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Brussels, 1 September 2020

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| **PLENARY SESSION 15 AND 16 JULY 2020** **SUMMARY OF OPINIONS ADOPTED** |
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The plenary session of 15 and 16 July 2020 was attended by **Peter Altmeier**, German Federal Minister for Economic Affairs and Energy; **Margaritis Schinas** European Commission Vice-President in charge of Promoting our European Way of Life; and **Paolo Gentiloni**, European Commissioner for the Economic and Monetary Affairs, Taxation and Customs Union.

The following opinions were adopted at the plenary session:

# **SINGLE MARKET, PRODUCTION AND CONSUMPTION**

1. ***White Paper on Artificial Intelligence***

**Rapporteur:** Catelijne Muller (Workers' Group – NL)

**Reference:** COM(2020) 65 final

EESC-2020-01110-00-00-AC

**Key points**

The EESC:

## stresses the importance of enhancing investment, infrastructure, innovation and skills;

## urges the Commission to promote a new generation of AI systems that are knowledge-driven and reasoning-based, and that uphold human values and principles;

## calls on the Commission to: (i) foster multidisciplinarity in research; (ii) involve relevant stakeholders in the debate around AI and (iii) keep educating and informing the broader public on the opportunities and challenges of AI;

## urges the Commission to consider in more depth the impact of AI on the full spectrum of fundamental rights and freedoms;

## continues to oppose the introduction of any form of legal personality for AI;

## recommends that the Commission draw up a list of common characteristics of AI applications or uses that are considered intrinsically high risk, irrespective of the sector;

## is of the opinion that the widespread use of AI-driven biometric recognition for surveillance or to track, assess or categorise humans or human behaviour or emotions, should be prohibited;

## advocates early and close involvement of the social partners when introducing AI systems at workplaces;

## calls on the Commission to assume a leadership role so as to ensure better coordination within Europe of applied AI solutions and approaches used to fight the coronavirus pandemic.

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1. ***New Circular Economy Action Plan***

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

**Co-rapporteur:** Cillian Lohan (Diversity Europe Group – IE)

**Reference:** COM(2020) 98 final

EESC-2020-01189-00-01-AC

**Key points**

The EESC:

## considers that the measures aimed at making the transition should be taken into due account when drawing up the plans for economic and social reconstruction after the devastating situation caused by COVID-19;

## is of the view that the European Circular Economy Stakeholder Platform should be developed and extended and could propose and support a number of policy initiatives that would be of practical help in facilitating the transition to circularity;

## highlights that the complementarity between climate change, circular economy policies, and corporate social responsibility should be recognised, and that the proposed pact for skills and jobs in the European Social Fund Plus is an excellent opportunity to implement the envisaged programmes;

## states that the Commission should issue delegated acts to determine the characteristics of various commonly used products which, after use, can feed into other products;

## proposes that eco-design be expanded, that standards should be framed to ease the transition to the new functional economy, that advertising shift from its highly consumerist orientation to product durability and reuse possibilities, and that consumers be given better information on product management, traceability and transparency to enable the flow of information on composition and repair possibilities.

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1. ***Shaping Europe's digital future***

**Rapporteur:** Ulrich Samm (Employers' Group – DE)

**Co-rapporteur:** Jakob Krištof Počivavšek (Workers Group' – SI)

**Reference:** COM(2020) 67 final

EESC-2020-01188-00-01-AC

**Key points**

The EESC:

## advocates a European path to digitalisation by seizing the opportunities for the economy together with the protection of our data to ensure privacy and self-determination;

## is convinced that such dynamic development also calls for flexible and adaptable processes that require constant dialogue between the parties involved;

## calls on the Commission to better distinguish between technical and social competences, as education and training that provide digital skills are the key to being prepared for a digital life;

## notes that the Commission intends to make a clear distinction between high-risk and low-risk applications and emphasises that a detailed and thorough analysis of the various applications is needed.

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1. ***Industrial strategy***

**Rapporteur:** Mihai Ivașcu (Diversity Europe Group – RO)

**Co-rapporteur**: Dirk Bergrath (Workers' Group – DE)

**Reference:** COM(2020) 102 final

EESC-2020-01112-00-00-AC

**Key points**

The EESC:

## firmly believes that if Europe is to maintain its leading role in the world, it needs a strong, competitive industrial base;

## recognises the crucial importance of shifting to a carbon-neutral economy and of reversing the current curve of biodiversity collapse. Without a green industrial strategy as a cornerstone of the Green Deal, the EU will never succeed in reaching a carbon-neutral economy within one generation;

## recognises that the circular economy is key for developing Europe's future economic model. It must explore viable and economic alternatives to fossil fuel and give weight to decentralised and cooperative clean energy solutions. The circular economy will also greatly improve the resource-efficiency of economic activities as well as reduce our dependence on imports of critical raw materials.

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1. ***Single Market Enforcement Action Plan***

**Rapporteur:** Gerardo Larghi (Workers' Group – IT)

**Co-rapporteur**: Gonçalo Lobo Xavier (Employers' Group – PT)

**Reference:** COM(2020) 94 final

COM(2020) 93 final

EESC-2020-01412-00-00-AC

**Key points**

The EESC:

## believes that for too long the insufficient or inadequate application of EU rules has been the Achilles heel of EU law, and that therefore many instances of fraud and illegal behaviour have not been dealt with;

## urges the Commission to include in the action plan a clearly defined role for civil society actors, entrepreneurs, workers and consumers;

## stresses that the crisis linked to the spread of COVID-19 entails serious risks for the single market, namely that differences between EU countries in terms of economic development, social guarantees and levels of prosperity could increase after the pandemic is over;

## notes that despite the real achievements of the single market, businesses and consumers still report too many remaining obstacles.

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# **Economic and Monetary Union, Economic and Social Cohesion**

* ***Taxation of the collaborative economy – reporting requirements***

**Rapporteur:** Ester Vitale (Workers' Group – IT)

**Reference:** Additional opinion

EESC-2019-03060-00-01-AC

**Key points**

The EESC:

## underlines that taxation and tax policies must adapt to constant developments in the collaborative economy. In this respect, new or special tax regimes should not be developed and the EESC considers that it would be more appropriate to adapt current tax rules and models to the new economic situation, maintaining a level playing field for the various stakeholders;

## asks that national tax systems take account of the collaborative economy and digital platforms, upholding the principles of a fair tax system (i.e. consistency, predictability and neutrality) in this sector, while at the same time guaranteeing the public interest of all relevant parties' discharging their tax obligations;

## believes that both tax policies applicable to the digitalisation of the economy and the devising of instruments and working solutions must be coordinated at international level. The EESC is therefore very pleased that the Commission, the Member States and the OECD/G20 are working together, recognising that the types of cooperation already in place have already produced tangible results and may produce further, more significant ones in future;

## stresses that international, European and national institutions must act effectively and rapidly in order to deal with the questions raised by the digital and collaborative economy, taking a proactive rather than a merely reactive approach to the emergence of specific issues;

## emphasises that one issue crucial for the tax systems applicable to the collaborative economy is the obligations incumbent on digital platforms with regard to collecting, communicating to tax authorities and keeping information on transactions (reporting obligations). These obligations should not constitute an excessive administrative burden for platforms;

## considers that sharing information properly within a functional and proportionate system for collecting and exchanging data could make the work of tax authorities easier and establish a reliable and predictable system for businesses, which would be beneficial for the entire collaborative economy;

## calls for the development of a European standard for collecting the data and information on their own users that platforms will have to communicate to the tax authorities and keep. Reporting obligations should be clear and harmonised across the Member States. A European standard could limit unilateral action by Member States which creates a counterproductive patchwork of rules and uncertainty as to which rules apply in the internal market;

## stresses that the exchange of information between private parties and public authorities must naturally comply with European legislation on the protection of privacy and the processing of individuals' personal data, and meet the criteria of need, proportionality and strict interpretation of any waivers granted from the broad principles in the field of privacy for the purpose of enforcing tax rules.

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* ***Inclusive and sustainable Banking Union***

**Rapporteur:** Giuseppe Guerini (Diversity Europe Group – IT)

**Reference:** Own-initiative opinion

EESC-2020-00995-00-00-AC

**Key points**

The EESC:

* believes it would be useful to further increase the proportionality of banking rules, without sacrificing the effectiveness of prudential rules;
* endorses the recent decision to push back the date for implementing the Basel III accord, and feels that when the time comes, the new provision on capital requirements should be transposed in a way that caters properly for the diversity of banking business models in Europe;
* calls for greater recognition of the unique role played by both small regional and community banks as well as by the larger cooperative banks. In cases where the latter contribute to systemic risks, this must be duly taken into account in regulation and supervision;
* believes that European banks, including regional and cooperative banks, will play a key role in economic recovery following the COVID-19 emergency, supporting the economy and employment;
* is convinced that a diversified banking system, fed into by a range of stakeholders and rooted in regions and local communities, is also an important guarantee for preserving shared, participatory social responsibility of citizens, small and medium enterprises and individual economic operators substantially involved in the real economy.

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* ***Taxation mechanics for reducing CO2 emissions***

**Rapporteur:** Krister Andersson (Employers' Group – SE)

**Reference:** Own-initiative opinion

EESC-2020-01132-00-01-AC

**Key points**

The EESC:

* believes that there are well-founded reasons to establish uniform rules within the EU to combat global warming and based on these to embark on international discussions with other trading blocs;
* argues that there is a need to address global warming in a global, comprehensive and symmetrical way, taking into account the level of CO2 in the atmosphere;
* deems that, in the future, it could be useful and necessary to also devise new taxation measures that can supplement the current emissions trading system and national carbon taxes in order to achieve an effective and symmetrical policy framework to tackle the increasing amount of CO2 emissions;
* praises the Commission's approach, since it seems a good step in order to establish more effective carbon pricing throughout the economy. Such a tool should be coordinated with other additional instruments, including a new approach to taxation within the EU internal market in a coherent policy framework, as well as with other similar tools implemented in other jurisdictions worldwide;
* encourages the Commission to undertake concrete initiatives to establish similar carbon taxes in the Member States in order to harmonise the efforts towards an effective reduction of the CO2 level. An ideal outcome should create uniform conditions across the EU single market with regard to the emissions/reductions to be taxed, as well as the specific methods and rates of taxation for an equal impact on the level of CO2 in the atmosphere;
* believes that even with the new taxes and additional measures being implemented, global warming is likely to continue unless already-emitted CO2 can be taken out of the atmosphere;
* encourages the development, through dedicated investments, of carbon capture and storage and carbon capture and utilisation technologies, both at the EU and national level, since they contribute to the objective of reducing the impact of CO2 emissions and, more generally, to both the sustainable development goals promoted by the UN and the objectives of the Paris Agreement on climate change;
* draws attention to other policy instruments for carbon reduction. These range from new technologies to land management practices, which should be encouraged and supported both at the EU and national level;
* stresses the need for efficient measures to be implemented in a socially acceptable way for all.

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* ***Enhancing sustainable economic growth across the EU***

**Rapporteur:** Philip von Brockdorff (Workers' Group – MT)

**Reference:** Own-initiative opinion

EESC-2020-01131-00-00-AC

**Key points**

The EESC:

## emphasises that the COVID-19 crisis should not steer the EU away from its medium and long-term objectives, as outlined in the European Green Deal, 2020 Sustainable Growth Strategy, and the European Pillar for Social Rights;

## believes that EU operators need to rethink supply-chain strategies, including diversification, as well as the realignment of supply chains across multiple sectors;

## believes that the EU needs to play a more prominent role in world trade, which is vital for EU companies and their business prospects and that a level playing field in a wide range of aspects (not least international labour standards, fair competition and compliance with climate change targets) for global firms operating in a global marketplace should apply;

## believes that the economic problems and other consequences created by the COVID-19 crisis suggest that a change in the *modus operandi* of businesses within the EU and across the globe is necessary;

## believes that any attempt to achieve and enhance sustainable growth requires government direction and regulation in all areas of economic activity and environmental protection, with an emphasis on mainstreaming environmental protection into economic activity;

## underlines that open dialogue with social partners and civil society remains key to setting the economic direction;

## believes that aid offered to businesses, both at the national and EU level, must be conditional on attaining the goals set out in the European Green Deal and the 2020 Sustainable Growth Strategy, and on evidence of social progress;

## believes that a revision of existing rules of the Stability and Growth Pact may be deemed necessary during the post-COVID recovery phase;

## is of the view that a cornerstone of sustainable economic growth in the EU must be the creation and development of a truly circular economy;

## underlines the role of innovation and digitalisation and investing continuously in human capital in facilitating the transition towards sustainable growth;

## believes that for an economy to continue to grow sustainably in the future, it needs to increase its capacity to grow, but only to the point where such growth adds value to the economy by increasing both wages and surpluses, thereby increasing demand in the Single Market, and without infringing on acquired rights such as social protection and collective bargaining.

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* ***Recovery plan for Europe and the MFF 2021-2027***

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

**Rapporteur-general:** Petru Sorin Dandea (Workers' Group – RO)

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

**Reference:** COM(2020) 443 final – 2018/0166 (APP)

 COM(2020) 441 final – 2020/0111 (NLE)

 COM(2020) 442 final

 COM(2020) 445 final – 2018/0135 (CNS)

 COM(2020) 446 final – 2020/0109 (APP)

 COM(2020) 456 final

 COM(2020) 459 final – 2018/0224 (COD)

 EESC-2020-02886-00-00-AC

**Key points**

## The EESC:

* strongly supports the Commission's proposal – Next Generation EU – as a specific tool for a quick and effective recovery;
* takes a very positive view of the Commission's two main decisions: The first is to introduce an extraordinary financial recovery instrument as part of the multiannual financial framework. The second is to raise common debt, which will be repaid over a long period of time, and prevent the extraordinary financial burden from falling directly on the Member States in the short run;
* welcomes these two key decisions because the economies of the Member States can no longer resist the adverse effects of the crisis on their own because they are all highly dependent on each other due to the many years of consolidation of the single market;
* is of the opinion that Next Generation EU gives a signal as to how to mobilise and utilise the common EU financial resources in the future;
* considers the total amount of EUR 750 billion to be gigantic, but certainly not beyond the EU's economic means;
* appreciates the innovative and original approach that the European Commission is taking to increase the EU's fiscal base and considers this response to be a signal as to how to mobilise and utilise the EU's common financial resources in a modern way in the future;
* strongly welcomes the fact that the newly proposed instrument should be closely coordinated with the European Semester process;
* welcomes the Commission's proposal for an EU budget that intends to introduce additional genuine own resources based on different taxes (revenues from the EU Emissions Trading System, digital taxation, large companies' revenues);
* strongly calls for the measures proposed by the Commission to be made operational as soon as possible, with the time factor being essential. It therefore calls on the Council to reach a consensus without delay;
* would finally like to note that the crisis has once again accentuated the need to speed up the reforms undertaken for the eurozone and overcome the limitations that still prevent genuine economic, social, fiscal and political integration.

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* ***Recovery and Resilience Facility and Technical Support Instrument***

**Rapporteur-general:** Dimitris Dimitriadis (Employers' Group – EL)

**Reference:** COM(2020) 408 final – 2020/0104 (COD)

 COM(2020) 409 final – 2020/0103 (COD)

 EESC-2020-02808-00-00-AC

**Key points**

The EESC:

* welcomes the proposed Recovery and Resilience Facility (the "Facility");
* believes that the "Facility" should support the transition towards climate neutrality and digital economy via funds from Next Generation EU to help alleviate the socio-economic impacts of the transition in the regions most affected. In light of the coronavirus crisis, not only the need for a sustainable, green and digital recovery has become even more pressing, but also the need to provide support to the most vulnerable regions;
* thinks that the plans submitted by the Member States should address the main challenges identified in the European Semester and should be harmonized with the principles of European Green Deal and Digital Agenda;
* thinks that the plans should provide support to Medium and Small size enterprises through direct financial support;
* underlines the need for a quick and effective coordination of actions at the level of European Commission, European Parliament and European Council so as to avoid delays that will jeopardize the achievement of Facility goals. An immediate and full response of the Member States is required given the short time within which the various project plans should be prepared and completed;
* encourages Member States to cooperate closely with the European Commission in the fields of approving, monitoring and successful completion of the project plans submitted under the aegis of Facility, and to share best practices regarding the allocation and disbursement of available funds;
* encourages Member States to integrate the role as well as the views of the social partners and civil society organisations in the plans submitted by them.
* considers the Technical Support Instrument as an efficient complement to the packages of measures that are proposed by the Commission to address the economic fallout of the COVID-19 pandemic.

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* ***Renewed InvestEU programme and Solvency Support Instrument***

**Rapporteur-general:** Ronny Lannoo (Diversity Europe Group – BE)

**Reference:** COM(2020) 403 final – 2020/0108 (COD)

 COM(2020) 404 final – 2020/0106 (COD)

 EESC-2020-02866-00-00-AC

**Key points**

The EESC:

## welcomes the strengthening of the InvestEU programme and the complementary Solvency Support Instrument and calls for swift agreement on these proposals to ensure that both programmes can be made operational quickly and that a sufficient number of eligible projects can be developed to benefit from them;

## asks the legislators to make provisions to ensure that there will not be a funding gap after 2026 and before the start of the MFF post-2027;

## underlines that the COVID-19 crisis does not steer the EU away from its medium and long-term objectives, as outlined in the European Green Deal, the 2020 Sustainable Growth Strategy and the European Pillar for Social Rights;

## considers the InvestEU programme to be especially well-placed to provide long-term funding and to support Union policies in the recovery from a deep economic and social crisis;

## stresses the importance of having a clear definition of which projects are eligible to benefit from the new fifth window, as this is crucial to create complementarity with the other four policy windows;

## advocates for a wider definition of innovation that goes beyond information technology and digitalisation;

## considers that Small and medium-sized enterprises, and in particular micro- and small enterprises, should be explicitly eligible for support under the new fifth window;

## calls for specific and clear guidelines aimed at identifying projects eligible to benefit from InvestEU, as well as on the possibilities for synergies between the numerous EU programmes, thereby ensuring their adequate and efficient implementation;

## welcomes the new Solvency Support Instrument and underlines the importance of ensuring that it can indeed benefit those Member States whose economies have been most affected by the effects of the COVID-19 pandemic;

## underlines the role of the European financial markets in ensuring that these instruments can mobilise the expected amounts of investment, as well as the leading role of the European Investment Bank Group (and European Investment Fund) and the considerable need for an appropriate structure for the implementing partners, especially at national level.

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# **EMPLOYMENT, SOCIAL AFFAIRS AND CITIZENSHIP**

* ***Gender Equality Strategy***

**Rapporteur:** Giulia Barbucci (Workers' Group – IT)

**Co-rapporteur:** Indrė Vareikytė (Diversity Europe Group – LT)

**Reference:** COM(2020) 152 final

EESC-2020-01253-00-00-AC

**Key points**

The EESC:

## calls on the Commission to implement the Gender Equality Strategy;

## recommends adopting gender mainstreaming strategies and advocates a intersectional approach to gender equality;

## encourages the Commission and Member States to ensure that the gender perspective is integrated in COVID-19 recovery measures;

## calls for a stronger commitment to gender equality in the Multiannual Financial Framework 2021-2027, in the implementation of the European Pillar of Social Rights, in the Commission's six priorities for 2019-2024, as well as in the recommendations of the European Semester;

## calls upon the Member States to adopt specific measures to improve educational and careers' guidance to counter gender segregation in education and employment;

## calls for action to remove the digital gender gap and to embed the gender perspective in the digital and artificial intelligence agendas;

## calls on the Commission to urgently proceed with the proposal to introduce binding measures on gender pay transparency;

## urges the Commission to adopt initiatives to eradicate violence against women;

## recommends a systematic approach to care policies (including pay transparency, public services, infrastructure, taxation, transport, the digital and artificial intelligence agendas and EU funds);

## calls the Commission to support the labour market participation of women with disabilities, Roma and migrant women;

## finds that positive actions based on legislative, budgetary, voluntary, organisational and cultural measures are necessary to counter the low representation and participation of women in decision-making bodies;

## asks the Council to proceed with the discussion on the directive on gender balance on corporate boards;

## encourages the media and advertising sector to adopt codes of conduct and ensure gender balance in decision-making bodies;

## asks the European Institute for Gender Equality to include in the Gender Equality Index a focus on gender equality in the media.

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# **CONSULTATIVE COMMISSION ON INDUSTRIAL CHANGE**

* ***The industrial dimension of the Security Union***

**Rapporteur:** José Custódio Leirião (Diversity Europe Group – PT)

**Co-rapporteur:** Jan Pie (Cat. 1 – SE)

**Reference:** Own-initiative opinion

EESC-2020-01401-00-01-AC

**Key points**

We welcome the determination of the new European Commission to enhance the Union's technological sovereignty, and stress the importance of the security sector in this respect. There is no security without technology, and Europe must master the technologies that are crucial for its security.

To achieve this objective, we call upon the European Commission to launch a strategy that strengthens Europe's industrial and technological capabilities in the field of security.

The security industrial strategy should be based on the following principles:

a) the existence of an innovative security industry is crucial for an appropriate level of autonomy and is therefore of strategic importance for the Union;

b) security is a sovereignty issue, which cannot be left to market forces alone. Political will and action are needed to maintain the capacity to develop complex hi-tech security solutions;

c) in light of the COVID-19 pandemic, resilience to large-scale natural and man-made disasters must become a top political priority for the Union and can only be achieved with the support of the European security industry.

The strategy should include the following objectives:

• assessment of Europe's vulnerabilities and critical dependence on non-military security;

• screening of emerging technologies for potential security implications;

• definition of critical "must-have" technologies for which Europe should, for security reasons, not depend on third-country suppliers;

• identification of strategic value chains in the security sector;

• use of EU agencies as drivers for capability planning and harmonisation of national requirements;

• use of security-related EU instruments (ISF, IBMF, Digital Europe, Horizon Europe) for targeted investment in critical security technologies and applications;

• use of other EU instruments (Structural Funds, InvestEU, etc.) for security-relevant investments (infrastructure), ideally through the creation of a Securing Europe Facility (analogous to the CEF);

• use of European procurement and coordination of national procurement to support the relevant industrial base;

• use of capability-oriented funding instruments (such as ISF and IBMF) to foster market uptake of EU security research beyond Horizon Europe;

• identification of possible new legislative initiatives, such as a revision of the Critical infrastructure protection directive or a possible instrument on urban security;

• coordination of relevant EU programmes (defence, security, space, cyber).

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* ***Fostering competitiveness, innovation, growth and job creation by reducing market distortion***

**Rapporteur:** Georgi Stoev (Employers' Group – BG)

**Co-rapporteur:** Thomas Student (Cat. 2 – DE)

**Reference:** Own-initiative opinion

EESC-2020-01347-00-00-AC

**Key points**

Disruptions like coronavirus (COVID-19) threaten to bring the world economy and social life to a standstill. Governments have to offset economic damage with fiscal and monetary policies to prevent its negative impact.

The coronavirus crisis should lead the EU, as part of the general reformulation of industrial policy, to boost the health equipment and pharmaceutical sectors, with a view to ensuring the EU's shared sovereignty and self-sufficiency in these sectors.

The EESC shares the view that international businesses and trade have the potential to contribute to global growth, resulting from a higher degree of specialisation, economies of scale, advanced global value chains and the spread of research and technologies.

The EU policy has to ensure that participants in industrial development do not become victims of unfair economic, social and environmental dumping and industries should become a solution enabler for societal and environmental challenges.

The EESC agrees that globalisation without regulation leads to increased inequality, downward pressure on companies, wages and labour conditions, weakened social security and negative effects on environmental standards. The EESC is concerned that European companies and jobs are coming under pressure from unfair trading practices that do not respect international social and environmental agreements.

The EESC is concerned about the escalation of World trade organisation non-compliance measures and new discriminatory non-tariff arrangements and believes that the EU should support EU Member States, partners, companies and employees adversely affected by the economic crisis and trade wars.

The EESC believes that in order to deal with external challenges, the EU's internal market should become "the best place to invest in".

A common foreign direct investment, the use of the procurement directives, effective trade defence instruments and a sound network of free trade agreements are needed.

The EESC is concerned about the recent negativity regarding international trade and globalisation, and feels that protectionism and nationalism cannot provide the right answers to economic and social problems.

The EESC believes that the Green Deal should integrate new industrial strategy and trade policy in a comprehensive effort to help the environment, without creating a threat to the single market and European companies and jobs, and should set high environmental ambitions for industry as a whole.

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# **AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT**

* ***European Climate Law***

**Rapporteur:** Jan Dirx (Diversity Europe Group – NL)

**Co-rapporteur:** Tellervo Kylä-Harakka-Ruonala (Employers' Group – FI)

**Reference:** COM(2020) 80 final – 2020/0036 (COD)

EESC-2020-01431-00-01-AC

**Key points**

Like many key EU institutions and individuals, the EESC underlines that climate action and the economic reconstruction and recovery from the coronavirus crisis can and must go hand in hand. This can be done by restoring the European economy through the promotion of an effective and fully sustainable package of public and private investments. The EESC thus regards the proposal for a European Climate Law as one of the instruments to contribute to this desired and necessary rebuilding of the European economy.

The EESC supports the approach of a transition to climate neutrality at EU level overall instead of in every Member State individually. This approach has the advantage that an optimal distribution of efforts can be accomplished EU-wide, taking into account relevant differences among Member States. The EESC is also convinced that the greatest support for climate policy will be established if the overall aim is to achieve the highest greenhouse gas emissions reduction at the lowest socio-economic costs.

The EESC urges the Commission to take the impact of the coronavirus crisis fully into account by assessing the 2030 emissions target and to opt for a minimum of 55% reduction by 2030 with the corresponding legislative proposals. The EESC points out that the UN Environment Programme Emission Gap Report 2019 tells us that an even more ambitious 2030 emission reduction target is needed globally to achieve the 1.5°C target set in the Paris Agreement.

The EESC recognises that everyone will have to take extra steps to achieve the set goal of climate neutrality in 2050. The recent Eurobarometer (before the coronavirus crisis) found that 92% of EU citizens support the EU's climate neutrality goal. Retaining the support requires the acceleration of climate action hand in hand with the economic recovery and reconstruction.

The EESC calls on the EU to play an initiating and inspiring role at the postponed November 2020 climate summit in Glasgow and subsequent climate summits in order to engage at least all major players worldwide in working energetically on climate neutrality.

The achievement of the target of climate neutrality in the Union by 2050 at European level is only possible if each country makes its contributions on mitigation and adaptation fully and on time. The EESC therefore supports that the Commission may issue recommendations to a Member State if that Member State's measures are inconsistent with the objective of mitigation or inadequate to ensure progress on adaptation, based on clear and transparent assessment criteria.

The EESC proposes that the full assessment document of any draft measure or legislative proposal in connection with the climate neutrality objective will be made publicly accessible as soon as the assessment is finalised.

The Commission proposal covers quite rightly both mitigation and adaptation, "in accordance with Article 7 of the Paris Agreement".

The EESC proposes setting up a European Climate Pact Stakeholder Platform, as set out in our opinion on the Climate Pact (NAT/785), to organise and facilitate active participation of "all parts of society".

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* ***European Climate Pact***

**Rapporteur:** Dimitris Dimitriadis (Employers' Group – EL)

**Co-rapporteur:** Peter Schmidt (Workers' Group – DE)

**Reference:** Exploratory opinion

EESC-2020-01432-00-00-AC

**Key points**

We are in a climate emergency. At the time of the global health and impending economic crises caused by the COVID-19 pandemic, the EU's commitment to the transition to a sustainable, resilient, climate-neutral and resource-efficient wellbeing economy must be reaffirmed. What we need now are transformational shifts in culture, infrastructure, behaviour, participation and livelihoods that will impact on, but also empower, citizens in multiple ways.

Climate change threatens us all, but, as with the pandemic, it has the most damaging effect on the most vulnerable and marginalised people. It is vital that the transition leaves no one behind.

The EESC underlines that the active participation of all parts of society - enterprises, workers, researchers, consumers, communities and citizens and their organisations - is crucial for mobilising the transition to climate neutrality.

The EESC thus supports the call for the European Union to commit to achieving carbon neutrality by 2050, and accordingly adjust its greenhouse gas reduction target for 2030. The UN Environment Programme Emissions Gap Report 2019 indicates that global emissions need to be cut by 7.6% per year, starting now, in order to limit global warming to 1.5°C. Calculated, this means a reduction target of at least 68% by 2030.

A shift to a participatory model is required at all levels of scale and, in implementing the Climate Pact, the Commission has an important opportunity and obligation to model an innovative approach which will mirror, support and inspire action already happening in civil society, within communities, cities and regions.

Participatory models which are too narrowly focused, or framed in ways which limit the scale of the changes explored, or which are capable of being ignored by the institution that has established them, will serve only to distract and disillusion those that engage.

Europe needs to catalyse systemic change for climate action through innovation (technological and social) by connecting the supply of innovation with demand-side actors, problem owners and those with a high ambition for change. The digital transformation should be guided by the Sustainable Development Goals to avoid risks, including those relating to workers' rights. The implementation of the European Pillar of Social Rights, in tandem with the European Green Deal, provides an opportunity to ensure a just transition focused on the objective of quality jobs for all.

The overall challenges identified most by civil society actors engaging in climate action are a lack of access to finance, a lack of expertise, a lack of staff and a lack of recognition, as well as the lack of a consistent narrative from the EU and the national governments.

Achieving EU and international climate goals will require significant financial resources. The European Green Deal budget (public and private funds), the EUR 750 billion of the recovery fund, including the allocation of funds for the EU semester process, should be focused on sustainable recovery, including climate action.

Funding conditionality on sustainable practices in all sectors should be the norm for designing post-COVID recovery plans geared towards the UN 2030 Sustainable Development Agenda and the Paris Agreement. The COVID-19 recovery response should not be to "bounce back" to where we were before, but rather to "bounce forward" to something new and better.

Capacity building and technical support are necessary for all stakeholders to make the transition to a more resilient and sustainable future. Setting up an EU Climate Finance Forum would stimulate access to finance and remove barriers.

The EESC proposes a European Climate Pact Stakeholder Platform based on the principles of inclusiveness, transparency and genuine participation and ownership by climate actors at all levels.

The Climate Pact should be focused on empowering people to change systems - through exploration, experimentation and demonstration. Multi-level perspectives, visioning, story-telling and backcasting will all be crucial. A wide variety of climate initiatives should be fostered and facilitated.

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* ***Introduction of safeguard measures for agricultural products in trade agreements***

**Rapporteur:** Arnold Puech d'Alissac (Employers' Group – FR)

**Reference:** Own-initiative opinion

EESC-2020-01588-00-00-AC

**Key points**

The competitive advantage of third country producers which are not required to comply strictly with European standards is significant. Thus, in the last agreement signed with Canada, the Canadian producers had the possibility to apply a quarantine for phytosanitary products banned in the EU, such as atrazine, which significantly reduces their production cost. Countries in North and South America use genetically modified seeds authorised for marketing in the EU but not for production, particularly for vegetable proteins such as soya.

The introduction of mirror measures in EU rules on imports should, on the one hand, ensure the same protection for consumers regardless of the origin of the products and, on the other hand, limit economic distortions for European operators.

Commitments to reducing greenhouse gas emissions are a major international challenge. If some countries do not respect them, they should not benefit from them in terms of trade. A carbon border adjustment mechanism should be put in place in the agri-food sector. Due to its complexity, and pending its approval, safeguard clauses specific to the Paris Agreement should be obtained from the World Trade Organisation and included in all free trade agreements negotiated by the European Commission.

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

* ***Evaluation of the Trans-European Network - Transport (TEN-T) guidelines 2013–2020***

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

**Reference:** Information report

EESC-2019-03628-00-01-RI

**Key points**

The EESC shares the stakeholders' doubt that the Core Network can be completed by 2030, but considers this target important to push Member States to work harder and believes that several major cross-border projects might be completed by that date. From the questionnaires and fact-finding missions, it emerged that the main obstacles to achieving timely implementation of the TEN-T projects include changes in national political priorities.

Participation and monitoring of civil society regarding corridor and project development are fundamental to implement them in the most appropriate way. Where this has been done at an early stage through widespread information to people, projects are advancing quite well, while where this has not be done, it faces strong resistance from part of the population.

Maintenance of TEN-T infrastructures is an issue that has been greatly underestimated in several countries where it is now emerging as a serious problem, while in others it has been properly undertaken. The EESC calls for urgent national plans for ordinary and extraordinary maintenance funding and believes that it is appropriate to implement a core network monitoring plan at the European level.

With regard to territorial cohesion, the EESC considers that Core Network Corridors have to be better linked to the regional, urban and local dimensions. To be in line with the new Commission's geopolitical objectives, it is necessary that the Core Network Corridors are better interconnected with the rest of the world for goods and passengers. As a priority, a Forum should be established including neighbouring countries to facilitate the integration of the TEN-T Network with the rest of the world, widening the macroregional strategies.

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* ***Evaluating the European Energy Union – The social and societal dimension of the energy transition***

**Rapporteur:** Christophe Quarez (Workers' Group – FR)

**Reference:** Information report

EESC-2019-03633-00-01-RI

**Key points**

The EESC emphasises the urgent need to set up an effective dialogue process on EU energy policy and the importance of EU action to ensure high-quality information for EU citizens on clean energy solutions. In particular, it asks the European Commission to propose introducing definitions of energy poverty and common indicators at EU level, and supports the initiatives of the EU and the Member States to introduce ambitious renovation strategies with the goal of renovating 3% of buildings every year, therefore facilitating innovation and creating many local jobs.

The EESC also stresses the importance of high-quality training for workers and the need to make the energy sector more attractive to young Europeans and urges the EU and its Member States to support clean-economy start-ups, particularly disrupted by COVID-19 and its consequences. It supports the EU's initiatives to anticipate and mitigate the inevitable economic and social consequences of the phasing-out of coal, particularly by means of the platform for coal regions in transition.

The EESC finally asks the European Commission to involve energy communities in the Research and Innovation mission on climate-neutral towns and cities to see how these communities and their innovation potential can contribute to a rapid, just and democratic energy transition. The European Commission should ensure that the EU directives on energy communities are properly transposed into national law so that these communities are fully recognised in every EU Member State.

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* ***European Year of Rail (2021)***

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

**Reference:** COM(2020) 78 final – 2020/0035 (COD)

EESC-2020-02360-00-01-AC

**Key points**

The EESC welcomes the proposal of the Commission and supports its goals, in particular to encourage and support the European Union, Members States, regional and local authorities, social partners and market forces to increase the share of rail in passenger and freight mobility.

The EESC considers that the European Year of Rail will have to bring the broad public of citizens, railway workers, social partners, businesses and academic communities, and European youth in particular closer to the public debate of the EU institutions on EU sustainability and mobility policies and on the future of European mobility to promote rail as a sustainable, innovative and safe mode of transport.

The Year of Rail for the EESC should be an opportunity to communicate on the sustainability credentials of railways, also where available as a suitable replacement for short-haul flights, on the Strategy for Smart and Sustainable Mobility as well as on the EU rail investment policies.

The EESC recommends during the European Year of Rail to assess the quality of rail services and, if necessary, adapt them to the needs of users so that they meet the criteria set out in Protocol°26 on services of general interest annexed to the TFEU, to develop projects that promote a holistic approach to accessibility, to reinforce the link between digitalisation and sustainability, to exchange with the community of investors on possible initiatives against the background of the Commission's sustainable finance action plan.

The EESC calls for initiatives under the European Year of Rail to re-gain the trust of customers in public transport, and rail especially, to communicate better, especially to young Europeans, the attractiveness of a career in the railways, by supporting joint initiatives with social partners, universities, the academic community at large as well as European youth organisations.

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* ***Sustainable rail market in view of the COVID-19 pandemic***

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

**Reference:** COM(2020) 260 final – 2020/0127 (COD)

EESC-2020-03018-00-00-AC

**Key points**

The EESC welcomes the proposal of the European Commission and underlines the importance for the Member States and infrastructure managers to apply as soon as possible the derogations granted for the whole period indicated in the proposal. However, it is suggested that, before the end of the period of validity of the proposed derogations, the European Commission and the legislators should consider extending the validity of these measures, especially in the event that the economic recovery of the sector proves to be slower than expected. The EESC finally stresses the importance of the provisions aimed at ensuring that Member States compensate infrastructure managers for any economic losses caused by the application of the proposed derogations from Directive 2012/34/EU.

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# **EXTERNAL RELATIONS**

* ***Implementation of Free Trade Agreements 1 January 2018 – 31 December 2018***

**Rapporteurs:** Tanja Buzek (Workers' Group – DE)

 Alberto Mazzola (Employers' Group – IT)

**Reference:** COM(2020) 455 final

EESC-2020-00525-00-01-AC

**Key points**

COVID-19 is having a profound and unprecedented impact and Europe needs to respond with a strong, social, sustainable and inclusive EU Recovery Plan that will support companies and people. The upcoming early EU Trade Strategy review needs to draw important lessons from this crisis. The EU is not self-sufficient and depends on access to international markets. It needs resilient, diversified and responsible Global supply chains. Stronger instruments need to deliver on a sustainable trade and investment agenda in all its dimensions. It needs to be consistent with the Green Deal and show equal ambition on the effective implementation and enforcement of labour provisions. European Economic and Social Committee recommendations made in a series of recent and ongoing key opinions on EU trade must inform this strategy review. It should go beyond old trade models, building a new model that is economically resilient, greener, socially sustainable and responsible.

The EESC believes that the role of Domestic Advisory Groups should be fleshed out in the report, to match their crucial role in monitoring, especially now that their scope is about to widen beyond Trade and sustainable development chapters. Via these Domestic Advisory Groups, civil society is able to raise awareness of trade issues, flag concerns and shortcomings. Domestic Advisory Groups should thus be part of Commission and inter-institutional Trade discussions.

To fulfil its informative mission on trade networks and their performance, the annual report should better interlink with past reports and the overall life cycle of trade evaluation policy, i.e. making use of Sustainable impact assessments. During the drafting of future reports, the Commission should consult with civil society.

The report should show the different realities per EU Member State or region, by using national data more consistently and invest in active data collection if needed. Setting criteria is essential for comparisons. International Labour Organisation data should complement on labour violations.

Trade in services deserves a greater focus in the report, and this starts with the collection of more granular data, per sector and mode of supply, to assess businesses' use of Free trade agreement advantages. The revamped Market Access Database should cover services in a consistent way and include a guide for European services exporters and investors. The EESC also regrets the lack of focus on consumers. It would indeed be useful for consumers to see how increases in trade flows can materialise into concrete benefits.

The report shows an asymmetry in the preference utilisation rate between EU exports and imports into the EU. The EC and Members States need to rebalance the situation and increase awareness of trade benefits, in particular amongst small and medium size companies. In cooperation with the EU business community, they should promote FTAs in their national language and develop national implementation action plans for each Free trade agreement. Outreach activities also need to consider importers in partner countries.

It is crucial to improve the transparency of public procurement in Free trade agreements partner countries, i.e. by publishing third country tenders in the EU Tenders Electronic Daily database. Additionally, the EU should promote best practices on how to include environmental and social criteria in public procurement.

The implementation of agri-food provisions seems to be falling short of its ambitious goals. Traceability of products and capacity to enforce the precautionary principle are key to ensure good quality of food and its safe and secure supplies. Efficient monitoring of Sanitary and phytosanitary standards calls for inspections with adequate resources.

Concerned over the lack of progress in compliance and of binding enforcement tools in Trade and sustainable development chapters, the EESC welcomes the overdue legal action in the Korea labour rights dispute and calls for firm progress on the Comprehensive Economic and Trade Agreement review of labour and environmental provisions' effective enforceability.

The EESC strongly welcomes recent initiatives to step up efforts on sustainable trade. With the UK, the EU is aiming for a sustainable level playing field and applying the general dispute chapter with access to remedies. The Paris agreement will be an essential element in all future comprehensive trade agreements. The EESC calls for this clause to be extended to International Labour Organisation fundamental and up-to-date Conventions ratified by all Member States also deserve. International Labour Organisation should be involved in monitoring the implementation of International Labour Organisation Conventions in Free trade agreements. The EESC looks forward to a fresh debate amongst Member States on how to strengthen Trade and sustainable development chapters. This debate needs to keep environmental and labour standards equally high on the implementation and enforcement agenda.

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* ***A post COVID-19 emergency: the design of a New Multilateral Matrix***

**Rapporteurs:** Emmanuelle Butaud-Stubbs (Employers' Group – FR)

**Reference:** Own-initiative opinion

EESC-2020-01551-00-01-AC

**Key points**

The unprecedented magnitude of the COVID crisis requires an unprecedented, long-term and unequivocal response. International trade is a vital tool to finance recovery to get out of the crisis. In these efforts, the EU must stay true to its values and ensure the protection of businesses, workers and people, leaving no one behind. Recovery must be based on sustainability, and inclusive and green growth. Green Deal measures are therefore more relevant than ever.

The COVID-19 hits at a time when multilateralism is experiencing a certain fatigue, embodied in the issues at the WTO Dispute settlement mechanism and the withdrawal of the United States financing from the World Health Organization. This opinion reflects on a "New Multilateral Matrix", building on former proposals, and presents new solutions for the post-COVID-19 era. It aims to inspire new cooperation and more consistency in international organisations' decisions, in matters of trade and investment, decent work, social and human rights, and climate change. It encourages countries to abide by the principle of loyal cooperation in these organisations and boost synergies, rather than exploit loopholes. After each World War, people turned to international organisations to keep peace and prosperity. This unprecedented global sanitary crisis is pushing our boundaries and is thus precisely the moment to rethink global governance rules and to infuse some innovations.

A set of concrete proposals

These proposals take into account legal, political and organisational constraints, and aim to ensure better coordination between:

* + global social standards and climate change and environmental protection commitments;
	+ trade-related rules and climate change and environmental protection treaties; and
	+ trade-related rules and global social standards.

They include greater access to observer status, funding for the promotion of studies, creation of new working groups, enhanced inter-secretariat coordination, common policies in the field of research, interpretation of some existing legal provisions and political commitments like a World Trade Organization Ministerial Statement on Environment and Trade.

The EESC is aware that the changes must be initiated at a political level. We firmly believe that the EU, as one of the few global actors with a constitutional duty and mandate on good global governance, has a crucial role to play in shaping a more efficient multilateral matrix from within. The EU must lead by example and include more binding commitments on compliance with the Paris Agreement and the International labour organisation´s key conventions in its own trade policy.

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