FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION TO THE OPINIONS OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE PLENARY SESSION OF JUNE 2019¹

¹ Including the follow-up to one opinion adopted during the May 2019 plenary session.

N°	Title	References		
SG				
1.	Investment plan for Europe: stock-taking and next steps Rapporteur: Petr ZAHRADNÍK (Gr. I–CZ) Co-rapporteur: Javier DOZ ORRIT (Gr. II-ES)	COM(2018) 771 final EESC-2019-00069-00-00- AC-TRA ECO/486		
2.	Towards a stronger international role of the euro Rapporteur: Philip VON BROCKDORFF (Gr. II-MT) Co-rapporteur: Dimitris DIMITRIADIS (Gr. I-EL)	COM(2018) 796 final EESC-2019-00073-00-00- AC-TRA ECO/489		
JUST (Assoc. SG.F1)				
3.	Further strengthening the Rule of Law within the Union. State of play and possible next steps (Communication) Rapporteurs: Jukka AHTELA, José Antonio MORENO DIAZ, Karolina DRESZER-SMALEC	COM(2019) 163 final EESC-2019-02454-00-00- AC-TRA SOC/627		
GROW				
4.	European legal framework/social economy enterprises (own-initiative opinion) Rapporteur: Alain COHEUR (Gr. III-BE)	EESC-2019-00346-00-01- AC-TRA INT/871		
5. Opinion adopted during the plenary session of May 2019	Social economy enterprises' contribution to a more cohesive and democratic Europe (exploratory opinion requested by the Romanian presidency) Rapporteur: Alain COHEUR (Gr. III-BE)	EESC-2018-05559-00-00- AC-TRA INT/875		

ЕСНО					
6.	Union Civil Protection Mechanism (amendment) Rapporteur: Panagiotis GKOFAS (Gr. III-EL)	COM(2018) 125 final - 2019/0070 COD EESC-2019-01772-00-00- AC-TRA NAT/774			
EMPL					
7.	For better implementation of the Social Pillar, promoting essential services (own-initiative opinion) Rapporteur: Raymond HENCKS (Gr. II-LU) Co-rapporteur: Krzysztof BALON (Gr. III-PL)	EESC-2019-00989-00-00- AC-TRA TEN/692			
8.	Employment guidelines Rapporteur: Ana BONTEA (Gr. I - RO)	COM(2019) 151 final EESC-2019-01577-00-00- AC-TRA SOC/625			
	REGIO				
9.	Economic convergence and competitiveness within EU macro-regions-transnational clusters (exploratory opinion) Rapporteur: Dimitris DIMITRIADIS (Gr. I-EL)	EESC-2018-04910-00-00- AC-TRA ECO/479			
	CLIMA				
10.	Strategy for long-term EU greenhouse gas emissions reduction Rapporteur: Pierre Jean COULON (Gr. II-FR) Co-Rapporteur: Stefan BACK (Gr. I-SE)	COM(2018) 773 final EESC-2018-05700-00-01- AC-TRA SC/051			

N°1 Investment Plan for Europe: stock-taking and next steps

COM (2018)771 final

EESC-2019-00069 - ECO/486

544th Plenary session – June 2019

Rapporteur: Peter ZAHRADNIK (GR.I-CZ) Co-rapporteur: Javier DOZ ORRIT (GR.II-ES)

SG – Vice-President KATAINEN

Points of the European Economic and Social Committee opinion considered essential

European Commission position

1.3 The urgent establishment of a unified classification system and indicators to identify the degree of sustainable performance, based on the UN SDGs and the European Council's conclusions of 20 June 2017, would help investors to channel their investment flows towards sustainable activities.

The Commission agrees with the Committee that the establishment of such a unified classification system is urgent. In its sustainable finance action plan, the Commission therefore followed through in May 2018 with a proposal for a Regulation on the establishment of a framework to facilitate sustainable investment ("taxonomy Regulation"). This proposal is currently awaiting adoption by the co-legislators.

1.4 The EESC is convinced about the huge potential of innovative financial instruments to accommodate the areas covered by the proposed InvestEU Programme. The Committee believes in synergies between the InvestEU Programme and the future centrally managed programmes (Connecting Europe Facility, Horizon Europe, for example), with a preference for the use of a return-based instrument. To achieve this. regulatory simplification is needed when combining several programmes or projects.

AND

4.2 The EESC calls on the European Commission to clearly and unequivocally determine the possibilities for integrating the EFSI, the future InvestEU Programme and the ESI Funds. The proposal for a regulation refers

The coherence and complementarity between InvestEU and other Union programmes (both under central and shared management) will be significantly improved in the multiannual financial framework 2021-2027, compared to the current multiannual financial framework. With respect to shared management funds, this will be achieved through the Member State compartment that will allow Member States to use the InvestEU delivery mechanism to achieve their shared management funds' objectives. With respect to centrally managed programmes, it will be done on the basis of blending provisions included in the Financial Regulation and the InvestEU Regulation which will make it easier to combine, for example, grants from such programmes the Connecting Europe Facility or Horizon Europe in many places to synergies between the chapters and the programmes of the MFF, but the reality is far less accommodating to these synergies. Current practice shows limitations to the possibility of combining the EFSI with the ESI Funds. The EESC does not consider this to be desirable going forward and suggests setting clear rules that make it possible to use the ESI Funds (in the form of a subsidy) and the EFSI (in the form of a financial instrument) for the same project.

with financial products backed by the EU Guarantee under InvestEU.

1.11 The EESC strongly recommends that the Commission step up its efforts to raise awareness among European businesses and citizens about the benefits obtained from the Investment Plan for Europe, especially with regards to SMEs, thus making them aware of the EU contribution.

The Commission has led the campaign to raise awareness among European businesses and citizens about the benefits of the Investment Plan for Europe. In 2017, the Commission launched a dedicated campaign to reach the general public in all Member States, covering the full range of EU financing programmes, notably the Investment Plan. The campaign focuses on individual beneficiaries and the broader context of EU policy and funding. The campaign uses different channels, ranging from traditional media (newspapers, TV and radio promotions) to social media campaigns, publications, press events, testimonials, events, third party endorsements and collaborations with social media influencers. In its first year up to March 2018, the InvestEU campaign reached a total of 203.3 million contacts in 16 Member States. The campaign aims to reach a further 166.5 million EU citizens before the end of 2019. The Commission also maintains a dedicated Investment Plan website that explains the Plan and provides the latest impact figures in each Member State as well as examples of companies and projects that have received financial support. Each Investment Plan project/agreement is communicated via a press release, announced in the Commission's

Daily News release and in the Commission's daily midday briefing, and shared on social media by the Commission's Twitter account that has some 1.1 million followers. All beneficiaries of the Investment Plan are made aware (as a contractual obligation) that the financial support they are receiving was made possible by the backing of the Investment Plan. The Commission also provides material each month to the European Parliament, Council, Committee of the Regions and the European Economic and Social Committee, and the recipients are encouraged to use the material to further explain and promote the Plan to their constituents.

3.3 Public investment in the EU27 for the 2014-2018 period was, on average, 2.86% of GDP (2.68% in the euro area), compared to 3.4% of GDP between 2009 and 2013 (3.2% in the euro area). In particular, net fixed capital formation was mostly negative from 2014 to 2017, indicating a falling public capital stock. As this contradicts on a macro-level the goals in the Investment Plan for Europe, the EESC encourages the European Commission to take measures to promote public investment at Member State level. These measures should be included in the country-specific recommendations along with the other relevant tools of the European Semester.

The Investment Plan does not aim at reaching a specific level of public investment or investment rate, but rather mobilising private and public investment and removing obstacles to investment. The Commission has reiterated, for example in the recommendations for the Euro area in the 2018 European Semester, that Member States which have some fiscal space under the Stability and Growth Pact could use it productively - and are encouraged to do so. Those who do not have fiscal space should consider re-prioritising their public expenditures. Setting these priorities remains the prerogative of Member States. At the same time. Commission agrees that dimensions of investment need to be addressed in the economic policy monitoring cycle. For this reason, the Commission has significantly strengthened the investment dimension in the 2019 cycle of the European Semester. All country reports now include a section analysing in depth the investment situation in the Member States, with a strong focus on investment bottlenecks and regional

disparities. In addition, there is a dedicated annex on investment needs related to cohesion funding. Finally, the country-specific recommendations for all Member States now include specific investment-related recommendations, identifying the sectors most in need of (public and private) investment.

4.9 As the European Court of Auditors has noted, the methodology used to estimate the investment mobilised overstated, in some cases, the extent to which EFSI support actually induced additional investment in the real economy. Furthermore, the EESC considers that the European Commission should follow the recommendation by the European Court of Auditors to develop comparable performance and monitoring indicators for all EU financial instruments and budgetary guarantees in order to increase transparency and the ability to assess their results.

The recommendations of the European Court of Auditors have been taken into account during the extension of the European Fund for Strategic Investments ('EFSI 2.0') through a reinforcement of the additionality criteria. The InvestEU Regulation continues this approach by providing (in Annex V) a set of detailed financial and economic criteria based on which the additionality of specific projects and products will be assessed.

Regarding monitoring, the Commission services are currently developing a detailed monitoring methodology for InvestEU. One of its underlying principles will be to ensure, where possible, the comparability of key performance indicators between InvestEU and other relevant programmes such as the European Regional Development Fund.

 $N^{\circ}2$ Towards a stronger international role of the euro

COM(2018) 796 final

EESC-2019-00073-00-00-AC-TRA - ECO/489

544th Plenary Session – June 2019

Rapporteur: Philip VON BROCKDORFF (GR.I-MT) Co-rapporteur: Dimitris DIMITRIADIS (Gr. I-EL)

SG – Vice-President DOMBROVSKIS

Points of the European Economic and Social Committee opinion considered essential	European Commission position		
Points 1.1. to 1.10.	The Commission considers that there is broad alignment between the views of the Committee and its own views.		
1.7. The EESC believes that in order for the euro to increase its role as an international currency, the fragmentation of the euro area's sovereign bond market, which makes the sovereign debt markets significantly less deep and liquid, should be addressed. The EESC urges the Commission to investigate options for creating more liquid and safer euro assets.	The Commission agrees with the need for creating deep and liquid markets and continues its work on such euro denominated assets.		
1.8. The path towards a stronger international role of the euro may be somewhat facilitated by the ECB, first and foremost, through the fulfilling of its mandate of maintaining price stability in the euro area. Moreover, support from the ECB towards macro-economic policies and deeper Economic Monetary Union and Capital Markets Union provides further impetus towards strengthening the international role of the euro.	The Commission is in regular discussion with the European Central Bank as well as other European Institutions on this subject.		
4.2. The interaction between fiscal and monetary policy across the euro area is crucial for the future of the euro and its international role. Stable macroeconomic conditions, however, depend on both the fiscal and monetary stance shifting to offset sovereign debt sustainability concerns and enhance growth prospects. Again, the situation	The Commission emphasises that upward economic convergence is a guiding objective to ensure that all Member States are resilient. The Commission is offering assistance to Member States to carry out critical reforms. The European Semester is an important tool in this effort and has		

varies within the euro area due to the sub-optimal fiscal-structural-monetary policy mix in the aftermath of the global financial crisis, which led to the adjustment burden being unequally shared among the euro area Member States. This is a reflection of the existing institutional framework on which the euro was built, which acts as a constraint on individual Member States and lacks instruments to secure an effective coordinated economic and fiscal policy stance across the euro area.

already addressed various sub-optimalities in individual Member States.

Points 4.4. to 4.7.

The Commission remains committed to cleaning the banks, completing the Banking Union and the Capital Markets Union. The risks of a no-deal Brexit are also under active consideration.

4.8. Also, in the aftermath of the financial crisis, it is important to understand that the further strengthening of the international role of the euro depends on the financial stability of the euro area. The issuing of common euro area bills, notes and bonds as safe assets, similar to the ones issued by the US Treasury Department, accompanied by an appropriate governance structure (including a robust and reliable fiscal policy framework), would foster greater stability by supplying safe and liquid debt instruments suitable for financing unexpected increases in public expenditure.

The Commission is examining the possibility of a safe asset that meets the liquidity and the 'safe harbour' needs of potential investors. This would require, in parallel, work on regulatory treatment of sovereign exposures.

 $N^{\circ}3$ Further strengthening the rule of law within the Union. State of play and possible

next steps (Communication)

COM(2019) 163 final

EESC-2019-2454 - SOC/627

544th Plenary Session – June 2019

Rapporteurs: Jukka AHTELA, José Antonio MORENO DIAZ,

Karolina DRESZER-SMALEC

DG JUST – Commissioner JOUROVÁ

Points of the European Economic and Social Committee opinion considered essential

European Commission position

1. Conclusions and recommendations

1.1. The EESC welcomes the Communication of the Commission, and the efforts made by the Commission to use other instruments to strengthen the rule of law. It is important to strengthen the rule of law aspect as much as possible in these instruments, as many of them have different purposes, and in as far as possible involve civil society in the implementation of these instruments.

The Commission welcomes the support by the Committee. With its communication on 'Further strengthening the Rule of Law within the Union – State of play and possible next steps' of 3 April 2019, the Commission launched a reflection process on the rule of law in the European Union and on setting out possible avenues for future action.

Building on this reflection process and the contributions received from stakeholders, including the opinion by the Committee, the Commission has set out concrete actions in the communication 'Further strengthening the Rule of Law within the Union – a blueprint for action'², published on 17 July 2019.

1.2. It believes that civil society, the media and political issues should have been dealt with more in depth in the Communication to understand the context, and to involve those directly affected more prominently.

The Commission agrees that civil society and the media play a key role in upholding and promoting the rule of law.

Therefore, the role of civil society, in particular as regards the promotion of rule of law standards and the monitoring of the

² Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: Strengthening the rule of law within the Union - A blueprint for action, COM(2019) 343 final, available at https://ec.europa.eu/info/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/initiative-strengthen-rule-law-eu en

rule of law situation in Member States, is one of the central points in the Communication of 17 July 2019. 1.3. The EESC believes that the reflection period The debate on further strengthening the rule should have been longer to allow for a deeper of law in the Union was launched on consultation and participation of civil society in 3 April by a communication adopted by the national Member States and that in the longer term, Commission. This underlines the political the Commission should propose a more systematic importance that the Commission attaches to mechanism for the consultation of civil society this debate. organisations (CSOs) concerning the situation of The timing of the consultation allowed for fundamental rights and respect for the rule of law an inclusive discussion. In particular, the in the Member States. Commission actively engaged also with civil society organisations and received a large number of contributions from their side. Altogether, the Commission has received over 60 contributions from Member States, European and international institutions and bodies, the judiciary, civil society and academia. This includes the contribution by the Committee. The Commission attaches the utmost 1.4. Ways of protecting CSOs performing watchdog functions, investigative journalists and importance to the existence of a strong, free independent media are necessary and proposals for and vibrant civil society in the EU. Civil their protection and active role in early warning society organisations and independent must feature prominently in the proposals that the human rights bodies play an essential role Commission will present at the end of the in promoting, safeguarding and raising reflection period. awareness of EU common values and rights. The 17 July communication underlines that the Commission will continue to pay special attention to attempts of putting pressure on civil society and independent media and it will further support their work. 1.5. While the EESC welcomes the strengthened The next Multiannual Financial Framework access to funds for CSOs in the new Multiannual will provide concrete support to civil Financial Framework, it finds the amount set aside society in many key areas. In particular the Rights and Values programme will aim 'to in the Commission proposal concerning the rule of

law and fundamental rights and the amount earmarked for CSOs insufficient. Moreover, the EU should consider ways of enabling more core funding to CSOs performing watchdog, awarenessraising, advocacy and litigation activities as regards fundamental rights and the rule of law in all Member States 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 recognised in the general objective of the programme and is a key element of the Commission proposal.

Under the new Justice Programme, the Commission will be exploring how to better support civil society organisations and other actors whose activities contribute to facilitating effective access to justice for all. The aim is to further develop a European area of justice based on the rule of law and allow individuals to fully enjoy their rights under the EU law.

The Commission has proposed to protect EU spending in the area of justice, rights and values despite the current budget circumstances. Furthermore, the Commission has conducted a thorough spending review and impact assessments. 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.

In its Communication of 17 July, the Commission commits to making full use of funding possibilities and resources for civil society and academia supporting the strengthening of a rule of law culture, in particular among the general public.

1.6. The EESC maintains its supports for the creation of an EU-level mechanism to monitor respect for the rule of law and fundamental rights. The EESC considers it vital to create a legally

One of the questions the Commission set out in the 3 April Communication was how the EU can enhance its capacity to build a deeper and comparative knowledge on the binding European mechanism, a framework actively involving the Commission, the Parliament and the Council and in which the EESC plays an important role representing civil society. This mechanism should encompass a preventive component allowing experts and civil society representatives to trigger an early warning on specific developments and debate proposals for solutions including all relevant stakeholders. Such a mechanism would also help in the burden-sharing between the institutions and increase joint ownership of EU actions.

rule of law situation in Member States.

As announced in the Communication of 17 July 2019, the Commission will establish an annual Rule of Law Review Cycle. To feed this cycle, the Commission will present an Annual Rule of Law Report, further develop the EU Justice Scoreboard and strengthen the dialogue with other EU institutions, Member States and stakeholders.

The Annual Rule of Law Report, drawn up by the Commission, will provide a synthesis of significant developments in the Member States and at the EU level. The review cycle would rely on a coherent use of all relevant sources of information, including from civil society. It could be used by the European Parliament and Council as a basis for their discussions.

1.7. Furthermore, the EESC proposes to recognise and reinforce existing civil society platforms and to establish an EU-level annual Forum Fundamental Rights and the Rule of Law 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 stakeholders, including grassroots organisations and, secondly, to facilitate mutual learning and national and transnational collaboration between all relevant stakeholders (businesses, trade unions, civil society organisations, national human rights institutions, and public authorities).

As announced in the Communication of 17 July, the Commission will follow-up on the idea of an annual rule of law event open to national stakeholders and civil society organisations.

1.9. Consideration should also be given to the economic aspects of the rule of law. Mutual trust is a value which is difficult to calculate in purely economic terms but it is clear that lack of trust linked with political influence in the judiciary or

In the Communication of 17 July 2019, the Commission highlights the relevance of the rule of law to the business environment, which was also stressed in several contributions received during the

corruption has negative economic consequences. This is a subject that merits more emphasis and where more data and research is needed at EU level.

consultation period. As noted in the communication, the European Semester for economic policy coordination has taken account of the relevance of the rule of law to the business environment in its work to promote growth-enhancing structural reforms in areas such as effective justice systems and the fight against corruption.

The Commission will deepen its cooperation with other international institutions working on rule of law issues. This includes the Organisation Economic Cooperation and Development (OECD), where cooperation could explore the socio-economic benefits of the rule of law.

1.10. Education, both formal and non-formal, has a key role to play in building the democratic and rule of law culture. Democracy and the rule of law should be in the hearts and minds of every European citizen; the EESC calls on the European Commission to propose an ambitious communication, education and citizen-awareness strategy on fundamental rights, the rule of law and democracy.

As the Commission highlights in the 17 July Communication, Member States' education systems play a key role by ensuring a place for the rule of law in public debate and educational curricula.

The Commission therefore calls on Member States to strengthen the promotion of the rule of law at national level, including through education and civil society.

3.3. The rule of law exists in an interdependent, inseparable, triangular relationship with fundamental rights and democracy. Only by guaranteeing these three values in conjunction with each other is it possible to prevent the abuse of State power. The protection of fundamental rights is a pillar that should be further developed, through the ratification of all relevant instruments (including UN conventions and the European Convention on Human Rights), more robust cooperation between EU institutions and the enhancement of support for grassroot and

The Commission shares the view that a true dialogue with the civil society and representative associations is of utmost importance and acts accordingly throughout all relevant stages of the work carried out.

As announced in the 17 July Communication, the Commission has stepped up work towards restarting the negotiations for the European Union's accession to the European Convention on Human Rights. Accession will be a strong political signal of the Union's commitment

watchdog organisations across Europe.

to the rule of law and of its support for the Convention and its, notably judicial, enforcement system.

3.4. The EESC regrets that the EU treaties do not expressly stipulate that all Member States should satisfy the Copenhagen Criteria. The criteria should be equally and continuously respected by new and long-time members of the EU. The EESC notes that the EU institutions do not have sufficiently robust and well-tailored tools at their disposal capable of protecting against threats currently posed to the rule of law, fundamental rights and pluralist democracy in the Member States.

The EU has different tools at its disposal to promote and uphold the rule of law. This 'rule of law toolbox' enables the EU to address a diversity of challenges through a diversity of responses. To further improve this toolbox, the Commission has set out in the Communication of 17 July 2019 a three-pillar approach to further strengthen the rule of law within the Union.

3.5. The current challenges are not met in due time and with efficient responses at national and EU level: the existing instruments had limited impact on the drivers of these challenges.

3.6. The most severe challenges are present in some Member States, where powerful political actors have turned against the independence of the judiciary, and against institutions and organisations which compose and uphold the pluralist democratic system. The Communication does not consider sufficiently this essential aspect, preferring a perspective in which institutions -Parliaments. governments and ministries. constitutional courts, professional bodies - are separated from political and electoral competition. This "hands off" approach to party politics and elections prevents any explanation of why powerful actors work against the rule of law and democracy and why they seem at the same time popular and unstoppable. The political, cultural and sociological aspects of the rule of law challenges affecting democracies are an essential area which has been ignored in the EU's analysis and response so far. This partly explains the

The Commission is colour-blind as regards the respect for the rule of law and will not hesitate to take action whenever a challenge arises. In the 17 July Communication, the Commission recognises the importance of political parties for the respect of the rule of law and calls on the European political parties to ensure that their national members effectively respect the rule of law.

To address the European dimension of the challenges currently confronting democracy and elections, the Commission also issued, in September 2018, a comprehensive package of measures to help secure free and fair elections in Europe. This package contains specific Recommendations addressed to political parties. Among others, the Commission has recommended the establishment of national electoral networks aiming at protecting the integrity

limitations of the current approach and tools – including the Article 7(1) procedure. Through its connection with civil society in its entirety, including the social partners, the EESC is particularly well placed to offer a space for a better analysis, debate and response to these political, sociological and cultural aspects of challenges to democracy and the rule of law.

of elections and supporting authorities in their monitoring and enforcement tasks. To foster the exchange of best practices at European level, the Commission has established a European cooperation network on elections, fostering in particular the exchange of best practices between Member States. The Commission will report on the 2019 elections in the fourth quarter of 2019.

Furthermore, Regulation No 1141/2014³ on the statute and funding of European political parties and European political foundations requires that they observe, in particular in their programme and in their activities, the values on which the Union is founded, as expressed in Article 2 TEU.

The Commission recognises the role of the

Committee as an important platform for

- 3.13. In accordance with the mandate the EESC has been given in the TFEU, as a representative of organised civil society, it must be associated closely with the future development of institutional initiatives in this area.
- 3.14. It has a special role to play and a duty to act, when activities of its own members and civil society at large are at risk within the EU. The EESC could and should play a crucial role in facilitating exchanges amongst all relevant stakeholders on the state of play on the rule of law in Member States seen from a civil society perspective and serve as a transmitter (earlywarning network) before the appearance of the first symptoms of problems regarding FRRL.

civil society organisations.

3.17. The independent national courts are the bulwark ensuring that citizens can count on their EU rights being enforced, that European business

The Commission agrees that independent courts in Member States have a crucial importance for protecting the rights of

Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations; OJ L 317, 4.11.2014, p. 1–27.

can do cross-border trade without the concern that legal contracts are not enforced in an impartial and independent manner, and that workers working in a neighbouring country can have their rights enforced, and that CSOs can operate freely across borders, without foreign solidarity funding being taxed discriminatorily. CSOs, social partners and foreign investor councils have all expressed concern to the EESC about the deterioration of the rule of law, and its serious economic impact.

citizens and for an investment-friendly environment.

4. Comments on existing tools

4.1. The EESC notes the shortcomings of current tools available to the EU institutions to protect Article 2 values. Infringement procedures tend to be too narrow in their focus to prevent or correct concerted attacks on the rule of law. Second, it has proven extremely difficult to marshal sufficient political will to activate the procedure in Article 7 of the TEU.

Recent judgements rendered by the Court of Justice confirm the importance of infringement proceedings for upholding the rule of law in the Union.

In the 17 July Communication, the Commission announces that it will pursue a strategic approach to infringement proceedings, building on the developing case law of the European Court of Justice, requesting expedited proceedings and interim measures whenever necessary.

As regards Article 7 of the Treaty on the European Union. the 17 July Communication mentions that institutions should work together to intensify the collective nature of decision-making between them. The Commission welcomes the adoption by the Council of new procedures in respect of Article 7 hearings, which is an important step in the direction of more efficient proceedings. To ensure the institutional balance, the European Parliament should always be given the possibility to present its case in procedures it has initiated.

See also answer to point 4.3

4.2. As regards the 2014 European Commission

Regarding the Rule of Law Framework, the

Communication "A new EU Framework to strengthen the Rule of Law", although it is easier to activate than Article 7, its effectiveness is questionable when faced with governments unwilling to cooperate. Furthermore, the thresholds required to activate it are too high and too late. The EESC recommends improving the rule of law framework including by defining clearer benchmarks, indicators and deadlines in order to better assess the concerned authorities' response and the EU's accompanying measures.

Commission has announced Communication of 17 July that it will reflect on how to further involve other institutions at an early stage of the process on the 2014 Rule of Law Framework, whilst respecting the need for confidential dialogue with the Member State concerned at the start of the procedure. The main objective should always be to find solutions as early as possible. However, when this does not succeed, ensuring that the Parliament and the Council are fully updated and can express informed views before a critical stage is reached can help find a settlement. This will be coherent with a more collective approach to the rule of law among the institutions.

4.3. Infringement proceedings and preliminary rulings

4.3.1. In the past few years, the Commission has opened several value-related infringement proceedings concerning the rule of law, Such proceedings should be used whenever possible, but cannot stand alone, as not all violations pertain to EU law. However, some scholars are advocating that infringement proceedings might be brought pursuant to Article 258 TFEU directly for breach of Article 2 TEU, which might be an avenue to explore.

4.3.2. The preliminary ruling can also be a useful tool. Nevertheless, various obstacles to get national courts to refer preliminary questions to the EUCJ exist, and it is often a long procedure.

In recent judgments in the context of infringement proceedings and preliminary rulings, the Court of Justice has further clarified the requirements stemming from EU law regarding the rule of law and, in particular, judicial independence. The Court has re-affirmed the importance of the independence of the judiciary and the respect of the rule of law for the effective functioning of the EU.

See answer to point 4.1

4.4. European Semester

4.4.1. The main aim of the European Semester is to provide a framework for the coordination of economic policies across the EU, but it also covers The European Semester for economic policy coordination has taken account of the relevance of the rule of law to the business environment in its work to promote growthenhancing structural reforms in areas such

the fight against corruption, effective justice systems, and reform of public administration, which can lead to country-specific recommendations"⁴. However, an effective followup is not necessarily ensured.

4.4.2. The European Semester has been criticised for not being inclusive enough of the social partners, both at EU and national level and only 20% of country-specific recommendations are currently being implemented satisfactorily by Member States.

4.4.3. The European Semester is mainly an economic and social policy tool, guiding and supporting reforms in Member States. However, its role in monitoring and promoting rule of law issues could be strengthened by incorporating rule of law indicators in a more visible way, including regarding issues like legal certainty and access to remedies for business and employees. The involvement of civil society should also be improved and a better follow-up should be ensured with a view to improving compliance.

as effective justice systems and the fight against corruption.

In the context of the new Rule of Law Review Cycle, the Commission will, in addition to relying on all relevant sources, invite all Member States to engage further in a mutual exchange of information and a dialogue on topics related to the rule of law, such as judicial reform, the fight against corruption, and the law-making process, or on measures supporting civil society and independent media as actors of the rule of law. A number of these issues are already discussed as part of the European Semester, when they are linked to key enabling factors for growth. This dialogue will be complemented by a more targeted rule of law approach, encompassing additional rule of law aspects. The regularity and intensity of the cooperation would have to be stepped up in Member States where rule of law challenges are more apparent, again with the objective of finding cooperative solutions to problems before they escalate.

4.5. EU Justice Scoreboard

4.5.1. The EU Justice Scoreboard gives information on the justice system in all Member States and can result in country-specific recommendations in the European semester. The EU Scoreboard leans on surveys of citizens and companies to evaluate the independence of the Justice system. However, the EESC recommends that CSO are included in this survey.

As announced in the Communication of 17 July, the EU Justice Scoreboard, which provides comparative data on independence, quality and efficiency of national justice systems could be further developed and improved, including to better cover relevant rule of law related areas, such as criminal and administrative justice.

4.6. Cooperation and Verification Mechanism

4.6.1. The Cooperation and Verification

The Cooperation and Verification Mechanism (CVM) was set up as a

⁴ European Commission, <u>Communication on Further strengthening the Rule of Law within the Union - State of play and possible next steps</u>, 3 April 2019.

Mechanism (CVM) was created as a transitional measure to assist Romania and Bulgaria, after their accession, in addressing several shortcomings on judicial reform, corruption and (for Bulgaria) organised crime. It established a set of criteria which the Commission assesses and yearly reports on progress.

4.6.2. This mechanism has proven to be an efficient tool. However, the last report on Romania indicated a setback in the progress, whereas it had been expected to be finalised very soon. This raises the concern as to whether the demand for progress is stringent enough and whether change must be more solidly rooted before the CVM is closed down.

4.6.3. The relevance of the CVM in addressing rule of law challenges in other Member States needs a more thorough evaluation. Despite the variation in commitment on the part of various governing parties in the two countries, the existence of the instrument allows for a structured and continuous dialogue between the EC and the member country.

transitional measure for the monitoring of judicial reform and the fight against corruption in Bulgaria and Romania at the time of their accession to the Union in 2007. Once this special mechanism ends, monitoring should continue under horizontal instruments.

In the Communication of 17 July, it was mentioned that the announcement of the intention to close a rule of law-related procedures, the Cooperation and Verification Mechanism included, could be linked with support from the Commission to the Member State concerned to ensure that commitments are effectively implemented and sustained, including through a specific follow-up monitoring.

4.7. Commission's Structural Reform Support Service

4.7.1. The Structural Reform Support Service (SRSS) delivers direct support to national authorities (reviewing methods, training, analysis, expert advice) and covers governance and public administration, including transparency and anticorruption but is essentially a macro-economic tool. Few projects have been substantially related to the rule of law.

4.7.2. The EESC recommends increased use of special assignments when country-specific recommendations on the rule of law have been issued to a Member State and involvement of CSOs in reform programmes should be ensured.

The Commission's Structural Reform Support Service provides technical support for structural reform in the Member States, including in areas relevant to strengthen respect for the rule of law such as public administration, the judicial system, and the fight against corruption. The support is provided on the request of Member States and is tailor-made to address needs reflecting defined reform priorities.

4.9. A new mechanism to protect the Union's budget when generalised deficiencies regarding the rule of law in Member States affect or risk affecting the budget

4.9.1. The EESC welcomed the proposal and recommended that the EESC be more closely involved. Moreover, the EESC recommended that the proposal be amended to include a broader notion of the rule of law that encompasses the protection of fundamental rights and guarantees protection of pluralist democracy.

4.9.2. However, the EESC recommends extreme caution in this case to ensure that end-beneficiaries are not affected. It is important to remember and provide special means of support for independent organisations that are in an extremely delicate situation in their Member State.

The Commission welcomes the Committee's support for the proposed regulation, which highlights the importance of ensuring the protection of EU funds. The Commission calls on the European Parliament and the Council to rapidly adopt the regulation.

While recognising that rule of law, democracy and fundamental rights are 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 322of the Treaty on the Functioning of the European Union).

The mechanism 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 compliance with the principle of sound financial management in the implementation of the Union budget.

The proposed mechanism cannot be triggered in case of generalised deficiencies as regards other values such as democracy and respect for fundamental rights because there is no direct link with the principle of sound financial management and the protection of the Union budget.

According to the Commission's proposal, the 'rule of law' refers to the Union value enshrined in Article 2 the Treaty on European Union which includes the principles of legality, implying transparent, accountable, democratic and pluralistic process for enacting laws; legal certainty; prohibition of arbitrariness of the executive powers; effective iudicial 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 Human Rights and on Council of Europe standards.

The Commission shares the Committee's opinion on the importance of ensuring that the final beneficiaries of EU funding are not affected by measures adopted under the proposed Regulation. For this reason, the proposed Regulation ensures that Member States would continue to be bound by existing obligations to implement programmes and make payments to final recipients or beneficiaries, including civil society.

4.10. European Anti-Fraud Office (OLAF) with the EPPO

- 4.10.1. Corruption is one of the challenges to the rule of law. Therefore, the EU must ensure that its funds are not misused or enabling corruption.
- 4.10.2. Currently OLAF investigations can only be prosecuted by Member State prosecutors and only 45 percent of the investigations result in prosecution Therefore, the EESC supports the new European Public Prosecutor's Office (EPPO), and urges all EU countries to participate.
- 4.10.3. CSOs, human rights defenders, whistleblowers and journalists play an important role in revealing fraud, and therefore, the EESC reiterates the importance of structured dialogue with civil society and increased financial and political support to these actors.

4.11. EU accession process and neighbourhood policy

4.11.1. In 2011, the EU introduced a new approach

The Commission agrees on the importance of the fight against corruption to uphold the rule of law in the Union. For this reason, the annual Rule of Law Review Cycle announced in the 17 July Communication will also cover the Member States' capacity to fight corruption.

The Commission welcomes the Committee's support for the establishment of the European Anti-Fraud Office (EPPO) and its call on the Member States that have not joined it yet.

The EU accession process continues to be built on established criteria, fair and rigorous conditionality, and the principle of to the European Neighbourhood Instrument funds (ENP) in order to pressure partner countries to commit to the EU's values and political reforms.

4.11.2. Political conditionality is a positive side of the ENP, which functions well with those countries interested in reform.

4.11.3. The EU must strongly uphold its commitment to political conditionality in the neighbourhood policy and in the EU accession process. To remain credible, it must apply the same criteria internally. For any country desiring to join the European Union, firm commitment to Values" "European is essential. Accession candidates must fulfill the Copenhagen criteria. It is important that the EU enforces these demands very strictly. Strengthening the rule of law is not only an institutional issue, it requires societal transformation.

own merits. For the process to move forward, accession candidates need as a matter of priority to deliver more swiftly genuine and sustainable results on key issues reflected in the principle of 'fundamentals first'. These remain crucial for meeting the Copenhagen criteria and are essential crosscutting issues that, if properly addressed, allow countries to take on the obligations of membership. This approach has delivered results on the ground and reform processes are moving forward overall, albeit at different speeds.

In that context, ensuring positive incentives is key, yet the importance of strict conditionalities and appropriate measures (in case conditions are unfulfilled) should not be disregarded either. In the Neighbourhood countries, political conditionality is also applied through the positive effects of the incentive-based 'More for More' approach.

While societal transformation is indeed required to ensure the necessary uptake of the principles of rule of law, democracy and respect of human rights, fostering ownership is also vital, as it contributes to long-term sustainability and positive impact of EU financial assistance delivered framework of the European Neighbourhood Instrument (ENI) and Instrument for Pre-Accession (IPA II). These elements are integrated as key parameters in the design and programming of the new external instruments (NDICI and IPA III) in the framework of the new Multi-Annual Financial Framework.

N°4 European legal framework/social economy enterprises (own-initiative opinion)

EESC 2019/346 - INT/871

543rd Plenary Session – May 2019

Rapporteur: Alain COHEUR (Gr. III-BE)
DG GROW – Commissioner BIENKOWSKA

Points of the European Economic and Social Committee opinion considered essential

European Commission position

The follow-up given by the Commission to this opinion will be included in a subsequent report.

N°5

<u>Social economy enterprises' contribution to a more cohesive and democratic Europe</u> (exploratory opinion at the request of the Romanian Presidency)

EESC-2018-05559 – INT/875 543rd Plenary session – May 2019

Rapporteur: Alain COHEUR (GR.III-BE)
DG GROW – Commissioner BIEŃKOWSKA

Points of the European Economic and Social Committee opinion considered essential

European Commission position

Point 1.3: The EESC calls for the Member States and the European Commission to recognise SEEs' contribution to developing active citizenship and to the common good, to promoting the European social model and to constructing a European identity.

The Commission agrees with the Committee and has been constantly supporting the development of Social Economy Enterprises (SEEs) through its varied policies and actions in order to build a strong, social and sustainable Europe.

Point 1.4: The EESC notes that SEE models hardly feature at all in educational programmes and business start-up and development schemes. It must be possible to include the issue of training and education on the social economy in the curriculums of educational systems – the true gateway to knowledge and entrepreneurial spirit. Therefore access of SEEs to the Erasmus + programme should be promoted.

Member States are responsible for the content of teaching, including curricula, and the organisation of education systems.

Point 3.4: In the field of education, the social economy as well as its contribution and its added value for our societies are more often than not overlooked in school and university curriculums, and the same goes for entrepreneurial initiatives. Member States and the EU institutions should therefore introduce the possibility of education on the social economy, to offer it without imposing it, to give people the means of making it their own.

The Commission recently launched several actions to boost social economy in educational programmes and business start-up development schemes. is currently It implementing a preparatory action aimed at stimulating cooperative and solidarity entrepreneurship for secondary schools and higher education.

The Commission is also considering providing a guidebook gathering different opportunities for organisations in the social economy to participate in EU programmes, while the promotion of different programmes such as Erasmus+ is currently being carried out via our European Social Economy Regions projects.

Over the last 5 years, 345 projects on the subject of social entrepreneurship/ social innovation have been funded under the Erasmus+ programme, to the value of some €27.5 million.

These projects have involved either the mobility of learners and staff or cooperation between organisations aimed at promoting innovation and the exchange of good practices.

Point 1.5: The EESC reiterates that it is essential for SEEs to be promoted through ambitious and cross-cutting public policies as well as through a European social economy action plan.

Point 4.4 The EESC has long called for an Action Plan for SEEs to ensure development and growth and to unleash the full potential of this sector in Europe. For the EESC, SEEs are part of the regular economy and not in conflict with other business models. However, most existing business support, development and start-up programmes as well as other necessary conditions such as legislation and financial instruments often fail to support SEEs mainly because they are designed for a standard, more traditional company model and logic. In addition SEEs must be fully recognised and involved in the social dialogue.

Following the adoption of the report of the Commission's expert group on social entrepreneurship in October 2016, the Commission has developed actions to support the development of Social Economy Enterprises in five different pillars: access to finance, access to markets, better framework conditions, social innovation and international issues.

Those actions are also mentioned in the Communication 'Europe's next leaders: the Start-up and Scale-up Initiative' (COM(2016) 733, adopted on 22.11.2016).

Point 1.6 The EESC, as already expressed in previous opinions, calls on the EU institutions and Member States (MS) to ensure specific support for social innovation, which includes recognition and political support for SEEs and civil society as a key stakeholder in society and providing an enabling environment.

The Commission promotes social innovation in many ways, supporting businesses, the public sector and civil society to become social innovators. These actions facilitate the inducement, uptake and scaling-up of social innovation solutions. The main objectives are: 1) promoting social innovation as a source of growth and jobs; 2) sharing information about social innovation in Europe; 3) supporting entrepreneurs mobilising innovative and investors and public organisations.

<u>Point 1.8</u> The EESC reminds the Commission, the Member States and Eurostat of the need to implement the proposals set out in the manual on satellite accounts, in order to create a statistical

Eurostat launched early 2019 a call for expression of interest in order to co-finance satellite account for the social economy in EU Member States.

register of SEEs.

The proposals are currently being evaluated and a dedicated working group will be set up by Eurostat in order to follow the project.

Point 1.9 The EESC reiterates the need for more research to understand the scope and mechanisms by which SEEs contribute to promoting social cohesion and democracy and boosting the economy. This approach would reduce the gap between the new Member States and the rest of the EU.

The Commission already financed several research projects relating to social economy and social entrepreneurship under the current and the former research programmes (the 7th Framework programme (FP7) and Horizon 2020).

The Commission takes note of the Committee's proposal for the next research programme.

Point 2.4: the EU needs to contribute to the emergence of democratic and cohesive societies that are synonymous with economic and social progress and the fight against discrimination and social exclusion. The EU can achieve its ambitions while defending its shared values through the ambitious implementation of the European Pillar of Social Rights and achieving the sustainable development objectives.

The Commission agrees with this position and considers the implementation of the European Pillar of Social Rights as a high priority both at the EU and at national levels.

<u>Point 6.4</u> Education and information campaigns on the history, traditions and national roots of the social economy and cooperative movements should help to mitigate the negative images associated with the forced cooperatives under communist regimes and link the new forms of social enterprise with social enterprise traditions.

The Commission has launched in 2018 the European Social Economy Regions (ESER) project. The aim is to exchange views with regional and local social economy stakeholders and gather ideas for future collaboration and cocreation of policies in social economy. Member States with the experience of forced cooperatives were invited to participate as a means to create renovated social economy ecosystems on their territory.

Point 7.2 A multitude of new business models are emerging which are transforming the relationship between producers, distributors and consumers (such as the functional economy, the sharing economy and responsible finance). SEEs are not new but fit this category of alternative

The Commission agrees with this position. It set up an internal informal Task Force to discuss and reinforce the role of Social Economy Enterprises in European policies in particular to boost the development of the sharing economy, collaborative economy or ethical finance. economic models since they all seek to address other key challenges for people and the planet that are crucial for sustainable development, such as social justice, participatory governance and the conservation of resources and natural capital. The EU can become a leader in innovative economic models that make the idea of economic prosperity inseparable from high-quality social protection and environmental sustainability, and define a "European brand". The EU therefore needs to show ambition on this issue.

The Commission is exploring how value based social economy could impact the traditional economy. A study and a conference that took place in July 2018 on the relations between social economy and the traditional economy explored new economic and legal trends ranging from social intrapreneurship to new business models in Europe such as 'mission led enterprises'.

N°6 Union Civil Protection Mechanism (amendment)

COM(2018) 125 final

EESC-2019-1772- NAT/774

544th Plenary Session – June 2019

Rapporteur: Panagiotis GKOFAS (GR.III-EL)
DG ECHO – Commissioner STYLIANIDES

Points of the European Economic and Social Committee opinion considered essential

European Commission position

2.2. In order to ensure uniform conditions for the implementation of the UCPM and with a view to the establishment and organisation of the Civil Protection Knowledge Network, the EESC may contribute in specific advisory groups to the periodical revision of the guidelines on risk mapping and through appropriate inter-institutional initiatives (e.g. "Civil Society Annual Forum on Risk Mitigation, Assessment. Prevention and Preparedness"), in partnership with recognised, representative social and economic partners and regional cross border resilient cities networks.

The Commission welcomes the interest of the Committee on the establishment of the Union Civil Protection Knowledge Network and recognises the valuable contribution that the Committee can have in shaping it.

The Commission also welcomes the Committee's interest in the guidelines on risk mapping.

enhanced The Union Civil Protection Mechanism legislation in its Article 6(3) requires the Commission to further develop, by 22 December 2019, together with Member States, guidelines on the submission of the summaries on risk management. Commission has been developing these in consultation also with experts nominated by Member States. It will inform the Committee of the outcome and will count on its opinion on future revisions.

2.3. The EESC asks the Council, the Parliament and the Commission to explore the feasibility and plan the implementation of a European Training Centre and Knowledge Hub connected with existing national and subnational structures, including centres of excellence, specialised, independent research networks, and other experts able to deliver immediate intervention analysis on unusual disasters. This centre and knowledge hub could

The enhanced legislation of the Union Civil Protection Mechanism in its Article 13(1) foresees the creation of the Union Civil Protection Knowledge Network, as a network dedicated to Union Civil Protection Mechanism activities, which will address elements raised by the Committee in its opinion, as it is conceived as a network building upon existing national and sub-

be a permanently updated, tangible accessible tool for basic competences in effective risk mitigation for young professionals and experienced also volunteers in the area of emergency **management** training for local resilient communities and, where possible, be extended involve third countries, particularly neighbouring countries, vulnerable groups in isolated areas, mobility and tourism actors, media, etc.

national structures.

Moreover, the enhanced Union Civil Protection Mechanism legislation in its Article 13(1)a already identifies as a priority area the exchange of expertise in the area of emergency management, including of young professionals and experienced volunteers.

At the same time, the new legislation in its Article 13(4) is also set to promote cooperation with international organisations and third countries, placing a special emphasis on neighbouring countries, as reflected in Recital 23 of Decision (EU) 2019/420⁵.

As far as the specific content and target groups to be covered by the Knowledge Network are concerned, the Commission will continue its consultations with the relevant national authorities to determine those.

2.4. The EESC deems it necessary to integrate appropriately the new UCPM objectives and approach into the framework of existing structural and investment policies. It is essential to ensure an adequate territorial and community-led dimension (particularly in remote, insular, mountain and rural areas). Local community action is the fastest and most effective way of limiting the damage caused by a disaster

The Commission shares the Committee's view regarding the strategic integration of the Union Civil Protection Mechanism objectives with existing structural and investment policies. One of the overarching objectives of the revision of Decision No 1313/2013/EU⁶ was to increase the policy coherence and foster synergies between the different Union instruments.

In that respect, the new legislation in its Article 5(1)h promotes 'the use of various Union funds which may support sustainable disaster prevention and encourage the Member States and regions to exploit those funding opportunities'.

The Commission also shares the Committee's

Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism Text with EEA relevance; OJ L 347, 20.12.2013, p. 924–947.

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Decision (EU) 2019/420 of the European Parliament and of the Council of 13 March 2019 amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism; PE/90/2018/REV/1; OJ L 77I, 20.3.2019, p. 1–15.

	
	view when it comes to underlining the role of
	regional and local authorities in disaster
	management, as is explicitly stated in Recital
	14.

$N^{\circ}7$ For better implementation of the Social Pillar, promoting essential services (own-

initiative opinion)

EESC-2019-989 - TEN/692

544th Plenary Session – June 2019

Rapporteur: Raymond HENKS (GR.II-LU) Co-rapporteur: Krzysztof BALON (GR.III-PL)

DG EMPL - Commissioner THYSSEN

Points of the European Economic and Social Committee opinion considered essential

European Commission position

1.5. The EESC asks for the concept of universal access to SGEIs to be clarified, and for legislative measures to be introduced obliging Member States to establish universal access indicators for each SGEI (density of service access points, maximum distance to an access point, service regularity, etc.) with a view to preventing services that are of essential general interest for users (for example public transport, post offices, bank branches) – particularly in suburban, rural or low density areas – from being cut or under-maintained and, should this be the case, to ensuring that equivalent alternatives are found.

Over the years, the demand for services of general economic interest (SGEIs) and the way they are provided has changed significantly. They are often provided on regional and local level, by the private sector. This change in approach is driven by processes of deregulation, by changes in government policies, and changes in users' needs and expectations. Since many of these services are of an economic nature. the internal market and competition rules apply to them, in so far as the application of such rules does not obstruct the performance of the particular tasks assigned to them. With a view to increasing clarity and legal certainty on the EU rules that apply to these services, Commission issued a quality framework aimed also at ensuring that citizens have access to essential services, and at promoting quality initiatives, in particular for social services which address particularly important needs. As a follow up, European public procurement rules were also modernised, and new legislation was introduced that clarifies the application of state aid rules to the services of general economic interest.

Most recently, the Union has adopted several legislative measures concerning the accessibility of some services including some essential

services. The European Accessibility $2019/882)^7$ (EU) contains (Directive obligations accessibility for electronic communication services, services providing access to audio-visual media services, certain elements of passenger transport services, consumer banking services, e-books and ecommerce services. In addition, the Web Accessibility Directive (Directive (EU) 2016/2102)⁸ lays down obligations for the accessibility of websites of public sector bodies.

Some of the issues raised by the Opinion are already being considered in the context of the Universal Services Directive⁹. For instance, this Directive indicates that Member States should ensure that the services set out in the Directive are made available with the quality specified to all end-users in their territory, irrespective of their geographical location, and, in the light of specific national conditions. These principles are being applied to several fields, for instance in the postal service, as also highlighted by the Postal services Directive. For these reasons, it is possible to draw inspiration from these texts to reach some of the mentioned objectives, including that of ensuring widespread universal access by looking at the applicable provisions.

1.10. As regards the compensation provided for under European legislation in the event of insufficient quality (delays or cancellations of

As regards higher compensation rates for trains in cases of delay or cancellations, the Commission has not opened the respective parts

Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (Text with EEA relevance); PE/81/2018/REV/1; OJ L 151, 7.6.2019, p. 70–115.

Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (Text with EEA relevance); OJ L 327, 2.12.2016, p. 1–15.

Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive); OJ L 108, 24.4.2002, p. 51.

trains or aircraft, items that are lost or damaged in the post), the EESC is left with the unavoidable impression that some service providers prefer to pay (modest) compensation rather than invest in quality. It therefore asks for the current amounts of compensation to be reviewed and, as a general rule, for appropriate compensation to be introduced for all SGEIs in the event of a breach of public or universal service obligations.

of the Rail Passenger Rights Regulation (EC) No 1371/2007¹⁰, because the main issue was not a higher amount, but a fairer burden sharing in cases the delay was due to extraordinary circumstances. The Committee agreed with this position in its opinion of 18 January 2018 (TEN/648, rapporteur: Jan Simons). As regards air passenger rights, the Commission has proposed to limit the scope of compensation (by extending thresholds above the compensation is due) for the same reason. Not all delays can be attributed to the air carrier, since they are often beyond the control of the carriers. However, there is an enforcement gap and passengers are still not aware of their rights to a sufficient extent: the Commission has thus proposed to strengthen information obligations of carriers and to better define the complaint handling procedures in its proposals for amending the air and rail passenger rights. Both legislative procedures are still ongoing. The European Court of Auditors has asked the Commission to examine the possibility for 'obliging the carriers to execute automatic (without a specific request) compensation payments to passengers who have provided the necessary information at the time of purchasing the ticket' (Recommendation 4 (d) in the ECA Special Report No.30 of 8/11/2018). The Commission agreed to do so when deliberating on solutions towards the remaining challenges to enforcement. The Commission also agreed to consider using the Court of Auditors' suggestions in its own reflections and for stakeholder consultations in its future work.

It is worth noting that not all services of general economic interest concern services that are

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¹⁰ Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations; OJ L 315, 3.12.2007, p. 14–41.

regulated by EU law. Certain public services, such as public transport services, universal postal and telecom services. are introduced/framed by EU legislation. It is possible to impose quality criteria for these services through EU legislation. However, as regards other services, the Treaty allows Member States a wide discretion in the definition and organisation (see Article 1, Protocol 26, to the Treaty on the Functioning of the EU). As a consequence, most services of general economic interest are not regulated by EU law. For these services, Member States can introduce quality criteria (e.g. on the amount of compensation to be paid in the event of insufficient quality).

1.11. In order to guarantee access to quality services, it is essential to develop a method for evaluating the performance of these services. To this end, the EESC calls on the decision-making bodies to clearly define as a first step the concepts, objectives and missions of all services of general interest (economic and non-economic).

The Treaty of Lisbon, Protocol n° 26 on Services of General Interest and Article 36 of the Charter of Fundamental Rights of the European Union set out the principles that guide the EU approach to services of general interest. It also confirms that the provisions of the Treaties do not affect the competence of Member States to provide, commission and organise non-economic services of general interest. Services of general interest ('SGIs') that are not economic fall outside the scope of competition rules. In this regard, the EU case law provides some principles and criteria that help define the nature of the services, for instance the economic or non-economic nature of the activities.

The Court of Justice has established that the characteristics of services of general economic interest ('SGEIs') are special compared to other economic activities, and that there are certain minimum criteria common to every such service. The Union courts also clarified that the inability of a Member State to demonstrate that a particular service fulfils those criteria constitutes

a manifest error in defining this mission as a service of general economic interest. According to the Union courts, those criteria are the presence of an act of the public authority entrusting the operators in question with a service of general economic interest and the universal and compulsory nature of that service T-289/03 **BUPA** and Others (Case Commission). In addition, the way services of general economic interest are organised differ significantly from Member State to Member State and from situation to situation (e.g. different market sectors). Applying those criteria may therefore lead to different results depending on the specificities of each Member State or the peculiar situation at stake.

Trying to establish a list of activities, objectives and missions of all services of general economic interest is not feasible and would go against the margin of discretion enjoyed by Member States for the definition and organisation of these services as recognised by Member States (see paragraphs 37 and 46 SGEI Communication).

1.12. The EESC therefore calls for an evaluation of services of general interest at national, regional or local level in the Member States; for this evaluation to be independent, pluralist and balanced; for it to cover economic, social and environmental aspects; and for it to be based on a set of criteria and conducted in consultation with all stakeholders, using a new harmonised evaluation methodology at EU level based on common indicators.

The Commission is currently evaluating the services of general economic interest rules insofar as they are applicable to health and social services. In this regard, a targeted and a public consultation was launched on 31 July 2019 (with deadline for contributions until 6 November 2019)¹¹. The targeted consultation has been sent to public authorities (Member States, including at regional and local level), whilst the public consultation should involve relevant stakeholders and interested parties.

1.13. Key indicators on SGEIs are lacking in the Social Scoreboard of the European There is no one-to-one correspondence between the principles of the European Pillar of Social

 $^{^{11}\} https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-3777435/public-consultation_en$

semester, which is supposed to help assess the situation with respect to the social rights proclaimed in the European Pillar. The EESC therefore calls for the essential services under principle 20 of the European Pillar of Social Rights to be made an integral part of the European semester's Social Scoreboard.

Rights and Social Scoreboard indicators. The Social Scoreboard is meant to cover the main dimensions of the Pillar. Due to the strong links between the different principles of the Pillar, the Scoreboard also covers certain dimensions indirectly or from different angles. Principle 20 of the Pillar states that everyone has the right to access essential services of good quality and lists non-exhaustively some of those services that are of the outmost importance in our daily lives, including water, sanitation, energy, transport, financial services and digital communications. It should be read together with other principles advocating the right of access to other services, such as housing, long-term care, early childhood and education, employment and healthcare.

EU Member States generally perform well on indicators measuring access to services such as water, sanitation, energy and transport. This reflects the relatively high living standards in the EU, even if it does not mean there is no room for improvement. Digital access is measured by the connectivity dimension of the Digital Economy and Society Index (secondary indicator) and is related to the individuals' level of digital skills (headline indicator). More indirectly, access to essential services is also reflected in the income and poverty indicators incorporated in the Social Scoreboard.

N°8 Employment guidelines

COM(2019) 151 final

EESC-2019-1577 - SOC/625

544th Plenary Session – June 2019

Rapporteur: Ana BONTEA (Gr.I - RO)

DG EMPL - Vice-President DOMBROVSKIS

Points of the European Economic and Social Committee opinion considered essential

European Commission position

1.2. The EESC welcomes the measures taken at European and national level that have led to progress in the field of employment, and recommends that they be maintained and developed in order to foster economic and social sustainability.

To maintain and further develop the measures taken at European and national level, the Commission in 2019 reconducted the Employment Guidelines, which in 2018 were aligned with the 20 principles of the European Pillar of Social Rights, to ensure a focus on their implementation. The Employment Guidelines therefore play a key role, as they provide the scope and direction for Member States' employment policies.

- 1.3. All policies implemented by European, national and local institutions should take into account an appropriate balance between economic sustainability, and social and environmental sustainability.
- The Commission agrees to have a balanced approach between economic sustainability, and social and environmental sustainability. The Employment Guidelines play an important role in this respect.

1.5. The EESC underlines the importance of ensuring inclusive, equitable and high-quality technical, vocational and tertiary education, including higher education, of ensuring a high level of relevant skills and knowledge, for employment, decent jobs and entrepreneurship, and promoting lifelong learning opportunities for all.

The Commission is committed to continue paving the way for upward economic and social convergence as a key goal of the European Union. Inclusive and high quality education and training systems are crucial in this respect. With the 2019 Spring package, all 28 Member States have been addressed a country-specific recommendation on education and training systems, mostly in view of securing equality of opportunities and adequate skills for future professional development in line with labour market needs.

2.4. For 2020, the Member States and the EU,

The European Pillar of Social Rights, the

in consultation with the social partners, are to work towards developing a new coordinated strategy for employment which, in particular, seeks to promote economic and social sustainability, a workforce that is skilled, trained and therefore better prepared for new developments, particularly technological ones, as well as labour markets that are responsive to economic change.

reconducted Employment Guidelines, the country reports and the country specific recommendations provide coordinated guidance to the Member States.

3.1.2. More targeted investment policies are needed, coupled with a well-designed set of structural reforms, which facilitate the creation of quality jobs, foster responsible entrepreneurship and genuine self-employment.

The 2019 European Semester package includes a proposal for a more effective policy link between the European Semester and the cohesion policy funding for 2021-2027. This package follows the Commission legislative proposal for Cohesion Policy for the 2021-2027 period and aims to ensure the effective delivery on the investment priorities and policy reforms in each EU Member State. For the European Social Fund+ in particular, the programmes have to ensure an appropriate amount of resources to address the challenges identified in the country-specific recommendations and in the Social Scoreboard supporting the European Pillar of Social Rights. These are, in turn, in line with the Employment Guidelines and based on the analytical evidence included in the Country Reports.

3.2.1. A particular concern in 2019 is confirmation of a mismatch between structural skills and labour market requirements, with EU companies increasingly experiencing difficulties in hiring workers. This is due to the lack of relevant skills in the EU, which is increasingly acting as a constraint on production capacity.

The Commission agrees that investing in human capital is key to boosting knowledge-intensive, sustainable and inclusive growth, in a context of rising skills shortages and mismatches.

The Employment Guidelines indeed strongly support access to quality education and foster the provision of skills and competences to all citizens, in a life-long learning perspective that takes into account future labour market needs.

3.3.3. The social partners can come up with

The Commission supports social partners to

innovative solutions for dealing with societal and labour market developments, demographic change, digitalisation and the impact of globalisation. The legislative framework at national and EU level should create the space for innovation at business, sectoral and national level, in order to spur on the development of the social partners. The European Social Fund (ESF) has an important role to play in providing capacity-building support for the confirmed social partners, as the quadripartite statement on "A new start for social dialogue" (2016); the EESC encourages the Commission and the Member States to ensure that the recommendations of the social partners are implemented¹².

come up with innovative solutions and agrees that framework conditions at national and European level are important for the capability of social partners to find joint solutions. However, it is important to recall the autonomy of social partners and the responsibilities of the social partners for their own action. Social partners have to have a certain independence from funding by public authorities. Looking at roles and competences of the parties involved, the Commission confirms that all recommendations jointly made by the relevant social partners are assessed and taken very seriously. The Commission is – within the limits of its competences – also willing to encourage Member States to do the same.

3.4.3. The country-specific recommendations can play a key role in increasing the effectiveness of the employment guidelines and the European Pillar of Social Rights, providing a significant opportunity to shape national policy in line with the guidelines and the principles of the Pillar, with a view to achieving common outcomes, and they should seek to reduce these differences and increase and channel resources into doing this.

The 2019 country reports and country-specific recommendations include indications on investment needs to be tackled at national level and pay special attention to addressing regional and territorial disparities.

They also include guidance on advancing social convergence in line with the European Pillar of Social Rights, which will continue to have a prominent role in the 2019-2024 period.

3.6.1. The EESC welcomes the intention of the draft ESF+ Regulation to strengthen the link between the ESF and the European semester process, in particular the implementation of the country-specific recommendations.

The European Social Fund+ (ESF+) will be a key element of the 2021-2027 policy framework, as the EU's main instrument to invest in people and to implement the European Pillar of Social Rights. Building upon the strengths of the current programming period, the Commission proposal for an ESF+ Regulation earmarked an appropriate amount to the implementation of the Country-specific recommendations. This link between the ESF+ and the European Semester

Statement of the Presidency of the Council of the European Union, the European Commission and the European Social Partners on "A new start for social dialogue", 2016.

	guarantees the highest added value of EU funds.

N°9 Economic convergence and competitiveness within EU macro-regions-

transnational clusters (exploratory opinion)

EESC-2018-4910 - ECO/479

544th Plenary Session – June 2019

Rapporteur: Dimitris DIMITRIADIS (Gr. I-EL)

DG REGIO - Commissioner HAHN

Points of the European Economic and Social Committee opinion considered essential

European Commission position

This exploratory opinion was requested by the Council presidency, not by the Commission, and it contains no specific request to the Commission. Moreover, the opinion generally welcomes the role that macro-regional strategies (MRS) can play for a better transnational cooperation, which is fully in line with the Commission's perspective.

DG REGIO has been consulted on earlier versions of the Committee's opinion. DG REGIO made some comments, which have not been completely taken on board, but there are no major critical points.

Hence no follow-up needs to be given by the Commission.

N°10 Strategy for long-term EU greenhouse gas emissions reduction

COM (2018) 773 final

EESC-2018-05700 - SC/051

544th Plenary session – June 2019

Rapporteur: Pierre Jean COULON (Gr. II-FR)

Co-Rapporteur: Stefan BACK (Gr. I-SE)

DG CLIMA – Commissioner ARIAS CAÑETE

Points of the European Economic and Social Committee opinion considered essential

European Commission position

1.17 The EESC considers that Europe needs a social pact for the transition to a climate neutral economy, to be agreed by the EU, Member States, regions, cities, social partners and organised civil society, in order to ensure that the transition leaves no-one behind. For that purpose, the European Social Fund and the European Globalisation Fund should be properly designed and funded. The transition to a climate neutral economy is also an opportunity to eradicate energy poverty and improve quality of life, job creation and social inclusion, and ensure equal access to basic energy services for all Europeans.

The Commission fully agrees that the deep social and economic transformation towards climate neutrality has to be a joint commitment and endeavour requiring endorsement and ownership by all actors.

The Commission has engaged in outreach to Member States throughout 2019 to support national and subnational debates on climate neutrality involving citizens, including youth, civil society, stakeholders, academia, businesses, cities and authorities. The Commission also promotes local climate action at the local level by means of the European Covenant of Mayors.

The Commission is committed to continuing to engage in inclusive EU-wide debates and action.

In order to leave no one behind, the social transition must be supported by appropriate EU, national and regional policies and funds, addressing the challenges encountered by the most vulnerable regions, sectors and social groups. The EU budget, employment and social policies, as well as cohesion policies, are there to reduce economic, social and territorial disparities across the Union.

1.19 Lastly, the EESC underscores once again the urgency of creating an efficient dialogue process to enable it to provide useful input into and

The transformation to a climate neutral economy can only be successful with the engagement of citizens who view it as beneficial to their lives eventually full acceptance of and support for the strategy to be formulated and submitted by 2020. The EESC therefore proposes that a **permanent citizens' dialogue** should be set up as a compulsory preparatory element of all major political decisions and all pertinent law-making initiatives at EU, national and subnational levels. Input into the dialogue and the way it is taken into account should be publicly visible. The visibility of the dialogue should be ensured by making it a **Commissioner-level responsibility**.

3.5.1 The EESC agrees with the importance of the role of citizens, regional and local authorities and participation of citizens envisaged in the course of the citizens' dialogues. In light of the huge-scale youth mobilisation, the EESC calls on the European Commission and Member States to engage in dialogue also with young citizens.

3.5.6 The EESC notes the crucial role that regions and local authorities play in delivering climate and energy policy and in nurturing the behaviours needed for its effective implementation. It points to initiatives undertaken by the Covenant of Mayors and calls on the Commission to endorse similar initiatives and to set up a **permanent consultation mechanism** based on the Talanoa Dialogue¹³. This includes the European Dialogue on Non-state Climate Action called for by EESC.

and those of future generations.

In the preparation of the Communication 'Clean Planet for All', the Commission carried out a broad public consultation, the results of which fed directly into its work. As described above, the Commission is also committed to supporting national and sub-national debates on the matter.

Under the Energy Union Governance Regulation, public consultations are an integral part of developing National Energy and Climate Plans. Member States are required to establish multilevel climate and energy dialogues.

The views of citizens are also represented through several initiatives, such as the EU Covenant of Mayors for Climate and Energy, which currently engages 9,644 EU cities with 327 million citizens, and Ecolise, the European Network for Community-Led Initiatives on Climate Change and Sustainability.

In the context of the EU Youth Strategy, the Commission, Member States and youth representatives uphold an 'EU Youth Dialogue'. Both the strategy and the dialogue are framed by 'European Youth Goals', which have been set by young people themselves. One of these is 'sustainable green Europe' that aims to achieve a society in which all young people are environmentally active, educated and able to make a difference in their everyday lives.

Moreover, the Commission appreciates that the Committee is well placed to understand the needs of citizens and civil society and could promote climate action through its networks.

3.1.11 The EESC notes that **carbon capture and storage** (**CCS**) appears as the seventh strategic building block and that it at least currently

The Commission acknowledges the uncertainties around public acceptance of carbon capture and storage (CCS) technologies and fully recognises

https://unfccc.int/topics/2018-talanoa-dialogue-platform.

remains key to the possibility of achieving a climate neutral society in 2050, especially through bio energy with CCS. The EESC points out that the European Court of Auditors analysed that already existing EU funding designed to support CCS, such as NER 300, has "delivered no successful carbon capture and storage project". There is thus much uncertainty about the technological feasibility of CCS, and little certainty about public support for CCS.

that future deployment efforts will need to address this concern. These technologies can help eliminate emissions from hard to abate sectors (e.g. industrial processes), be used for the production of carbon-free hydrogen and indeed, together with biomass-based energy, they can create negative emissions and thereby enable deep emissions reductions. There are several carbon capture and storage facilities in operation globally, indicating that the technology can be viable at the required scale.

Such applications can be supported through EU funding such as the Innovation Fund, which is built partly on the experience and the learnings of the NER 300 financing instrument¹⁴. Other sources of EU funding will become available such as Horizon Europe and InvestEU.

3.3.6 The EESC welcomes the proposal to create "Research and Innovations Missions" to better steer research and innovation towards projects on societal challenges, including the transition to a climate neutral economy. In that regard, the EESC asks the European Commission and the Council to establish a specific mission to make 100 EU cities climate neutral by 2030. This will show Europeans that the transition to a climate neutral economy can become a reality and improve their quality of life. This will also be the opportunity to work concretely with cities all over the world, starting with cities from Eastern Partnership and Union for the Mediterranean countries, so they can take inspiration from European experiences.

The proposed EU long-term strategy aims to make the overall economic and social transition to climate neutrality a tangible reality. We welcome any initiatives that provide inspiration and knowledge sharing opportunities to other cities to follow suit.

The Commission has established a Mission Board to begin preparatory work on the proposed Horizon Europe mission area 'Climate-neutral and smart cities'. A wide consultation and co-creation campaign will gather feedback and input for the definition and implementation of the mission.

The EU already actively cooperates with cities in Africa and elsewhere notably through the Covenant of Mayors for Sub-Saharan Africa and other similar initiatives, such as the Local

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¹⁴ "NER300" is a financing instrument managed jointly by the European Commission, European Investment Bank and Member States, so called because <u>Article 10(a) 8 of the revised Emissions Trading Directive 2009/29/EC</u> contains the provision to set aside 300 million allowances (rights to emit one tonne of carbon dioxide) in the New Entrants' Reserve (NER) of the European Emissions Trading Scheme for subsidising installations of innovative renewable energy technology and carbon capture and storage (CCS).

Climate Adaptive Living Facility (LoCAL) initiative with the United Nations Capital Development Fund, or the Urban-Low Emissions Development Strategies (LEDS) programme with UN-Habitat and ICLEI-Local Governments for Sustainability.

3.4.5 The EESC considers the transition to a climate neutral economy to be the opportunity to provide jobs for young Europeans, including young unemployed people. The EESC therefore asks the European Commission to develop a "Green Erasmus Pro programme", building on its Erasmus Pro pilot project, as well as other projects that can attract more young people into the growing sectors of the climate neutral economy (e.g. sustainable agriculture, circular economy, waste management, energy efficiency, renewable energy generation) by improving the image and working conditions of such jobs.

As shown in the Commission's 2019Annual Review on Employment and Social Developments in Europe¹⁵, the transition to a climate-neutral economy is expected to provide additional jobs in growing, green(ing) sectors both in industry and in services, including construction, waste management and sustainable finance. Targeted support is needed for retraining and upskilling of the workforce, in response to new emerging tasks and skill requirements.

Education for a sustainable future is essential. The current Erasmus+ programme already supports curricula development and strategic approaches to skills development in growing sectors, such as green technology through the Knowledge Alliances, Sector Skills Alliances and Blueprint for Sectoral Skills Cooperation. In line with the 2018 Council Recommendation on Key Competences¹⁶, in the Erasmus+ annual work programme 2020¹⁷ priority is given to developing competences in sustainability-relevant sectors, green sectorial skills strategies, methodologies and sustainability-oriented curricula, as well as to enabling behavioural changes through education for individual preferences, consumption habits, and lifestyles.

The future Erasmus Programme will contribute to mainstreaming climate action and to

https://ec.europa.eu/commission/presscorner/detail/en/IP_19_3412

¹⁶ Council Recommendation of 22 May 2018 on key competences for lifelong learning (Text with EEA relevance.); ST/9009/2018/INIT; OJ C 189, 4.6.2018, p. 1–13.

https://ec.europa.eu/programmes/erasmusplus/sites/erasmusplus2/files/c 2019 5823 en resume annexe3 p v1.pdf

strengthening the Union's innovation capacity notably by supporting mobility and cooperation activities that foster the development of competences in forward-looking study fields, including climate change, the environment and clean energy. Efforts will also be undertaken to reduce and to compensate the carbon footprint generated by the Erasmus mobility activities.

3.4.8 The EESC welcomes the European Commission's ambition to decrease by half the number of premature deaths caused by air pollution by 2030 (400 000 premature deaths in Europe in 2015).

The EESC considers that the EU and all its Member States should make the fight against air pollution a high-level policy priority. **Regulatory measures reducing air pollutants** emitted by vehicles and power plants should be strengthened. The European Commission should further **engage civil society organisations, especially associations protecting children and the elderly**, as those groups of the European population are the most at risk of suffering and dying from air pollution.

The Commission agrees that Clean Air Outlook, as published in 2018, which concludes that taken together, the package of measures adopted by the co-legislators since the 2013 Clean Air Programme are expected by 2030 to more than achieve the health impact reduction of 52% set out in the Programme, and deliver PM2.5 concentrations in most of the EU which are below the World Health Organization guideline value (COM/2018/448).

The Commission will continue to engage with relevant stakeholders, also with a view to increase their capacity to improve air quality – including, for example, via the biennial Clean Air Forum.

3.5.7 The EESC reiterates its call for the creation of a **European Energy Information Service** within the European Environment Agency that would be able to ensure open access to quality data, develop a single entry point for all the datasets needed to assess the progress of the Energy Union, develop with stakeholders the assumptions for different scenarios, provide open source models to allow for testing different assumptions and check consistency between different projections. Its work should be freely accessible to all decision-makers, businesses and the general public.

The Regulation on the Governance of the Energy Union and Climate Action ((COM (2018) 773) sets out that the European Environment Agency assists the Commission in its work as regards two dimensions of the Energy Union, decarbonisation (including renewable energy) and energy efficiency.

The Commission will establish an online platform (e-platform) to act as a single entry point for progress reporting and facilitate public access to information. This information will include the progress reports towards achieving the Union targets, the final integrated national energy and climate plans, the updates thereof and

the national and EU long-term strategies. The European Environment Agency shall assist the Commission in related tasks, as required.

The Commission draws the attention of the Committee to the already existing monitoring framework under the Energy Union process. This includes notably the establishment of a set of indicators to monitor progress towards achieving the Energy Union objectives, which are regularly reported on as part of the State of the Energy Union. These indicators are also visualised in an on-line tool¹⁸.

In addition, the European Environment Agency already makes energy related information accessible within its remit today (https://www.eea.europa.eu/themes/energy).

Further information can be found at: https://ec.europa.eu/energy/en/data-analysis/energy-union-indicators.