
<p>The European Economic and Social Committee welcomes in principle the inclusion of salaries in accordance with Article 15(2)(a) and (b), but does not consider that this should be at the rate of 100%. It is not justifiable for public budgets to finance in full the salaries and related taxes of a specific occupational group and for even unpaid work to be fully included in the calculation. A maximum rate of less than 100% has to be designed by the European Union.</p>	<p>The Commission's proposal aims to recognise the important role that agricultural holdings play in rural employment. However not to render the mechanism more complex and unmanageable, it is proposed that this be done in a simplified and objective manner by subtracting the number of annual working units on the farm multiplied by the average standard salary related to agriculture in the Member State or region concerned.</p>
<p>Convergence of payments</p> <p>The European Economic and Social Committee supports the proposals on external convergence for the continued harmonisation of the level of direct payment support between Member States. The proposal aims to close 50% of the existing gap between the current average Member State direct payment level and 90% of the European Union average of direct payments from 2021 to 2027. With an adequate CAP budget, however, the Commission proposals could be more ambitious, particularly with regard to the Member States with the lowest level of</p>	<p>The Commission proposal for further convergence of direct payment levels per hectare between Member States is balanced particularly in the light of the difficult overall budgetary context. Whereas Member States may be subject to a decrease of up to 3.9% of direct payments, the farmers in the Member States with a level per hectare below 90% of the EU average will benefit from this further convergence. Member States with the lowest aid levels will even see an overall increase of the direct payment envelopes of more than 4%.</p>

aid. The Committee takes the view that at the end of the next budgetary period, the direct payment level should be at least 85% of the European Union average.	
Flattening payment entitlements is a very crude approach and fails to take into account any objective criteria such as the level of investment made on the farm, the type of farming system, income level, labour requirement, future viability of the farm and how reliant the farm may be on direct payments and the commitment of the farmer.	<p>Member States should provide a basic income support to all genuine farmers in order to guarantee a minimum level of agricultural income support to all of them, in view of the Treaty objective to ensure a fair standard of living for the agricultural community. The Commission proposal provides for a certain leeway to address their particular situation in designing interventions under the basic income support. In particular, the mandatory minimum of convergence is 75%. Member States may also grant different basic support levels in different groups of territories faced with different socio-economic or agronomic conditions.</p> <p>In addition, Member States have many other instruments available to differentiate the level of CAP support for specific populations of beneficiaries and ensure proper targeting on top of the basic layer of income support.</p>
<p>National reserve</p> <p>The European Economic and Social Committee supports the concept of a national reserve for young new farmers and first time new entrants. However, the criteria for allocation from the national reserve must be such that the allocation of entitlements is not abused and entitlements are only allocated to genuine farmers based on clear objective criteria, such as age, income, education, time input and output.</p>	<p>It is for the relevant Member States to further define the use of their national reserve; the proposal does not limit Member States in providing a more targeted allocation of payment entitlements from the reserve as long as the basic definition of a young farmer/new entrant is respected.</p>
In addition, it should be compulsory that any entitlements allocated from the	Limiting transfer of payment entitlements might interfere with the land market and

national reserve be activated and used by the recipient for a minimum period of time set by the Member State, and it should not be possible for national reserve recipients to sell allocated entitlements before this 10 year period.	put in a less favourable position those farmers who are leasing their land. It remains up to Member States to further detail rules on activation of payment entitlements according to their specific needs (while respecting the decoupled nature of the payment).
<p>Complementary redistributive income support</p> <p>While the redistributive income support has yielded very good results in some countries, in other contexts it may further reduce the level of direct payments and incomes to farmers who are most dependent on direct payments for their incomes, many of whom are full-time farmers, and transfer payments to part-time farmers and farmers who are less dependent on direct payments for their entire income.</p>	Member States are to design the complementary redistributive income support according to their needs assessment; the Commission is confident that Member States are able to design this intervention in such a way to meet its objective.
The proposals highlight the importance of direct payments towards farm incomes and make it clear that securing an adequate level of support and thus farm income remains a key element of the future, in order to ensure food security and environmental and climate ambition, as well as rural vitality. However, the European Economic and Social Committee also points out that any option that significantly redistributes direct payments towards farms and regions of lower productivity will, in the short term, lead to a reduction of European Union competitiveness ⁷⁰ on international markets; at the same time, this will more closely live up to the expectations of consumers and citizens as regards orientating the CAP more towards meeting	Redistribution towards those with higher needs does not necessarily result in targeting those with the lowest productivity. Besides, the extent of the redistribution will depend on the needs assessment.

⁷⁰ COM(2018) 392 final, p. 7

the needs of the internal market.	
The European Economic and Social Committee considers that, in line with the current CAP, there should be provision for specific animal welfare interventions under the rural development programmes and that this should be included under one of the broad interventions.	Article 65 of the proposed CAP Strategic Plans Regulation provides for the possibility of granting support for animal welfare actions.
The European Economic and Social Committee proposes that, in order to increase farmer participation and uptake, a higher proportion of the payment should be allocated for transaction costs or incentives.	Article 65 includes the option to compensate transaction costs linked to the implementation of environmental, climate and other management commitments. Payments will have to establish on the basis of the costs and income losses caused by a certain commitments on the land foreseen to be included into a certain environment-climate scheme. The inclusion of an additional incentive element would neither be in line with relevant World Trade Organisation provisions, nor is it necessary to achieve the objectives of the interventions.
The European Economic and Social Committee considers that Areas of Natural Constraint ⁷¹ payments should be mandatory in the relevant areas in order to prevent land abandonment in Member States. In addition, measures should incorporate minimum and maximum stocking rate measures and specify a range for the period of time animals should spend grazing. Areas of Natural Constraint payments should be allowed to qualify as part of the environmental expenditure under Pillar II.	<p>Following the new delivery model, it will be up to the Member States to design suitable interventions in line with identified needs and the CAP objectives. This also concerns support for Areas with natural constraints that have proven to be considered as relevant by most Member States.</p> <p>Support to Areas of Natural Constraints helps maintaining land management. However, in an approach that pursues enhanced environmental ambitions, it would be difficult to justify listing them side-by-side with agri-environment-climate commitments.</p>
Crisis reserve	The Commission has proposed to set up

⁷¹ Areas facing natural or other specific constraints.

<p>The European Economic and Social Committee recognises the need for an effective and properly financed permanent crisis reserve fund. The European Economic and Social Committee proposes that funding for the crisis reserve should be provided from a new item of expenditure, outside the CAP budget and thus cannot involve any reduction in direct payments to farmers. Under the current CAP legislation, unused funds from the 2020 crisis reserve must be returned to farmers in 2021.</p>	<p>at the start of each budget year an 'agricultural reserve' of at least EUR 400 million within the European Agricultural Guarantee Fund. For financial year 2021, the agricultural reserve will be financed by rolling over the unused part of the crisis reserve from 2020 into 2021. A similar roll-over will be used in subsequent years. This avoids the recurrent and cumbersome application of the financial discipline mechanism to fill the reserve followed by a reimbursement of unused amounts the year after.</p> <p>In case the rolling over does not cover the required minimum level of EUR 400 million, the reserve can be filled up from assigned revenue or fresh credits within the European Agricultural Guarantee Fund ceiling. Only in case these sources would not be able to fill the reserve, financial discipline would have to be applied.</p> <p>The current crisis reserve can only provide additional funding for certain market measures as a source of last resort. The new agricultural reserve will finance all safety net measures (i.e. public and private storage measures) as well as exceptional support measures.</p> <p>The Committee proposal would increase needs for the CAP outside the European Agricultural Guarantee Fund allocation. This would create difficulties to make these funds available.</p> <p>Not using the unused funds from 2020 to set up the reserve for 2021 would prolong the complex reimbursement system and would require more financial discipline in 2021 to set up the agricultural reserve in that year.</p>
--	--

<p>Common Market Organisation</p> <p>The legislative proposals leave the Common Market Organisation largely unchanged, involving a safety net of public intervention and private storage and exceptional measures. In addition, the Common Market Organisation provides for marketing standards and rules on farmers' cooperation. The European Economic and Social Committee thinks that the Commission should consider further stepping up market regulation to ensure better incomes.</p>	<p>Experience to date allows to state that available market instruments cater for a flexible and timely reaction when needed. The room for manoeuvre foreseen in the common organisation of the markets Regulation⁷² has allowed the Commission to address market challenges as they were emerging. All measures that were deemed appropriate were taken under the present legal framework without a need to adjust it.</p> <p>The safety net has been used in 2015, 2016 and 2017, both in terms of public intervention (for dairy products) and private storage (for dairy products and pig meat).</p> <p>It has been usefully complemented with exceptional measures that took various forms:</p> <ul style="list-style-type: none"> ○ targeted aid for milk in the Baltic States and Finland in 2014; ○ targeted aid for livestock sectors for all 28 Member State in 2015; ○ adjustment aid for the livestock sectors in 2016; ○ milk production reduction scheme; ○ compensation of losses due to movement restrictions when fighting against animal diseases both for African Swine Fever and Avian Influenza; ○ specific measure addressing the spread of African Swine Fever in backyard farms; <p>support alleviating floods damages, etc.</p>
--	---

⁷² Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007; OJ L 347, 20.12.2013, p. 671–854.

<p>The European Economic and Social Committee considers that the proposals should re-examine and re-set the reference prices, taking into account the evolution of production costs, and trigger levels for the introduction of market support at more practical levels, with a view to providing more realistic and worthwhile market support when required. The Commission should focus on market management instruments, in particular by limiting fluctuations in the prices of agricultural products, as this represents the main source of income for farmers.</p>	<p>Experience gained in recent years shows that the safety net, including public intervention, functions adequately when needed at the level where intervention prices currently stand.</p> <p>That same experience has shown the limits of public intervention. Increasing intervention prices would make it more likely to be frequently used in future, while what the various agricultural sectors need are tools to become more resilient. Those tools are notably available under the new sectoral interventions provided in the CAP Strategic Plan Regulation.</p>
<p>Payments</p> <p>The European Economic and Social Committee proposes that advance payments from 16 October each year be increased to 80% (currently 50% but usually 70% allowed) for direct payments and to 90% (currently 75% but usually 85% allowed) under rural development measures.</p>	<p>Article 11(2)(b) of Regulation 2018/1046⁷³ (the financial regulation) allows only to commit in advance up to three quarters of the total European Agricultural Guarantee Fund appropriations for a following financial year (with European Agricultural Guarantee Fund also financing some market-related expenditure of Member States as from 16/10).</p> <p>Therefore, to ensure the respect of the financial regulation, current rules need to be maintained.</p>
<p>Timing</p> <p>The timing of the Multiannual Financial Framework agreement and the new Common Agricultural Policy proposals are unclear, particularly in the context of the</p>	<p>The Commission agrees on the need for a timely adoption of the Multiannual Financial Framework proposal as well as the CAP proposals, to provide for sufficient time to prepare for the new CAP regulation.</p>

⁷³ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012; PE/13/2018/REV/1; OJ L 193, 30.7.2018, p. 1–222.

<p>next European Parliament elections. The reform proposal introduces several new elements such as the Strategic Plan, a basic component of the reform that will not be easy for national administrations to put in place, and a new CAP structure laying down certain obligations for farmers (new enhanced conditionality, compliance with the indicators of the Strategic Plan, etc.) which will require a certain period of time in order to be adopted and implemented by the farmers themselves. The European Economic and Social Committee recommends an early agreement on the Multiannual Financial Framework before the EP elections in May 2019 and a timely agreement on the future of the CAP so that farmers and the agricultural sector can properly plan for the future with certainty. It is therefore essential that a proper transitional period based on the current support system be adopted well in advance for any period post-2020 before the new arrangements are in place.</p>	
---	--

N°45 Improving the food supply chain
COM(2018) 173 final
EESC 2018/2438 – NAT/734
537th Plenary Session –September 2018
Rapporteur - Peter SCHMIDT(GR.II-DE)
DG AGRI – Commissioner HOGAN

Points of the European Economic and Social Committee’s opinion considered essential	European Commission position
<p>1.2. [The EESC] welcomes the Commission proposal as a first necessary step but regrets the limited number of UTPs proposed and calls for an effective ban on food retailers selling below cost-price.</p>	<p>On 19 December 2018, the Council, Parliament and the Commission reached a political compromise on the draft Directive on unfair trading practices (UTPs) in the agricultural and food supply chain. The adoption of the Directive is still expected under the mandate of the Parliament. The comments below are based on the outcome of the political compromise.</p> <p>The Directive will follow a ‘minimum standard’ approach with a common framework, not a detailed harmonisation. The aim is to achieve effective results in combating the most damaging unfair trading practices while accepting that some Member States may go further. The proposal consequently covers a limited number of 16 unfair trading practices and does not address any practices directly related to pricing, such as sales at a loss. In certain situations sale at a loss can even be beneficial (see the Commission's 2018 retail communication). In addition, such a practice applies in the relationship between retailers and consumers and not between businesses. Again, under the proposed Directive Member States are free to expand the scope of their unfair trading practices rules to practices other than those mentioned in the proposal.</p>
<p>- considers it necessary to broaden the scope to all products including cut flowers</p>	<p>Extending the scope to all operators would have meant altering the underlying rationale of</p>

<p>and all operators including buyers established outside the Union.</p>	<p>the Commission proposal to intervene for the prohibition of unfair trading practices only in a situation of bargaining asymmetry. If the scope had been extended in such a manner, also large manufacturers would be protected. Even a supplier that has greater bargaining power than his downstream buyer could seek protection. The suggestions break with the logic of the proposal backed by the impact assessment that unfair trading practices occur in particular in situations of bargaining imbalances. Such an extended scope would have had to be examined against the legal basis (Article 43 Treaty on the Functioning of the European Union, which requires the fulfilment of Common Agricultural Policy objectives such as providing a fair standard of living for farmers).</p> <p>In the political compromise the scope in terms of operators was extended to cover a larger number of suppliers, however with a cut-off for protection offered set at a turnover of EUR 350 million and by keeping the proposal's logic to protect the 'weak' against the 'strong'. The political compromise thus strikes an adequate balance between offering more protection, while still respecting the legal basis.</p> <p>The Directive in particular acknowledges that the cascading of the consequences of the unfair trading practices in the agricultural and food supply chain negatively affects the primary producers in that chain. In order to protect agricultural producers and their organisations protection must thus also be offered against the effects of unfair trading practices occurring downstream in the chain. By introducing a step approach of protection based on turnover, weaker suppliers (including intermediaries such as manufacturers of agri-food products) will still be protected from unfair trading practices of stronger buyers. Compared to the Commission's proposal (which protected</p>
--	--

	<p>Small and Medium-sized Enterprises (SME) suppliers against non-SME buyers), a greater number of such weak-strong relations will now be covered by the Directive.</p> <p>The scope of the Directive has been extended to protect suppliers also against the behaviour of buyers located outside the European Union.</p> <p>The extension of the product scope beyond food products by also including non-food products has been agreed in the political compromise and the Directive now covers agricultural products as listed in Annex I Treaty on the Functioning of the European Union (such as cut flowers and animal feed) and products made from these Annex I products for use as food. Member States can go beyond the Directive in their national laws in terms of scope of operators and products.</p>
<p>1.4. believes that the enforcement mechanisms should be strengthened e.g. with a specific ombudsman procedure, class action and law enforcement by the authorities, to protect the anonymity of the complainant. Such mechanisms should be accompanied by the possibility of introducing sanctions.</p>	<p>The choice of a Directive instead of a Regulation and the minimum harmonisation acknowledges that 20 Member States already have unfair trading practices legislation and in a considerable number of cases also enforcement mechanisms in place. Extending minimum enforcement mechanisms to all Member States aims at strengthening enforcement.</p> <p>The importance of alternative dispute resolution, including mediation, has been added to the Directive.</p> <p>Law enforcement by the competent authorities as well as protection of the anonymity of the complainant were already covered by the Commission proposal.</p> <p>The Directive provides for several measures to protect the anonymity of the complainant. Firstly, the complainant can ask for this identity not to be revealed as well as other information the disclosure of which is harmful to his interests. Secondly, supplier organisations and 'interest organisations' (see</p>

	<p>comment below) can act for the complainant.</p> <p>Sanctions can be imposed by the enforcement authorities in the form of fines or other equally effective penalties.</p> <p>Moreover, the practice of enforcement are a good subject to exchange views and best practices among Member States under the cooperation mechanism and the annual meetings. The Directive specifies in greater detail the topics which can be discussed in the coordination meeting, including new developments in the area of unfair trading practices.</p>
1.4. believes that written contracts should be mandatory.	The supplier has the right to ask the buyer for a written confirmation of a supply agreement. If the buyer refuses to give such written confirmation, he indeed will commit an unfair trading practice prohibited under the Directive.
5.7.1. believes that all associations concerned should be able to apply for injunctions against a buyer from the competent authority. This would guarantee special protection of the party concerned with regard to anonymity.	<p>The Directive provides that Organisations of producers, organisations of suppliers and associations of such organisations, whose members or members of their members consider that they are affected by a prohibited practice, shall have the right to submit a complaint at the request of their members; associations 'concerned' are thus covered under the proposed Directive. In the political compromise of 19 December 2018 also organisations that have a legitimate interest can bring a complaint, at the request of the supplier, and provided that these organisations are independent non-profit making legal persons.</p> <p>Such collective complaints by the above-mentioned entities can dissimulate the identity of a particular victim of unfair trading practices and thus address the 'fear factor' in seeking enforcement.</p>
1.5. believes that alternative business models that play a role in shortening the	The current proposal for a Directive is only one element of several measures to improve

<p>supply chain should be encouraged and that the role of producer organisations should be strengthened to restore the balance of power.</p>	<p>the functioning of the food supply chain. Other important policy elements are, for instance, the role of producer cooperation through producer organisations and cooperatives and market transparency. The standing of fragmented farmers can be enhanced through the formation of producer organisations. The Omnibus regulation has recently introduced clarifications in this area (see Article 152 and 209 Common Market Organisation Regulation⁷⁴). Regarding market transparency, the Commission has taken steps to collect and provide such data – for instance through the so-called market observatories. Work is currently ongoing concerning complementary measures to increase this transparency to the benefit of farmers.</p>
--	---

⁷⁴ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007; OJ L 347, 20.12.2013, p. 671–854.

<p>N°47 Common Provisions Regulation 2021-2027 COM(2018) 375 final EESC 2018/2791 - ECO/461 538th Plenary Session - October 2018 Rapporteur: Stefano Mallia (GR.I-MT) DG REGIO – CREȚU</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.2 The EESC believes that there is a need for a clear political strategy that is aligned with the EU's global commitments. The EESC urges the Commission to renew the Europe 2020 Strategy and align the priorities of the new Common Provisions Regulation (CPR) with this new strategy. The EESC also recommends that the Commission effectively mainstreams the Sustainable Development Goals (SDGs) into the cohesion policy related regulations by ensuring their cross-cutting inclusion in all priorities of the funds.</p>	<p>The Commission takes note of the Committee's call for a clear political strategy by renewing the Europe 2020 strategy. The proposed Common Provisions Regulation clearly aligns with the current European Union political agenda and commitments, as reflected by the proposed five policy objectives under Article 4(1): a smarter, greener, more connected and more social Europe, which is closer to the citizens.</p> <p>In addition, the alignment is further enhanced by the closer link built with the European Semester.</p> <p>As regards the Sustainable Development Goals (SDGs), in 2014-2020, 94% of the planned investments have been allocated to 11 SDGs highly relevant for social, economic and territorial cohesion. This alignment will be continued over 2020.</p>
<p>1.3 The EESC finds that the economic circumstances set up by the CPR (macro-economic conditionalities, decreased co-financing etc.) would create a too rigid environment and could harm investment. The EESC therefore:</p> <ul style="list-style-type: none"> • rejects macro-economic 	<p>The Commission takes note of the Committee's concerns regarding certain underlying mechanisms.</p> <p>Measures to promote sound economic governance are indeed maintained in the proposal. Macro-economic conditionality has acted as an important</p>

<p>conditionality for penalising regions and citizens who are not to blame for macro-economic decisions taken at national or European level;</p> <ul style="list-style-type: none"> invites the Commission to maintain the decommitment rule at N+3; asks the Commission to reconsider increasing the co-financing rates. 	<p>deterrent, while it has been used very prudently. Macro-economic conditionality aims at helping Member States address weaknesses related to macroeconomic stability and protecting the execution of cohesion policy through the proper use of the relevant Funds.</p> <p>The Commission has also proposed to return to the N+2 decommitment rule, with a view to disciplining the implementation of the Funds. The implementation of 2014-2020 programmes encounters substantial delays, which are partially rooted in too flexible decommitment rules.</p> <p>The rule of N+3 under Regulation 1303/2013⁷⁵ has been exceptional and motivated by the impact of the economic crisis on public budgets. The situation having now improved, the Commission considers that the reintroduction of the N+2 rule largely prevailing before the crisis is justified.</p> <p>As regards the decrease in co-financing rates, this would bring the rates closer to the situation prevailing before the economic and budgetary crisis.</p> <p>It also aims at preserving the volume of investments in a context where the proposed budget has been reduced by 10%.</p>
<p>1.5 The EESC finds the rules related to thematic concentration too strict. The EESC proposes that one of the policy</p>	<p>The Commission takes note of the Committee's view on thematic concentration. However, the proposed</p>

⁷⁵ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006; OJ L 347, 20.12.2013, p. 320–469.

<p>objectives should be chosen by the Member States. In this regard, the EESC encourages the Member States to consider policy objective 5 as that PO that can guarantee the most tailor-made solution to their specific challenges</p>	<p>concentration on policy objectives 1 and 2 aims at ensuring stronger focus of Funds' support to European Union priorities and commitments, while taking into account specific needs. For this reason the thematic concentration requirements take into account the level of development of Member States (as expressed in their gross national income levels compared to the European Union average) and apply at national level. These mechanisms are expected to provide European Union regions with sufficient flexibility to address their specific thematic and territorial challenges.</p> <p>The Committee's suggestion to consider policy objective 5 for applying thematic concentration would significantly undermine the effort of concentration, as all measures eligible for support under policy objectives 1 to 4 are also eligible under policy objective 5. This latter, by nature, therefore cannot ensure any thematic concentration.</p>
<p>1.9 The implementation of "multi-level and multi-actor governance" with the involvement of economic and social partners in the decision and implementation process is one of the most important conditions for the success of cohesion policy. Concerning the Code of Conduct, the EESC takes note of the dissatisfaction of the European Social Partners and asks that it be revised and updated in direct consultation with them. The EESC also asks that the Code of Conduct be made binding.</p>	<p>The Commission takes note of the dissatisfaction of the European Social Partners on the Code of Conduct. However, the revision of the code would only be possible through the modification of Commission Delegated Regulation 240/2014⁷⁶. This act could only be amended after the entry into force of the future Common Provisions Regulation. Hence, it would take place late, when Member States will be actively involved in the preparation of the future programmes, in cooperation</p>

⁷⁶ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds; OJ L 74, 14.3.2014, p. 1–7.

	<p>with partners. The revision of the Code of Conduct would therefore not have any impact on the programming stage, which is critical in view of involving partners.</p>
<p>1.10 The EESC rejects the removal from the new CRP proposal of the principles of promotion of equality between men and women, non-discrimination, accessibility of persons with disabilities, as well as of sustainable development. It therefore strongly recommends that Article 7 of the current CPR 2014-2020 be incorporated in the proposed new CPR, and that this principle be directly embedded in the main text of the proposed European Regional Development Fund and Cohesion Fund (ERDF and CF) regulation. In addition, the EESC firmly proposes to include accessibility for persons with disabilities in Article 67 – on the selection of operations – of the proposed CPR</p>	<p>The Commission welcomes and shares the attention paid by the Committee to the promotion of equality between men and women, non-discrimination, accessibility of persons with disabilities, as well as to sustainable development.</p> <p>These principles already apply through existing legal acts. Moreover, Member States would be required under Article 63(2) of the proposal to ensure that expenditure complies with applicable law and is thus legal and regular.</p> <p>As for accessibility for persons with disabilities, the relevant horizontal enabling condition under Annex III of the proposed Common Provisions Regulation would require Member States to set-up a national framework for implementing the United Nations' Convention on the Rights of Persons with Disabilities (CRPD). This detailed requirement should provide for a more effective application of the Convention on the Rights of Persons with Disabilities, than a generic reference.</p>
<p>1.6 The EESC recommends that the Commission develop the required tools that allow areas with structural and permanent disadvantages (islands, mountain regions etc.) to effectively tackle their specific and complex challenges. This cannot remain the sole competence of national authorities. The EESC also recommends that the projects implemented in these areas be supported by higher co-</p>	<p>The Commission takes note of the Committee's recommendation for areas with structural and permanent disadvantages, as referred to in Article 174 of the Treaty of the Functioning of the European Union. It considers that the flexibility offered to Member States and regions on programming, in particular through a simpler programming menu, as detailed under</p>

financing rates	<p>Article 2(1) of the proposed European Regional Development Fund / Cohesion Fund Regulation⁷⁷, enables programming authorities to address their specific territorial challenges in an effective way.</p> <p>In addition, the proposed policy objective 5 reflects the importance paid to territorial development and challenges and provides for effective development tools.</p> <p>The Commission also stresses that co-financing rates apply at – the more general - priority axis level. The regions concerned therefore have all the necessary flexibility to modulate the intensity of support at individual project level.</p>
-----------------	--

⁷⁷ COM (2018) 372.

<p>N°47 Regulation on the European Regional Development Fund 2021-2027 COM(2018) 372 final EESC 2018/3269 - ECO/462 538th Plenary Session - October 2018 Rapporteur: Ioannis VARDAKASTANIS (GRIII-EL) DG REGIO–Commissioner CREȚU</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
General:	<p>The Commission welcomes the Committee's opinion on the proposed Regulation for the European Regional Development Fund (ERDF) and on the Cohesion Fund (CF).</p> <p>The Commission notes that several points raised by the Committee do not fall under the scope of this Regulation, such as points on budgetary cuts (1.2), co-financing rates (1.3), co-financing mechanisms (1.4), simplification (1.5), governance and partnership (1.7), allocation for European Territorial Cooperation (1.11) or macroeconomic conditionalities (1.18).</p> <p>In relation to these points the Commission is responding in the framework of the follow-up given on the Committee opinion on the proposed Common Provisions Regulation (CPR)⁷⁸.</p>
1.9 The EESC recommends that the Commission effectively mainstreams the Sustainable Development Goals (SDGs) in cohesion policy through the CPR and the ERDF and CF Regulations, by ensuring their cross-cutting inclusion in all priorities of the funds, not only climate action.	<p>The Commission takes note of the Committee's call for mainstreaming the Sustainable Development Goals (SDGs).</p> <p>Those Sustainable Development Goals, which are applicable for the Funds in question, are already effectively</p>

⁷⁸ COM(2018) 375.

	<p>reflected upon as currently in 2014-2020, 94% of the planned investments have been allocated to 11 Sustainable Development Goals highly relevant for social, economic and environmental development. This alignment will be continued post 2020.</p>
<p>1.8 The EESC points out that at EU level there is no structured involvement of civil society organisations in the process of monitoring the implementation of cohesion policy. It therefore strongly recommends that the Commission establish a European Civil Society Cohesion Forum with the participation of the social partners, civil society organisations and other stakeholders that will consult the social partners and CSOs annually on the state of implementation of the cohesion policy throughout the programming cycle 2021-2027.</p>	<p>The Commission takes note of the Committee recommendation to establish a European Civil Society Cohesion Forum on the state of implementation of the cohesion policy throughout the programming cycle 2021-2027.</p> <p>In this regard, pursuant to Articles 6(1) and (2) of the proposed Common Provisions Regulation, social partners and civil society organisations should be closely involved in the programming and implementation of the Funds, under the responsibility of Member States.</p> <p>The Commission also intends, pursuant to Article 6(4) of the proposed Common Provisions Regulation, to organise, at least once a year, a consultation with the organisations that represent all relevant partners on the implementation of the programmes.</p>
<p>1.10 The EESC proposes that sparsely populated areas, isolated areas, small islands and mountainous regions, in accordance with Article 174 of the Treaty on the Functioning of the European Union, be supported with the same thematic concentration requirements, scope of support and benefits, and with the same derogations, as the outermost regions. Investment strategies should be oriented towards the objectives of macro-regions and territorial and cross-border cooperation, especially to address complex phenomena such as migration.</p>	<p>The Commission takes note of the Committee recommendation for areas referred to in Article 174 of the Treaty on the Functioning of the European Union.</p> <p>It considers that the flexibility offered to Member States and regions on programming, in particular through a simpler programming menu, as detailed under Art 2(1) of the proposed European Regional Development Fund / Cohesion Fund Regulation, enables programming authorities to address their specific territorial challenges in an</p>

	<p>effective and flexible manner.</p> <p>In addition, the proposed policy objective 5 reflects the importance paid to territorial development and challenges and provides for effective development tools.</p> <p>The Commission also acknowledges the situation of sparsely populated areas that fulfil the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession. These will benefit from an additional specific allocation in similar conditions as for the outermost regions.</p> <p>Macro-regional strategies and territorial and cross-border cooperation are also expected to address, throughout the future programming, challenges requiring complex transnational solutions, such as migration flows, etc.</p>
<p>1.13 The EESC supports the concept of thematic concentration but asks the Commission to balance distribution of the thematic concentration requirements in investments among policy objectives (POs), as the allocation for POs 3 to 5 seems to be insufficient for tackling socio-economic needs and for building a Europe that is closer to its citizens.</p> <p>1.5 The EESC finds the rules related to thematic concentration too strict. The EESC proposes that one of the policy objectives should be chosen by the Member States. In this regard, the EESC encourages the Member States to consider policy objective 5 as that PO that can guarantee the most tailor-made solution to their specific challenges.</p>	<p>The Commission takes note of the Committee's view on thematic concentration.</p> <p>The proposed concentration on policy objectives 1 and 2 aims at ensuring stronger focus of Funds' support to European Union priorities and commitments, while taking into account local specific needs. The thematic concentration requirements take into account the level of development of Member States (as expressed by the national Gross national income compared to the EU average) and apply at national level. These mechanisms are expected to provide EU regions with sufficient tools to address their specific thematic and territorial challenges. In particular, the proposed application of thematic concentration at national level will enable regions facing specific</p>

	<p>needs under policy objectives 3 or 5, to modulate their resources in favour of these objectives.</p> <p>The Committee suggestion to consider policy objective 5 for applying thematic concentration would undermine the effort of concentration, as all measures eligible for support under policy objectives 1 to 4 are also eligible under policy objective 5. The latter, by nature, cannot therefore ensure any thematic concentration.</p>
<p>1.14 The EESC regrets that the Commission proposals for all Regulations have excluded the horizontal incorporation of equality, non-discrimination and accessibility for persons with disabilities. It therefore strongly recommends that Article 7 of the current Common Provisions Regulation (CPR) 2014-2020 be incorporated in the proposed new CPR, and that this principle be directly embedded in the main text of the proposed ERDF and CF Regulation. Also, the EESC firmly recommends including accessibility for persons with disabilities in Article 67 of the proposed CPR on selection of operations.</p> <p>1.15 The EESC underlines that the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) should be fully embedded in the main text of the proposed ERDF and CF Regulation as well as in the CPR Regulation. The UNCRPD in particular should be fully included in the legal basis of the ERDF and CF Regulation and accessibility for persons with disabilities should be made a mandatory eligibility criterion.</p>	<p>The Commission is responding to this point in its reply to the Committee opinion on the proposed Common Provisions Regulation.</p>
<p>1.16 The EESC asks the Commission to ensure that building or renovating</p>	<p>The Commission takes note of the Committee recommendation to exclude</p>

<p>segregated institutional care facilities be excluded from the scope of support under the ERDF and CF. Instead, social inclusion through the transition from institutional to community-based care must be promoted.</p>	<p>segregated institutional care facilities from the scope of support under the European Regional Development Fund and Cohesion Fund and to promote the transition from institutional to community-based care.</p> <p>The proposed enabling conditions on socio-economic integration of marginalised communities, migrants and disadvantaged groups (4.3) and on ensuring equal access to health care (4.4) would entail the promotion of measures promoting community based services under the corresponding strategic policy frameworks.</p>
<p>1.19 The EESC considers that the implementation of the European Pillar of Social Rights (EPSR) needs to be prioritised in cohesion policy, not only in the ESF+. It therefore firmly recommends that a minimum of 10% be allocated to PO 4 of the ERDF, establishing the Social Sustainability and Accessibility Regional Initiative (SSARI).</p>	<p>The Commission welcomes the Committee support for the European Pillar of Social Rights (EPSR).</p> <p>The implementation of the Pillar is expected to be closely scrutinised under the European Semester process and hence reflected, through links enshrined in the proposed Common Provisions Regulation, in the programming process, including for the proposed mid-term review.</p> <p>As concerns the proposed earmarking regarding the Social Sustainability and Accessibility Regional Initiative (SSARI), the Commission does not consider this necessary, given that European Regional Development Fund measures only accompany European Social Fund+ measures. The concentration requirements in this policy field are applicable to the European Social Fund + as included in the proposal.</p>

<p>N°48 Asylum and Migration Fund (AMF) and Integrated Border Management Fund COM(2018) 471 final COM(2018) 473 final EESC 2018/3636 – SOC/600 538th Plenary Session – October 2018 Rapporteur: Mr Giuseppe IULIANO (Gr. II-IT) DG HOME – Commissioner AVRAMOPOULOS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1 and 2.1 [...] Joint management of migration in the EU as a process is incomplete: over recent years, this situation has degenerated into an institutional crisis that has revealed the lack of a common European voice. [...]</p>	<p>The Commission does not share this view.</p> <p>As acknowledged <i>inter alia</i> by the European Council of 13-14 December 2018, the number of detected irregular border crossings has been brought down to pre-crisis levels, and the overall downward trend is continuing. This is the result of the comprehensive approach pursued by the Union and its Member States so far, including, but not being limited to, an increased control of the external borders, the fight against smugglers, closer cooperation with countries of origin and transit and strengthened actions inside the Union as well.</p> <p>This is outlined also in the Commission's Communication 'Managing Migration in all its aspects' of 4 December 2018 (COM(2018)798).</p>
<p>(1.2, 1.11) Respect of Human and Fundamental Rights</p>	<p>European Union funding is conditional on the respect of Human and Fundamental Rights. Recital 5 of the Asylum and Migration Fund (AMF) proposal and recital 15 of the Border Management and Visa Instrument (BMVI) proposal state: <i>'The Fund should be implemented in full compliance with the rights and principles enshrined in the Charter of Fundamental Rights of the</i></p>

	<i>European Union and with the Union's international obligations.</i> ’ This is further emphasised in Article 3(1), and applies equally to public and private institutions.
1.1 [...] The current state of affairs has been prompted by the inability of the EU Member States to put in place the common asylum system and give adequate protection to the hundreds of thousands of displaced persons and asylum seekers who are arriving at our borders.	The Commission does not share this assessment. There is substantial European Union legislation in place, which establishes a Common European Asylum System, notably, the Asylum Procedures Directive ⁷⁹ , the Reception Conditions Directive, the Qualification Directive, the EURODAC Regulation ⁸⁰ and the Dublin Regulation ⁸¹ . Member States have transposed these instruments into their respective national frameworks and Commission is carefully monitoring the way in which EU law is being applied. However, the shortcomings in the asylum systems of Member States revealed by the crisis justified a comprehensive reform of the current rules, which is currently ongoing.
1.6 T[...] the absence of any mention of regular channels for access to the European Union, which would also ensure smooth functioning in these areas, is to be regretted.	One of the objectives of the Fund is to support legal migration and other legal pathways to the European Union. Enhancing solidarity and cooperation with third countries through legal avenues is clearly set out in the list of specific objectives in Annex II 1 (d) and

⁷⁹ Directive 2013/32/EU of the European Parliament and of the Council of 26 June 2013 on common procedures for granting and withdrawing international protection; OJ L 180, 29.6.2013, p. 60–95.

⁸⁰ Regulation (EU) No 603/2013 of the European Parliament and of the Council of 26 June 2013 on the establishment of 'Eurodac' for the comparison of fingerprints for the effective application of Regulation (EU) No 604/2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person and on requests for the comparison with Eurodac data by Member States' law enforcement authorities and Europol for law enforcement purposes, and amending Regulation (EU) No 1077/2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice; OJ L 180, 29.6.2013, p. 1–30.

⁸¹ Regulation (EU) No 604/2013 of the European Parliament and of the Council of 26 June 2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person; OJ L 180, 29.6.2013, p. 31–59.

	2 (a), and in Annex III, which sets out the scope of support of Asylum and Migration Fund.
(1.7) The EESC calls for strengthening the principle of solidarity	<p>The Asylum and Migration Fund proposal is based on a cross-cutting comprehensive approach to the management of migration ensuring a common sustainable Union policy on asylum and migration with full respect of the principle of solidarity.</p> <p>This solidarity principle is also mainstreamed throughout the Border Management and Visa Instrument proposal.</p>
1.8 [...] The removal of the word "Integration" from the title of AMF is worrying [...].	<p>The Commission considers that 'integration' is a key component of the 'migration' policy that is referenced in the title of the Fund.</p> <p>Asylum and Migration Fund will support measures for the early phases of integration, tailor-made to the needs of the third-country nationals. This will include basic language training, civic orientation courses, administrative and legal guidance or one-stop shops for integration providing general advice, and assistance in areas such as housing, means of sustenance, psychological care, and health care and horizontal measures that aim at capacity building in Member States. These actions will be complemented by actions from the European Social Fund+ with measures related to the employment and labour market integration as well as social inclusion measures.</p>
(1.12) Sea border surveillance should not only include security and border control, but also search and rescue operations at sea.	Search and rescue carried out in the framework of border surveillance is a component of integrated border management as defined by Article 4 (b) of the European Border and Coast Guard

	Agency (EBCGA) Regulation ⁸² . Moreover, Annex II (1 (a)) of the Border Management and Visa Instrument proposal includes support for search and rescue operations, as well as recital 31.
3.7 [...] The EESC regrets that the recitals focus on irregular arrivals on border control, making no mention of the need for progress and innovation in respect of an integrated European migration system. [...]	The Commission refers to scope of support and Annex III points 1(f), 2 (f) and 3 (f) 'actions developing innovative methods or deploying new technologies' and action eligible for higher co-financing in annex IV (6) 'Measures deploying, transferring, testing and validating new methodology or technology'.
(4.7) The EESC considers necessary to ensure appropriate coordination mechanisms with the authorities managing ESF+ and ERDF.	In shared management, the Member States will have the primary responsibility to ensure coordination between European Social Fund+, Asylum and Migration Fund and other Funds. The Partnership Agreements foreseen in the Common Provisions Regulation will have provisions on coordination, demarcation and complementarities between Funds and the Monitoring Committee will examine and improve coordination between actions and Funds.
(4.9) In terms of integration, the distribution criteria should use qualitative indicators, not just the flows of arrivals and the total percentage of foreign population.	The distribution key for the allocation of the funding to the Member States' programmes will be based on objective criteria and robust data.

⁸² Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC; OJ L 251, 16.9.2016, p. 1–76.

<p>N°49 Internal Security Fund COM(2018) 472 final EESC 2018/2917– SOC/601 538th Plenary Session – October 2018 Rapporteur: Mr José Antonio MORENO DIAZ (Gr. II-ES) DG HOME – Commissioner AVRAMOPOULOS</p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
(1.2, 1.7) The ISF should be designed so as to strengthen a preventive policy.	The Commission considers that the proposal on the Internal Security Fund reflects amply the preventive policy, and, pursuant to Articles 84-87 of Treaty on the Functioning of the European Union, this proposal ‘establishes measures to promote and support the action of Member States in the field of crime prevention’ and ‘police co-operation in relation to the prevention of criminal offences’.
1.4, 2.14 The EESC must be treated as an observer in the creation and development of this Fund so the views of organised civil society can be heard at EU level.	<p>While the cooperation between the Commission and the Committee is generally defined in their Protocol on cooperation, the Commission, in the current financial period, has informed the Committee on the implementation and key results of the Fund through the interim and ex-post evaluation reports.</p> <p>The Commission considers that civil society organisations are actively involved in the Fund, as stipulated in Article 3(2)(c) of the proposal and they also participate in public consultations. Moreover, Member States can enhance their participation in the programming and implementation phase.</p>
1.5, 1.6, 2.6, 2.8, 2.9, 3.1, 3.5 – 3.9 The EESC makes a number of proposals regarding the scope and priorities of the	Many of the Committee's recommendations are already included in the proposal. The scope of the Fund is broad; Annex II presents the implementing measures and

Fund.	Annex III possible actions to be supported. Ineligible actions are listed in Article 4(3).
1.3, 1.8, 2.10-2.13, 3.11 – 3.13 Respect of Human and Fundamental Rights	The funding is conditional on the respect of Human and Fundamental Rights. Recital 9 of the proposal states: <i>‘The Fund should be implemented in full compliance with the rights and principles enshrined in the Charter of Fundamental Rights of the European Union and with the Union's international obligations’</i> as is further emphasised in Article 3(4).
2.15, 3.3 The criteria for allocation of the Fund should be clarified. The EESC considers that good distribution criteria should be operational which is why the size of population and country should not be applied.	<p>The allocation of the Fund is explained in Articles 7, 8 and 10, and the distribution criteria are set out in Annex I.</p> <p>The distribution key for the allocation of the funding to the Member States’ programmes needs to be based on objective criteria and robust data.</p>
2.3 – 2.5 External dimension of ISF	The Commission shares the view that security goes beyond national/EU borders and actions. This is why the proposal envisages the financing of actions also in third countries, where this is necessary for achieving the objectives of the Fund.

<p>N°50 Strengthening the EU’s Civil Protection Response – rescEU COM(2017) 772 final EESC 2018/3220 – NAT/750 538th Plenary session – October 2018 Rapporteur: Dimitris DIMITRIADIS (GR.I-EL) DG ECHO – Commissioner STYLIANIDES</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.3. Aside from the four capacities described, the EESC considers it essential to lay down provisions enabling the Commission to establish additional capacities for rescEU, thereby ensuring the necessary flexibility.</p>	<p>The revised Decision No 1313/2013/EU on a Union Civil Protection Mechanism⁸³ indeed provides for a flexible solution, whereas additional capacities for rescEU will be determined in an implementing act based on identified risk and gaps.</p>
<p>1.16. The Commission, working together with the Member States, should develop general principles and guidelines to change national laws in order to achieve a common, modern and compatible European legislative framework on issues such as early warning, volunteering and institutionalised involvement at all levels of civil protection, commitments from Member State budgets for preventive measures, etc.</p>	<p>The approach is interesting; however, it may go beyond the legal treaty basis. Union competence in the area of civil protection is covered by Article 196 of the Treaty on the Functioning of the European Union (TFEU), which aims to support and complement Member States’ action at national, regional and local levels in risk prevention, in preparing their civil-protection personnel and on responding to natural and man-made disasters. Accordingly, Member States retain the primary responsibility in the field of civil protection. The rescEU proposal is not pursuing a centralisation of civil protection.</p> <p>This being said, the Commission, together with the Member States, will further develop guidelines to facilitate</p>

⁸³ DISCLAIMER: the amending Decision based on the proposal COM (2017) 772 final – 2017/0309 (COD); EESC – NAT/750, revising the Decision No 1313/2013/EU on a Union Civil Protection Mechanism, is at the final stage of its formal adoption by the co-legislators. Its content, referred to herein is stable. The signature is provisionally scheduled for 13 March and entry into force for 21 March 2019.

	<p>the sharing of information on disaster risk management. Such guidelines should help to promote comparability, in particular where Member States face similar risks or cross-border risks.</p>
<p>1.21. The EESC believes that the Commission should actively include the scientific and research community in the dialogue on the appropriate action at the different phases of the civil protection cycle.</p> <p>1.24. The EESC views the voluntary movement, and therefore civil society, as one of the key drivers of civil protection mechanisms. Consequently, the Committee believes it is essential to bolster it through parallel measures and equipment at European level and to formally include it in the new rescEU mechanism.</p> <p>4.8. The EESC also agrees with the general principle of establishing a knowledge and training network as described by the Commission. However, the Committee notes the need to formally involve the scientific community and universities and to commission research activities (projects and studies) to map out and assess potential dangers, associated vulnerability and risk to communities. The cooperation of private enterprise and businesses as well as of civil society is necessary in view of their existing knowledge and experience, but also as community systems can be mobilised more easily and rapidly at local level in the event of a disaster. Informing and educating citizens about the risks they face is considered to be a priority.</p>	<p>As stated in the Communication accompanying the legislative proposal [COM(2017) 773 final], ‘strengthening prevention in the EU relies also on a strong knowledge base backed by scientific support, and the effective dissemination of extensive evidence, lessons learnt, good practices and project results. Understanding disaster risks is a prerequisite for the awareness of risks and the development of a risk culture in the European Union.’</p> <p>Indeed the Commission proposal [COM(2018) 375 final] fosters the knowledge and training network by ensuring that it should ‘take action to improve the knowledge base on disaster risks and facilitate the sharing of knowledge, the results of scientific research, best practices and information, including among Member States that share common risks.’</p> <p>Moreover, the revised Decision No 1313/2013/EU on a Union Civil Protection Mechanism provides for creation of a Union Civil Protection Knowledge Network that indeed should be based on existing structures including centres of excellence, universities, researchers and other experts, young professionals and experienced volunteers in the area of emergency management. Further co-operation on training, research and innovation should also be strengthened with international organisations, and, where possible, extended to involve third countries, in</p>

	<p>particular neighbouring countries.</p> <p>Finally, the Commission proposal also underlines the importance of local level in the event of a disaster. According to Recital 9b of the revised Decision 1313/2013/EU on a Union Civil Protection Mechanism, ‘while strengthening civil protection in the light of disaster trends, both weather-related and those relating to internal security, is one of the most important priorities throughout the whole Union, it is essential to ensure a strong territorial and community-led dimension, as local community action is the fastest and most effective way of limiting the damage caused by a disaster.’</p>
<p>1.23. It is essential that the Commission recommend a series of best practices to the Member States, especially in the area of recovery and prevention, introducing models to ensure viability and sustainability.</p> <p>1.31. The EESC proposes in any case, and at the very least when the European mechanism is activated and in operation, that the Member State or region responsible be required to compile a disaster file in order to build know-how and improve future operational practices, and that a pan-European database thus be created, for which a model could be produced by the Commission. It is also suggested that indicators be introduced to measure intervention time and the real impact of rescEU.</p>	<p>The Commission is permanently conducting lessons-learnt exercises in order to analyse the best practices of its activities as well as identifying the elements that need to be improved. For such purpose, the Commission periodically organises meetings of an expert group on lessons learnt from emergencies. Civil Protection policy has also other working groups discussing the issues related to best practices in the field of prevention and preparedness.</p> <p>Furthermore, once the revised Decision 1313/2013/EU on a Union Civil Protection Mechanism enters into force, when a Member State frequently requests the same type of assistance, the Commission can (following a careful analysis of the reasons and circumstances of the activation and with the aim of supporting the Member State concerned to strengthen its level of prevention and preparedness):</p>

	<p>(a) request that Member State to provide additional information on specific prevention and preparedness measures related to the corresponding risk, and</p> <p>(b) where appropriate, based on the information provided:</p> <ul style="list-style-type: none"> - propose the deployment of an expert team on site to provide advice on prevention and preparedness measures, or - make recommendations to strengthen the level of prevention and preparedness in the Member State concerned. The Commission and that Member State shall keep each other informed about any measures taken following these recommendations. <p>In cases where a Member State requests the same type of assistance through the Union Mechanism for the same type of disaster three times within three consecutive years, points (a) and (b) will apply unless a careful analysis of the reasons and circumstances of the frequent activations demonstrate that it is not necessary.'</p>
<p>1.26. It would be useful to create a common European certification system for voluntary civil protection teams and the means they use, which would be accompanied by relevant training at local, regional, national and/or European level.</p>	<p>Under the current legislation (Art. 11.4.), the Commission already manages a process of certification and registration of the response capacities that the Member States make available to the European Maritime and Fisheries Fund. It consists of a standard procedure applied for everyone.</p> <p>Also, according to the current Decision (Art. 21. 2. b.), financial assistance can be provided for “costs of obligatory training courses, exercises and workshops necessary for the certification of Member States'</p>

	response capacities for the purposes of the European Emergency Response Capacity (certification costs)’.
1.27. The EESC reminds the Commission that the European Structural and Investment Funds should without delay acquire the necessary flexibility to finance reconstruction and recovery projects following natural disasters, stressing that these should be accompanied by studies to support the sustainability of these efforts and also maintain everyday life in the affected areas, particularly in rural areas, in order to avoid depopulation.	<p>A recent amendment of the rules applicable to the European Structural and Investment Funds (2017/1199/EU) offers the possibility to apply a co-financing rate of 95% for operations aiming at reconstruction after a natural disaster. This will provide financial help for affected regions and Member States to contribute to a quicker implementation of such reconstruction operations.</p> <p>Beyond reconstruction, the Commission proposal [COM(2018) 375 final] for a Common Provisions Regulation, states that the European Regional Development Fund, the European Social Fund+, the Cohesion Fund and the European Maritime and Fisheries Fund can support, among others, the following policy objective: ‘a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management’. If, in this context, Member States select the specific objective ‘promoting climate change adaptation, risk prevention and disaster resilience’ for support from the European Regional Development Fund or Cohesion Fund, with an enabling condition would require them to develop a national or regional disaster risk management plans.</p> <p>As stated in the Communication accompanying the legislative proposal [COM(2017) 773 final], the Commission sets out a series of</p>

	<p>activities going beyond the current Multi-Annual Financial Framework, including the screening of planned investments of all relevant programmes under different European Union funds. The results of this screening were presented to Member States in March and October 2018. The Commission also made a commitment to swiftly modify operational programmes where needed.</p>
<p>1.28. If possible, it would be useful if the "capacities" to be purchased or rented, as provided for under the new rescEU mechanism, could combine multiple possibilities so as to ensure the investment produces optimum returns. For example, aerial equipment could be used both for fighting forest fires and for search and rescue, border surveillance in cases of cross-border natural disasters and, of course, preventive measures.</p> <p>4.9. The EESC recognises the need for interoperability between resources and for it to be possible to use them flexibly in order to achieve economies of scale with a view to sustainable development. For example, acquisition of aerial resources could be considered that would serve simultaneously for: (a) aerial fire-fighting, (b) aerial early warning patrols and surveillance, (c) search and rescue, and (d) evacuation of casualties from hard to reach or remote island regions. In this way, use could be made of these aerial means throughout the year, so that costs, including financial costs, are recouped more quickly.</p>	<p>The revised Decision 1313/2013/EU on a Union Civil Protection Mechanism provides indeed the possibility of acquiring, renting, or leasing of rescEU capacities by Member States. Furthermore, the Member States hosting the capacities can use the rescEU capacities for national purposes when not used or needed for response operations under the Union Mechanism.</p>
<p>1.30. The distribution of capacities to be created within the framework of rescEU should be the subject of a separate study that takes into account not only geographical,</p>	<p>The Commission underlines that the distribution of capacities will be subject of a balanced set of criteria and data resulting from analyses such as the</p>

<p>geological and economic data, but also and above all the potential for direct response and coverage of EU regions for each risk, as a function of the risk.</p>	<p>current ongoing gap analysis.</p> <p>The revised Decision 1313/2013/EU on a Union Civil Protection Mechanism provides that, in order to guarantee an effective response to disasters, the Commission and the Member States shall, where appropriate, ensure an adequate geographical distribution of rescEU capacities.</p>
<p>4.10. The EESC proposes establishing local structures in regions at a higher risk of requiring a more immediate response. Local communities must also be strengthened by providing them with first-response tools and trained local groups should be set up equipped with early-warning systems. It is also essential to draw up and distribute certified manuals with common guidelines.</p>	<p>The Commission proposal COM(2017) 772 final acknowledges the role of regional and local structures. As stated in the proposal, the Commission recognises that the primary responsibility to prevent, prepare and respond to natural and man-made disasters lies with Member States. The creation of rescEU, as a dedicated reserve of civil protection capacities, would by no means replace national, regional or local capacities, but complement them.</p>
<p>4.12. The EESC is not opposed to the inclusion of operational costs in co-financing but points out that provision should be made for an objective mechanism to estimate and, most importantly, evaluate these costs, in order to make appropriate use of resources. The Committee also considers it essential to use all alternative sources of funding, such as the Structural Funds and co-financing through the European Investment Bank.</p>	<p>Further details on operating procedures, including on operational costs, will be further set out in non-legislative acts (implementing acts). Any Union financial support will be awarded in accordance with the Union financial rules. The Commission notes that the European Structural and Investment Funds exclude the financing of operational costs. Nevertheless, in order to strengthen investments in disaster risk management, the final compromise ensures that links to other key Union policies and instruments will be reinforced, notably with the European Structural and Investment Funds.</p>
<p>4.13. The EESC has in a number of opinions consistently advocated making mechanisms</p>	<p>The legislative proposal seeks to streamline administrative procedures in</p>

<p>less bureaucratic and ensuring the necessary flexibility in the use of EU funds, without waiving the requirement of transparency and independent auditing, in order to ensure that the use of funds is legal and that taxpayers' money is efficiently channelled.</p>	<p>order to reduce delays in the deployment of assistance.</p> <p>The revised Decision No 1313/2013/EU on a Union Civil Protection Mechanism simplifies the current system by:</p> <ul style="list-style-type: none"> - introducing only one category of response assets whose use requires co-financing by Member States and the European Union budget, i.e. the European Civil Protection Pool; - introducing a single co-financing rate (75%) in relation to adaptation, repair, transport and operational costs for assets that are in the European Civil Protection Pool; - a specific reference to the use of unit sums, lump sums and flat rates is introduced in relation to the co-financing of transport costs to improve both consistency and efficiency; - specific provisions limiting activations of the Union's Civil Protection Mechanism to a 90 day period (unless otherwise justified) have been included in order to clarify scope and to incentivise the use of assets in the immediate response phase.
<p>4.15. The EESC believes that it is essential to mobilise civil society on a formal basis within the framework of rescEU at the levels of substantiating policy and prevention, as well as response wherever feasible. The European Solidarity Corps should also be included.</p>	<p>The revised Decision 1313/2013/EU on a Union Civil Protection Mechanism indeed recognises that reliance on voluntary offers of mutual assistance, coordinated and facilitated by the Union Mechanism, does not always ensure that sufficient capacities are made available to address the basic needs of people affected by disasters in a satisfactory manner, nor that the environment and property are properly safeguarded. To</p>

	<p>overcome those insufficiencies and emerging hazards, all Union instruments should be made use of in a fully flexible manner, including through the promotion of active participation of the civil society. The European Solidarity Corps in its 2018 call for projects already identified as a high priority area: 'Response to environmental challenges, including disaster prevention, preparedness and recovery (excluding immediate disaster response).' (<i>European Solidarity Corps Guide: 2018 Call</i>).</p>
<p>5.1. The EESC also considers it necessary to enhance the role of local and regional authorities in the area of civil protection and the new EU civil protection mechanism by:</p> <ul style="list-style-type: none"> i. including local and regional authorities in the prevention, planning and implementation stages of risk management measures and measures to deal with natural and man-made risks; ii. strengthening and integrating the specific capabilities of local and regional authorities, which are the first to be called upon to deal with a disaster; iii. using the available capabilities of local and regional authorities in all types of coordination and operational development activities, in order to minimise duplication and enhance interoperability; iv. strengthening their role in cases of cross-border cooperation by implementing joint projects and programmes and through joint training 	<p>The revised Decision 1313/2013/EU on a Union Civil Protection Mechanism indeed recognises the role of regional and local authorities in disaster prevention and management. Their response capacities need to be appropriately involved in any coordination and deployment activities carried out under the amended Decision, in accordance with Member States' institutional and legal frameworks, with a view to minimising overlaps and to fostering interoperability. Such authorities can play an important preventive role and they are also the first to react in the aftermath of a disaster, together with their volunteers' capacities. Therefore, there is a need for on-going cooperation at local, regional and cross-border level with a view to establishing common alert systems for rapid intervention prior to the mobilisation of rescEU, as well as regular public information campaigns on initial response measures.</p>

<p>N°51 European Finance-Climate Pact (own-initiative opinion) EESC 2018/1241– NAT/735 538th Plenary Session – October 2018 Rapporteur: Mr Rudy DE LEEUW (Gr. II-BE) DG CLIMA – Commissioner ARIAS CAÑETE</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.5 The next multiannual financial framework (2021-2027) must promote economic development and jobs and enable the EU to achieve its objectives and contribute to the transition to a low-carbon economy by 2050.</p>	<p>The Commission has set out its proposal for a 2021-2027 Multiannual Financial Framework (MFF) in May 2018, focussed on the Union's priorities. Section II – cohesion and values – invests specifically in regional development, cohesion and people. More specifically, the Multiannual Financial Framework sets a goal of spending 25% of the budget on climate objectives.</p>
<p>1.6. There will be no life, no jobs and no entrepreneurship on a dead planet. Climate change is therefore an opportunity in terms of creating high-quality jobs and must be able to provide a solution beneficial to employers, workers and civil society. Delaying adaptation, or not acting at all, could substantially increase the total cost of climate change.</p>	<p>The Multiannual Financial Framework sets a goal of spending 25% of the budget on climate objectives. Such spending also includes costs associated with adaptation to climate change.</p>
<p>1.7. The Commission, the European Court of Auditors and the World Bank refer to similar amounts: the equivalent of EUR 1 115 billion will have to be invested each year in the EU from 2021 in order to move forward and meet the EU's 2030 targets. This EUR 1 115 billion includes a significant share of the current investments which should be redirected towards sustainable development (green earmarking). The cost of non-action would be EUR 190 billion per year (or 2% of the</p>	<p>The Commission's impact assessment for a proposal for a revised Energy Efficiency Directive refers to the net investment figure of an additional EUR 180 billion per year in the period 2021-2030. This is considered a more accurate reflection of the cost as the balance is investment that would have, in any case, taken place and is therefore irrelevant for decision purposes.</p>

EU GDP).	
1.10 The EESC believes that this roadmap should cover all aspects of a policy to tackle climate change: a fair transition (measure to mitigate the effects of the change, but also to compensate for damage and loss), as well as real policies for adapting to climate change. The circular economy model should be given priority as much as possible and its regulatory framework improved. Everything will need to be financed on the basis of adequate budgets to redirect current investments (green earmarking) and new sources of accessible funding.	The Commission's proposal for a future LIFE programme (COM(2018) 385) includes the circular economy as one of the programme's objectives.
1.13. This transition will require major investments in research and development (R&D) and innovation in order to encourage and support innovative projects that comply with European taxonomy.	The Multiannual Financial Framework proposal highlights the additional funding being proposed for research and innovation which, together with the digital Europe, would increase by 60% compared to the 2014-2020 period.

<p>1.16. The pact requires the establishment of a clear and predictable European policy framework, over the longer term, with a view to ensuring planning security for investments⁸⁴. This framework must be accompanied by border adjustment mechanisms for products which are not subject to the same environmental and social standards.</p>	<p>With the European Union Emissions Trading System (EU ETS), the European Union has a policy in place that enables cost-effective emission reductions. The cap on emissions under the European Union Emissions Trading System is set to reduce emissions by at least 43% in the sectors covered by 2030 and thus provides planning certainty for investments.</p> <p>Having adequate protection against the risk of carbon leakage for European industry, as long as other countries do not take sufficient climate action, is an important feature of the European Union Emissions Trading System. Giving allowances for free to industries exposed to international competition has so far proven an effective way to address the risk of carbon leakage. Border measures are not compatible with such free allocation.</p>
<p>1.17 According to the EESC, and as the Commission points out, a unified EU classification system (taxonomy) must be developed with a view to maintaining sustainable projects (and rejecting those that are not) and identifying areas in which investments can have the most impact. The European Parliament supports this approach and also proposes the introduction of a "green label". This label should be granted to investments that comply with EU taxonomy and the highest sustainability standards, with a view to ensuring the positive earmarking of investments.</p>	<p>The Commission adopted its Action Plan on Financing Sustainable Growth in March 2018. Its action 1 refers to establishing a European Union classification system for sustainable activities. This was followed in May 2018 by a legislative proposal on the establishment of a framework to facilitate sustainable investment. The Commission urges the European Parliament and Council to make rapid progress on this important initiative.</p> <p>This unified European Union taxonomy focuses on environmentally sustainable activities starting in the area of climate change mitigation, followed by climate change adaptation</p>

⁸⁴ EESC opinion on a *Coalition to deliver commitments of the Paris Agreement*, [OJ C 389, 21.10.2016, p. 20](#) .

	and other environmental fields. Once complete, the Taxonomy will help us develop labels for green financial products or funds to which the Committee refers.
<p>1.18 The projects to be supported, which will be in line with the United Nations' Sustainable Development Goals and which require significant resources for innovation and R&D, will need to be enforced through a tool making it possible to visualise the various sources of financing (including the future multiannual financial framework) and based on different initiatives:</p> <ul style="list-style-type: none"> • redirecting funding towards sustainable investments through "green earmarking" and, in this context, promoting "green labelled" loans from the European Investment Bank (EIB); • using quantitative easing by the European Central Bank (ECB) as a source of financing; • increasing to 40% the share of European Fund for Strategic Investments dedicated to combating climate change; • the EU must show a level of ambition that will match the challenge of fight against climate change; an average 40% of its global budget (MFF 2021-2027) must be allocated to this objective; 	<p>The European Fund for Strategic Investments II (Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013⁸⁵ and (EU) 2015/1017⁸⁶) increases the share of funds combatting climate change to 40%.</p> <p>The Multiannual Financial Framework sets a goal of spending 25% of the budget on climate objectives. This target is considered ambitious and realistic in the light of the Union's objectives.</p> <p>The Commission's proposal for the Cohesion Fund is for 37% of its funds to be allocated to climate objectives.</p> <p>If the 'green earmarking' refers to Sustainable Finance, then we would suggest to mention it rather as 'Incentivising private investment flows towards sustainable projects' in line with the Action Plan on financing sustainable growth.</p> <p>The EU regularly introduces a clause committing the parties to effective implementation of the Paris Agreement and to cooperation to this end in all its trade agreements negotiated after the entry into force of the Paris Agreement.</p>

⁸⁵ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 Text with EEA relevance OJ L 348, 20.12.2013, p. 129–171.

⁸⁶ Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments; OJ L 169, 1.7.2015, p. 1–38.

<ul style="list-style-type: none"> • increasing the corresponding share of the European Cohesion Fund over and above the current 20%; • using 3% of pension and insurance funds; • supporting businesses, particularly SMEs, in their R&D investments up to an amount of EUR 100 billion devoted to this purpose; • respecting the financial assistance commitments made to the countries of the South which are contributing to the fight against climate change; • introducing a clause on the "Paris Agreement" that is effectively binding in EU trade agreements. 	<p>This is the case for EU trade agreements with Japan, Vietnam, Singapore or Mexico, as well as ongoing negotiations of such agreements with Chile, Mercosur, Indonesia, Australia and New Zealand.</p> <p>.</p>
---	---