

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**  
**TO THE OPINIONS OF THE**  
**EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**  
**PLENARY SESSION OF FEBRUARY 2019<sup>1</sup>**

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<sup>1</sup> Including the follow-up to 5 opinions adopted during the October 2018 Plenary Session and a follow-up to 1 opinion adopted during the December 2018 Plenary Session.

N°	Title	References
<b>SG</b>		
1.	<a href="#"><u>2019 Annual Growth Survey</u></a>  Rapporteur: Anne DEMELENNE (Gr. II-BE)	COM(2018) 770 final EESC-2018-05434-00-00-AC-TRA  ECO/481
<b>DG EMPL</b>		
2.	<a href="#"><u>For a European framework directive on a minimum income (own-initiative opinion)</u></a>  Rapporteur: Georges DASSIS (Gr. II-EL)	EESC-2018-02210-00-01-AC-TRA  SOC/584
<b>DG REGIO</b>		
3.	<a href="#"><u>PEACE IV – Continuation of the cooperation programmes</u></a>  Rapporteur-general: Jane MORRICE (Gr. III-UK)	COM(2018) 892 final  ECO/490
<b>DG SANTE</b>		
4.	<a href="#"><u>Promoting healthy and sustainable diets in the EU (own-initiative opinion)</u></a>  Rapporteur: Peter SCHMIDT (Gr. II-DE)	EESC-2018-04568-00-00-AC-TRA  NAT/755
<b>DG CNECT</b>		
5.	<a href="#"><u>The digital revolution in view of the needs and rights of citizens (own-initiative opinion)</u></a>  Rapporteur: Ulrich SAMM (Gr. I-DE)	EESC-2018-04168-00-01-AC-TRA  TEN/679
<b>DG MOVE</b>		
6.	<a href="#"><u>Aviation safety after Brexit</u></a>  Rapporteur-general: Thomas MCDONOGH (Gr. I-IE)	COM(2018) 894 final  EESC-2019-00443-00-00-AC-TRA  TEN/688

7.	<a href="#"><u>Ensuring basic air connectivity after Brexit</u></a>  Rapporteur-general: Jacek KRAWCZYK (Gr. I-PL)	COM(2018) 893 final  EESC-2019-00444-00-00-AC-TRA  TEN/689
8.	<a href="#"><u>Ensuring basic road freight connectivity after Brexit</u></a>  Rapporteur-general: Raymond HENCKS (Gr. II-LU)	COM(2018) 895 final  EESC-2019-00450-00-00-AC-TRA  TEN/690
<b>DG BUDG</b>		
9. <b>Opinion adopted during the plenary session of October 2018</b>	<a href="#"><u>The Union's budget and the rule of law</u></a>  Rapporteur: Jukka AHTELA (Gr. I-FI)	COM(2018) 324 final – 2018/0136 COD  EESC-2018-02955-00-00-AC-TRA  SOC/598
<b>DG GROW</b>		
10. <b>Opinion adopted during the plenary session of October 2018</b>	<a href="#"><u>Connected and automated mobility (communication)</u></a>  Rapporteur: Ulrich SAMM (Gr. I-DE)	COM(2018) 283 final  EESC-2018-02771-00-00-AC-TRA  TEN/673

11. <b>Opinion adopted during the plenary session of October 2018</b>	<a href="#"><u>Single market programme</u></a>  Rapporteur: Oliver RÖPKE (Gr. II-AT) Co-rapporteur: Violeta JELIĆ (Gr. I-HR)	COM(2018) 441 final – 2018/0231 COD  EESC-2018-03034-00-00-AC-TRA  INT/859
12. <b>Opinion adopted during the plenary session of October 2018</b>	<a href="#"><u>Industrial policy towards 2030</u></a>  Rapporteur: Carlos TRIAS PINTÓ (Gr. III-ES) Co-rapporteur: Gerald KREUZER (AT-Cat. 2)	EESC-2018-02008-00-00-AC-TRA  CCMI/161
13. <b>Opinion adopted during the plenary session of October 2018</b>	<a href="#"><u>European Space Programme</u></a>  Rapporteur: Raymond HENCKS (Gr. II-LU)	COM(2018) 447 final – 2018/0236 COD  EESC-2018-02993-00-00-AC-TRA  INT/861
14. <b>Opinion adopted during the plenary session of December 2018</b>	<a href="#"><u>European Defence Fund</u></a>  Rapporteur: Mr Aurel Laurențiu PLOSCEANU (Gr. I-RO) Co-rapporteur: Mr Éric BRUNE (Cat. 2-FR)	COM(2018) 476 final/2 – 2018/0254 COD  EESC-2018-03920-00-00-AC-TRA  CCMI/162

<p><b>N°1 2019 Annual Growth Survey 2019</b>  <b>COM(2018) 770 final</b>  <b>EESC 2018/5434 - ECO/481</b>  <b>541<sup>st</sup> Plenary session – February 2019</b>  <b>Rapporteur: Anne DEMELENNE (GR.II-BE)</b>  <b>SG – Vice-President DOMBROVSKIS</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.3. Improved productivity is crucial for retaining the EU's competitive position and for improved wellbeing. Reforms that can lead to enhanced productivity should be welcomed. However, there is a need for thorough evaluation of past policies, in the light of mixed results to date, including the slow pace of economic recovery, continuing concerns over productivity relative to competitors and the increase in precarious employment.</p>	<p>Productivity growth and related policies are among the main topics discussed in the 2019 Annual Growth Survey and in the Country Reports and have been at the focus of the Commission in previous years, too. In 2018, for instance, it recommended the Council to make recommendations to most Member States for policy action in an area related to productivity.<sup>2</sup></p> <p>Challenges for productivity growth are, to some extent, country-specific and policy priorities may differ from country to country. The Country Report analysis describes Member States' reforms and their impacts.</p> <p>Positive examples of reforms adopted in recent years, which contribute to productivity growth, include: reforms improving competition in services by reducing administrative and regulatory barriers (e.g. in Austria), policy actions fighting the shadow economy and corruption (e.g. in the Czech Republic), actions improving access to the labour market for jobseekers (e.g. in France) as well as improving firms' access to finance (e.g. in Portugal).</p>
<p>1.5. The Social Pillar is given welcome</p>	<p>The Annual Growth Survey indeed</p>

<sup>2</sup> [COM\(2018\) 400 final](#).

<p>prominence. It should be made clearer how it will be put into practice, how resources can be made available through European Social Funds and other European instruments and how that will be financed at EU and Member State level.</p>	<p>confirms the delivery on the European Pillar of Social Rights as one of the roles of the European Semester, and the Commission's Draft Joint Employment Report reflects the Pillar's ambition by assessing concrete results.<sup>3</sup></p> <p>This assessment directly feeds into the Country Report, published on 27 February 2019. The Country Report contains a dedicated annex summarising investment priorities for the future cohesion policy funding in each Member State, including by the European Social Fund Plus. The Commission will now use that annex in a dialogue with Member States on the programming priorities for the 2021-2027 period.</p>
<p>1.6. There are references to areas where new policies have been proposed, including fair taxation, the banking union and the functioning of the euro area. Progress is very slow and proposals often rather modest. Full involvement of the social partners and civil society would be beneficial.</p>	<p>The Commission shares the opinion that the involvement of the social partners is beneficial for the reform process. The engagement with social partners in the Semester process at European level has greatly improved over the last years and is well established. Every year, the Commission consults social partners on key socio-economic challenges ahead of the publication of the Annual Growth Survey, the key document setting priorities for the Semester cycle. The Commission also continues to consult national social partners during Semester missions and visits, which is a novelty introduced by the Juncker Commission.</p> <p>However, at the national level there is still quite some diversity in how social partners are involved in the Semester and more broadly in reforms and policy making. The involvement ranges from formalistic interactions to real</p>

<sup>3</sup> [COM\(2018\) 761 final.](#)

	<p>consultations with substantive impact. Further improvements are needed. In 2018, for example, Hungary and Romania received recommendations explicitly calling for an improvement of the social dialogue.</p>
<p>1.8. In many areas policy implementation depends on some private and also public sector financing. This should be facilitated both with reforms to create a favourable environment for private-sector investment and with an adequate EU budget and with commitment to a "golden rule" allowing funding from Member State budgets for socially and economically productive investment that does not threaten future budget sustainability.</p>	<p>The Annual Growth Survey points out that overall investment and public investment in particular still accounts for a relatively low share of Gross Domestic Product (GDP). Relaunching investment is one of the three main components of the 'virtuous triangle' of policy priorities identified in the Annual Growth Surveys adopted by the Juncker Commission. In that context, the Commission insists that the structural barriers impeding investment, such as inefficiencies in public administration or regulatory burdens, low bank profitability and the high level of non-performing loans, need to be addressed.</p> <p>The Commission encourages in particular countries with fiscal space to use it to increase investment to raise their growth potential. Countries with large deficits, however, should take action to build up fiscal buffers and prevent higher debt financing costs in the future. Responsible fiscal policies are part of the 'virtuous triangle' too.</p> <p>At the same time, adoption of the Commonly Agreed Position on Flexibility in 2016, a Member State undertaking growth-enhancing structural reforms or investment can under certain conditions apply for a temporary deviation from its medium-term budgetary objective, or the adjustment path towards it. They are limited to up to 0.5% of GDP for a</p>

	single clause, or a cumulative amount of up to 0.75% if the Member State is making use of both clauses simultaneously.
3.1. It remains to be specified how these ( <i>the AGS</i> ) objectives are to be achieved and the assessment of economic performance does not match the data appended in all areas, remaining complacent on some points, exaggerating positive features and, in some cases, making unsubstantiated claims about the positive effects of past policies.	<p>The Annual Growth Survey identifies the main challenges and, on the basis of the State of the Union address, sets policy priorities for the 2019 Semester cycle, to be undertaken at both the Union and Member States' level. More detailed information on specific policy actions to be taken at the level of the Union can be found in the 2019 Commission's working programme. Policy analysis for Member States is provided in the Country Reports published in February 2019.</p> <p>Whenever possible, when making statements on effects of past policies, the Annual Growth Survey refers to sound statistics that document the tangible impact of those policies.</p>
3.2. Dangers and uncertainties are referred to, including changes in the global economy, US trade policy and uncertainties in future relations with the United Kingdom. The risk of a recession in the near to medium term future point to the need to prepare stimulus measures for maintaining growth and employment levels, as recommended by the OECD <sup>4</sup> . To this end, the establishment, within the EU budget, of a function for macroeconomic stabilisation, which would allow an increase of the economic resilience of the area, should be considered. It can serve as a buffer against shocks and may allow the Euro Area to run	<p>The Commission has tabled a proposal for the European Investment Stabilisation Function under the proposal for the 2021-2027 Multiannual Financial Framework, to be used to maintain national investment levels in the event of large asymmetric shocks.<sup>6</sup> The proposal is currently being discussed by the co-legislators.</p> <p>The 2019 Euro area recommendation tabled before the Council by the Commission calls on Member States to make swift progress towards completing the Economic and Monetary Union, taking into account all Commission</p>

<sup>4</sup> OECD Economic Outlook November 2018: "[Editorial](#)" of the Chief Economist, and "[General Assessment of the Macroeconomic Situation](#)" p. 43-46.



<p>the positive fiscal stance requested by the EESC<sup>5</sup> even if individual Member States do not use their available fiscal space in line with European objectives.</p>	<p>initiatives, including the European Investment Stabilisation Function.<sup>7</sup></p> <p>The Stabilisation function should complement the stabilisation role played by national budgets. This is why Member States need to continue to build up and sustain adequate fiscal buffers, notably in good times, as foreseen by the Stability and Growth Pact. In case of a downturn, Member States would first use their automatic stabilisers and discretionary fiscal policy in line with the Pact.</p>
<p>3.8.1. The AGS is very vague and far too weak on the dangers presented by climate change and on the EU's progress towards reaching the Paris targets. Compared to the Global Risks Report<sup>8</sup>, which was presented to the participants of the World Economic Forum in January 2019, the relevance of climate change to growth and the economy is given quite marginal consideration. The Global Risks Report in contrast shows that the three (!) greatest threats to the global economy are linked to climate change and overly cautious policy action to decarbonise the economy. Climate protection is therefore no longer simply a question of environmental protection, but is necessary for the economy to survive. The regular reports produced by Bloomberg NEF show that clean energy investments have declined since 2011<sup>9</sup>. The EU cannot claim world leadership in this area or in innovations leading to reductions in green-house gas emissions.</p> <p>3.8.2. The report by the Intergovernmental</p>	<p>The Semester and the Annual Growth Survey cover a wide range of issues, including environmental policy. This is why the Commission rigorously monitors environmental developments in the Member States and, if necessary, issues recommendations in that regard. Climate change and energy constitute one of the goals of the Europe 2020 Strategy and have been consistently monitored since the beginning of the European Semester in 2011.</p> <p>In the 2019 Annual Growth Survey, the Commission calls for frontloading of investment towards the modernisation and decarbonisation of Europe's industry, transport and energy systems. The Commission also recognises that investing into a low-carbon, circular economy, including through innovation, is one of the keys for Europe to remain globally competitive.</p> <p>Likewise, the 2019 Country Reports recognise that in order to respond to</p>

<sup>6</sup> [COM\(2018\) 387 final](#).

<sup>5</sup> EESC additional opinion on Euro area economic policy 2018, [OJ C 62, 15.2.2019, p. 312](#).

<sup>7</sup> [COM\(2018\) 759 final](#).

<sup>8</sup> [WEF Global Risks Report 2019](#).

<sup>9</sup> [Bloomberg NEF - Clean Energy Investment Trends, 3Q 2018](#).

<p>Panel on Climate Change (IPCC) stresses the urgency of actions against climate change, which may become irreversible in three years. Budgets should also be made available at all levels of governance (both public and private investment) to modernise and decarbonise industry, transport and energy.</p>	<p>challenges linked to the circular economy and climate adaptation, investment related to resource efficiency and climate risk prevention is needed. The Country Reports identify those areas as investment priorities in the majority of Member States.<sup>10</sup></p>
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<sup>10</sup> [COM\(2019\) 150 final](#).

<p><b>N°2 For a European framework directive on a minimum income (own-initiative opinion)</b>  <b>EESC 2018/2210 - SOC/584</b>  <b>541<sup>st</sup> Plenary Session – February 2019</b>  <b>Rapporteur: Georges DASSIS (Gr. II-EL)</b>  <b>DG EMPL – Commissioner THYSSEN</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>3.1.2 The question of a minimum income is highly political. This is a decision to be made at EU level, and the <u>Commission cannot hide behind the principle of subsidiarity</u> – misused in this case – to decide that it cannot do anything. (...) The Committee therefore <u>urges the Commission to take immediate action and step up a coordinated strategy between Member States at national and European levels in order to develop the minimum income, and design a binding EU instrument based on a common methodology for framing reference budgets that ensure a decent minimum income.</u></p>	<p>The Commission fully acknowledges the importance of well-functioning minimum income schemes in accordance with the principle 14 of the European Pillar of Social Rights as proclaimed by the Parliament, the Council and the Commission.</p> <p>The Commission recalls that, in line with the Treaty, setting up social protection systems, including minimum income schemes, is the responsibility of the Member States, while the Union supports and complements their activities.</p> <p>The Commission has undertaken various activities to support and guide Member States in developing adequate levels of minimum income.</p> <p>This includes providing guidance and issuing country specific recommendations in the context of the European Semester to Member States where the issue is most at stake.</p> <p>In this context, the Commission has developed and agreed with the Council's Social Protection Committee a benchmarking framework. Its results are already reflected in the 2019 Joint Employment Report, the Country Reports and the 2018 Country Specific Recommendations addressed to a</p>

	<p>number of Member States (Bulgaria, Estonia, Spain, Croatia, Hungary, Italy, Lithuania, Latvia, and Romania) within the European Semester process.</p> <p>Moreover, the Commission is facilitating a structured dialogue with national authorities dealing with minimum income schemes. This kind of mutual exchange of information will help accelerate positive convergence and the development of a common understanding at European Union level.</p> <p>In the context of the European Stability Mechanism programme for Greece, the Commission assisted to establish a modern minimum income scheme to respond to the needs of the most vulnerable population affected by the economic crisis in Greece.</p> <p>In addition, funding is available for access to services and labour market activation (the two non-monetary components of minimum income schemes) through the European Structural and Investment Funds, in particular the European Social Fund. About a quarter (25.6%) of the European Social Fund funding in Member States (EUR 21.2 billion) in 2014-2020 has been earmarked for the thematic objective of promoting social inclusion, combating poverty and any discrimination. Out of this amount, the highest financial allocation (15.5% of the total European Social Fund budget, or EUR 13.4 billion) supports the implementation of the active inclusion strategies (including elements of minimum income schemes). The European Union funding is conditional on putting in place national active inclusion strategies. All concerned</p>
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	<p>Member States fulfilled this 'ex-ante conditionality'.</p> <p>Moreover, the Fund for European Aid to the Most Deprived supports Member States' efforts to alleviate poverty and facilitate social inclusion. It provides material assistance to the most deprived, including food, clothing and other essential personal items that they need, as well as social inclusion measures. In total, over EUR 3.8 billion have been earmarked as Fund for European Aid to the Most Deprived assistance to the Member States for the 2014-2020 period.</p>
<p>3.1.3 With reference to the Council of Europe's European Social Charter of 1961, the 1989 Community Charter of the Fundamental Social Rights of Workers and the Charter of Fundamental Rights from 2000 (Article 34), it is quite clear that a minimum income is one of the European Union's and Commission's objectives, and thus that the <u>Commission must take the initiative to supplement and harmonise the action of the Member States</u>. This is all the more true given that, in point 14 of the proposed Social Pillar, the Commission clearly refers to "... the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services".</p>	<p>Together with Member States, the Commission developed a benchmarking framework for minimum income benefits, which has been used in the last two European Semester cycles, in the 2018 and 2019 Joint Employment Reports and to underpin the analysis in the country reports and country specific recommendations.</p> <p>In order to support mutual learning between Member States, two peer reviews within the Social Protection Committee were held by Germany in November 2018 and by Lithuania in February 2019. These events allowed for exchanges of experience and detailed discussions on different aspects of minimum income schemes among the Member States. A thematic review on active inclusion and inequality was organised at the informal Social Protection Committee meeting in March 2019, also with a focus on minimum income schemes.</p> <p>In 2017-2018, the Commission financed the European Minimum</p>

	<p>Income Network project, which aimed at promoting adequate minimum income schemes in the Member States. The project involved public authorities on a voluntary basis. One of the activities was to contribute to establish a platform for national authorities dealing with the implementation of minimum income schemes. The project also included a European Union-wide awareness-raising campaign and organising three peer reviews on various elements of the minimum income schemes.</p> <p>The Commission will continue the work in the field of minimum income schemes in accordance with the principle 14 of the European Pillar of Social Rights. The aim is to put forward a more structured dialogue among Member States, in particular by inviting national authorities dealing with the implementation of minimum income schemes to take part in a platform and exchange information and practices. This would ensure a continuous work for discussing various elements of the national schemes, and could be a base for establishing common understanding and potentially exploring elements to be used for any type of EU-level framework on an adequate minimum income scheme design.</p>
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<p><b>N°3 PEACE IV – Continuation of the cooperation programmes</b>  <b>COM(2018) 892 final</b>  <b>EESC 2018/432</b>  <b>541<sup>st</sup> Plenary Session – February 2019</b>  <b>Rapporteur: Jane MORRICE (Gr.III-UK)</b>  <b>DG REGIO– Commissioner CREȚU</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1. - 1.6. General conclusions</p> <p>1.2. (...) The EESC wholeheartedly welcomes the proposal to continue the EU PEACE programme in Northern Ireland and the border counties of Ireland after the UK's withdrawal from the EU. (...)</p>	<p>The Commission welcomes the Committee's unequivocal support for the proposal to allow the continuation of the PEACE and Interreg cross-border programmes in the context of the withdrawal of the United Kingdom from the European Union and notes that the Committee has no objections to the content of that proposal.</p>
<p>1.7. (...) A sign of 'goodwill' from the EU could include a commitment to increase EU PEACE funding in the next round and to the siting of a European Peace and Reconciliation Centre in Belfast, as proposed in previous EESC/EP/EC reports. This would be a concrete demonstration of the EU's long-term commitment to the peace process.</p>	<p>The Commission consistently demonstrated its commitment to support the continuation of the North-South cooperation on the island of Ireland after the withdrawal of the United Kingdom from the EU. The proposal for a Common Provisions Regulation<sup>11</sup>, adopted on 29 May 2018, proposes a future PEACE Plus programme which will merge the PEACE and Interreg programmes into a single programme. The proposal envisages that EUR 60 million would be allocated for the programme where it is acting in support of peace and reconciliation.</p> <p>In addition, at least EUR 60 million would be allocated for the programme from the allocation for Ireland under the European Territorial Cooperation goal (Interreg) for the continuation of North-South cross border co-operation. The Commission considers that this would maintain future funding at an</p>

<sup>11</sup> COM(2018) 375 final, Annex XXII, Point 16.

	<p>appropriate level. The proposal with regard to the European territorial cooperation goal (Interreg) also sets out that PEACE Plus should be managed in an integrated manner with the United Kingdom contribution being integrated into the programme as external assigned revenue.<sup>12</sup></p> <p>The Committee's opinions<sup>13</sup> on these proposals did not raise any objections in this regard.</p>
3.1. 3.1.1., 3.1.2, 3.3. – Post-2020 content of programmes and consultation processes.	<p>The Commission cannot pre-empt the outcome of the negotiations in the context of the new Multiannual Financial Framework 2021-2027. The consultation, preparation and adoption of the content of a future PEACE Plus programme will be conducted in line with the principles of shared management and in line with the legal provisions once these are adopted.</p>
3.1.3. Communication activities relating to PEACE fall short of essential requirements to ensure that citizens are fully aware of the EU's role. Efforts are made by SEUPB, but more work should be done by the European Commission, government departments, influencers and others to acknowledge, explain and recognise the part played by the EU using the WhiteDove "brand" to symbolise EU-funded PEACE projects.	<p>The PEACE programme enjoys a high level of visibility in the programme area and it fully complies with the regulatory communication and branding requirements under EU cohesion policy (Common Provisions Regulation (EU) 1303/2013<sup>14</sup>, Annex XII). The programme will not adopt any additional visual identity and should continue to operate in line with the legal requirements for information, communication and visibility of support from the funds.</p> <p>The Commission has put several measures in place which give extensive access to cohesion policy programming data and</p>

<sup>12</sup> COM(2018)374 final, Recital (18); Article 59(3).

<sup>13</sup> EESC-2018-02791-00-00-AC and EESC-2018-02789-00-00-AC.

<sup>14</sup> 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>project achievements such as the Inforegio web site<sup>15</sup>, the cohesion policy open data platform<sup>16</sup> and the ‘Keep.eu’<sup>17</sup> database which includes concrete project examples from the Interreg and PEACE programmes in Northern Ireland and the border region of Ireland.</p>
3.1.4., 3.2. – Monitoring and evaluation processes and avoidance of increased bureaucracy	<p>The Commission agrees that some funding rules may have led to an unnecessary burden on programme managers and beneficiaries. Therefore, simplification has been defined as a key objective of the new legislative package and a simplification handbook was proposed in 2018<sup>18</sup>.</p>
3.1.5. (...) PEACE should be the EU model promoted to achieve lasting peace in other parts of Europe and worldwide (...).	<p>Under the current PEACE IV programme it is envisaged to take forward bespoke actions to collate, analyse and disseminate the experiences and lessons learned from all previous PEACE programmes since 1995 and to support the exchange of good practice across regions in Europe and internationally. This would, for instance, include the development of an interactive and intuitive online Learning Platform and knowledge hub which will store previous programme and project information and it will give users the possibility to review good practice examples and case studies of the distinctive peace-building techniques developed in Northern Ireland and the border region of Ireland with cohesion policy funds. The PEACE IV programme also organises exhibitions which showcase successful projects and the results that are being achieved on the ground thus increasing the visibility of the impact of cohesion policy funding. In a further step, a wider set of</p>

<sup>15</sup> [http://ec.europa.eu/regional\\_policy/en/](http://ec.europa.eu/regional_policy/en/)

<sup>16</sup> <https://cohesiondata.ec.europa.eu/>

<sup>17</sup> <https://www.keep.eu/keep/>

<sup>18</sup> Simplification handbook – 80 simplification measures in cohesion policy 2021-2027. [https://ec.europa.eu/regional\\_policy/en/information/publications/factsheets/2018/simplification-handbook-80-simplification-measures-in-cohesion-policy-2021-2027](https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2018/simplification-handbook-80-simplification-measures-in-cohesion-policy-2021-2027)

	<p>communication and networking tools is envisaged to be developed, through which the lessons of the PEACE programmes will be actively disseminated within Europe and beyond.</p>
<p>4. Specific key recommendations for the post-2020 PEACE funding round</p>	<p>The Committee's key recommendations solely refer to the post-2020 programming period and do not propose any changes to the legislative proposal COM(2018) 892 final.</p> <p>The Commission cannot pre-empt the outcome of the negotiations in the context of the new Multiannual Financial Framework 2021-2027. The consultation, preparation and adoption of the content of a future PEACE Plus programme will be conducted in line with the principles of shared management and in line with the legal provisions once these are adopted.</p>

<b>N°4      Promoting healthy and sustainable diets in the EU</b> <b>EESC 2018/4568 – NAT/755</b> <b>541st Plenary Session – February 2019</b> <b>Rapporteur: Peter SCHMIDT (Gr. II-DE)</b> <b>DG SANTE – Commissioner ANDRIUKAITIS</b>	
<b>Points of the European Economic and Social Committee opinion considered essential</b>	<b>European Commission position</b>
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<b>N°5      The digital revolution in view of the needs and rights of citizens</b> <b>EESC 2018/4168 – TEN/679</b> <b>541st Plenary Session – February 2019</b> <b>Rapporteur: Ulrich SAMM (Gr. I-DE)</b> <b>DG CNECT – Commissioner GABRIEL</b>	
<b>Points of the European Economic and Social Committee opinion considered essential</b>	<b>European Commission position</b>
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<p><b>N°6 Aviation Safety after Brexit</b>  <b>COM(2018) 894 final</b>  <b>EESC 2019/443 – TEN/688</b>  <b>541<sup>st</sup> Plenary Session – February 2019</b>  <b>Rapporteur: Thomas MCDONOGH (GR.I-IE)</b>  <b>DG MOVE – Commissioner BULC</b></p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
4.1.2. According to some stakeholders referred to during preparation of this opinion, Articles 5, 6, 7 and 8 of the Regulation should refer not only to the holders of certificates but the legal or natural persons which issue certificates. This would provide legal certainty to all parties involved in the certification process, that the status quo would be extended beyond 29 March 2019.	This observation has also been made by the European Parliament and the Council. Consequently, appropriate clarifications have been inserted into the text as finally adopted <sup>19</sup> .
4.1.3. The EESC agrees with the Commission's argumentation that the purpose of the Regulation is not to extend the status quo, but to provide for contingency measures considered urgent to mitigate possible damage to the sector. The stakeholders were aware of the discussions pertaining to the Brexit but cannot in all situations themselves resort to alternative actions to mitigate the effects of Brexit on the safety of aviation. They therefore need assurances of legal certainty. This is not the case for the issuers of the certificates in the form of an EU Regulation to explicitly provide them with the legal certainty of continued certification. Such certainty will be provided by new national legislation in the UK.	It is correct to say that the contingency regulation can only provide legal certainty within the scope of Union law and continued certification in the British context is a matter for the United Kingdom to address. As regards the situation under Union law, the combination of preparedness measures (transfer of certificates to EU-27 or issuance of third country certificates by the European Agency Safety Agency) and the proposed contingency measures are expected to provide for the necessary legal certainty and ability to continue operations without major disruptions.
4.1.4. The EESC strongly endorses this	The measures contained in the

<sup>19</sup> OJ L 85 I, 27.3.2019, p. 11.

<p>approach and encourages the Parties to conclude as rapidly as possible a bilateral air safety agreement to conclude in mutual consent how the safety agencies of both sides will co-operate in future to ensure a harmonised implementation of safety measures throughout Europe.</p>	<p>Regulation are contingency measures only. The terms of the future relationship will need to be determined separately after the withdrawal.</p>
<p>4.1.5. The EESC also urges the UK to conclude a BASA with the leading economic powers, in particular the USA, so as to maintain continuity and coherence in the safety measures pursued so far on the North Atlantic market.</p>	<p>This is a matter for the British authorities to consider.</p>

<p><b>N°7      Ensuring Basic air connectivity after Brexit</b>  <b>COM(2018) 893 final</b>  <b>EESC 2019/444 – TEN/689</b>  <b>541<sup>st</sup> Plenary Session – February 2019</b>  <b>Rapporteur: Jacek KRAWCZYK (GR.I-PL)</b>  <b>DG MOVE – Commissioner BULC</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.5. The Regulation will provide for further time for the Commission and the UK government to negotiate a comprehensive air services agreement (ASA), which would then become the regulatory framework for aviation between the EU and the UK. It will also provide for basic air connectivity between the EU and the UK to be maintained in the meantime.</p> <p>1.6. Negotiations on an ASA between the EU and the UK will have to be conducted without delay to re-establish a legal basis for robust airline competition between the carriers of both parties. The EESC is ready to provide necessary contributions from organised civil society stakeholders from the EU-27. In the interests of the European economy, its citizens and workers, the EESC encourages the EU and the UK to adopt a comprehensive ASA as soon as possible as the only legal basis for an open and competitive aviation market.</p>	<p>In the text as finally adopted<sup>20</sup>, Recital 5 specifically states that, upon its recommendation, the Commission should be given as soon as possible an authorisation to negotiate a comprehensive air transport agreement with the United Kingdom, and that the said agreement should be negotiated and concluded without delay.</p> <p>In a related statement to the minutes of the Council, the Commission has recalled the European Council guidelines on this matter<sup>21</sup> and announced its intention to submit the relevant recommendation to the Council as soon as possible in due time.</p>
<p>1.9. In order to ensure basic connectivity and fair competition, the proposed Regulation contains several criteria and procedures, such as a cap on frequencies at the level of the IATA summer and winter</p>	<p>The Regulation as adopted does no longer contain a general cap on third and fourth freedom traffic rights as originally proposed by the Commission. However, a similar cap</p>

<sup>20</sup> OJ L 85 I, 27.3.2019, P. 49.

<sup>21</sup> Guidelines of 23 March 2018, document EUCO XT 20001/18.

<p>seasons<sup>2</sup>, the concept of the "equivalence" of rights<sup>3</sup>, and the Commission's right to reduce, amend or revoke rights<sup>4</sup>. The EESC recommends that – to better reflect current market conditions – the reference period should end on 29 March 2019 (full IATA summer and winter season 2018/2019).</p> <p>4.1.3. The capacity to be offered through this Regulation is therefore not a reflection of a functioning market, but a reflection of an urgent contingency measure. Without this Regulation, UK carriers seriously risk having their EU operating licence revoked. With the Regulation, basic air connectivity can be secured. Furthermore, the cap provides certainty for Member States in as much as no Member State could approve of additional frequencies, and the basis upon which to take possibly necessary remedial action is likewise clear. The cap on frequencies underlines the both temporary and urgent contingency nature of the Regulation. To better reflect current market conditions, the reference period should end on 29 March 2019 (full IATA summer and winter season 2018/2019). It will take effect during the time required to agree upon a new ASA, maximum 12 months.</p>	<p>by reference to the capacity operated in 2018 applies to the newly added fifth freedom rights. Reference is made in this context to the International Air Transport Association (IATA) winter and summer seasons for the year 2018 respectively, <i>pro rata temporis</i>.</p>
<p>1.10. In view of the economic and social consequences of this worst-case scenario, it is crucial that the Commission develops a transparent and close monitoring mechanism. Such a mechanism should also foresee close cooperation between the Commission and the social partners and civil society organisations prior to and during the transition period, and whilst negotiating a new air services agreement. Such monitoring must also include the protection of passengers, workers and environmental standards.</p>	<p>The Commission is bound to monitoring the equivalence between the rights respectively granted by the European Union and the United Kingdom and the conditions of competition for Union carriers in the latter. In this context, the Commission will rely on close cooperation with the Member States' competent authorities and on the support of the Expert Group 'Consultative Forum on EU external aviation policy' which includes a broad representation of European stakeholders in the sector.</p>



<p>1.11. In the EESC's opinion, aviation workers from the UK should keep their rights from the EU legislation regarding, among others, the crew working time, the temporary agency, the flight time limitations, the directive on the transfer of undertakings and others in order to maintain a level playing field towards Union carriers.</p> <p>4.7. In the EESC's opinion, aviation workers from the UK should keep their rights from the EU legislation, notably from the working time directive, the temporary agency directive, the flight time limitations regulation, the European Works Council Directive, the directive on the transfer of undertakings, etc., in order to maintain a proper level playing field towards Union carriers.</p>	<p>While situations as referred to in points 1.11 and 4.7 of the Opinion may fall under United Kingdom law, as the case may be, the Commission is confident that a level playing field will be maintained. With this objective in mind it is ready to cooperate with the British authorities as necessary. However, Article 9 of the Regulation gives the Union the necessary means to act in case fair competition with British carriers is not ensured. Relevant cases include the granting of government subsidies, the application of sub-standard rules regarding safety, security, protection of workers, the environment and passenger rights, as well as discrimination against Union air carriers.</p>
<p>4.2.1. The EESC is of the position that inclusion of clauses to continue operation of code-sharing and leasing agreements would exceed the purpose of the Regulation. These commercial agreements cannot be construed as falling under the category of providing for basic connectivity between two parties. The legal basis for such commercial cooperation agreements lies in Regulation 1008/2008; if such agreements are to be continued, they will have to be included in a future comprehensive ASA between the EU and the UK.</p>	<p>The Regulation as adopted (Article 5) allows UK air carriers to exercise the rights granted to them by means of code-sharing, in terms similar to those usually afforded by the EU to third country carriers.</p>
<p>4.3.1. The regulation provides for the core element of connectivity – an air service between two countries: third and fourth freedom traffic rights. The Regulation also includes technical rights, first and second freedom traffic rights. Any rights exceeding the basic connectivity between two countries cannot fall under this Regulation</p>	<p>The Regulation as adopted [point (d) of Article 4(1)] allows British air carriers to operate 5th freedom services for cargo only and for a maximum period of five months. Those services are also subject to a capacity cap as described above in the position in reaction to point 1.9 of the opinion.</p>

<p>which does not seek to provide for new commercial opportunities, or even extend the legal basis for all current operations. The EESC believes that it would not be consistent with the purpose and rationale of the proposed Regulation to extend the provisionally granted commercial traffic rights beyond third and fourth freedom rights.</p>	
<p>4.4.1. The EESC is of the view that the ownership and control requirements of 1008/2008 should not be modified because of Brexit. If an EU airline is at risk of losing its EU operating licence after Brexit, the proposed regulation should foresee a sufficient additional period enabling the airline to adjust its ownership structure to be approved by the Commission.</p>	<p>The Regulation as adopted (Article 7) provides for a period of six months since its entry into application during which Union airlines will be able to adapt their structures in order to continue to meet the Union's ownership and control requirements. This facility is subject, notably, to the presentation of a credible plan within two weeks of the entry into force of the Regulation. The competent national authorities, as licensing authorities, will assess this plan and its implementation, under the Commission's supervision.</p>
<p>4.6.2. The EESC acknowledges the advantages of the "de facto or de iure equivalence of rights" as described in Article 4 of the proposed Regulation as a means to ensure fair competition and a level playing field for airlines offering services between the EU and the UK. UK airlines would, in the absence of a Withdrawal Agreement no longer be bound by EU provisions on, for example, consumer protection, the Emissions Trading Scheme or the State Aid Guidelines. However, it is not only in the interests of the airlines, but also in the interest of the EU citizen to gain a better understanding of when certain services could potentially be terminated to establish</p>	<p>The Commission will carry out an in-depth assessment of the rights that Union air carriers will be granted by the United Kingdom in order to ensure that not only are these formally equivalent to the rights granted to British air carriers under the future regulation, but also that those rights can be exercised without undue restrictions. Should difficulties be encountered by Union carriers and compensatory measures be considered necessary, these would be carefully weighted, also taking into account their potential impact on the Member States and the Union stakeholders and the possible mitigation. These measures might, but would not necessarily have</p>

<p>"factual or legal" equivalence of rights.</p> <p>4.6.3. The EESC therefore recommends that the Commission ensure harmonised implementation of this clause with potentially more specific examples of situations that could give rise to retortion by the EU.</p>	<p>to be, the termination of certain air services. The Commission nevertheless does not consider it useful to speculate on hypothetical scenarios.</p>
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<p><b>N°8 Ensuring Basic road freight connectivity after Brexit</b>  <b>COM(2018) 895 final</b>  <b>EESC 2019/450 – TEN/690</b>  <b>541<sup>st</sup> Plenary Session – February 2019</b>  <b>Rapporteur: Raymond HENCKS (Gr.II-LU)</b>  <b>DG MOVE – Commissioner BULC</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2 The EESC welcomes the fact that the proposal for a regulation under examination grants UK road haulage operators the right, until 31 December 2019, to carry out bilateral transport between the points of departure and arrival in respectively the United Kingdom and the European Union under the conditions set out in the proposal and in particular on condition that Union carriers may circulate on the territory of the United Kingdom under equivalent conditions including fair, equal and non-discriminatory conditions of competition.</p> <p>[...]</p> <p>1.4 In the event of the UK leaving the EU without a withdrawal agreement, the EESC calls on the United Kingdom and the European Union to negotiate and, by common agreement, establish - before the end of the transitional period mentioned above - basic connectivity under the ECMT system and the future rules to be applied between the United Kingdom and the European Union.</p>	<p>The Commission takes note of the generally favourable opinion of the Committee.</p> <p>Arrangements for basic connectivity after the end of the period during which the Regulation applies may be made under the European Conference of Ministers of Transport (ECMT) system.</p>
<p>4.5 In the event that the United Kingdom rejects the reciprocity of haulage rights within the deadline, the proposed regulation would lapse and freight carried by UK heavy goods vehicles (HGVs) would either have to be transferred at the border with the EU to HGVs registered in the EU or, as far as</p>	<p>Should the United Kingdom not grant equivalent rights to European Union hauliers, then the Commission would be entitled to take appropriate steps in accordance with Article 5(2) of the Regulation. This may go as far as suspending the rights granted to British</p>

<p>possible, carried by light commercial vehicles (LCVs) with an authorised mass of less than 3.5 tonnes, which are not subject to the common rules for access to the international haulage market.</p> <p>4.6 In its opinion on Access to the international road haulage market and the occupation of road transport operator<sup>22</sup> of 18 January 2018 concerning a proposal for a regulation amending Regulation (EC) No 1072/2009, the EESC pointed out that the non-extension of the regulation to LCVs meant that competition might be distorted. The EESC would reiterate its call for LCVs to be subject to the above-mentioned regulation, even if in an alleviated form.</p>	<p>hauliers under the Regulation.</p> <p>The only fall back in such a situation would be the multilateral quota system under the European Conference of Ministers of Transport.</p> <p>The carriage of goods by light commercial vehicles (LCVs) with an authorised mass of less than 3.5 tonnes is exempted from multilateral and bilateral transport permit requirements under the European Conference of Ministers of Transport system.</p> <p>Within the European Union, the carriage of goods with light commercial vehicles does not require a Community licence and is exempt from any carriage authorisation, in accordance with Article 1(5)(c) of Regulation (EC) No 1072/2009<sup>23</sup>.</p> <p>In its proposal for a Regulation amending Regulation (EC) No 1071/2009<sup>24</sup> and (EC) No 1072/2009, the Commission addressed the issue of a possible distortion of competition. To this end, it suggested to extend, to operators of light commercial vehicles, the scope of Regulation (EC) No 1071/2009, while taking account of the peculiarities of operations with such vehicles.</p>
<p>5.1 Article 4 of the proposal for a regulation under examination lists the social and technical rules that haulage</p>	<p>This comment has been taken on board in the legislative process and reference to Directive 2003/59/EC<sup>25</sup> has been</p>

<sup>22</sup> [OJ C 197, 8.6.2018, p. 38.](#)

<sup>23</sup> Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market (Text with EEA relevance); OJ L 300, 14.11.2009, p. 72–87.

<sup>24</sup> Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC (Text with EEA relevance); OJ L 300, 14.11.2009, p. 51–71.

<sup>25</sup> Directive 2003/59/EC of the European Parliament and of the Council of 15 July 2003 on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers,

operators entitled to a UK licence and operating on EU territory must comply with during the transitional period.

5.2 The EESC notes that a rule on the initial qualification and periodic training of professional HGV drivers is missing from these obligations. Since this is a key safety factor, the EESC calls for a reference to be added in this article to Directive 2003/59/EC of the European Parliament and of the Council of 15 July 2003 on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers, amending Council Regulation (EEC) No 3820/85 and Council Directive 91/439/EEC and repealing Council Directive 76/914/EEC.

added in point (d) of Article 4 of the Regulation as finally adopted.<sup>26</sup>

The Commission proposal already foresaw in Article 6(3) that the Commission could adopt delegated acts to remedy a situation where the United Kingdom applies standards relating to the qualification and training of drivers which are inferior to those laid down in the Union (see draft Article 6(3)(d) of the Commission proposal). This provision has also been clarified by the explicit reference to the standards relating to the qualification and training of professional drivers laid down in Directive 2003/59/EC (point (f) of Article 6(3)).

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amending Council Regulation (EEC) No 3820/85 and Council Directive 91/439/EEC and repealing Council Directive 76/914/EEC; OJ L 226, 10.9.2003, p. 4–17.

<sup>26</sup> OJ L 85I, 27.3.2019, p. 39.

<p><b>N°9      The Union’s budget and the rule of law</b>  <b>COM(2018) 324 final</b>  <b>EESC 2018/2955 - SOC/598</b>  <b>538<sup>th</sup> Plenary Session – October 2018</b>  <b>Rapporteur: Jukka AHTELA (Gr.I-FI)</b>  <b>DG BUDG – Commissioner OETTINGER</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.1 The EESC welcomes the Commission proposal for a regulation creating a new tool that would allow for economic corrective measures with regard to Member States that commit serious and persistent violations of the values listed in Article 2 of the Treaty on European Union (TEU). The EESC notes that the Commission already has similar corrective powers to encourage compliance with rules on sound economic governance<sup>27</sup>, and looks favourably on the present proposal for making corrective measures to safeguard the rule of law. In this regard, the EESC welcomes the fact that implementing acts proposed by the Commission under this regulation would be adopted by reverse qualified majority voting in the Council.</p>	<p>The Commission welcomes the Committee’s support that confirms the need for rapid action to protect the financial interests of the European Union.</p>
<p>1.2 The EESC emphasises the importance of the rule of law for citizens, as well as for business initiatives, innovation and investment. However, it recommends that the proposal be amended to include a broader notion of the rule of law that encompasses the protection of fundamental rights and guarantees protecting pluralist democracy. The rule of law is only one of the values on which the EU is founded, as set out in Article 2 of the TEU. The rule of law exists in an interdependent, inseparable, triangular relationship with fundamental</p>	<p>While the rule of law, democracy and fundamental rights are indeed intertwined, the Commission recalls that the objective of the proposed Regulation is the protection of the EU budget and of the EU financial interests. This also explains the legal basis (Article 322 TFEU).</p> <p>The mechanism as proposed can be triggered only in case of generalised deficiencies as regards the rule of law because the respect for the rule of law is an essential precondition for the</p>

<sup>27</sup>

[OJ L 347, 20.12.2013, p. 320](#), Article 23.

<p>rights and democracy. Only by guaranteeing these three values in conjunction with each other is it possible to prevent the abuse of state power.</p> <p>4.4 As the EESC has underlined, the rule of law, democracy and fundamental rights are interdependent, as stated in the Article 2 of the Commission proposal. In addition to more detailed criteria on the rule of law, the proposal should also include criteria allowing the Commission to determine the existence of a serious, systemic and persistent threat to respect for fundamental rights or guarantees of pluralist democracy. Where the situation in a Member State fulfils these criteria, the Commission should also be entitled to adopt corrective measures under this regulation.</p>	<p>compliance with the principle of sound financial management.</p> <p>The proposed mechanism cannot be triggered in case of generalised deficiencies as regards other values such as democracy and respect for fundamental rights, not because these values are not important, but because there is no direct link to be established with the principle of sound financial management and the protection of the Union budget.</p> <p>According to the Commission's proposal, the 'rule of law' refers to the Union value enshrined in Article 2 TEU which includes the principles of legality, implying a transparent, accountable, democratic and pluralistic process for enacting laws; legal certainty; prohibition of arbitrariness of the executive powers; effective judicial protection by independent courts, including of fundamental rights; separation of powers and equality before the law. This definition is based on case law of the Court of Justice of the European Union, of the European Court of Justice and on Council of Europe standards.</p>
<p>1.3 The EESC agrees that effective respect for the rule of law is a prerequisite for the public to have confidence that EU spending in Member States is sufficiently protected. The EESC welcomes the fact that the proposal will further strengthen protection of the financial interests of the EU. However, the EESC insists that the mechanism proposed by the Commission should be activated automatically where a generalised deficiency as regards the rule of law risks affecting the financial interests of the EU.</p>	<p>The Commission welcomes the Committee's support. The mechanism is conceived to be effective and efficient, while preserving the competence of legislative initiative by the Commission and its role in the implementation of the EU budget, as well as safeguarding the right of defence of the Member State concerned.</p>



<p>1.4 Furthermore, the EESC is of the opinion that the main goal of the proposal should be the protection of Article 2 values, through the protection of the EU's finances. Consequently, the EESC recommends that the proposal be amended to allow the Commission to propose an implementing act of the regulation in cases where there is a serious, persistent and systemic threat to the rule of law, fundamental rights or standards guaranteeing pluralist democracy, as such measures, by their very nature, may pose a direct risk to the EU's financial interests.</p> <p>1.5 The EESC encourages the Commission, as a preventive measure, to further develop channels for political debate on Article 2 values in the Member States. The EESC therefore urges the Commission to propose the creation of a system of regular and independent monitoring of the implementation of these values in the Member States, along the lines previously suggested by the EESC and the European Parliament.</p> <p>(also points 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, 3.9, 3.10 and 3.11)</p>	<p>The objective of the proposed Regulation is the protection of the EU budget and of the EU financial interests.</p> <p>Therefore the Commission has indeed proposed an implementing act to adopt the remedy measures in case of a generalised deficiency as regards the rule of law in a Member State which affects or risks affecting the financial interests of the EU.</p> <p>The protection of the values enshrined in the Article 2 TEU can be pursued through the Article 7 procedure. Moreover, the Commission has developed in recent years a 'rule of law' toolbox which allows addressing a variety of problems through a variety of responses. On 3 April 2019, the Commission has adopted a Communication on further strengthening the rule of law within the Union<sup>28</sup>, which launches a debate with all EU institutions and bodies, Member States and stakeholders, on how to further improve the instruments at the EU's disposal to uphold the rule of law. The Opinions adopted by the Committee in this field feed the Commission's reflection, including the Opinion that was adopted on 19 June 2019. The Commission intends to present its conclusions and proposals in July 2019.</p>
<p>1.6 The EESC recommends that it be included among the bodies that the Commission will keep informed of measures proposed or adopted under this legislation, and that it be specifically named among the</p>	<p>The Commission agrees that the Committee can be included amongst the sources of information, if the co-legislators so agree.</p>

<sup>28</sup> COM(2019) 163 final: Communication from the Commission to the European Parliament, the European Council and the Council - Further strengthening the Rule of Law within the Union - State of play and possible next steps

<p>relevant sources of information for the purposes of the Commission's determination as to the existence of a serious deficiency as regards the rule of law. This would allow the EESC to make a meaningful and effective contribution to the protection of Article 2 values and ensure that the voice of organised civil society is represented</p>	
<p>2.1 The present Commission proposal is designed to protect the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States. The Commission justifies its proposal by referring to the need to protect the Union's finances by requiring Member States to maintain sufficiently robust safeguards concerning how EU funds are managed and spent. Member States are already required to demonstrate that they have adequate institutional and procedural safeguards in place to ensure that EU funds are spent effectively and legally. The correct functioning of these national verification mechanisms cannot, however, be guaranteed without oversight, in the form of an independent judiciary, public prosecutor's office and investigative bodies dealing with fraud and corruption.</p>	<p>The Commission agrees with the Committee's reading of the proposal.</p>
<p>2.2 The Commission's proposal would allow for the suspension or correction of payments, a prohibition on new legal commitments, a reduction of commitments or interruption of payment deadlines in response to the detection of a generalised deficiency regarding the rule of law. This will apply to all EU funds. The Commission may make a finding that a generalised deficiency in the rule of law has arisen in particular when: the independence of the judiciary is endangered; public authorities are not prevented from or</p>	<p>According to Article 3 of the proposed Regulation, the mechanism could be triggered when a generalised deficiency as regards the rule of law in a Member State affects or risks affecting the financial interests of the EU. This requires a qualitative assessment on the part of the Commission, based on the elements of the concrete case and on the information available from relevant sources. Article 3(2) of the proposed Regulation establishes an open list of</p>

<p>corrected or sanctioned for arbitrary or unlawful behaviour; resources are withheld from public authorities which impairs their functioning; no measures are taken to avoid conflicts of interests among public authorities; the state limits the availability and effectiveness of legal remedies.</p>	<p>situations which could be considered as generalised deficiencies as regards the rule of law.</p>
<p>2.3 According to the proposal, the aforementioned deficiencies would give rise to corrective measures where they risk affecting sound financial management or the protection of the Union's financial interests, by impairing: national authorities implementing the EU's budget; the investigation or prosecution of fraud and corruption; effective judicial review of national authorities; prevention of fraud and corruption and imposition of effective and dissuasive penalties; recovery of unduly paid funds; cooperation with OLAF and EPPO investigations and prosecutions.</p>	<p>The Commission agrees with the Committee's reading of the proposal but underlines that Article 3(1) of the proposed Regulation establishes an open list of relevant situations.</p>
<p>3.1 The EU is founded on the values common to its Member States, including the rule of law, as stated in Article 2 TEU. Respect for the rule of law also ensures legal certainty and a level playing field for business initiatives, innovation, investments and fair competition across the internal market for the benefit of consumers and citizens. This is a prerequisite for the mutual trust necessary for the smooth functioning of the EU. Disregard for the rule of law hampers balanced economic and social development in line with the Sustainable Development Goals, which is the engine that allows the EU and its governments to pursue the overarching goal of the Union "to promote peace, its values and the well-being of its peoples", as stated in Article 3 of the</p>	<p>The Commission agrees with the Committee. The rule of law is a prerequisite for the protection of all the other EU fundamental values, including for fundamental rights and democracy. Respect for the rule of law is essential for the very functioning of the EU, for the effective application of EU law, for the internal market, for an investment friendly environment and for mutual trust among Member States.</p>

TEU.	
3.3 The rule of law is interdependent and indissoluble from guarantees protecting pluralist democracy and respect for fundamental rights. The rule of law ensures that governments respect fundamental rights standards, and pluralist democracy ensures that governments pursue policies that advance their peoples' well-being. Upholding the rule of law by itself does not guarantee that the law respects fundamental rights, nor that that law is made according to an inclusive and legitimate process based on well-informed, pluralist and balanced public debate and participation. To avoid mere "rule by law", it is necessary to uphold fundamental rights and pluralist democratic standards alongside the rule of law.	The Commission agrees with the Committee (see replies to 1.4 and 3.1).
3.6 As noted by recent resolutions of the European Parliament and statements by the European Commission and Council presidency, the rule of law, fundamental rights and pluralist democratic standards are increasingly under threat in the EU. While the situations in certain Member States pose the greatest challenges, populist authoritarianism, which stands against the EU's founding values and often against the Union itself, continues to grow in strength across the Member States.	The Commission takes note of the elements recalled by the EESC. The Commission is committed to ensuring the respect of the EU fundamental values.
3.12 As a further measure, the EESC proposes that a civil society platform or an annual forum be established at European level with the involvement of the EESC, firstly to allow EU decision-makers to receive early warning about emerging challenges to Article 2 TEU values directly from grassroots organisations and, secondly,	(see reply to 1.4) The Commission agrees that a striving civil society is key to uphold the rule of law, democracy and fundamental rights.  In the past years, the Commission has increasingly stepped up its structured cooperation with civil society partners: including through high level

<p>to facilitate mutual learning and transnational collaboration between civil society organisations working primarily at national level.</p>	<p>participatory events such as the Annual Colloquium on fundamental rights, regular experts meetings across all areas of the Commission's competence, as well as informal channels of exchange and cooperation in many key areas.</p> <p>The Commission will continue to engage in a dialogue with civil society organisations.</p>
<p>3.13 It is important that the EU consider ways of supporting civil society organisations and the media that are monitoring and reporting emerging challenges to Article 2. The EESC considers that a funding instrument to support civil society organisations promoting Article 2 values in the Member States would constitute an important complement to the present proposal by building grassroots support for these values among the public. In this regard, the EESC refers to its related opinion concerning the proposals for a new Justice, Rights and Values Fund<sup>29</sup> and calls on the Council and the European Parliament in the framework of the decision on the Multiannual Financial Framework post 2020 to increase substantially resources for this fund.</p>	<p>The Commission agrees to enhance support to civil society organisations and takes note of the EESC call to the co-legislators.</p> <p>The Commission attaches the utmost importance to the existence of a strong, free and vibrant civil society in the EU and in all our Member States. Civil society organisations and independent human rights bodies play an essential role in promoting, safeguarding and raising awareness of EU common values and rights. These actors empower and invigorate communities, and make institutions and governments accountable.</p> <p>Both the proposals for the new EU budget and the proposed funding programmes show the firm commitment by the Commission to put people at the centre of the next Multiannual Financial Framework.</p> <p>The role of civil society organisations is very important for the implementation of the Justice, Rights and Values Fund proposed by the Commission within the EU Budget cluster 'Investing in People, Social Cohesion and Values'. Working together with national budgets and complementing other efforts at</p>

<sup>29</sup>

SOC/599 (See page XX in the OJ) on [COM\(2018\) 383 final](#) and COM(2018) 384.

	<p>European and national level, the Union budget will provide concrete support to civil society in many key areas. In particular the Justice, Rights and Values programme will aim "to protect and promote rights and values as enshrined in the EU Treaties, including by supporting civil society organisations, in order to sustain open, democratic and inclusive societies". The role of non-governmental organisations is therefore recognised at the highest level, in the general objective of the programme and this is a key element of the Commission proposal.</p> <p>The Commission attaches great importance to the objectives pursued by the programme and therefore has proposed to protect EU 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 allow to reply to the challenges identified.</p>
<p>4.1 The EESC considers that the availability of effective judicial review by independent courts of actions and omissions by public authorities is essential not only to guarantee the effective spending of EU funds in line with EU law. It is also the only means of guaranteeing effective protection for all EU citizens of the rights that they derive from EU law, as well as the uniform interpretation of EU law across the Member States, on which the common market and the area of freedom, security and justice depend.</p>	<p>The Commission agrees with the Committee.</p>

<p>4.2 The EESC approves of the use of reverse qualified majority voting in the Council as a means of adopting the implementing act on the appropriate measures to be taken. This will allow measures to be taken objectively once the Commission deems a Member State to suffer from a generalised deficiency and minimise the risk of inaction or political selectivity that could result from requiring a vote in the Council.</p>	<p>The Commission thanks the Committee for its support of the proposed decision-making mechanism.</p>
<p>4.3 The EESC understands the challenges of giving more detailed criteria concerning the determination of the existence of a generalised deficiency. Nevertheless, the EESC questions whether the proposal could be strengthened by the inclusion of such detailed criteria. The existence of more detailed criteria could help to ensure that the legitimacy of the Commission's decision is not undermined by allegations of bias or lack of objectivity. Such criteria could be included in the form of guidelines drawn up by the Commission subsequent to the adoption of the proposal and could draw on the Commission's own criteria under the "framework" on the rule of law as well as the rule of law checklist of the European Commission for democracy through law (the Venice Commission).</p>	<p>The identification of a generalised deficiency as regards the rule of law requires a qualitative assessment by the Commission. That assessment could be based on information from all available sources, notably institutions, including judgments of the Court of Justice of the European Union, reports of the Court of Auditors, and conclusions and recommendations of relevant international organisations and networks, such as the bodies of the Council of Europe and the European networks of supreme courts and councils for the judiciary, and also from civil society. The Commission shall also take into account the observations received from the Member State concerned.</p> <p>The Commission considers that guidance by the Commission would not be the appropriate legal tool to provide legal ground for the Council to adopt an implementing act.</p>
<p>4.5 The EESC notes that the Commission shall take into account all relevant information, including decisions of the Court of Justice, reports of the Court of Auditors and conclusions and recommendations of relevant international organisations. Certain</p>	<p>The Commission agrees with the Committee.</p>

<p>supervisory bodies of the Council of Europe, such as the Venice Commission and the Group of States against Corruption (GRECO), play an important role in monitoring the rule of law in the Member States. The Venice Commission has issued several opinions concerning the state of the rule of law in a number of EU Member States and GRECO periodically issues recommendations to Member States. Similarly, the European Anti-Fraud Office (OLAF), national ombuds offices and associations of judges and judicial networks routinely report on the health of national judicial, anti-corruption and anti-fraud mechanisms.</p>	
<p>4.6 Other international bodies periodically monitor and assess the implementation of fundamental rights standards and guarantees of pluralist democracy in the Member States, including the European Union Agency for Fundamental Rights, the Council of Europe's Commissioner for Human Rights, the European Court of Human Rights, the UN Human Rights Council and UN human rights treaty bodies. Furthermore, independent civil society organisations are also frequently a reliable source of information and analysis. Express mention of these entities in the proposal would reflect the special role they play in safeguarding the values listed in Article 2 TEU.</p>	<p>According to the Commission's proposed regulation, the Commission could base its assessment on the information from all available sources. The Commission takes note of the Committee's suggestion, which the co-legislators may follow when amending the Commission proposal.</p>
<p>4.7 Furthermore, the EESC considers that, as the institution representative of civil society in the EU, its own analysis and observations are of particular relevance to the Commission when the latter is making a determination as to the existence of serious deficiencies as regards the rule of law in a</p>	<p>The Commission agrees with the Committee, thanks it for its activity in this matter and takes note of the role of the working group.</p>



<p>given Member State both under this regulation and under other instruments. In this regard, the EESC draws the Commission's attention to the creation of an EESC working group on fundamental rights and the rule of law which will ensure special focus on the protection of Article 2 TEU values.</p>	
<p>4.8 Inclusion of the EESC among the bodies that the Commission will keep informed of measures proposed or adopted under this legislation and among the relevant sources of information for the purposes of the Commission's determination as to the existence of a serious deficiency as regards the rule of law would allow the EESC to make a meaningful and effective contribution to the protection of Article 2 values and ensure that the voice of organised civil society is represented.</p>	<p>(see reply to 4.6) The Commission thanks the Committee for the suggestion. The co-legislators may take it into account when amending the Commission proposal.</p>
<p>4.9 The EESC concurs fully with the aim of the Commission that the consequences of triggering the proposed mechanism should fall on those responsible for the shortcomings and not on individual beneficiaries of EU funding, such as Erasmus students, researchers or civil society organisations<sup>30</sup>.</p>	<p>The Commission takes note of the agreement by the Committee on one of the core elements of the proposal.</p>
<p>4.10 The EESC notes that according to the proposal, in the event that measures are taken, the Member State shall remain responsible for distributing the funds in question. The EESC considers that while legally sound, this would do little to prevent a Member State in practice from refusing to distribute the funds in question and apportioning blame to the Commission for</p>	<p>The Commission considers that adequate information should be provided to citizens, organisations and businesses in the EU. The Commission is committed to ensure that Member States respect their EU law obligations.</p>

<sup>30</sup>

[COM\(2018\) 98 final](#), p. 16.

<p>political gain. As the public are unlikely to appreciate the finer workings of EU legislation, Member States would be able to make a direct link between funding cuts and a Commission decision. This would create a situation where the Commission could be deterred from taking measures against a Member State because of the potential backlash in public opinion. This is a particular risk in those Member States where the government has control or influence over public and private media, which tends to be the case in Member States that suffer from serious deficiencies as regards the rule of law.</p>	
<p>4.11 The EESC encourages the Commission to consider finding ways of mitigating the risk that individual beneficiaries may be affected negatively and that measures taken under this regulation could be subverted for political gain by governments violating Article 2 values. The Commission could consider alternative avenues through which to ensure that EU funds reach their intended beneficiaries. One possibility might be to create an executive agency to take over direct management of the relevant funds.</p>	<p>The Commission considers that the Member States have an obligation to honour their duties towards recipients, when implementing EU funds and they shall honour such obligation. The payment to beneficiaries may not be assured by changing the whole structure of budget implementation by implicitly accepting that Member States do not fulfil their legal responsibilities.</p>

<p>4.12 In bringing a generalised deficiency to an end with a view to lifting any measures taken under this regulation, the EESC stresses the importance of open dialogue between the Member State concerned and EU institutions, as suggested in the proposal. The institutions and Member States should take into account the views of civil society organisations regarding the situation in the Member State concerned, the adequacy of measures taken to bring the generalised deficiency to an end and the adequacy of measures taken to prevent their future recurrence.</p>	<p>The Commission agrees with the Committee and thanks it for pointing out this element.</p>
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<p><b>N°10 Connected and automated mobility (communication)</b>  <b>COM(2018) 283 final</b>  <b>EESC 2018/2771 - TEN/673</b>  <b>532nd Plenary Session - February 2018</b>  <b>Rapporteur: Ulrich SAMM (Gr. I-DE)</b>  <b>DG GROW – Commissioner BIENKOWSKA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.3. A key feature of automatic or semi-automatic driving is that it could significantly improve the active <b>safety of ground vehicles</b> and might reduce fatalities significantly, or even eliminate them entirely. Fatal accidents with automated vehicles during the pioneering phase, however, could become a showstopper for this technology. The EESC recommends, therefore, that all pilot projects and test procedures with autonomous driving be performed under the <b>highest safety standards</b> possible, even when this boundary condition may slow down developments compared to competitors outside the EU. In the long run this will provide better products with higher acceptance.</p>	<p>The Commission shares the Committee's view that the highest safety standards should be promoted for automated vehicles. This is the reason why the Commission proposed a progressive approach based on experimentations and the 'safety first' principle. This is also the reason why the Commission proposed new vehicle safety rules as part of the same mobility package.</p> <p>When it comes to pilot projects, the Commission proposed to establish an EU platform on testing and pre-deployment of national activities. As part of its tasks, the platform will exchange and promote best practices on road safety standards for testing.</p>
<p>1.9 The product liability directive should be reformed so that it covers both movable products and services as well as products with embedded software, so that consumers do not have to search to find out who is liable. Moreover, in a more complex digital environment the burden of proof in case of product failures is also a matter of concern and should be regulated in a consumer-friendly way. The Committee urges the Commission in particular to anticipate the changes in the insurance directive related to</p>	<p>The Product Liability Directive has been evaluated (in the Evaluation of Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products, SWD(2018) 158). An expert group is assisting the Commission in discussing the concepts and scope of the Directive.</p> <p>The Commission plans to issue</p>

<p>driverless motor vehicles and to guarantee the compensation of accident victims.</p> <p>5.11. The product liability directive should be reformed so that it covers both movable products and services as well as products with embedded software, so that consumers do not have to search to find out who is liable (see also opinion INT/857). Moreover, in a more complex digital environment the burden of proof in case of product failures is also a matter of concern and should be regulated in a consumer-friendly way</p>	<p>interpretative guidance, clarifying concepts and scope of the Product Liability Directive in the light of the new technologies. The Commission will also publish in 2019 a report on the broader implications for, potential gaps in and orientations for, the liability and safety frameworks for Artificial Intelligence, Internet of Things and robotics.</p>
<p>1.12. The EESC is ready to participate in the anticipated <b>assessment</b> by the Commission of the socio-economic and environmental impacts of driverless mobility and the <b>EU forum</b> to address specific ethical issues.</p>	<p>The Commission welcomes the willingness of the Committee to contribute to the assessment by the Commission of the socio-economic and environmental impacts of driverless mobility and to participate in the EU forum to address specific ethical issues.</p>

<p><b>N°11 Single market programme</b>  <b>COM(2018) 441 final</b>  <b>EESC 2018/3034 – INT/859</b>  <b>532nd Plenary Session - February 2018</b>  <b>Rapporteur: Oliver RÖPKE (Gr. II-AT)</b>  <b>Co-rapporteur: Violeta JELIĆ (Gr. I-HR)</b>  <b>DG GROW– Commissioner BIENKOWSKA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1.2. The EESC welcomes in principle the integration of five predecessor programmes (and of the European Statistical Programme, though that extends beyond the scope of the single market) and a number of budget headings into a single market programme, as it can be expected to produce synergies and improve cost efficiency;</p>	<p>The Commission attaches great importance to the Single Market Programme, which enables a new, innovative and strategic approach towards delivering the Single Market on the ground. It is the very first Programme that will address in a unified manner the strengthening of the single market while providing it with more visibility towards citizens and businesses.</p>
<p>1.5. The EESC welcomes the Commission's proposal to devote 25% of available funding to meeting the Paris Agreement climate change objectives, but would like further information about what expenditure is considered climate-related;</p>	<p>The Commission will monitor progress on the goal for climate mainstreaming across all EU programmes, with a target of 25% of EU expenditure contributing to climate objectives, and the expected programme contributions. The Commission will 'mark' expenditure by assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to climate objectives. The Commission will continue to report on progress annually in the framework of the Draft Budget.</p>
<p>1.6. The EESC notes that the volume of work in consumer protection policy is steadily increasing, due not least to the digital transformation. The EESC therefore</p>	<p>One of the main objectives of the Consumer Programme is to absorb fast rapid technological changes through the funding of new tools and capacity-</p>

<p>urges the Commission to further develop cooperation with consumer networks and organisations and to increase funding for consumer protection accordingly;</p>	<p>building activities targeting national authorities and consumer organisations.</p>
<p>1.7. The EESC notes that, according to the Commission, funding for the priorities in the new Single Market Programme is set to be around EUR 3.9 billion, i.e. approximately the same level as in the current financing period 2014-2020, but is concerned that the negotiations on the EU financial framework could result in cuts and thus in a lower budget than in the past</p>	<p>The Commission designed and proposed the budget for the Single Market Programme with the view to ensure it is adequate to implement the programme. The Commission stands ready to work with co-legislators towards a swift adoption of the Programme.</p>

<p><b>N°12 Industrial policy towards 2030</b>  <b>EESC 2018/2008 - CCMI/161</b>  <b>538<sup>th</sup> Plenary Session - October 2018</b>  <b>Rapporteur: Carlos TRIAS PINTÓ (GR.III-ES)</b>  <b>Co-rapporteur: Gerald KREUZER (AT-Cat. 2)</b>  <b>DG GROW – Commissioner BIENKOWSKA</b></p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
<p>1.2. Europe must maintain its ambition to restore the share of industrial production to previous levels, fine-tuning this objective by means of key performance indicators. Europe's industrial policy (between DGs, Member States, regions) needs to be improved, being part of complex cross-border value chains in an increasingly globalised market. A holistic approach is needed to reconcile growth, climate, environmental challenges and societal problems in a "just transition" design, effectively connecting national and EU drivers.</p>	<p>The Commission agrees that in the age of globalisation, sustainability challenges and rapid technological change important efforts are needed to maintain and reinforce Europe's industrial leadership.</p> <p>This is why the Commission adopted the renewed EU industrial policy strategy aiming at facilitating the transition towards a smart, innovative and sustainable industry. It is a holistic approach to strengthen industry's ability to adapt and innovate.</p> <p>The Commission wants EU industry to be world leader, embracing innovation, digitisation and decarbonisation, empowering European industry and European citizens to reap the opportunities of industrial transformation.</p>
<p>1.4. If EU climate and Circular Economy policies are to create jobs in Europe, it is crucial that the key parts of the value chain enabling those policies is located in Europe. Therefore, it is important that the EU Strategy recognises the importance of value chains and addresses ambitious measures to develop these further. Rather than focusing on individual sectors, the Strategy should ensure attractive operating conditions in Europe. To ensure Europe's continued role in the global economy, the measure of success should be the potential of</p>	<p>The Commission agrees that it is crucial to ensure the best framework conditions for the key parts of strategic value chains to thrive in Europe and that the EU is well integrated and competitive in the global economy.</p> <p>The Commission has established a Strategic Forum on Important Projects of Common European Interest with Member States and stakeholders to identify key value chains of strategic importance for Europe which require specific coordinated</p>



<p>individual European value chain links to be integrated into global value chains, i.e. European suppliers should be able to compete globally and not just in Europe.</p>	<p>action and investments on EU level.</p> <p>The Renewed Industry Strategy recalls that the Commission communication concerning Important Projects of Common European Interest is designed for strategic projects that require joint, well-coordinated efforts and investments by public authorities and industries from several Member States.</p> <p>The Strategic Forum is expected to identify key value chains of strategic importance for Europe and recommend actions to make them stronger in Europe. It is expected to deliver its final report by summer 2019.</p>
<p>1.5. Improvements in education and training for new jobs and services should also be closely interlinked with R+D+i policies and with the creation of work-based learning, extending Skills Agenda to key industry sectors, such as construction, steel, paper, green technologies and renewable energies, manufacturing and maritime shipping.</p>	<p>The Commission agrees that it is essential to reskill and upskill Europe's citizens in order to help them adapt to and benefit from the industrial transformation.</p> <p>Following the adoption of the New Skills Agenda in June 2016, all of the 10 key actions are in the implementation phase.</p> <p>The Upskilling Pathways flagship action calls on the Member States to create options to give adults a second chance to develop basic literacy, numeracy and digital skills.</p> <p>The Commission has reviewed the Key Competences for Lifelong Learning, including also entrepreneurial and innovation-oriented mind-sets and skills.</p> <p>In 2017, the Commission launched a Digital Skills and Jobs Coalition to develop a large digital talent pool in Europe and ensure that individuals and the labour force are equipped with adequate digital skills.</p> <p>The Commission has also launched a Blueprint for sectoral skills cooperation among key stakeholders to address specific skills gaps and shortages which are holding back growth and innovation in a key</p>

	industry sectors.
<p>1.6. To ensure Europe's technological leadership, the EESC also recommends stepping up investments in game changing and disruptive technologies such as artificial intelligence and robotics, the Internet of Things, data analytics, 3D printing, new and nano- materials, enhanced virtual reality, bio-economy, sustainable food, digital technologies, neurotechnologies, nano-electronics, ocean and space exploration, etc.</p> <p>1.7. The 2021-2027 multiannual financial framework must make the most specific and detailed provision possible for the additional budget resources to be allocated to each individual sector, R+D+i and cohesion policies in particular.</p>	<p>The Commission agrees that availability of appropriate financial resources is essential to stimulate innovation and industrial competitiveness.</p> <p>The Commission's proposals for the next multi-annual financial framework offer many funding opportunities:</p> <p>Horizon Europe will encourage innovation, including breakthrough innovation based on digital, key enabling and emerging technologies, as part of a common strategy to promote industrial development.</p> <p>Invest EU will increase guarantees for innovation, digitisation and Small and medium-sized enterprises, including innovative small and medium-sized enterprises and small mid-caps. The InvestEU Fund will support four policy areas – sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills.</p> <p>Digital Europe will help enable the digital transformation of our economy. It will invest in key strategic digital technologies, such as artificial intelligence, high performance computing and cybersecurity, digital skills, and the deployment of interoperable services in areas of public interest.</p> <p>The European Regional Development Fund will foster the innovative and smart economic transformation of SMEs via the uptake of advanced technologies, digitalisation and enhancing competitiveness.</p> <p>Public support schemes for R&amp;D&amp;I as well as for investments should be devised in a way that ensures the compatibility of the</p>

	support measures with all international obligations of the EU.
<p>1.15. The EC should strictly monitor the proper implementation of EU Free Trade Agreements (FTAs), including simple and clear rules. Sustainability chapters in FTAs must promote implementation of ILO labour standards and the UN Principles on Business and Human Rights<sup>31</sup> establishing minimum cross-cutting conditions that cannot be substituted (rights of vulnerable people, good fiscal governance, etc.). Reciprocity in trade relations (e.g. investments, public procurement, subsidies) should be guaranteed.</p>	<p>The Commission is committed to strengthening the monitoring of the implementation of the EU free trade agreements (FTAs), as per the second Report on the Implementation of EU Trade Agreements<sup>32</sup>.</p> <p>Free trade agreements are closely linked with the promotion of reciprocity in EU's trade relations with its partners. As the objective of free trade agreements is to remove all tariff and non-tariff barriers to trade and as the EU is, like other advanced economies, more open to trade than its emerging partners, this agenda will necessarily rebalance the current asymmetry in levels of openness and promote a more level playing field. This policy is reciprocal in nature and provides results: the recent free trade agreements between the EU and Korea, Canada, Japan or Singapore remove the majority of tariffs, legally secure a broad access to public procurement markets and address barriers to investment.</p> <p>The Commission has called for the adoption of the International Procurement Instrument to promote open and reciprocal access to public procurement. Moreover, since December 2017 the European Union has an alternative method to calculate dumped imports if state interference significantly distorts the economy of the exporting country.</p> <p>All Trade and Sustainable Development Chapters in the EU free trade agreements</p>

<sup>31</sup> European Parliament resolution of 4 October 2018 on 'the EU's input to a UN Binding Instrument on transnational corporations and other business enterprises with transnational characteristics with respect to human rights' (2018/2763(RSP)) <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P8-TA-2018-0382&format=XML&language=EN>

<sup>32</sup> [http://trade.ec.europa.eu/doclib/docs/2018/october/tradoc\\_157468.pdf](http://trade.ec.europa.eu/doclib/docs/2018/october/tradoc_157468.pdf)

	<p>promote labour standards of the International Labour Organization and require their effective implementation. They also contain specific provisions committing the parties to promote Corporate Social Responsibility/ Responsible Business Conduct and internationally agreed instruments in this area. In recently concluded and currently negotiated agreements, the Commission is strengthening this practice and includes a reference to the UN Guiding Principles on Business and Human Rights.</p> <p>Any response to unfair practices by third countries should also be carried out in accordance with the EU's international legal obligations. In this context the EU is also the most active proponent of rules against illegal subsidies in the World Trade Organization.</p> <p>Finally, the recent regulation on EU's investment screening framework ensures that the EU and its Member States are equipped to protect their essential interests while remaining one of the most open investment regimes in the world.</p>
<p>1.17. The EESC calls on the European Commission to establish industrial competitiveness and leadership as a top political priority and to initiate an EU Industrial Strategy Programme. It urges the Commission to publish an annual report on the results of the EU Industrial Strategy touching on all the Commission's relevant policy fields.</p>	<p>Strengthening the EU's industrial base is one of the top priorities of the European Commission.</p> <p>The Commission adopted in 2017 the renewed EU industrial policy strategy: a holistic approach to strengthen industry's ability to adapt and innovate, and to empower industry to reap the opportunities of industrial transformation.</p> <p>The Commission has established an open and inclusive dialogue on EU industrial policy around the annual EU Industry Days, which take stock of progress achieved and identify new developments that require policy action.</p>

	<p>Furthermore, the Commission has established the high-level industrial roundtable Industry 2030 to advise the Commission on future actions needed. The group consists of 20 experts and will provide a final report in summer 2019 with recommendations on the future of EU industrial policy strategy towards 2030.</p>
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<p><b>N°13 European Space Programme</b>  <b>COM(2018) 447 final</b>  <b>EESC 2018/236 - INT/861</b>  <b>538th Plenary Session – October 2018</b>  <b>Rapporteur: Raymond HENCKS (GR. II-LU)</b>  <b>DG GROW - Commissioner BIENKOWSKA</b></p>	
Points of the European Economic and Social Committee opinion considered essential	European Commission position
1.1 The European Union can boast a number of major success stories in the space sector. Through its space programmes it contributes to addressing certain major global challenges, including those relating to climate change, security and improving citizens' daily living conditions, while retaining its sovereignty and its strategic independence vis-à-vis other space powers.	The Commission welcomes and shares the analysis of the Committee that the European Union space programmes make a key contribution to major policy challenges and objectives that have become a priority in the last years, such as climate change and security.
1.2 The EESC supports the EU in its complementary efforts to remain a major independent space power. It agrees with it acquiring financial resources commensurate with its ambitions, in particular a "prime reference amount" of EUR 16 billion, which the EESC views as a minimum financial envelope. The EESC reiterates its call for new financing opportunities to be found, together with the European Investment Bank, to support space-related research, design and manufacturing projects by private companies, SMEs and start-ups.	<p>The Commission welcomes the support from the Committee for the proposed budget envelope of €16 billion.</p> <p>As pointed out by the Committee, this budget is key in order to ensure an appropriate level of autonomy of the EU as a space power. However, in order to achieve a vibrant and sustainable EU space ecosystem, additional actions are envisaged in the domain of research and innovation, through the Framework Programme for Research Horizon Europe, and in the InvestEU programme. The Commission is currently working with European Investment Bank on a study to analyse the opportunities and the best approach to further investments in space by private companies, small and medium-sized enterprises and start-ups.</p>
1.3 As regards the specific objectives of	The Commission welcomes the

<p>the European space programme, the EESC welcomes the fact that, alongside the programme's continuously evolving flagships (Galileo and Copernicus), the EU is giving "space surveillance and tracking" more autonomy and powers so as to protect space infrastructure from the risk of the huge amount of space debris that is orbiting around the Earth. It also welcomes the new initiative relating to the Govsatcom system, which responds to the need for secure European satellite communications.</p>	<p>Committee's support for the new initiatives and confirms that those two new initiatives will, pending the outcome of the interinstitutional negotiations, further the EU autonomy and will respond to the needs of relevant EU security actors.</p>
<p>1.4 The EESC notes, however, that the EU remains very low-key in terms of its communication with citizens on the benefits of EU space activities for society and the economy. It proposes an appropriate campaign, so that citizens realise the added value of European space activities, which have become indispensable to their daily lives, boosting jobs, growth and investment, and which are an asset for their safety.</p>	<p>The Commission attaches great importance to this issue and is working to increase public awareness on all European space activities. Together with the European Global Navigation Satellite Systems Agency (GSA), the Commission already implements a number of awareness raising activities, including such targeting the general public as suggested by the Committee. This effort will be further reinforced with the new Regulation.</p> <p>In the Copernicus programme, for example, the Commission proposes a new element specifically dedicated to 'user uptake and market development which shall include relevant activities, resources and services to promote Copernicus, its data and services at all levels to maximise socio-economic benefits' (Art. 48.3d).</p> <p>By envisaging the possibility to entrust new tasks related to 'communication, promotion, and marketing of data and information, as well as other activities related to user uptakes' to the EU Space Programmes Agency the draft Regulation further reinforces those aspects by providing a more operational</p>

	framework for implementation and reinforcing possibilities for synergies between the different Space programme components.
1.5 Moreover, we are very far from making the most of the benefits that space offers for the European economy. The potential of the Earth Observation Programme, and of harnessing the vast amount of data it produces, is largely under-utilised. The EESC calls for an information and awareness-raising initiative to be launched for potential beneficiaries, especially in the maritime and agricultural sectors.	<p>One of the main objectives of the draft Regulation is exactly to ‘maximise the socio-economic benefits, including by promoting the widest possible use of the data, information and services provided by the Programme's components’ (Art. 4.1.b).</p> <p>The Commission has well recognised the benefits of Copernicus for the agriculture sector. Since two years, an intensive dialogue has been set up between the main actors of the Common Agriculture Policy and the Copernicus programme. This includes the involvement of the National and Regional Paying Agencies. The Commission has also been gathering the needs of the agriculture sector through widely open workshops in 2017 and 2018, and with specific studies and surveys, inviting private and public sectors, farmer associations and non-governmental organizations. Several Horizon 2020 research projects are ongoing, developing agriculture applications and looking at the coordination of the sector. The Commission will continue these awareness-raising activities, including in the Member States, and welcomes all the potential support it may get in this context.</p>
1.6 Internationally, the European space sector is subject to fierce competition, given that space activities are becoming increasingly commercial with greater private sector participation on the market outside the	The Commission shares the analysis that the private sector is becoming more important in the space sector, and that this has consequences for the international competitiveness of the EU



<p>EU. Consequently, it will be absolutely necessary to boost the importance of the single market and apply a principle of "European preference" in the space sector.</p>	<p>space sector.</p>
<p>1.7 Europe needs competitive launchers suited to commercial and institutional markets if it wants to maintain its independent access to space in the face of a growing number of launchers and strong competition. The EESC encourages the Commission to explore ways to support European research and launch infrastructure.</p>	<p>The Commission shares the opinion of the Committee that independent access to space is one of the corner stones of the EU space policy.</p>
<p>1.8 The EESC considers that the futuristic project of extracting and retrieving natural resources outside the earth's orbit (space mining), an area in which one Member State has positioned itself as a pioneer, calls for the EU to follow developments more closely, in order to maintain clear European added value.</p>	<p>The Commission considers that such projects for space mining are not within the scope of the EU space programme. Space mining is a domain that is still in the very early stages of development. Several research and development activities in the field of space mining are currently carried out for the Moon and asteroids by the European Space Agency.</p>

<p><b>N°14 European Defence Fund</b>  <b>COM(2018) 476 final/2</b>  <b>EESC 2018/3920 - CCMI/162</b>  <b>539<sup>th</sup> Plenary Session – December 2018</b>  <b>Rapporteur: Aurel Laurențiu PLOSCEANU (GR. I-RO)</b>  <b>Co-rapporteur: Eric BRUNE (Cat. 2-FR)</b>  <b>DG GROW – Commissioner BIEŃKOWSKA</b></p>	
<p><b>Points of the European Economic and Social Committee opinion considered essential</b></p>	<p><b>Commission position</b></p>
<p>1.1. The European Economic and Social Committee confirms its supports to the establishment of a European Defence Fund of the Defence Action Plan.</p>	<p>The Commission welcomes the Committee's support for its proposal to establish a European Defence Fund and for the European Defence Action Plan.</p>
<p>1.2. The European Economic and Social Committee reiterates its call for more strategic autonomy and acknowledges that the EU Global Strategy and the Implementation Plan on Security and Defence also provide for important approaches to that end. The European Economic and Social Committee further calls for a clear understanding of the Union's common strategic objectives which is a prerequisite for identifying the necessary defence capabilities that need to be underpinned by a sustainable European defence technological and industrial base. As a more specific comment the European Economic and Social Committee stresses that the work programmes of the European Defence Fund should therefore be established on the basis of a robust European defence planning process that identifies the key capability priorities for Europe</p>	<p>The Commission agrees that common strategic objectives are necessary for identifying the necessary defence capabilities and would like to highlight that this is the primary responsibility and competence of Member States. By launching the European Defence Fund the Commission aims at enhancing the competitiveness of the European industry and thus also at allowing it to deliver on the defence capabilities that the Union needs for its security and for enhancing its strategic autonomy. The Commission shares the view that the Work Programme of the Fund needs to identify and base itself on well defined key capability priorities. To that effect the European Defence Fund takes into account the European Union capability development plan identifying the defence capability priorities, and the EU coordinated annual review on defence, which inter alia monitors the implementation of the priorities and identifies new opportunities for cooperation.</p>

<p>1.3. The European Economic and Social Committee calls for significant progress in European defence cooperation as the European Union's defence market is overly fragmented and inefficient. According to the European Economic and Social Committee, the lack of integration on the demand side of the market does not stimulate transnational collaboration between undertakings and further integration of the industry</p>	<p>The Commission fully shares the Committee's call for greater European defence cooperation and its analysis of the challenges, presented by the fragmented defence market, in achieving this. Strengthening the European Defence Market is a major theme of the European Defence Action Plan and the European Defence Fund aims more specifically at a more efficient use of public money and a stronger industrial base, as well as reducing unnecessary duplication and improving the competitiveness of the European defence industry.</p>
<p>1.4. The European Economic and Social Committee considers that a sine qua non condition for the development of common defence capabilities is to strengthen the European defence industrial and technological base and that the European Union needs to work on developing a highly skilled workforce and to secure the workers with such skills.</p>	<p>The Commission fully shares this analysis. The aim of the Commission proposal for a European Defence Fund is to strengthen European Union's defence industrial base so that the Union retains the ability to develop defence capabilities in priority areas. Retention of a highly skilled workforce and specialisation is necessary to this effect. This is in line with the more general policy context under which this proposal was developed and more particularly with the European Defence Action Plan which aims amongst others to tackle skill shortages and skill retention proposing concrete measures.</p>
<p>1.5. The European Economic and Social Committee strongly supports paying special attention to SMEs, including in the area of research and development for defence purposes.</p>	<p>The Commission fully shares the Committee's call for special attention to be given to small and medium-sized enterprises (SMEs). For this specific reason the Commission proposal for a European Defence Fund contains a specific provision that foresees particular attention to be paid to ensuring appropriate participation by small businesses, through increased</p>

	<p>funding rates to encourage cross-border participation of SMEs in collaborative projects.</p> <p>In this regard it should also be mentioned that SMEs and their cross-border market access is also a major theme of the European Defence Action Plan which makes a number of proposals of particular benefit to defence-related SMEs.</p>
<p>1.6. The European Economic and Social Committee argues that the EU budget in support of defence activities should not replace or be a substitute for national defence spending, but rather boost and accelerate more and better defence cooperation. In the same vein, the European Economic and Social Committee stresses that the EU budget for defence research should not be allocated at the expense of civil research in other sectors</p>	<p>The Commission agrees that the Union budget for defence research should not be allocated at the expense of civil research in other sectors, neither should it be a substitute for national defence spending.</p>
<p>1.7. The European Economic and Social Committee remarks that European defence industry is not evenly spread across the EU and further highlights that the European defence industry as well as R&amp;D spending are quite concentrated in the six Letter of Intent (LoI) countries (France, Germany, Italy, Spain, Sweden and the UK), accounting for 95% of the investments, the bulk of SMEs and mid-caps as well as top companies. This suggests according to the European and Social Committee that increased military spending by EU Member States may not flow equally to all the Member States and that if higher spending in one country flows to firms in other countries, this could result in new trade flows.</p>	<p>The Commission fully shares the view that the European Defence Fund should be inclusive and benefit entities across the Union. The Programme will support the development of defence technologies and products, thus contributing to capability identified by the Member States at Union level. The Programme aims in particular at enhancing cooperation between undertakings and Member States across the Union. In order to achieve this, it sets out conditions for eligible action to be undertaken by a cooperation of at least three entities based in at least three different Member States. This will ensure that support will target collaborative projects and that entities can benefit irrespective of size and location in the European Union.</p>

<p>1.8. The European Economic and Social Committee supports the proposal to limit the benefit of European funds to European companies controlled by European interests and to require guarantees where a third country participates in developments supported by the European Defence Fund.</p>	<p>The Commission fully shares the Committee's view. Strict conditions for the participation of third-countries control companies and for the protection of sensitive information have been inserted in the Commission proposal in this regard.</p>
<p>1.9. The European Economic and Social Committee supports the idea that the granting of European credits should be managed by the European Commission, but thinks that the European Defence Agency can usefully intervene in the definition of defence equipment needs and the Organisation for Joint Armament Cooperation, can play its part in the management of programmes.</p>	<p>The Commission shares the Committee' position on direct management by the Commission. The Commission intends to manage the programme in a transparent way and respecting the relevant transparency rules as regards the implementation of EU Programmes.</p> <p>The Commission will take into account the expertise of the European Defence Agency which can contribute by providing its views and expertise. Actions of the Fund implemented during development phase are strongly interlinked with Member States' planning and acquisition strategies and processes, including their financial contributions to multinational armament projects. Therefore, the expertise of the Organisation for Joint Armament Cooperation, especially as a potential project manager, could be also taken into account for the implementation stage of some cooperative projects.</p>
<p>1.10. The European Economic and Social Committee expresses concerns as regards the future of cooperation with the UK after Brexit, and argues for a strong security and partnership which includes the UK's association with the EDF.</p>	<p>The future cooperation with the United Kingdom on defence after it leaves the European Union should be examined in light of an overall agreement with the United Kingdom.</p>
<p>1.11. The European Economic and Social Committee supports the idea that research</p>	<p>The Commission shares this position. The Commission proposal for the</p>

and development must be submitted to an ethics committee. Ethical conditions must be spelled out clearly and assessed already in the evaluation of the proposal to ensure legal certainty and clarity.	European Defence Fund explicitly mentions that funded activities will comply with the Union's commitments under international agreements. In addition, all applications for funding will be screened by ethical experts.
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