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***European Economic and Social Committee***

Brussels, 30 March 2015

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| **PLENARY SESSION    ON 18 AND 19 MARCH 2015    SUMMARY OF OPINIONS ADOPTED** |
| **This document is available in the official languages on the Committee's website at:**  [**http://www.eesc.europa.eu/?i=portal.en.documents#/boxTab1-2**](http://www.eesc.europa.eu/?i=portal.en.documents#/boxTab1-2)  **The opinions listed can be consulted online using the Committee's search engine:**  [**http://www.eesc.europa.eu/?i=portal.en.opinions-search**](http://www.eesc.europa.eu/?i=portal.en.opinions-search) |

**Contents:**

[1. **ENVIRONMENT / FOOD** 3](#_Toc415229816)

[2. **ENERGY / TRANSPORT** 4](#_Toc415229817)

[3. **SOCIAL AFFAIRS / EMPLOYMENT** 6](#_Toc415229818)

[4. **ECONOMIC GOVERNANCE / FINANCIAL INSTRUMENTS** 7](#_Toc415229819)

[5. **EXTERNAL RELATIONS** 9](#_Toc415229820)

The plenary session on 18 and 19 March was attended by **Frans Timmermans,** FirstVice-President of the European Commission, and **Jyrki Katainen,** European Commission Vice-President for Jobs, Growth, Investment and Competitiveness.

The following opinions were adopted at the session:

1. **ENVIRONMENT / FOOD**
2. ***The current system guaranteeing food safety and security of the food supply in the EU and ways to improve it (own-initiative opinion)***

**Rapporteur:** Igor Šarmír (Employers - SK)

References: EESC-2014-02479-AS-TRA

**Key points:**

This opinion deals with two slightly different subjects, which nevertheless have a common denominator: reassuring European society about the availability of safe food.

The EU has put in place a robust system to prevent risks associated with the entry of new products, including chemical products, into the food chain. At an institutional level, the European Commission (DG Santé) is responsible for risk management, whilst the EFSA, the European agency with authority for technical matters, is responsible for risk assessment. Implementation of the new system has already yielded some reassuring results for consumers: for example, following in-depth assessments, the number of pesticides authorised in the EU fell dramatically between 2000 and 2008 (from 1 000 to 250). However, it is a worrying development for farmers, who are beginning to feel the effects of the absence of active substances allowing them to carry out pest control. Paradoxically, many of these molecules which are banned in the EU are permitted in third countries which export their produce to the European market.

The EESC believes that the EFSA has proved that it is competent throughout its existence. There is no doubt that it plays a very important role in preventing health risks in Europe. Thanks to the EFSA, the EU has one of the most effective systems for protecting public health in the world.

The EFSA assessment is based on a scientific study which should demonstrate that a particular product is harmless. Under current legislation, this baseline study has to be presented by the requesting party, i.e. the company wishing to put the product on the market. This in itself offers little in the way of reassurance because the findings of scientific studies can differ radically depending on their sources of funding.

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1. **ENERGY / TRANSPORT**

* ***Smart Islands (own-initiative opinion)***

**Rapporteur:** Ana Maria Darmanin (Workers - MT)

**Reference:**  Own-initiative opinion – EESC-2014-05752-00-00-AS-TRA

**Key points:**

Islands have unique characteristics which bring specific difficulties, but these characteristics can be turned around to become opportunities if smart and sustainable development policies are implemented to give islands the competitive advantages that derive from sustainable growth and better jobs.

The EESC proposes a whole series of smart policy recommendations with a view to boosting smart islands, each of which is explained and described in detail in points 4 to 11 below. They relate to:

* the digital agenda: investment in infrastructure, completion of the single market and investment in R&D;
* energy supply: islands as test beds for ocean, tidal, wave, solar and wind energy; and the combination of these technologies;
* urban mobility and transport: H2020 and Interreg having programmes targeted at maritime transport and urban mobility with a view to sustainability in islands; combining state aid with sustainable transport;
* maritime policy: maritime surveillance; R&D in sea mining and oceanography using islands as research centres; impact assessment of islands on maritime policy; role of islands in maritime policy;
* trade in goods and services: best practices of niche trade; adaptation of policy conducive to niche trade on islands; open laboratories for economic and social development in islands;
* tourism: accessibility; specificities of the nature of tourism and impacts of tourism;
* water management: policy with specific characteristics unique to islands; and lastly
* education, training and lifelong learning.

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* ***European cooperation on energy networks (own initiative opinion)***

**Rapporteur:** Pierre-Jean Coulon (Workers - FR)

**Reference:**  EESC-2014-06650-00-00-AS-TRA

**Key points:**

The EESC considers that enhanced European cooperation on energy networks is essential for the general public and businesses.

Civil society and regional players have a key role to play in energy transition, the only means of guaranteeing efficiency, price control and efforts to combat climate change.

The EESC proposes that platforms for discussion between regions and civil society representations be set up on the joint initiative of the European Economic and Social Committee and the Committee of the Regions, to include the economic and social councils or similar institutions of each Member State.

The EESC welcomes the proposal of the Commission in its Energy Union communication to set up an energy forum. This forum should provide for broad civil society consultation, so as to provide for systematic feedback and identification of local best practice, promote discussion on local rules and steer funding towards efficient models and foster acceptance of and commitment to energy issues.

The EESC proposes that a European energy savings account be set up. This account, which could be opened by any European and which would yield a return slightly above the EU annual inflation rate, would tap resources devoted exclusively to European energy projects and would supplement public or private (corporate) funding.

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1. **SOCIAL AFFAIRS / EMPLOYMENT**
2. ***Youth Employment Initiative – pre-financing***

**Rapporteur general:**  Pavel Trantina (Various interests – CZ)

**Reference:**  EESC-2015-01246-00-00-PAC-TRA

**Key points:**

The EESC:

* welcomes the efforts of the European Commission to substantially increase the initial pre-financing for the Youth Employment Initiative (YEI);
* agrees with the Commission about the need to adjust the Parliament and Council regulation on the European Social Fund in line with the proposal that was put forward;
* is convinced that this initiative should encourage Member States to prioritise the fight against youth unemployment in their national budgets. Bureaucratic procedures should neither prevent the efficient delivery of the 6 billion euros allocated to the Youth Employment initiative, nor slow down any other initiatives aimed at efficiently combatting current youth unemployment;
* considers the YEI to be an opportunity to review the future of work in member states – public employment services must become much more pro-active, better synergies between education and training and actors of the labour market must be created, young people must be adequately and promptly informed about their rights and opportunities;
* strongly encourages the involvement of organised civil society in the design and monitoring of the national YEI programmes on a partnership basis. It is convinced that involving the social partners will ensure the consent of large parts of the population and thus social stability[[1]](#footnote-1);
* calls on the European Commission to closely monitor the challenges to the implementation of the YEI and especially to the Youth Guarantee. The monitoring process should not only be based on quantitative analysis but also on more qualitative indicators.

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1. **ECONOMIC GOVERNANCE / FINANCIAL INSTRUMENTS**

* ***Economic governance review (own initiative opinion)***

**Rapporteur:** David Croughan (Employers – IE)

**Co-rapporteur**: Carmelo Cedrone (Workers – IT)

**Own-initiative opinion:** EESC-2014-07288-00-00-AC-TRA

**Key points:**

The European economic governance rules, conceived in crisis, played an important role in fiscal consolidation, economic policy coordination and the furtherance of fiscal integration. However, the EESC is concerned that the cost has been high in terms of growth and employment, largely due to the incomplete nature of economic governance in an economic and monetary union.

The quantitative easing measures now being embarked upon by the European Central Bank need to be matched by greater political initiatives by the Member States going beyond the Investment Plan for Europe.

Concrete mechanisms and instruments for well-designed economic policy coordination leading to convergence and solidarity should be established urgently. This process should not involve Treaty change in the first instance, but the EESC is of the opinion that in the long term Treaty changes will be required.

In the review of the Multiannual Financial Framework in 2016, there is a need to back urgent structural reforms with a common EU interest, including macroeconomic rebalancing, with some form of fiscal capacity such as the Convergence and Competitiveness Instrument.

The EESC is concerned that the structural balance, a non-observable variable based on theoretical and disputed calculations and prone to serious revisions, plays such a key role in the Excessive Deficit Procedure.

More focus should be placed on measures to increase GDP growth in order to reduce high debt/GDP ratios than the budgetary measures to reduce the annual deficit. The Commission should monitor not only the implementation of country-specific recommendations (CSRs) but also carry out an ex-post analysis of its recommendations in achieving an increase in output, growth and high-quality jobs.

The Committee welcomes the emphasis placed on the use of flexibility within the rules of the Stability and Growth Pact, but considers it a limited and partial measure.

A lack of implementation of CSRs could be countered by real involvement of civil society and the social partners in drawing up CSRs.

The Semester process should provide for a stronger role of the European Parliament and be more widely publicised by Member States and the Commission to ensure a better understanding by citizens.

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* ***An Investment Plan for Europe (own initiative opinion)***

**Rapporteur:** Michael Smyth (Various Interests – UK)

**Reference:** EESC-2014-07287-00-00-AC-TRA

**Key points:**

The EESC welcomes the Investment Plan for Europe and appreciates the change of tone away from austerity and fiscal consolidation.

The Investment Plan is a step into the right direction but it does face a number of serious questions about its size, about the high degree of leverage expected, about the potential flow of investment projects, about the marketing strategy for attracting private capital, about the involvement of SMEs, and about the Plan's timescale.

There is uncertainty about whether a pipeline of projects can be developed that offer returns that attract institutional investors. The EESC strongly recommends involving the social partners and organised civil society in the project identification process at national level.

Much greater attention must be paid to establish a conducive and predictable investment environment.

The Plan proposes that contributions to the European Fund for Strategic Investments (EFSI) from Member States will not be included in budget deficit calculations and this is to be welcomed, but the Commission should explain why ongoing strategic public infrastructure expenditures are not treated in the same way.

Strategic public investment such as that envisaged in the Plan which underpins present and future economic development should be incentivised by a more benign European fiscal framework. The EESC invites the Commission to open a discussion on a properly formulated fiscal rule for Europe in full recognition of its many definitional difficulties and in the setting of appropriate conditionalities.

The EESC calls on the Commission to take into consideration the ILO recommendations on attracting viable projects from the regions with the highest unemployment rates, and recommends that the macro-regional strategies are taken into consideration when identifying and assessing potential projects.

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1. **EXTERNAL RELATIONS**

* ***Role of sustainable development and the involvement of civil society in stand-alone investment agreements between the EU and third countries* *(Own-initiative opinion)***

**Rapporteur:** Jonathan Peel (Employers - UK)

**References:** EESC-2014-04461-00-00-AS-TRA

**Key points:**

The EESC dedicates this opinion to EU standalone investment agreements with third countries, such as those with China or Myanmar/Burma, with a particular emphasis on matters related to sustainable development and civil society involvement. The EESC considers this opinion as a contribution to the on-going discussion on the content and level of ambition of sustainable development chapters in the EU standalone investment agreements, and advocates respect for transparency and civil society involvement throughout the process, in the course of negotiations of investment agreements and at the implementation stage, including by means of existing dialogues.

This opinion builds on previous EESC work on the subject matter, in particular its position on trade agreements and investment policy, including Public-Private Partnerships (PPP), as well as the EESC experience in participation in the monitoring mechanisms established by the trade and sustainable development chapters of the recently negotiated and implemented Free Trade Agreements (FTAs).

Based on this, the EESC considers it essential that, similarly as the recently negotiated trade or economic partnership agreements, the standalone investment agreements should also contain a sustainable development chapter with an appropriate mechanism enabling civil society involvement.

While the EESC recalls its overall support for sustainable development, in this context, it puts a particular emphasis on protection of the environment, combating climate change, promoting decent work, health and safety at work and the wide range of issues addressed both by the core International Labour Organization (ILO) Conventions and the key environmental conventions. The Committee also believes that the time has now come to stress actual implementation in such agreements through collaborative efforts involving capacity building both in human resources and technology transfers.

Moreover, the EESC emphasises that any investment agreement reached by the EU must have full synergy with the work of the Open Working Group finalising the comprehensive set of 17 SDGs (Sustainable Development Goals), the lead up to the Paris Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP 15) as well as with the current plurilateral negotiations to reduce tariffs on environmental (green) goods.

The EESC considers that government procurement will need to be covered by any investment agreement, along with Public-Private Partnerships (PPPs), governments working alongside the private sector. The EESC policy on PPP was the subject of its ECO/272 opinion issued on 21 October 2010. Although the opinion was generally supportive of PPP, it also flagged up certain concerns, which are still very relevant. The Committee has also previously stated that PPPs “could be an important instrument for implementing development strategies, assuming they are correctly calibrated and communicate with interested parties”. Any investment agreement must therefore enable the possibility of public investments and PPP. Both have to guarantee that the goals on sustainability are met.

The EESC recommends too that in the sustainable development chapter of any investment agreement, the role of Corporate Social Responsibility (CSR) is covered, including reference to socially responsible investing, such as United Nations-supported Principles for Responsible Investment (UNPRI). To this end, such agreements should encourage public and private financial institutions to voluntarily declare that environmental, social and governance impact data, known as ‘ESG’ criteria, have been factored into their analyses and responsible investment decisions. The EESC notes in this context that full recognition of wider international guidelines and principles in the area of CSR by both negotiating parties is essential. These include the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, which are in the process of implementation. The Committee stresses that any action at either EU or international level should not run counter to or jeopardise these.

With reference to the on-going and any future negotiations on investment agreements, the EESC strongly recommends that the Commission pays particular attention to supporting SMEs and more specialist companies in investment matters as elsewhere. These companies are prime instigators in innovation which is particularly important to maintain and develop sustainability; they make up 99% of the economic fabric in the EU and also create 70-80% of employment.

The EESC also takes note of the changing environment and conditions in which trade and investment relations are developed, including the role of internet and global production and supply chains.

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* ***Protecting against the effects of the extra-territorial application of legislation adopted by a third country (Category C)***

**Reference:** EESC-2015-00987-00-00-AC-TRA

COM(2015) 48 final – 2015/0027 (COD)

**Key points:**

Since the Committee unreservedly endorses the content of the proposal and feels it requires no comment on its part, it decided to issue an opinion endorsing the proposed text.

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1. [OJ C 424, 26.11.2014, p. 1–8](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2014.424.01.0001.01.ENG). [↑](#footnote-ref-1)