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***European Economic and Social Committee***

Brussels, 4 November 2019

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| **PLENARY SESSION   30 AND 31 OCTOBER 2019   SUMMARY OF OPINIONS ADOPTED** |
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The plenary session of 30 and 31 October 2019 was attended by **Michel Barnier**, chief negotiator of the European Commission for Brexit; **André Wilkens**, director of the European Cultural Foundation; **Pier Luigi Sacco**, special adviser to Tibor Navracsics, Commissioner for Education, Culture, Youth and Sport; **Airan Berg**, artistic director of the Festival of the Regions; and **Elke Kaschl-Mohni**, director of the Goethe Institute in Brussels.

The following opinions were adopted at the plenary session:

# **SINGLE MARKET, PRODUCTION AND CONSUMPTION**

* ***Blockchain and the single market***

**Rapporteur:** Ariane Rodert (Diversity Europe Group – SE)

**Corapporteur:** Gonçalo Lobo Xavier (Employers' Group – PT)

**Reference:** Own-initiative opinion

EESC-2019-02261-00-00-AC

**Key points**

The EESC:

* calls on the European Commission (EC) to launch a comprehensive blockchain initiative setting out a common EU approach and vision with the sustainable development goals at its core. This should be complemented by an action plan for Europe to become the reference point for blockchain worldwide;
* calls for the creation of a European blockchain stakeholder platform, bringing together representatives from the EU institutions, including the EESC and the CoR, industry, consumers, Member States and academics etc. to provide a space for joint learning and capacity-building, acting as a network of networks and sharing good practices;
* can take an active part in hosting such a "platform" ensuring transparency, inclusiveness, collaboration and the involvement of organised civil society.

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* ***Human-centric artificial intelligence***

**Rapporteur:** Franca Salis-Madinier (Workers' Group – FR)

**Reference:** COM(2019) 168 final

EESC-2019-01830-00-00-AC

**Key points**

The EESC:

* reiterates the need to consult and inform workers when artificial intelligence systems are introduced that are likely to alter the way work is organised, supervised and overseen;
* calls for the development of a robust certification system based on test procedures that enable companies to state that their AI systems are reliable and safe;
* proposes developing a European trusted-AI Business Certificate based partly on the assessment list put forward by the high-level experts' group on AI;
* recommends that clear rules be drawn up assigning responsibility to natural persons or legal entities in the event of non-compliance;
* also urges the Commission to review the General Data Protection Regulation and related legislation on a frequent basis in light of developments in technology.

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* ***Strategic agenda 2021-2027/EIT***

**Rapporteur-general:** Antonello Pezzini (Employers' Group – IT)

**Reference:** COM(2019) 330 final – 2019/0152 COD

COM(2019) 331 final – 2019/0151 COD

EESC-2019-04496-00-00-AC

**Key points**

The EESC fully supports the synergy between the European Institute of Innovation and Technology and the Horizon Europe programme in the form of a simplified research and innovation architecture.

For the EESC, the European Institute of Innovation and Technology should:

* be one of the main drivers of objective-driven innovation and be capable of addressing societal challenges;
* play a more central role on the EU's national and regional innovation scene;
* highlight its unique added value as a European leader in high-skill, specialist business education, identifying and trialling new teaching and learning methods;
* sound out, with knowledge and innovation communities (KICs), new systems for harnessing and promoting the "proximity effect", bringing in local centres in particular: they should provide an access point to global innovation platforms from regional and local actors;
* build up (with the KICs) their own strategies for financing businesses and development, in order to support the process of consolidating innovative enterprises;
* ensure that the distribution of KICs more fully respects the geopolitical balance and better covers the territory of the Union.

With regard to the proposal for a decision on the Strategic Innovation Agenda for the period 2021 2027, the EESC thinks that this process should be part of an all-encompassing approach and should cover all types of partnership in order to ensure a comprehensive overview of the work carried out in the partnerships and to achieve the objectives of the policies.

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# **ECONOMIC AND MONETARY UNION, ECONOMIC AND SOCIAL COHESION**

* ***VAT and excise duty exemption for defence efforts***

**Rapporteur:** Benjamin Rizzo (Diversity Europe Group – MT)

**Reference:** COM(2019) 192 final – 2019/0096 CNS

EESC-2019-02530-00-00-AC

**Key points**

The EESC:

* recognises the Commission's aim of ensuring equal treatment, for VAT purposes, for armed forces of Member States working together within an EU framework and NATO armed forces employed in the EU, which already benefit from VAT exemption;
* understands that the two conditions for the exemption set out in the Commission proposal are that armed forces are deployed outside their own Member State, on the one hand, and that they are involved in a European common defence effort, on the other hand;
* accepts that there are some areas not covered by the new exemption. These areas concern, in particular, security purposes, humanitarian rescue tasks and cases in which the solidarity clause is evoked. As a consequence the overall VAT exemptions are limited to "military operations", applying a narrow interpretation of such a concept;
* suggests that different national tax authorities should have one system under which the new exemptions are implemented;
* recommends that the Commission, through its VAT Control Group, set up a dedicated system where the VAT-exempted invoices issued by suppliers to armed forces will need to be inserted in order to benefit from the exemption set out in the Commission proposal.

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* ***Euro area economic policy 2019***

**Rapporteur:** Petr Zahradník (Employers' Group – CZ)

**Reference:** COM(2018) 759 final

EESC-2019-02839-00-01-AC

**Key points**

The EESC:

* respects the positive development of the EU economy and the euro area over the last few years, but notes that they are now more exposed than usual to risks from outside the EU;
* believes that it is essential for fiscal policy to accompany the European Central Bank's expansionary monetary policy with a positive fiscal stance within the euro area, while respecting fiscal discipline;
* takes note of the current investment growth in the EU and euro area, but believes that more resources are required, both in private and public investment, particularly given that such investments are greater in China or the USA;
* welcomes the proposal for a budgetary instrument for convergence and competitiveness and its close link to the Reform Support Programme;
* expects the budgetary instrument for convergence and competitiveness and the Reform Support Programme to provide significant support for reforms and investment both within the euro area and in countries outside the euro area;
* believes nevertheless that the proposal concerning the multiannual financial framework for 2021-2027 may not be sufficient to successfully implement these programmes and reiterates its call for an increase in the amount of resources for this purpose;
* supports and appreciates the equilibrium and mutual conditionality of investment, structural reforms and fiscal responsibility;
* underlines the unique importance of private investment and is concerned about the delays in implementing the Banking Union and the Capital Markets Union, which can help accelerate the growth of investments through more efficient and flexible capital flows;
* believes that the priorities of the European economy should now be more strongly geared towards supporting domestic demand and that the very positive external balance of European trade in goods and services should be more evenly distributed among more Member States;
* strongly supports further work to improve the functionality and homogeneity of the single market, while noting with concern the problem of the shortage of workers and skills mismatch.

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* ***Annual Growth Survey 2019***

**Rapporteur:** Anne Demelenne (Workers' Group – BE)

**Reference:** COM(2019) 770 final

EESC-2019-02909-00-01-AC

**Key points**

The EESC:

* considers that there is still a need for public and private investment as well as expenditure on training and education (starting from early child education) to improve the competitiveness of the European business sector. The country-specific recommendations have a welcome focus on investment this year. Special attention must be paid to productive investments and investment in social infrastructure to prioritise sustainable growth, and in enabling the implementation of the social pillar;
* believes that the structural reform effort of Member States needs to increase. In particular, regarding the current account surplus countries, the low compliance of Member States with the Macroeconomic Imbalance Procedure needs to be addressed for the sake of economic and political stability in the European Union and the euro area;
* notes that the current environment of very low interest rates has freed up funds in national budgets. Member States should use these funds to expand their physical, digital and environmental investment expenditure as well as expenditure on training, skills and qualifications;
* welcomes the larger role of the European Pillar of Social Rights and the social scoreboard. The Committee encourages the Commission to proceed with and develop it during the next cycles of the European Semester;
* believes that climate change has become a central issue during the last year and can be reflected more in the Semester. Recommendations for next year's cycle should contain more country-specific recommendations to combat the existential threat of climate change, if not even at least one per Member State;
* considers that taxation needs to favour productive investment and spending in the real economy. Tax revenue should be shifted to sources other than those related to work and sustainable consumption;
* acknowledges that the financialisation of parts of the European economy has put an undue burden on companies and employees and asks the Commission to investigate the possibility of using the European Semester to promote overall stakeholder value rather than only shareholder value;
* supports the introduction of minimum standards concerning the consultation of the national social partners by national governments at various stages during the European Semester.

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* ***2018-2019 European Semester country visits***

**Rapporteur:** Reine-Claude Mader (Diversity Europe Group – FR)

**Reference:** Information report

EESC-2019-03722-00-02-RI

**Key points**

In 2018, the EESC decided to raise awareness about the European Semester process and to strengthen the involvement of civil society in this process, as well as to consult it on the content of the country-specific recommendations published by the European Commission each year in May-June.

By taking the initiative of organising consultations in the form of round tables in several countries via its members' network, the EESC has been able to provide a new perspective on the European Semester.

The EESC's aim was threefold: to provide a contribution to the European Semester exercise on the part of civil society; to increase awareness of this process among civil society organisations; and to improve knowledge of the country-specific recommendations decided on by the Council to make it possible to follow up on them. In 2018 and 2019, so far 12 such visits have been organised.

The hearings were both constructive and useful, as they enabled the EESC to establish a direct link with all the components of civil society in the countries in question. They revealed a great desire on the part of civil society organisations to be informed on this issue.

Given the warm welcome for the initiative and the interest expressed by the participants, and particularly by non-governmental organizations that are remote from the decision-making hubs, the EESC recommends that this dialogue should continue in order to raise awareness of the European Semester process and to reach a wider audience. Therefore, the visits will continue in 2020.

The EESC also proposes organising a European Semester Day each year in cooperation with Member States to pursue dialogue.

The EESC also recommends that an annual consultation be organised under its aegis in each Member State and at EU level on civil society in the long term so it can perform its role as representative of civil society.

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# **EMPLOYMENT, SOCIAL AFFAIRS AND CITIZENSHIP**

* ***Investor Citizenship and Residence Schemes in the European Union***

**Rapporteur:** Jean-Marc Roirant (Diversity Europe Group – FR)

**Reference:** COM(2019) 12 final

EESC-2019-01674-00-00-AC

**Key points**

The EESC:

* echoes the European Parliament's call to phase out all investor schemes, and urges the Member States to follow this recommendation or provide reasonable arguments and evidence for not doing so;
* applauds that the European Commission has set up a group of Member States' experts to address the risks posed by citizenship-by-investment and residence-by-investment schemes and agrees on its mandate;
* recommends that Member States be urged to apply a due diligence process without specific duration restrictions and adapted to the high-risk profile of applicants;
* recommends that the Commission establish a coordination mechanism that allows Member States to exchange information on successful and rejected applications for citizenship and residence permits;
* recommends that all agents and intermediaries providing services to applicants be subject to anti-money-laundering rules as set out in the Fifth Anti-Money Laundering Directive;
* recommends that the EU encourages all agents providing services to applicants to be accredited and subject to a code of conduct;
* recognises that public authorities may need to hire specialist agencies to conduct the necessary checks, but insists that authorities should nevertheless maintain primary responsibility for accepting or rejecting applicants. Authorities must also maintain a set of measures to avoid conflicts of interest or bribery risks;
* is convinced that Member States should ensure that programmes operate with strong governance and oversight mechanisms and are subject to public scrutiny.

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* ***Enhanced cooperation between Public Employment Services (PES)***

**Reference:** C category opinion

COM(2019) 620 final – 2019/0188 COD

EESC-2019-04339-00-01-AC

**Key points**

Since the Committee endorses the content of the Commission's proposal and has already set out its views on the subject in its earlier opinion EESC-2019-01656-00-00-AC, it decided to issue an opinion endorsing the proposed text and to refer to the position it had taken in the aforementioned document.

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# **CONSULTATIVE COMMISSION ON INDUSTRIAL CHANGE**

* ***Ensuring an inclusive sectoral transition to a digitalised rail sector***

**Rapporteur:** Alberto Mazzola (Employers' Group – IT)

**Co-rapporteur:** Guy Greivelding (Cat.2 – LU)

**Reference:** Own-initiative opinion

EESC-2019-01835-00-01-AC

**Key points**

## Digitalisation contributes to making rail transport more efficient and more convenient for both passengers and freight, but it also exposes rail systems to cybersecurity risks. Therefore the EESC recommends a stronger cooperation between the European Union Agency for Network and Information Security and the European Railway Area.

## The EESC believes that European Railway Traffic Management System deployment, the centrepiece of the rail digital EU strategy, shall be dramatically accelerated. The required investment, more than 100 B€, shall be pursued through a Commission dedicated initiative, with a strong EU budgetary commitment, concrete support from Member States and substantial private capital (InvestEU).

## The EESC encourages rail to develop with other public transport modes a comprehensive and interoperable Mobility-as-a-Service framework ensuring affordability of and accessibility to mobility and public transport for all citizens as a service of general interest as well as to pursue an open, plug and play IT framework for the distribution of multimodal tickets in Europe. Rail could be the backbone to develop the Mobility aspect of a European Digital Identity.

## The EESC calls upon the European Transport Workers' Federation, the Community of European Railway and Infrastructure Companies and the European Rail Infrastructure Managers Association, as part of the EU social dialogue, to establish a proactive transparent dialogue, e.g. in the form of a 'digital road map' and launch joint initiatives to identify and anticipate the impact of automation and digitalisation and to maintain a high level of employment and social guarantees as part of a socially just transition.

The EESC pleads for the establishment of an EU rail regulator to accompany the development of the EU rail single market which also covers the digital aspects.

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# **AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT**

* ***A more constructive role for civil society in implementing environmental law***

**Rapporteur:** Arnaud Schwartz (Diversity Europe Group – FR)

**Co-rapporteur:** István Komoróczki (Employers' Group – HU)

**Reference:** Exploratory opinion

EESC-2019-00097-00-00-AC

**Key points**

## The EESC stresses the fact that environmental legislation is not properly implemented because of a lack of political will at all institutional levels.

## The EESC therefore calls on the European Commission to develop a better compliance framework at EU level. This should happen with more transparent and resolute handling of complaints and infringements, but also by adding greater human and financial resources (for instance under the Multiannual Financial Framework). The aim is to explain what EU environmental legislation is, check whether it is properly implemented, evaluate it and assist the courts to carry out their remit when necessary.

## The EESC supports the Environmental Implementation Review process, which is key to providing a wide range of environmental information on issues such as sustainability, climate change and quality of life in Europe. However, it is waiting for the EC and the Member States to fulfil their obligations by integrating the views of civil society organisations into the Environmental Implementation Review and country reports.

## Environmental civil society organisations and small and medium-sized enterprises should be more involved in providing information to employees and shaping environmental education and training to ensure that the general public has a basic understanding of these issues.

## In order to reduce our ecological footprint and strengthen sustainable development, the EESC urges Member States to implement fully Green Public Procurement strategies in a way that is regularly and directly supervised by the EC. The latter should go further in requiring civil society organisations to be consulted when preparing Green Public Procurement and finalising incoming bids. The possibility of using EU funds in order to strengthen the positive impact of Green Public Procurement should also be put forward by the EC.

## The EU must help to develop local development models and promote widespread domestic protection of the environment. For these reasons, a more visible EU presence is needed locally in order to ensure that EU funds are well spent and relevant public and private stakeholders are involved in properly implementing environmental law and governance.

## The Member States and the EC should extend more political, financial and professional support to small and medium-sized enterprises and civil society organisations for focusing on protecting the environment after 2020.

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* ***EC Progress Report on the EU Forest Strategy***

**Rapporteur:** Andreas Thurner (Diversity Europe Group – AT)

**Co-rapporteur:** Antonello Pezzini (Employers' Group – IT)

**Reference:** COM(2019) 811 final

EESC-2019-00969-00-00-AC

**Key points**

## The EESC:

## calls for an updated EU Forest Strategy after 2020, which could feasibly look ahead to 2050, to ensure coherent implementation of well-recognised political commitments such as the UN Strategic Plan for Forests, the UN Sustainable Development Goals and the Paris Agreement. The importance of forests, forestry and forest-based industries in meeting these goals should be recognised across all sectors and lead to optimised cross-sectoral cooperation;

## underlines the importance of the multifunctional role of forests and notes that climate change is a threat to ecosystem services. A solid mix of financial instruments is crucial to ensuring continued investment in modern technology as well as in climate and environmental measures to strengthen the multifunctional role of forests. When it comes to private forest holdings, it is crucial to ensure that property rights are respected and decisions related to forests are made in partnership with forest owners;

## recommends a mapping of the current status of the workforce and a forecasting of labour needs in the European forest-based sector. Decent jobs and labour conditions are a prerequisite to attract young people to the forest-based sector;

## stresses the importance of reducing global deforestation by strengthening sustainable forest management, for example through a pan-European agreement, mobilising locally produced biomass in Europe and supporting the transition towards more sustainable consumer patterns.

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* ***Evaluation of the Impact of the CAP on Generational Renewal***

**Rapporteur:** Piroska Kállay (Workers' Group – HU)

**Co-rapporteur:** John Bryan (Diversity Europe Group – IE)

**Reference:** Information report

EESC-2019-02014-00-00-RI

**Key points**

Farm income was mentioned as a major challenge in attracting young farmers into the sector in all Member States. The issue of the low level of farm incomes and the difference between the income in farming and the income in other sectors of society in the same predominantly rural regions was consistently raised.

While recognising the need to maintain the highest standards of production in the EU, young farmers saw the importing of agricultural products with standards below those, which apply in the EU as a curb on their ability to get fair prices and returns from the market.

The large majority of consulted stakeholders maintain that the supplement to their income granted by the direct payment to young farmers is a decisive factor in choosing a farming career. Indeed, there is a strong conviction that most young farmers would not have been able to enter the profession without that top-up support.

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* ***Blue bio-economy***

**Rapporteur:** Simo Tiainen (Diversity Europe Group – FI)

**Co-rapporteur:** Henri Malosse (Employers' Group – FR)

**Reference:** Exploratory opinion

EESC-2019-01573-00-00-AC

**Key points**

The blue bio-economy means economic activities and value creation based on sustainable and smart use of renewable aquatic resources and the related expertise. There is a vast amount of expertise, know-how and human tradition linked to water, aquatic resources and the blue bio-economy in Europe. Nonetheless, with regard to its potential and opportunities, business activities related to the blue bio-economy are still rather modest in Europe.

There is a need to preserve and restore the good status and biodiversity of the oceans, seas, lakes and rivers. This requires a major effort from all the stakeholders, including the EU, national and regional institutions, universities and research centres, all professionals involved (e.g. fishing and tourism sectors) as well as civil society organisations.

Increased investments are needed in the management of aquatic environments and sanitation facilities to ensure access to, and sustainable use of, clean water and adequate sanitation for all.

The EESC calls for the EU and other actors within the blue bio-economy to come up with urgent action to combat climate change and its impacts. Fisheries, aquaculture and algae culture are crucial to increase sustainable aquatic food production in EU. Developing climate-resilient aquatic food systems requires further research and innovation prior to successful implementation.

Joint efforts between universities, research centres, non-governmental organizations and the fishing sector are needed to develop new added value products from fish by-products and waste materials. New financing instruments are needed to promote technological innovations and services. Restoring the biodiversity of the seas, lakes and rivers will open up new opportunities for business, mainly, including family and small businesses on local markets.

The European Union is called upon to promote awareness-raising, education and training incorporating research and the exploitation and transfer of the know-how of communities in coastal and inland water areas, enabling respectful management of the environment and the creation of European training networks in this field. For agriculture, the EU should also address the issue of water scarcity.

The EESC suggests that the blue bio-economy become one of the flagship areas of EU policies and in its cooperation policies with neighbouring countries, as well as in the framework of the UN Sustainable Development Goals and the COP 21 Goals of the Paris Agreement. In this regard, the EESC proposes that the EU Council and to the European Parliament ask the Commission to launch several pilot actions in the different marine and aquaculture areas of the EU A management committee should be set up including Member States, regions, and stakeholders, with the participation of the EESC.

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* ***Implementation of the Circular Economy Action Plan***

**Rapporteur:** Peter Schmidt (Workers' Group – DE)

**Reference:** COM(2019) 190 final

EESC-2019-02306-00-00-AC

**Key points**

## The EESC welcomes the Commission report on the implementation of the Circular Economy Action Plan, and in particular the acknowledgement of the vital role stakeholder engagement will play in the transition to a circular economy. The Committee is also supportive of the plans to launch a European Green Deal and propose a new Circular Economy Action Plan focusing on specific sectors, such as textiles and construction, set in the political guidelines by the Commission President elect von der Leyen.

## The European Circular Economy Stakeholder Platform is an established platform for bringing together the circular economy community in Europe. A joint initiative of the Committee and the European Commission, the Platform was created in 2017 following recommendations made in the EESC opinion on the Circular Economy Package. The partnership of the institutions has been a key feature of the Platform's success and it is important that this partnership continues and grows for any new Circular Economy Action Plan, to ensure civil society actors are at the heart of the transition. The EESC strongly believes in the key role of the Platform to ensure stakeholder engagement – a role which should continue and be reinforced in the future.

## To reflect the increasing importance and multi-dimensionality of the circular economy, for the next mandate the Coordination Group members supporting the Platform should include other key stakeholders (e.g. from the youth and the finance sector), help develop future scenarios to strengthen the interlinkages across sectors, meet more regularly and become ambassadors for the Platform also in fora outside the circular economy community.

## The EESC highlights that the circular economy transition must now be driven at national, regional and local level to be inclusive. It is important that activities be tailored to local issues, and that they capitalise on local strengths. A decentralised approach can be particularly instrumental to explore the role of the circular economy in contributing to a good life for citizens. The EESC recommends the creation of a Citizen Insights Panel to help assess citizen behaviour, motivations and barriers to engage with circular solutions.

## Consumers' understanding and engagement is also crucial for the success of the circular economy transition. The introduction of a circular economy label could accelerate the transition and support consumers in making a sustainable choice, but should be accompanied by a Europe-wide communication campaign. Capacity building is also a key pillar to support stakeholders in understanding and becoming part of the EU transition towards the circular economy.

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# **TRANSPORT, ENERGY, INFRASTRUCTURE AND INFORMATION SOCIETY**

* ***Integrated national energy and climate plans***

**Rapporteur:** Tommaso Di Fazio (Diversity Europe Group – IT)

**Reference:** COM(2019) 285 final

EESC-2019-03626-00-01-AC

**Key points**

The EESC welcomes the initiative of the European Commission to launch the assessment of the draft National Energy and Climate Plans submitted by the Member States, thereby following up on the new governance model launched by the Council and the Parliament in December 2018 and aimed at ensuring the transition to clean energy and climate protection through a multilevel interactive dialogue which fully involves civil society and public and private entities at local and regional level. The EU is the first major global economy to adopt, through specific National Energy and Climate Plans, a legally binding framework to deliver on its 2015 commitments under the COP21 Paris Agreement and the UN 2030 Agenda.

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# **EXTERNAL RELATIONS**

* ***The role of the EU's trade and investment policies in enhancing the EU's economic performance***

**Rapporteurs:** Jonathan Peel (Employers' Group – UK)

Tanja Buzek (Workers' Group – DE)

**Reference:** Own-initiative opinion

EESC-2019-02162-00-00-AC

**Key points**

The European Economic and Social Committee reminds the incoming European Commission and Parliament of its recommendations made in a series of recent key opinions on EU trade and investment policies. We urge that these be incorporated in any new Trade Strategy.

EU trade and investment policy has become subject to scrutiny and political examination as never before. The EU must win sufficient internal consensus to enable it to continue to negotiate beneficial and dynamic trade agreements around the world. To do that, it needs to promote a progressive trade agenda that builds on the protection of fundamental environmental, social and consumer standards and rights.

First, the EESC believes it is essential that the EU ensures the smooth and fair operation of the Internal Market and the Eurozone. This goal needs to cover a very wide range of separate policies, ranging from transport and energy to better integration of services, to providing a legally robust and socially protected framework for the evolution of digitalisation and artificial intelligence. It must also include even-handed EU regulation and policies that promote conditions that help businesses to take the lead in developing and applying new technologies that maintain competitiveness, whilst ensuring growth and decent jobs as part of a fair transition.

The EESC calls for the incoming Commission to use every endeavour to ensure that Horizon Europe becomes an effective, resilient and robust follow-up to Horizon 2020.

The encouragement and development of human skills is also fundamentally important. The EESC believes that emphasis must be placed in helping individual skills to be readily adapted through lifelong learning, increased emphasis on multilingualism and readily adaptable training programmes, as opposed to trying unsuccessfully to turn humans into better computers.

The needs and potential of Small and Medium Enterprises must be included in every policy area to help secure their access to finance and other resources, as well as support their ability to evolve.

Turning to the actual operation of trade, the EESC repeats its call for the EU, in supporting the World Trade Organization, to show global leadership in promoting rules to realise a progressive, fair and sustainable trade policy. It must continue to work closely with others to reform the World Trade Organization, not least to establish rules that ensure countries respect and implement the Sustainable Development Goals. Here, the EU and its Member States should use their leverage and advocacy throughout the various World Trade Organization committee structures, especially covering those new areas such as trade and decent work.

The EESC sees it as vital that EU trade and investment policy address all significant consequences of market opening, and limit negative impacts as far as possible, including social and transitional costs. The European Globalisation Adjustment Fund must, under any Multiannual Financial Framework, provide for sufficient funding to cover negative trade impacts and any limiting conditions and criteria for its application be re-examined.

The EESC again emphasises that nothing in a trade agreement must be allowed to limit the public policy space of governments to regulate, as they see fit.

The EESC restates its belief that enforcing Responsible Business Conduct through trade policy is important in enhancing the EU's global trading position and in supporting sustainability.

The EESC calls on the new Commission to reconfirm its Horizontal Provisions for cross-border data flows and for personal data protection in EU trade and investment agreements.

The EESC believes that a more fundamental policy discussion on the role of trade and investment is essential to ensure a greater understanding of both its drivers and economic impact. EU evaluation policy needs to focus more on assessing qualitative elements of trade agreements, with the full involvement of civil society and the EESC.

The EESC again strongly urges that the European External Action Service must become more trade aware. Equally, the EESC repeats its call for a closer, more coherent and transparent cross-collaboration between DG Trade and other Directorates-General, most notably DEVCO and EMPL.

The EESC demands that dialogue with civil society on trade and investment policy throughout and beyond negotiations must become far more profound and its monitoring role be strengthened. This dialogue must be developed on a basis of further transparency and continuous improvement.

The EESC was foremost in welcoming the emphasis in "Trade for All" on sustainable development, especially in human and social rights and the environment, and the inclusion of Trade and Sustainable Development chapters in all new-generation trade agreements. These need to become core to the promotion of EU trade and investment policy. Effective enforceability is now key to realising these commitments to ensuring a level playing field for EU businesses abroad.

The EESC has previously recommended both that there should be a specific clause to promote the Sustainable Development Goals in all future mandates for Trade and Sustainable Development chapters, and that, following the Paris Agreement, combating global warming should now also be included as an integral part of EU values.

Increased trade flows will mean further increases in transport, where greenhouse gas emissions are already notably high. The EESC therefore calls both that all modes of transport become part of an enhanced sustainable and just transport policy, and that a clear policy link between trade and transport be established, not least in meeting the relevant Sustainable Development Goals commitments.

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# **SUBCOMMITTEE**

* ***Leaving no one behind when implementing the 2030 Sustainable Development Agenda***

**Rapporteur:** Peter Schmidt (Workers' Group – DE)

**Co-rapporteur:** Lutz Ribbe (Diversity Europe Group – DE)

**Reference:** Own-initiative opinion

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**Key points**

The UN Sustainable Development Goals are paving the way for a better and more sustainable future for all. At the heart of the Sustainable Development Goals is a commitment to ensure that "no one is left behind, by reaching the furthest behind first" in the shift to a sustainable and resilient path, and that no goal is considered to have been met unless it has been met for all.

The EESC believes that social concerns should be addressed in full synergy with environmental and economic ones. The implementation of the Sustainable Development Goals in the EU requires merging the social with the economic and environmental dimensions of sustainability, bringing about a systemic change and overcoming the silo thinking prevalent in current EU strategies. The value of defining measures and policies through the multidimensional lens of the 2030 Agenda is undeniable. Tackling the social question will be absolutely crucial in implementing this agenda. If compared with environmental or economic dimensions, both social issues and regional cohesion have so far been seen more as separate policy areas rather than as a truly integral part of sustainability policy.

The transition to a sustainable, carbon-neutral and resource-efficient economy requires fundamental changes in our society and in our economy. Those changes will imply chances but also risks. Leaving no one behind means that all members of society and especially those that are further behind have a real chance to seize the chances and are well prepared for coping with the risks. This requires an active policy. Leaving no one behind also entails re-empowering as many people as possible to play a positive and active role so that they can fully take part in the transition.

To achieve the implementation of the Sustainable Development Goals and leave no one behind, the EESC calls on the European Commission, Parliament, Council and Member States to:

* + - set up a European Green and Social Deal as part of an overarching "EU 2050 Sustainable Development Strategy" make a systematic assessment of the potential negative/positive   
      side-effects of the transition on Europe's population (especially poor and vulnerable groups) and structurally weak regions and better understand the intergenerational drivers of sustainability and inequality;
    - set up the appropriate governance structures and tools to implement the Sustainable Development Goals and the European Green and Social Deal, e.g. using the European Semester, better regulation and the MFF, including the cohesion and social funds to drive transformation;
    - develop a wider understanding of the "just transition" (beyond coal) and fully implement the European Pillar of Social Rights in support of it, while driving reforms of redistributive systems (tailored taxation, social protection, and sustainable and social investments) as well as work-life balance and gender equality;
    - ensure equal access as well as equal opportunities regarding adequate education and training for all;
    - overcome barriers to active participation by citizens who do not have the necessary financial and social capital, the necessary knowledge and information, and access to opportunities;
    - introduce policies that both benefit citizens and protect the environment, e.g. air pollution plans prioritising vulnerable groups, green social housing policies, etc.;
    - promote a social and collaborative economy within the sustainability transition (e.g. skills, circular economy, energy transition, foster cooperatives);
    - provide small and medium-sized enterprises with support to succeed in the transition and achieve sustainable competitiveness, through better access to skills, finance, innovation and technology;
    - enhance quality job creation;
    - design a strategy to ensure that not only cities but also rural communities become more inclusive, resilient and sustainable;
    - strengthen climate protection and adaptation in Europe to fight desertification and address water scarcity and depopulation;
    - give young people and future generations a meaningful voice and make them count in sustainability decision-making;
    - promote a sustainable trade policy, which internalises the positive and negative social and environmental externalities of trade.

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