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Brussels, 17 March 2022

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| **567TH PLENARY SESSION23 and 24 February 2022SUMMARY OF OPINIONS ADOPTED** |
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# **ECONOMIC AND MONETARY UNION, ECONOMIC AND SOCIAL COHESION**

* ***Business Taxation for the 21st Century***

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| **Rapporteur:** | Krister ANDERSSON (Employers' Group – SE) |
| **Reference:** | COM(2021) 251 finalEESC-2021-03327-00-00-AC |

**Key points**

The EESC:

* welcomes the long-awaited Commission initiative for the strategy on business taxation in the 21st century. The EESC strongly supports and appreciates the fact that the Commission is aligning its work with the international discussions and agreements;
* encourages the Commission to pursue its Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy[[1]](#footnote-1), taking into consideration the EESC opinion *Package for fair and simple taxation*[[2]](#footnote-2);
* welcomes the G20 Finance Ministers' endorsement of the agreement signed on 8 October 2021 by 136 out of 140 countries in the Inclusive Framework to reach a global and consensus-based package solution on how to allocate taxation rights among countries;
* underlines the effects of the complexity of such ambitious objectives, calling for uniform and globally concerted and coordinated implementation of Pillars 1 and 2;
* emphasises the need for implementation of the tax package both in the EU and, at the same time, in major trading partner countries. If Pillar 1 is not implemented in the US and other major trading partners at the same time, European businesses may be at a competitive disadvantage;
* underlines the importance of having exactly the same rules in Europe concerning Pillar 2 and the effective corporate minimum tax, as the agreed complex rules worked out in the global agreement. Member States should therefore allow sufficient time for a final agreed text to be available before adopting a directive;
* backs the Commission in fighting the abusive use of shell entities aimed at money laundering, aggressive tax planning by individuals and corporations and tax evasion. The EESC looks forward to expressing its views on a concrete proposal addressing the abusive use of shell entities;
* welcomes the initiative of the Commission to create a Debt Equity Bias Reduction Allowance (DEBRA). Investments in new greener technology are connected with a high risk for the investor. In such situations, equity financing is particularly important and the inherent bias against equity financing built into the tax systems needs to be addressed;
* welcomes the *Business in Europe Framework for Income Taxation* (BEFIT) with a single corporate tax rulebook and looks forward to being able to examine a detailed proposal;
* encourages the Commission to address cross-border remote working situations as an integral part of the business taxation strategy;
* encourages the Commission to review the coverage of the VAT system.

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* ***Solvency II – review***

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| **Rapporteur:** | Jörg Freiherr FRANK VON FÜRSTENWERTH (Employers' Group – DE) |
| **Co-rapporteur:** | Christophe LEFÈVRE (Workers' Group – FR) |
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| **Reference:**  | COM(2021) 581 final – COM(2021) 582 finalEESC-2021-05378-00-00-AC |

**Key points**

The EESC:

* agrees that the Solvency II rules have proved their worth. However, the experience of the sovereign debt crisis, the low interest rate policy, the initial impact of the COVID-19 pandemic, and the knowledge that other crises will occur, mean that the regulatory framework should be adapted;
* strongly welcomes the fact that the European Commission is addressing the issue of systemic risks in the insurance sector. The risk profile of insurers is changing;
* points out that in view of the climate crisis, the insurance sector plays a particularly important role when it comes to insurance against the impact of climate change and new environmental risks;
* points out that insurers also face higher risks in their role as investors. In particular, material, liability and transition risks relating to climate change are not properly assessed;
* supports the European Commission's objective of creating a regulatory framework in which the insurance sector plays an even greater role as an investor in financing the transition to a sustainable economy and in tackling the impact of COVID-19 and climate change;
* at the same time, stresses the considerable interest of civil society in ensuring the stability of the financial sector and calls for sound capital requirements and risk preparedness in the insurance sector;
* concludes that instability in the insurance sector would significantly set back efforts to tackle the climate crisis and overcome the pandemic.

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* ***Annual Sustainable Growth Survey 2022***

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| **Rapporteur:** | Judith VORBACH (Workers' Group – AT) |
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| **Reference:**  | COM(2021) 740 final |
| EESC-2021-06074-00-00-AC |

**Key points**

The EESC:

* calls for a foresightful cooperation on the EU´s health policy, a boost to vaccination levels and the adoption of a global approach, in order to have an open debate at EU level on a temporary and voluntary TRIPS waiver;
* advocates a prosperity-focused policy and supports the EU´s "competitive sustainability" agenda. Its four dimensions – environmental sustainability, productivity, fairness and macroeconomic stability – as well as competitiveness, should be placed on an equal footing in order to achieve the intended reinforcing effects and successful transformation;
* believes that the weaker the involvement of parliaments, the social partners and other civil society organisations, the more likely it is that disparities will increase and acceptance decrease, especially with regard to the transformation of the economy to achieve climate neutrality;
* stresses the importance of ensuring a fair distribution of the efforts and gains of the transition and of a sound business climate and of keeping strong industrial value chains in Europe, and calls for European industrial leadership to strive for sustainability;
* believes that a fair productivity approach constitutes a critical driver for competitiveness and upward convergence in the long run, and calls for appropriate proposals on how to guarantee non-treaty protected national rules, since social and labour rights, which are fundamental, are not part of the constitutionally protected freedoms of the internal market;
* fully agrees that Member States should intensify efforts to improve learning outcomes across their education and training systems and that access to life-long learning should be ensured;
* calls on the Commission to scrutinise the distributional effects of pay-outs under the Multiannual Financial Framework (MFF) and Next Generation EU (NGEU) and to secure their contribution to the development of a greener and digitalised economy, as well as to upward social convergence;
* warns against promoting policies that curtail current expenditures relating to social, educational and health expenses and calls for fair revenue policies;
* calls for social imbalances to be monitored, while surveillance under the macroeconomic imbalance procedure (MIP) has insufficiently taken account of interactions between new emerging economic challenges, the EESC also calls for social imbalances to be monitored;
* perceives that we are entering a new phase of economic policy and the evolving 2022 European Semester is a chance to enhance economic, environmental and social sustainability, and stressed that the balanced approach of the competitive sustainability agenda should be reflected in the upcoming country-specific recommendations (CSRs), and greater involvement of the social partners and organised civil society is long overdue;
* stresses that the extent to which it will actually be reflected in the CSRs and the Recovery and Resilience Plans (RRPs) remains unclear, while the reinforced focus on the principles of the European Pillar of Social Rights is welcome;
* believes that economic governance needs to be integrated into the European Semester process in such a way as to ensure the democratic involvement of the parliaments, the social partners and organised civil society.

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* ***Tax-free shops situated in the French terminal of the Channel Tunnel***

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| **Category C opinion** |
| **Reference:**  | COM(2021) 817 final |
| EESC-2022-00760-00-00-AC |

The EESC endorses the content of the proposal for a Council Directive amending Directive 2008/118/EC and Directive (EU) 2020/262 (recast) as regards tax-free shops situated in the French terminal of the Channel Tunnel and feels that it requires no comment on its part.

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# **EMPLOYMENT, SOCIAL AFFAIRS AND CITIZENSHIP**

* ***Introducing HERA, the European Health Emergency Preparedness and Response Authority***

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| **Rapporteur:** | Ioannis VARDAKASTANIS (Diversity Europe Group – EL) |
| **Reference:**  | COM(2021) 576 finalEESC-2021-05193-00-00-AC |

**Key points**

The EESC:

* commends the European Commission's swift creation of HERA, but reminds the importance to preserve democracy and health equity. The EESC is particularly concerned by the very limited role given by HERA to the European Parliament, regional authorities, health insurance bodies and civil society organisations, including social partners, such as trade unions representing workers in the health sectors, as well as public health, patient and equality organisations, service providers and not-for-profit infrastructure and non-commercial research institutions. The EESC believes that these stakeholders must be given an active role in the work of HERA;
* asks the Commission to ensure that the European Parliament, social partners and civil society organisations are involved in HERA’s Board and Advisory Forum in a meaningful way and calls for the creation of a subgroup of the Advisory Forum on an equal footing with the joint industrial cooperation forum. The EESC and the Committee of the Regions should have a seat in this subgroup;
* recommends that more attention be paid to ensuring full transparency with regard to the funds allocated and spent by and through HERA, open contracting and the possibility for civil society to be involved in the oversight of the financial aspects of the authority;
* feels that HERA should ensure better coordination of communication campaigns related to prevention and response to public health emergencies, including by targeting people who are the most at risk, and by working with local authorities, including in relation to education and training on science and vaccination;
* considers that HERA must play an important role in global action against cross-border health threats and pandemics and asks the Commission to lead an open debate at European level on a temporary TRIPS voluntary waiver, which would apply to COVID-19 vaccines, treatments and tests, in order to enable global vaccine production to be ramped up and costs reduced to ensure access for people across the world;
* recommends that, during the 2025 review, the Commission consider transforming HERA into an independent public authority outside the Commission, through a legislative procedure involving the European Parliament as co-legislator, and after consultations with civil society organisations, including social partners;
* asks the Commission to ensure that the financial efforts made to finance HERA do not lead to lower investment in other objectives of the EU4Health programme, in particular the Cancer Plan.

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* ***Reinforcing democracy and integrity of elections package***

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| **Rapporteur:** | Andris GOBIŅŠ (Diversity Europe Group – LV) |
| **Co-rapporteur:** | Carlos Manuel TRINDADE (Workers' Group – PT) |
| **Reference:**  | COM(2021) 734 finalEESC-2021-06449-00-00-AC |

**Key points**

The "Reinforcing democracy and integrity of elections" package was issued by the European Commission on 25 November 2021. The EESC was asked to address two of the three legislative components of the package: the revision of the Regulation on the statute and funding of European political parties and European political foundations, and a proposal for a Regulation on transparency and targeting of political advertising.

The EESC:

* welcomes the aims and motivation of the package but also suggests being **more ambitious** in the Regulations and putting them into action as soon as possible.
* proposes **additional actions to promote conscious political participation by citizens** and a role for civil society in ensuring transparent, accessible and honest political activities.
* supports **including all aspects linked to political campaigning in the election package**, including through a stronger focus on countering disinformation.

Concerning specific aspects of the package:

**On the transparency and targeting of political advertising, the EESC suggests specific proposals for improvement**, including using a broad but clear definition of political advertising; broadening the scope of penalties for wrongdoings; limiting possibilities for non-EU players to exert influence; prohibiting targeted political advertising based on pervasive tracking and processing of information concerning an individual's on- or offline behaviour; limiting or stopping targeting and amplification techniques in political advertising that involve the processing of personal data; completely prohibiting targeting based on special categories of sensitive personal data; etc.

**On the statute and funding of European political parties and European political foundations, the EESC suggests specific proposals** tostrengthen standards concerning gender balance; tackle discrimination and promote human rights; limit donations to parties from countries outside the EU; limit the involvement of EU parties in national referendum campaigns; etc.

**On resilience and strengthening the role of civil society in electoral processes, the EESC calls for** the creation ofan annual event to share best practices and draw up an annual plan to strengthen democracy, participation and civic dialogue and the implementation of Article 11 TEU; support for civil society funding, including for conducting impartial and inclusive "get out to vote" campaigns; the removal of remaining barriers preventing inclusive participation in elections, including for mobile citizens and EU citizens with disabilities; the harmonisation of legislation relating to European Parliament election conditions, etc.

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* ***The impact of COVID-19 on fundamental rights and the rule of law across the EU and the future of democracy***

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| **Rapporteur:****Co-Rapporteur:** | José Antonio MORENO DÍAZ (Workers' Group – ES)Cristian PÎRVULESCU (Diversity Europe Group – RO) |
| **Reference:**  | Own-initiative opinionEESC-2021-03864-00-00-AC |

**Key points**

* The EESC expresses its **deep concern** regarding the way COVID-19 is impacting the life, safety, welfare and dignity of all of the people living in the EU and worldwide.
* The response of the EU and the Member States must **address the systemic vulnerabilities of Europe's health infrastructure**. The EU should align its policies, strategies and programmes to pursue a fair and comprehensive recovery from the crisis, with a view to achieving **upward convergence in medical, social, economic and democratic standards**.
* The EU is based on common **European values which are non-negotiable under any circumstances**. They cannot be forgotten when the EU and its Member States face an emergency and its fallout in terms of economic, social and educational challenges. While the response to the current crisis needs to be swift and warrants certain exceptional and time-limited measures, these cannot go against the rule of law and cannot endanger democracy, the separation of powers and the fundamental rights of European inhabitants.
* In the context of the efforts made through the NextGenerationEU, the EESC reiterates its support for **economic corrective measures with regard to Member States that commit serious and persistent violations of the values listed in Article 2**.
* The EU institutions and Member State governments should use the existing social and civic dialogue institutions to **fully engage civil society organisations and the social partners**.
* Governments should **clearly identify the legal basis for their measures**. Rules and policies related to COVID-19 should be clear, coherent and consistent insofar as is possible, with the provision of information about them in a timely manner, the involvement and consultation of civil society, including social partners, with a view of developing rules and policies, and the inclusion of an evidence-based rationale.
* **Regular reporting to parliament** by government ministers charged with introducing pandemic measures should be required. States should ensure **access to justice** by guaranteeing an independent judiciary and enabling online and remote work by the courts in addition to providing support for vulnerable litigants, witnesses or those subject to criminal or civil proceedings.
* The EESC underlines the connection between protecting democracy, the rule of law and fundamental rights and **implementing the European Pillar of Social Rights** (EPSR). The monitoring of the implementation of the EPSR Action Plan should take into consideration the impacts of the pandemic.
* Supporting vulnerable populations should be a priority, in line with **the principle of "leaving no one behind"**, and particular attention should be paid to vulnerable workers and the fulfilment of Principle 14 of the EPSR on minimum income.
* The EESC believes that the **European Democracy Action Plan** should include a large-scale initiative to foster education on democracy and fundamental rights. The initiative should be inclusive and addressed to all citizens, with a special focus on young people.

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

* ***The social challenges of greening maritime and inland waterway transport***

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| **Rapporteur:** | Pierre Jean COULON (Workers' Group – FR) |
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| **Reference:**  | Own-initiative opinion |
| EESC-2021-03124-00-00-AC |

**Key points**

* The EESC reiterates its support for the conclusions and recommendations of opinions TEN/751 *FuelEU Maritime* and TEN/752 *NAIADES III*.
* In these fields, "close cooperation with all stakeholders in the maritime cluster and supply chain is necessary to ultimately reach this goal".
* The same applies for the necessary "interest in creating intermodal terminals", allowing for "the development of inland waterway transport in cities, contributing to a better quality of life".
* The EESC believes that maritime and inland waterway transport greening must take into account the health and quality of life of those living in the vicinity of navigation channels and ports.
* Consequently, the port authorities, local and regional authorities, and transport stakeholders must work together to rethink the links between cities, ports, and transport stakeholders. The greening transition can only happen once adequate training aimed at employees has been put in place.

These recommendations are integral for the future enhancement of the blue economy.

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* ***Energy prices***

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| **Rapporteurs:** | Alena MASTANTUONO (Employers' Group – CZ)Thomas KATTNIG (Workers' Group – AT)Lutz RIBBE (Diversity Europe Group – DE) |
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| **Reference:**  | COM(2021) 660 final |
| EESC-2021-05406-00-00-AC |

**Key points**

* The EU is on its way to deliver the 2030 climate targets that will lead us to the climate neutral economy by 2050. Besides the huge investments required by the transition, it also requires an adaptation of the whole energy ecosystem. With the push for an exit from fossil and – in some Member States - nuclear energy, the situation narrows the availability of other sources and strengthens dependence on those few that remain. This renders the European energy system more vulnerable, mainly in terms of volatility in prices, and needs a quick reaction in order to ensure a stable and predictable energy price environment.
* The current energy price crisis would not hit European citizens and companies so hard if Europe wasn’t so highly dependent on imports of fossil fuels. Certain countries exploit this dependency for geopolitical purposes. As a result, European businesses and consumers suffer. The Most Members States have still not succeeded in reducing this dependency although the Commission defines this goal, amongst others such as putting the consumer at the centre of the energy system, as one of the strategic objectives for the Energy Union. In both regards, European energy policy is lagging far behind its own ambitions.
* Because of growing electrification needs, generally accepted as a key vehicle for delivering on Europe´s decarbonisation objectives, Europe needs significant investment in sustainable zero and low-carbon energy sources. This underlines the need to maximise efforts to increase the share of renewable energy, which could have a price-depressing effect and will certainly increase the EU's energy autonomy.
* National regulators need to play an active role in addressing consumer concerns of all kinds, and proactively inform consumers of their rights in the current high-price phase. Likewise, when setting tariffs, suppliers must be prompted to ensure that stable tariffs continue to be available to consumers and not only so-called "floater" tariffs, which reflect developments on the exchanges.
* The EESC appreciates the direct financial support, as well as the tax-based instruments, as the most effective and immediately disposable measure, helping vulnerable entities. At the same time, it supports a creation of specific Member State solutions, in response to the actual conditions in individual countries.

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* ***New European Bauhaus***

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| **Rapporteur:****Co-Rapporteur:** | Pierre Jean COULON (Workers' Group – FR)Rudolf KOLBE (Diversity Europe Group – AT) |
| **Reference:** | COM(2021) 324 final |
|  | EESC-2021-05345-00-00-AC |

**Key points**

The EESC:

* welcomes the adoption by the European Commission of the communication introducing the concept of a New European Bauhaus (NEB) with the aim of creating beautiful, sustainable, and inclusive places and ways of living that are accessible and affordable for all, in particular in response to the climate crisis. The Committee supports the proposal to link existing EU initiatives to a series of new actions and funding for the NEB, in order to test the policies and tools for "building a better everyday life" as close as possible to local areas, European citizens and their homes.
* intends to get actively involved in the participatory approach promoted by the Commission and in the implementation of a New European Bauhaus movement, in order to maintain dialogue with citizens and civil society, so as to provide solutions for their daily problems and improve their quality of life. It considers, above all, that the concept of a New European Bauhaus should help to bring the EU closer to citizens and local urban and rural areas through appropriate communication, local initiatives and actions to be implemented, and through experiments in daily living and work places.

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* ***Maximum authorised dimensions and weights / road vehicles (codification)***

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| **Category C opinion** |
| **Reference:**  | COM(2021) 769 final |
| EESC-2022-00297-00-00-AC |

In the context of a people’s Europe, the Commission gives great importance to simplifying and clarifying the law of the Union so as to make it clearer and more accessible to citizens, thus giving them new opportunities and the chance to make use of the specific rights it gives them. For this reason, in 1987 the Commission decided to require the codification of all acts after no more than ten amendments.

Therefore, in order to ensure clarity and transparency of the law, this proposal aims to undertake a codification of Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic.

The new Directive will supersede the various acts incorporated in it; this proposal fully preserves the content of the acts being codified and hence does no more than bring them together with only such formal changes as are required by the codification exercise itself.

The proposal thus lays down harmonised maximum weights and dimensions for road vehicles carrying passengers or goods and their trailers. The maximum weights and dimensions and related vehicle characteristics are defined in Annex I to the proposed directive.

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# **SINGLE MARKET, PRODUCTION AND CONSUMPTION**

* ***Tourism and transport / Follow-up***

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| **Rapporteur:** | Panagiotis GKOFAS (Diversity Europe Group – EL) |
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| **Reference:**  | Own initiative opinionEESC-2021-03992-00-00-AC |

**Key points**

The EESC:

* highlights that tourism will not return to its pre-pandemic level: global interdependency, and greener and more digital tendencies in consumer behaviour will determine new business models;
* asks EU/Member State/regional institutions, social partners and civil society organisations to commit to relaunching investments in the long term by taking a comprehensive approach in order to support the construction of a blue economy framework and a joint tourist agenda for 2030/2050, identify appropriate funding pathways and extend credit, since there will be no cash flow for tourism SMEs after the pandemic;
* calls for new policies be introduced, allocating sufficient financial resources to save the sector, and for a long-term sustainable, smart and responsible European tourism policy to be developed; it is important to have a specific EU budget line for tourism, to ensure proper governance and to consider creating a European Tourism Agency.
* proposes setting up a permanent EU or national high-level expert "Micro and Small Business Liquidity and Investment Task Force", including the tourism and transportation ecosystems.

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* ***A Pact for R&I in Europe***

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| **Rapporteur:****Co-Rapporteur:** | Paul RÜBIG (Employers' Group – AT)Panagiotis GKOFAS (Diversity Europe Group – EL) |
| **Reference:**  | COM(2021) 407 finalEESC-2021-05044-00-00-AC |

**Key points**

The EESC:

* highlights that, in the future, Europe should make value creation, business and quality jobs out of Europe's R&D results. One very important tool for this purpose is Intellectual Property Rights (IPR);
* welcomes the call to deepen the European Research Area (ERA), i.e. to move from coordinating national policies to deeper integration of these policies, and the call to accelerate the twin green and digital transitions;
* feels that, in view of the massive investments in RTI in Asia, the EU has to substantially speed up its efforts in R&I, especially regarding the fast transformation of R&D results into innovative products and services, an area where Europe is lagging behind;
* points out that, within the Pact for R&I, Europe must prepare the soil for a more entrepreneurial culture such that risk-taking, innovative businesses are encouraged – MSMEs as well as start-ups.

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* ***Medicinal products for human and investigational use/derogation***

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| **Rapporteur:** | Martin SCHAFFENRATH (Diversity Europe Group – AT) |
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| **Reference:**  | COM(2021) 998 finalEESC-2022-00378-00-00-AC |

**Key points**

The EESC:

* welcomes this package of measures;
* recognises that need to pay particular attention to the situation of smaller EU Member States, Cyprus, Ireland and Malta in particular;
* stresses in particular the central role of a functioning, fair and efficient internal market;
* welcomes the packaging requirements for UK products included in the package;
* draws attention to the need for a timely and sustainable solution, which should be developed within the framework of the European Pharmaceutical Strategy.

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* ***European missions***

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| **Rapporteur:** | Paul RÜBIG (Employers' Group – AT) |
| **Co-Rapporteur:** | Małgorzata Anna BOGUSZ (Diversity Europe Group – PL) |
| **Reference:**  | COM(2021) 609 finalEESC-2021-05466-00-00-AC |

**Key points**

The EESC:

* feels that the five missions are high priorities for the EU and highlights that the competitiveness of Europe's industry is very important in order to achieve them;
* underlines the importance of considering the impact on EU citizens and encourages the Commission to strongly link activities to social policies and the European Pillar of Social Rights;
* supports the idea of empowering 150 climate benchmark regions throughout Europe and recommends increasing the portion of the EU regional budgets earmarked for R&D to a minimum of 10%;
* considers the additional five challenges and missions described below also to be very important so that Europe can:
1. keep up with the USA and Asia in global competition in the areas of research, technology and innovation;
2. tackle the challenges of population ageing;
3. define strategies for the successful integration of the high number of migrants coming into the EU;
4. improve emergency preparedness;
5. cope with the needs of patients with non-communicable diseases impacted by the COVID-19 pandemic, especially those who suffer from cardio-vascular disease.

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# **AGRICULTURE, RURAL DEVELOPMENT AND THE ENVIRONMENT**

* ***Minimising the risk of deforestation and forest degradation associated with products placed on the EU market***

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| **Rapporteur:** | Arnold PUECH D'ALISSAC (Employers' Group – FR) |
| **Co-rapporteur:** | Florian MARIN (Workers' Group – RO) |
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| **Reference:**  | COM(2021) 706 finalEESC-2021-05690-00-00-AC |

**Key points:**

* The European Economic and Social Committee **welcomes the Commission's proposal** for a regulation, which considers s timely and highly relevant.
* The Committee finds that th**e scope of the regulation should be broadened.** (i) The regulation should not only cover deforestation and forest degradation. Products and commodities, the production of which has led to **the destruction of other high value conservation ecosystems** such as savannahs, wetlands, peatlands, mangroves or riparian buffers, **should also be covered** by a prohibition that prevents them from being placed on the European market. (ii) Important forest risk commodities such as **maize, sugar and rubber** should be included in the scope of the regulation as of its entry into force. The regulation should also cover **products from animals fed** with forest risk commodities to avoid leakage and unfair competition. (iii) The regulation must address other very **important social and environmental issues** associated with the production of the products covered, in addition to deforestation and forest degradation. This is all the more important for human rights issues, fair treatment of workers and workers' rights issues. Demanding legality only in the producing country, as stipulated in the proposal, is not sufficient for the exact same reasons that it is not sufficient for avoiding deforestation.
* High priority must be given to making sure that all Member States carry out an **efficient and effective control**, that the necessary funds are dedicated to the initiative, and that systems are in place in all Member States before the entry into force of the regulation.
* **Political cooperation and alignment** on demand-side initiatives with **other major importing countries** should be a top priority.
* The EESC considers that the cost of the proposed regulation **should not be transferred to small-scale farmers** who are barely earning a living income. The Commission should recognise the potential role of smallholders including women as agents of change, and should ensure the effective, free, meaningful, and informed participation of smallholders. The role of certification and the impact of the proposed regulation on farmers, including smallholders and local communities, must be assessed ex-ante and the conclusions from these assessments must be integrated in the regulation before its entry into force. Producers in poor countries should be given enough time to adapt.
* **Penalties should be dissuasive**. At the same time, penalties and zero-tolerance should not lead to risk avoidance. If buyers for the European market avoid areas with non-negligible deforestation risk altogether, then farmers and smallholders in remote areas risk being left behind.
* Europe has a structural protein deficiency, which is currently covered by imported protein-rich feed, some of this coming from deforestation risk regions. **Europe must increase its degree of self-sufficiency in plant protein**. The European Union should also develop a dedicated strategy – linked to Horizon Europe and the EU innovation fund – for developing scaling up production of and making marketable new protein sources.
* **SME exemptions and simplified due diligence** under the country benchmarking system should **not create loopholes** that could render the regulation ineffective. At the same time, the regulation should **not create unnecessary administrative burdens and costs**.
* The EESC considers that **social partners and civil society should play a tangible role in monitoring the effectiveness** of reducing deforestation. The European Economic and Social Committee and the European Committee of the Regions –should become members of the EU Commission multi-stakeholder platform. The platform should be given a central role in overseeing the implementation of the legislation.
* The regulation must be **consistent with the agreements that the EU has with its trading partners**.

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* ***Waste shipments – revision of EU rules***

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| **Rapporteur:** | Anastasis YIAPANIS (Diversity Europe Group – CY) |
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| **Reference:**  | COM(2021) 709 finalEESC-2021-05496-00-00-AC |

**Key points:**

* The European Economic and Social Committee (EESC) welcomes the Commission's Proposal for a new Regulation, and the accompanying Communication, and considers the protection of human health and the environment to be a top EU priority. When technically possible, waste produced in the Union should be recycled within the Union, in an environmentally, economically and socially sound manner.
* The EESC calls on the Member States to adopt the Electronic Data Interchange system (EDI) as soon as possible, agree on adopting harmonised criteria for pre-consent procedures, and empower the Commission to adopt delegating acts for common waste classification. It also calls for the extension of the EDI system to all waste shipments destined for export, import and transit.
* A transition towards new business models that give back to the planet more than what they take is urgently needed. Health and safety and working conditions must be well protected and monitored. The EESC calls for investments in training for workers through a specific allocation under the ESF+.
* The EESC calls for enhanced funding opportunities for establishing and/or modernising the EU's recycling facilities and discovering innovative technologies for the reuse and recycling of waste. Boosting recycling capacity inside the EU's borders will contribute to reducing carbon and environmental footprints and lead to increased employment in this sector.
* The EESC believes that a harmonised financial guarantee calculation should clearly cover all the risks arising from waste shipments, but must not overburden companies, especially SMEs. It also welcomes the Commission proposal for third-party audits led by EU established or authorized auditor by EU notified bodies, with relevant qualification on both facility and country level and considers the social partners and relevant NGOs should be observing procedures. National and European strategies that involve social partners, SMEs and NGOs are needed and have to be promoted through collaborative platforms. The European Circular Economy Stakeholder Platform is an excellent example in this regard.
* The EESC considers that exports of high-quality recyclable waste, and especially waste exports with a high content of critical raw materials, are detrimental to EU sustainability and undermine its global competitiveness.
* All OECD and non- OECD member countries should meet the same strict criteria regarding environmental commitments as are set in the EU and proof of evidence should be provided that all the receiving countries are already managing their own domestic waste in an environmentally sound manner similar to EU standards, as well as ILO core conventions and labour standards.
* The EESC supports the enforcement of the inspection and investigation procedures and calls for full cooperation between Member States and with the Union. Non-confidential data should be made publicly available to all interested parties, including social partners, NGOs, municipalities and citizens.
* The EESC invites the European Commission to assess the possibility of establishing a Market Observatory for secondary raw materials, with a consultative role for the European Commission, that can analyse and recommend sectoral development policies and ways to eliminate the existing bottlenecks, and retain valuable secondary raw materials within the EU.
* Finally, the EESC calls for a maximum two-year transition period after the Regulation is adopted and for a thorough impact assessment of the implementation of the Regulation five years after its entry into force.

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* ***'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality***

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| **Rapporteurs:** | Stefano MALLIA (Employers' Group – MT) |
|  | Cillian LOHAN (Diversity Europe Group – IE) |
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| **Reference:**  | COM(2021) 550 finalEESC-2021-05481-00-00-AC |

**Key points**

* The European Economic and Social Committee (EESC) concludes that **in transiting towards a climate neutral society, we need to embark on a model that results in a thriving economy**. If we want the EU to be a frontrunner and be emulated by the rest of the world, **we should aim at shaping the most successful model – one that is just and sustainable from an economic, social and environmental viewpoint**. Adopting a model which does not lead to growth based on Sustainable Development, would only isolate us in the international area, paving the way for other global competitors to take leadership. EU climate diplomacy will play an important role in promoting the European approach and in ensuring fair competition between the EU and competing continents.
* Reaching the revised 2030 targets, as proposed in the Fit for 55 package, will unevenly impact sectors, regions, communities and individual people across Europe. To address those concerns, the EESC recommends that the European Commission should undertake a granular mapping and analysis of the impacts the transition will have on employment and skills in the different countries, regions and sectors, including on subcontractors and the downstream value chains. There is no one-size-fits-all, therefore **measures aimed at driving the transition will have to be tailor-made reflecting the different realities across Europe**, bearing in mind the need for a level-playing field and the different starting points of Member States.
* The **EU Institutions should develop additional proposals to mobilize massive public and private investments** at European and national levels to support the transition in those sectors and regions that will need to be radically transformed to reduce their GHG emissions. In this regard the EESC is of the firm view that the size and scope of the Just Transition Fund should be significantly increased to match the challenges at stake.
* The EESC calls on the EU Institutions and Member States to propose a **new governance framework** to anticipate and manage changes **related to the green transition in the world of work**. It should also encourage Member States to create tripartite ‘Just Transition Commissions’ to allow regional authorities, social partners and civil society organisations to participate in the implementation of the national and regional Just Transition plans.
* The EESC is of the opinion that the **EU should work towards the objective of climate neutrality** (net-zero greenhouse gas emissions), **while ensuring competitiveness and security of energy supply at affordable cost** for businesses and citizens. Ensuring European competitiveness should go hand in hand with ensuring that EU competitors adhere to the highest environmental and social standards. Strengthening carbon leakage protection against third country imports is essential to ensure environmental integrity as well as social acceptance of EU climate policy.
* The EU regulatory framework needs to **ensure that the most competitive businesses in the coming decades will be the frontrunners in sustainable and low carbon business models**. The EESC is therefore of the firm opinion that regulations should pave the way for the development and market uptake of new technologies, including demand-side measures to create lead markets and incentivise consumption of low carbon products. Furthermore, all legislative proposals put forward within the framework of Fit for 55 should undergo a competitiveness check in line with SDG principles so that the full implications on enterprise are well understood.
* The EESC firmly believes that **specific attention must be given to the economic sectors where there is a strong participation of MSMEs**. MSMEs have the potential to accelerate innovation in products and solutions to decarbonise the European economy.
* There is a strong need for policy coherence, recognising the **interlinked nature of the climate and biodiversity crises**. Reductions in **energy and material consumption, as per Circular Economy, will complement new technologies**. Sectoral strategies and funding models should reflect Fit for 55, for example ensuring landowners/land managers/farmers are compensated for natural carbon storage in soils and that environmentally damaging subsidies are stopped.
* It is essential to clearly and honestly communicate the costs and the benefits for taking the drastic and extensive actions needed to reach climate neutrality for 2050. These changes will affect all sectors and regions and the benefits may not be immediately felt. **Ensuring broad support will require an unprecedented level of understanding and engagement from all members of society**.

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1. [COM(2020) 312 final](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0312&qid=1643120749165). [↑](#footnote-ref-1)
2. [OJ C 155, 30.4.2021, p. 8.](https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2021:155:SOM:EN:HTML) An Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy [↑](#footnote-ref-2)