

Opinion of the European Economic and Social Committee on ‘Compatibility of EU trade policy with the European Green Deal’

(own-initiative opinion)

(2020/C 429/10)

Rapporteur: **John BRYAN**

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1. Conclusions and recommendations

1.1. The EESC welcomes the European Green Deal, in particular the Farm to Fork (F2F) and Biodiversity Strategies, which are ambitious, will have a major impact on EU farming and the agri-food sector, and will play a central role in future trade deals.

1.2. The EESC is of the opinion that the EU must respond to the COVID-19 crisis with the urgent implementation of the European Recovery Plan, to get the EU economy back up and operating fully again, as quickly as possible taking account of health and environmental risks. The Green Deal should be an integral part of the recovery.

1.3. With the world economy facing an unprecedented recessionary challenge from the COVID-19 crisis, fair and rules-based level playing field trade was never more important to drive economic recovery. A well-functioning open EU single market and international trade are essential. The EESC is of the view that the EU cannot allow its trade policy to slip into a defensive position.

1.4. Fundamental lessons that the EU must take from the COVID-19 crisis include:

- 1) The critical importance of the one health concept, food security and food sovereignty for Europe;
- 2) The need for a strong CAP and a sustainable and resilient supply chain for food and essential health-related products;
- 3) The need for the EU to have a strong well-funded own resources budget to deal with crisis;
- 4) The importance of trade and protecting the EU Single Market to prevent renationalisation and a repeat of developments like Brexit.

1.5. The EESC requests that the impact of the Green Deal F2F and Biodiversity Strategies for EU trade agreements, farming and the agri-food sector must be fully assessed with a detailed impact assessment.

1.6. It is well recognised that trade in agriculture plays a core role in realising most, if not all, SDGs and that the WTO has an important part to play in achieving the SDGs, and that this would be far harder without an effective multilateral trade mechanism.

1.7. The EESC proposes that all future EU trade deals incorporate the Green Deal F2F and Biodiversity strategies as global standards on sustainability, recognising that incorporating and implementing Sustainable Development Goals (SDGs) and higher standards into Multilateral trade deals is extremely challenging. Greater progress on SDGs and essential environmental and social standards seem possible in bilateral trade deals in the shorter term.

1.8. The EU has to guarantee that trade deals will not externalise the problem and increase deforestation in other countries.

1.9. The EESC considers it essential that the viability and competitiveness of EU farming and the agri-food sector is not eroded by the imposition of higher costs and standards through the Green Deal F2F and Biodiversity strategies, which competitors are not willing to adopt and implement.

1.10. The EESC believes that there needs to be much greater coherency and coordination between and across EU policies like the Green Deal F2F and Biodiversity Strategies, CAP, trade policy and social policy.

1.11. Farming, in line with the EU family farm model, has a vital role to play in the implementation of the Green Deal F2F and Biodiversity Strategies and it is essential that there is an adequate CAP budget to cover the additional demands on farmers.

1.12. In relation to conversion of land to organic production, the impact of the resultant drop in production must be assessed. Research must be intensified to better define 'organic' and assess the real net contribution of organic farming to global sustainability, including biodiversity.

1.13. All EU trade deals must respect EU SPS provisions and adhere to the precautionary principle.

2. Background

The European Green Deal

2.1. The European Green Deal⁽¹⁾ is an ambitious communication and commitment to tackling climate and environmental challenges.

2.2. The Green Deal is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases by 2050 and where economic growth is decoupled from resource use.

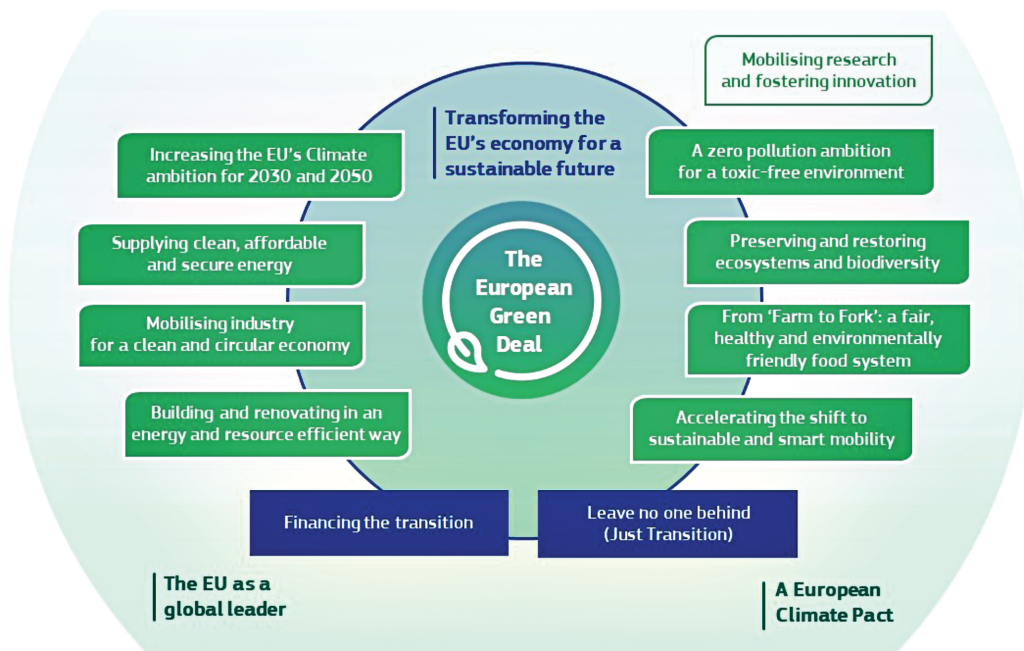
2.3. The Green Deal aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environmental-related risks and impacts. This transition must be just and inclusive. It must put people first, and pay attention to the regions, industries and workers.

2.4. The EU Commission has said the Green Deal is an integral part of the Commission's strategy on trade policy to implement the UN 2030 Agenda and the SDGs⁽²⁾.

⁽¹⁾ COM(2019) 640 final.

⁽²⁾ SDGs.

2.5. The main objectives set out in the European Green Deal are illustrated in the figure ⁽³⁾ below:



Farm to Fork (F2F) and Biodiversity Strategies

2.6. In the Green Deal, the aim of the F2F Strategy ⁽⁴⁾ is to make the EU food system a global standard for sustainability.

2.7. The EU Biodiversity strategy ⁽⁵⁾ aims to reverse biodiversity loss and restore nature.

2.8. Some of the key objectives of the F2F and Biodiversity Strategies include:

- Reducing the use of chemical pesticides by 50 % by 2030;
- Reducing nutrient losses by 50 % and the use of fertilisers by 20 % by 2030;
- Reducing sales of antimicrobials for farmed animals by 50 % by 2030;
- Revising and improving animal welfare legislation based on scientific evidence;
- Increasing organic farming to 25 % of EU land area by 2030;
- Clarifying competition rules for collective initiatives to strengthening farmers' position in the supply chain;
- Developing a green-based model rewarding farmers for carbon sequestration through the CAP or the market;
- Planting 3 billion trees by 2030;
- Reversing the decline in pollinators;
- Restoring 25 000 km of the EU's rivers to a free-flowing state;
- Protecting 30 % of the EU's land and sea areas;
- Stimulating sustainable food consumption and promoting affordable healthy food for all.

⁽³⁾ COM(2019) 640 final — Figure 1.

⁽⁴⁾ F2F Strategy.

⁽⁵⁾ Biodiversity strategy.

2.9. In summary, the strategies aim to ensure affordable and sustainable food for Europeans, tackle climate change, protect the environment and preserve biodiversity.

2.10. The EESC welcomes the Green Deal F2F and Biodiversity strategies and the objectives set down ⁽⁶⁾.

EU Trade Policy

2.11. In the Commission President's mission letter to Trade Commissioner Phil Hogan in December 2019, a level playing field for all is the key message on EU trade policy and Europe's place at the heart of the rules-based multilateral system ⁽⁷⁾. The President sets out that the Trade Commissioner will ensure the delivery of the SDGs, requiring every new trade agreement to have a dedicated chapter on sustainable development.

2.12. The EU outlines that it will support the global transition to sustainable agri-food systems, in line with the F2F objectives and the SDGs. Through its external policies, including trade policy, the EU will pursue the development of Green Alliances on sustainable food systems with all its partners in bilateral, regional and multilateral fora. It will ensure full implementation and enforcement of the trade and sustainable development provisions in all trade agreements, including through the EU Chief Trade Enforcement Officer.

3. Key areas of discussion

Importance and Value of Trade

3.1. The EU is the largest economy in the world, with a GDP per head of EUR 25 000 for its 450 million consumers ⁽⁸⁾. It is the world's largest trading block. The EU is the top trading partner for 80 countries.

3.2. Trade and investment are fundamentally important for the EU. The 'Trade for All' Communication emphasised that over 36 million EU jobs, one in seven, depend on exports outside the EU and that 90 % of global economic growth over the next 15 years is expected to occur outside Europe.

3.3. Internal and external trade operating in the EU Single Market and under a free, fair and rules-based policy on the world market is critically important for the EU and its 450m citizens ⁽⁹⁾. The EU's trade in goods with the rest of the world was worth EUR 3 936 billion in 2018.

3.4. EU agri-food trade statistics ⁽¹⁰⁾ show that 2019 was a record year. The export value of agri-food products came to a total of EUR 151,2 billion, while imports accounted for EUR 119,3 billion, bringing the overall value of trade for the year to EUR 270,5 billion. The trade surplus grew by EUR 10,9 billion from 2018 to reach an all-time high of EUR 31,9 billion. The food processing industry plays a vital role in trade and exports.

3.5. The EESC has previously highlighted the importance of agricultural trade for the future development of farming and the agricultural economy in the EU in the context of global food security ⁽¹¹⁾.

3.6. The EESC adopted an opinion on the Role of Agriculture in Multilateral, Bilateral and Regional Trade negotiations in the light of the Nairobi WTO Ministerial meeting ⁽¹²⁾. The opinion argues that the WTO remains a viable and effective forum for trade negotiations, particularly in agriculture.

3.7. The failure of the WTO to advance multilateral trade and the crisis in the dispute settlement mechanism poses serious threats to multilateralism and rules-based trade.

⁽⁶⁾ See EESC opinions *From farm to fork: a sustainable food strategy* and *2030 biodiversity strategy* on F2F and biodiversity (see pages 51 and 259 of this Official Journal).

⁽⁷⁾ See letter.

⁽⁸⁾ <https://ec.europa.eu/trade/policy/eu-position-in-world-trade/>

⁽⁹⁾ Eurostat.

⁽¹⁰⁾ https://ec.europa.eu/info/news/2019-record-year-eu-agri-food-trade-2020-mar-27_en#moreinfo

⁽¹¹⁾ EESC opinion on *The importance of agricultural trade for the future development of farming and the agricultural economy in the EU in the context of global food security* (OJ C 13, 15.1.2016, p. 97).

⁽¹²⁾ EESC opinion on *The Role of Agriculture in Multilateral, Bilateral and Regional Trade negotiations in the light of the Nairobi WTO Ministerial meeting* (OJ C 173, 31.5.2017, p. 20).

3.8. However, this should not diminish the role of a properly functioning WTO in the context of global trade and the importance of a rules-based multilateral system, promoted by the EU.

3.9. In the opinion on 'Reforming the WTO' to adapt to developments in world trade, the EESC is convinced not only that urgent reforms should be implemented as soon as possible, particularly for the functioning of the Appellate Body of the DSB, but also that WTO members should be committed to more ambitious and systemic changes. These proposals supported by the EESC mainly cover three areas: labour standards and decent work, climate change objectives and the achievement of the UN's 2030 SDGs⁽¹³⁾.

3.10. The EESC is of the view that the EU cannot allow its trade policy to slip into a defensive position. In the context of the COVID-19 crisis and the drive for economic recovery across the EU and the world, the importance and value of trade has never been more essential.

3.11. The EESC believes the EU must adopt an ambitious approach to driving and facilitating economic recovery through the Green Deal and the European Recovery Plan.

3.12. The Green Deal has to successfully balance maintaining strong trade with protecting jobs and the environment while also maintaining European competitiveness. Likewise, the strategy cannot result in a competitive advantage to non-EU imports onto the EU market, including non-EU organic products to be imported in the EU, which must be produced according to the same EU regulations that apply to EU producers⁽¹⁴⁾. It would be necessary to introduce an EU traceability and organic quality certification system and to label separately, in readable size, the products produced in EU as 'EU organic' and the ones produced internationally as 'non-EU organic'. An independent and dynamic accreditation system at EU level, now performed by one single national accreditation body that acts under public authority, would also be necessary to deal specifically with matters regarding accreditation of control bodies and organic fraud prevention when dealing and operating in the organic sector.

3.13. The effective and proper functioning of the EU single market is paramount. The EESC is very strong in the view that there must not be any renationalisation of EU markets.

3.14. The EESC recognises the importance and value of rules-based trade operating on a level playing field and the major contribution it will make to economic recovery post COVID-19.

Trade and Sustainable Development

3.15. Sustainable development means meeting the needs of the present, while ensuring the future generations can meet their own needs. The UN Agenda 2030 sets out 17 key SDGs and 169 targets.

3.16. The F2F and Biodiversity Strategies go a lot further than the SDGs and set down a whole new set of criteria with the objective of creating 'a new global standard on sustainability'.

3.17. EU law requires all relevant EU policies, including trade policy and competition policy, to promote sustainable development. EU trade policy aims to ensure that economic development goes hand in hand with: social justice; respect for human rights; high labour standards; and high environmental standards while protecting EU phytosanitary provisions and adhering to the precautionary principle.

3.18. The EESC has produced several opinions over the years on various aspects of trade and sustainable development including opinions on the trade and sustainable development chapters in EU Free Trade Agreements⁽¹⁵⁾ and the core role of trade and investment in meeting and implementing the SDGs⁽¹⁶⁾.

⁽¹³⁾ <https://www.eesc.europa.eu/pt/node/63550>

⁽¹⁴⁾ See EU Legislation for the organic sector: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/legislation_en

⁽¹⁵⁾ EESC opinion on *The Trade and sustainable development chapters (TSD) in EU Free Trade agreements (FTA)* (OJ C 227, 28.6.2018, p. 27).

⁽¹⁶⁾ EESC opinion on *The core role of trade and investment in meeting and implementing the sustainable development goals* (OJ C 129, 11.4.2018, p. 27).

3.19. In the former opinion, the EESC urges the Commission to be more ambitious with respect to strengthening effective enforceability of the commitments in Trade and Sustainable Development (TSD) chapters and highlights the narrow approach to TSD when it comes to consumer interests. It also highlights the financing and resource issues around operating DAGs (Domestic Advisory Groups) and the use of sanctions.

3.20. In the latter opinion, the EESC believes that the SDGs, together with the Paris Agreement, will fundamentally change the global trade agenda, especially trade in industrial goods and agriculture. However, the EESC points out that the SDGs are not legally binding and there is no dispute mechanism. The opinion underlines the role of Responsible Business Conduct in helping realise the SDGs and highlights that the impact of the private sector will be crucial. In addition, a call is made for a full impact assessment of the likely effects that implementation of the SDGs and the Paris Agreement will have on EU trade and competition policy including agriculture.

3.21. It is well recognised that trade in agriculture plays a core role in realising most, if not all, SDGs and that the WTO has an important part to play in achieving this and that this would be far harder without an effective multilateral trade mechanism⁽¹⁷⁾.

3.22. Key questions arise in relation to the Green Deal F2F and Biodiversity Strategies, EU Trade Policy and Sustainable Development including: How realistic is it that the EU can set and implement a new set of higher standards above and beyond the levels of the SDGs? Can the EU get their trading partners to buy into implementing the TSDs? Can the EU go another step and get trading partners or even EU Member States to buy into another higher level of sustainable development through the Green Deal? How far will the EU push the SDGs and/or the F2F and Biodiversity Strategies in future trade negotiations? What costs will the Green Deal impose on European farmers and the agri-sector? What impact will it have on EU trade competitiveness?

3.23. The EESC is of the opinion the EU should implement legislation imposing due diligence on companies throughout their supply chains to identify, prevent and mitigate environmental and social risks, as well as human rights violations.

Enforcement

3.24. The EU needs to strengthen its focus on the enforcement and implementation of SDGs and standards in FTAs. Proper and strong monitoring, implementation and enforcement of all the aspects of trade deals as they become more detailed and inclusive is very important, and particularly as they extend into the economic intangible sustainable development areas such as the environment and climate change. The latest technology such as that available to the Joint Research Centre (JRC)⁽¹⁸⁾ should be used to monitor key issues like deforestation.

3.25. Monitoring and enforcement procedures need to be clear, fast, efficient and financially transparent; the costs must be shared fairly, taking into account what is affordable for small farmers.

Transport and Energy

3.26. The Green Deal needs a much greater focus on transport and energy policy. Transport accounts for 24 % of global CO₂ emissions (and is predicted to reach 40 % of total emissions by 2030⁽¹⁹⁾). Wider energy usage will also come under intense scrutiny and the need for greater incentives for renewable energy.

⁽¹⁷⁾ Idem footnote 12.

⁽¹⁸⁾ https://ec.europa.eu/info/departments/joint-research-centre_en

⁽¹⁹⁾ EESC opinion on *The role of the EU's trade and investment policies in enhancing the EU's economic performance* (OJ C 47, 11.2.2020, p. 38) – in particular Chapter 5 which covers trade and sustainable development, in particular with regard to the SDGs and Paris.

The Green Deal F2F and Biodiversity Strategies

3.27. The Green Deal F2F and Biodiversity Strategies need to strongly support the economic sustainability of European farmers and the agricultural sector, and improve the functioning of the markets while contributing to a more economically, environmentally and socially sustainable agri-food sector. This is in line with the EESC vision for the 'sustainable economy we need' ⁽²⁰⁾.

3.28. The EESC opinion on a comprehensive food policy in the EU ⁽²¹⁾ calls for a more sustainable food policy with the aim of providing healthy diets from sustainable food systems, linking agriculture to nutrition and ecosystem services, and supply chains which safeguard public health for all sections of European society.

3.29. The F2F Strategy reflects a lot of the ideas in these opinions and the EESC has contributed to creating the momentum for this.

3.30. On the specific proposal of reducing pesticide use, farmers need to be able to replace these products with safe and sustainable alternatives that protect yields and any threat to food security. Research and innovation based on sound science are key to implementing alternative sustainable pest management solutions.

3.31. Reducing fertiliser use must be based on solid science around nutrient management plans, soil testing, meeting the nutrients needs of the crop, precision application and maintaining the nutrient balance in the soil.

3.32. Reducing the use of antimicrobials is critically important in terms of human health and safety ('One Health' ⁽²²⁾ approach).

3.33. Improving animal health and welfare is an important and desirable objective but unfortunately it is not always rewarded in the marketplace and the costs involved are not often recovered. The CAP has a very strong policy which guarantees that European animals are raised in compliance with the highest standards of traceability, animal health and welfare and environmental standards in the world. In terms of international trade, reciprocity on animal welfare standards should be one of the key requirements in trade agreements with third countries.

3.34. In the context of the reduction targets set out in the F2F strategy for antimicrobials, pesticides and fertilisers, account must be taken, using benchmarking, of the progress already made in many Member States in recent years.

3.35. In relation to the conversion of more land to organic production, the impact of the resultant drop in production must be assessed. Research must be intensified to better define 'organic' and assess the real net contribution of 'organic' to global sustainability. In addition, the costs of production can be higher for organic farming, which again may not be reflected at retail level. This can leave the higher cost organic farming unsustainable. The EU must also assess the market impact in terms of price premium/viability of a fourfold increase in organic production.

CAP and the Green Deal F2F and Biodiversity Strategies

3.36. The current CAP reform process commenced in 2018 with legislative proposals in June 2018 ⁽²³⁾. The new CAP outlines higher ambitions, particularly with regard to the environment and climate change.

3.37. The new CAP proposals set down the following specific objectives:

— Support viable farm income and resilience across the EU territory to enhance food security;

⁽²⁰⁾ EESC opinion on The sustainable economy we need (OJ C 106, 31.3.2020, p. 1).

⁽²¹⁾ EESC opinion on *The Civil society's contribution to the development of a comprehensive food policy in the EU* (OJ C 129, 11.4.2018, p. 18).

⁽²²⁾ <https://onehealthjp.eu/about/>

⁽²³⁾ https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-modernising-cap_en.pdf

- Enhance market orientation and increase competitiveness including greater focus on research, technology and digitalisation;
- Improve farmers' position in the value chain;
- Contribute to climate change mitigation and adaptation, as well as sustainable energy;
- Foster sustainable development and efficient management of natural resources such as water, soil and air;
- Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;
- Attract young farmers and facilitate business development in rural areas;
- Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;
- Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, as well as animal welfare.

3.38. It is a specific requirement under the new CAP that direct payments will be conditional on enhanced environmental and climate change requirements. Member States will have to offer eco-schemes to support farmers in going beyond the mandatory requirements.

3.39. The new CAP proposals specify that at least 30 % of each rural development national allocation will be dedicated to environmental and climate measures. 40 % of the CAP's overall budget is expected to contribute to climate action ⁽²⁴⁾.

3.40. Under the CAP, Member States are required to produce Strategic Plans setting out how to deliver on the specific objectives of the CAP. Member States will set targets on what they want to achieve in the programming period using commonly defined result indicators.

3.41. Over the last two years, EU institutions have already made considerable progress in advancing the CAP proposals and it is very important that the Green Deal proposals do not reverse this progress. Aligning the CAP strategic plans with the EU Green Deal will prove difficult but must be accommodated.

EU Market Direction and a Fair Price

3.42. The Green Deal F2F and Biodiversity Strategies set out very clearly that the average EU farmer currently earns around half of the average worker in the economy as a whole.

3.43. To have a sustainable income, it is important that European farmers receive a fair price for food from the market, above the costs of production. The F2F Strategy must provide direction to the marketplace that high food production standards of European farmers matter and must be paid for. The F2F strategy must deliver this through initiatives to ban unfair trading practices ⁽²⁵⁾, avoid below-cost selling and ensure that the market price is fairly distributed across the supply chain.

Budget

3.44. The proposals on the Multiannual Financial Framework (MFF), including reducing the CAP budget by 9 % in real terms, are not compatible with the ambitions of the Green Deal F2F and Biodiversity Strategies.

3.45. To deliver on the objectives of the strategies there must be no reduction in the CAP budget. The budget needs to be increased to take account of the additional demands on farmers and to take account of inflation, protect farmers' basic payments and the farm schemes within the Rural Development Programme.

⁽²⁴⁾ https://ec.europa.eu/commission/presscorner/detail/en/IP_18_3985

⁽²⁵⁾ EESC opinion on Improving the food supply chain (OJ C 440, 6.12.2018, p. 165).

3.46. Any reduction in output and income for farmers derived from the delivery of this strategy must be compensated for.

3.47. The EESC reiterates its support that the EU budget should be increased to provide adequate funding for the CAP and the new policy objectives and challenges identified ⁽²⁶⁾.

Science Based

3.48. Climate action must be based on accurate measurement of farm-level activity. At present, the way methane is accounted for does not reflect the up-to-date science ⁽²⁷⁾ and farmers are not getting credit for the carbon sequestered in their pastures and hedgerows. These issues must be addressed in the F2F and Biodiversity Strategies, to ensure that all emissions emitted and sequestered by the sector are fairly and accurately accounted for.

Just Transition

3.49. A just transition for all is of paramount importance under the new green policy. The costs for implementing a new policy must be borne by all, from farmers and processors to retailers and consumers. We need to establish the 'leave no one behind' ⁽²⁸⁾ concept and protect the most vulnerable from unintended consequences of the new policy.

Ensuring equivalency of standards

3.50. The 1995 WTO SPS Agreement covers the application of food safety, animal and plant health regulations. Article 5(7) covers the Precautionary Principle, now enshrined in the Lisbon Treaty. Any attempt to alter this other than at multilateral level would have profound implications for the world trade order and for the future credibility of the Agreement itself ⁽²⁹⁾.

3.51. The EU must insist on much stronger equivalent social, environmental, animal welfare and phytosanitary standards from third countries exporting into the EU similar to those they demand of European farmers. Substandard imports into the EU cannot be used to displace high standard European produce, produced under the higher F2F and Biodiversity strategies. Equally, Europe cannot externalise its ambition on achieving climate change targets through carbon leakage.

3.52. The EU must also avoid any temptation to make major concessions in agriculture that would undermine domestic production. The EU must also eliminate the application of double standards in agriculture, notably in connection with the SPS and TBT Agreements, in partner countries.

Labour

3.53. Research shows that FTAs are a suitable instrument to improve the labour situation in partner countries ⁽³⁰⁾. The ILO, in a study on labour provisions in 76 out of more than 260 FTAs in 2016, concluded that the combination of technical cooperation, verification mechanisms and civil society participation has contributed to improving the labour rights situation in various sectors.

Impact Assessment

3.54. Good legislation is legislation which is properly scrutinised, in advance of being introduced. Any measures proposed as part of the Green Deal F2F and Biodiversity Strategies must include a detailed Regulatory Impact Assessment (RIA) including benchmarking before any political or regulatory decisions are taken.

⁽²⁶⁾ <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/cap-legislative-proposals>

⁽²⁷⁾ Allen, M.R., Shine, K.P., Fuglestedt, J.S., Millar, R.J., Cain, M., Frame, D.J. and Macey, A.H., (2018) *A solution to the misrepresentations of CO₂-equivalent emissions of short-lived climate pollutants under ambitious mitigation*. npj Climate and Atmospheric Science, 1(1), p. 16.

⁽²⁸⁾ EESC opinion on *Leaving no one behind* (OJ C 47, 11.2.2020, p. 30).

⁽²⁹⁾ Idem footnote 12.

⁽³⁰⁾ *Innovation in the social pillars of sustainable development* by Dr Evita Schmieg (German Institute for International and Security Affairs — SWP).

Forestry and De-forestation

3.55. Increasing the area of forestry in the EU is a positive move and will have a very beneficial impact on climate change. It must be matched with strong funding so that farmers are at no income loss considering the length of investment.

3.56. EU trade policy needs to be very conscious, in line with achieving the targets set in the Green Deal and F2F, that EU imports do not increase deforestation in non-EU trade partner countries. Some examples of this problem include beef and soya imports from Mercosur countries (Brazil), beef and sheep meat imports from Australia, and palm oil from Indonesia.

3.57. The EESC calls on the Commission to better inform and raise awareness among European consumers of the challenges of deforestation by improving the environmental labelling of products, and by establishing a European deforestation observatory and an early warning mechanism.

3.58. The EESC requests the Commission to support, in conjunction with local populations, the reforestation of deforested areas and afforestation, in particular in Latin America, sub-Saharan Africa and emerging countries. The Commission also has to set up financial support and technical assistance to third countries (including State and non-state actors), in particular to preserve 'ancient' forest ecosystems.

3.59. The EESC requests the Commission to improve the quality and credibility of the 'zero imported deforestation' labels by encouraging the convergence of tools and the extension of existing certifications, by relying on land-use mapping by remote sensing, by supporting producers in the implementation and by strengthening controls throughout the supply chains.

4. Impacts of COVID-19

4.1. The Coronavirus crisis reveals our vulnerability to globalised production chains and just-in-time international trade, which prevents us from having essential goods in the event of a shock: masks, essential medicines, etc. Crises like this will happen again. The relocation of activities in industry, agriculture and services should make it possible to establish better autonomy in the face of international markets, to regain control over modes of production and initiate an ecological and social transition of activities.

4.2. The pandemic has reminded us of our strong relation with nature and the need to protect biodiversity and prevent deforestation.

4.3. The impact of the ongoing COVID-19 crisis on the world economy is so severe that the International Monetary Fund (IMF) warned that the world faces its worst economic recession since the Great Depression of the 1930s.

4.4. The IMF is forecasting world GDP to contract by 3 % in 2020, with others putting the global slowdown at between 2,3 % and 4,8 % and costing between USD 2 and 4 trillion. The IMF has forecast that the US will contract by 5,9 % and the euro area by 7,5 % in 2020 ⁽³¹⁾. EU GDP for the second quarter of 2020 fell by 15 % and overall the economy is expected to shrink by 7 % in 2020 ⁽³²⁾.

4.5. One of the major fallouts from the Great Depression of the 1930s was the lack of food security and sovereignty resulting in food shortages and famine in some EU countries and US states, which in turn led to civil unrest and the development of extremist political groups.

4.6. A key lesson from the COVID-19 emergency is the importance of food security and food sovereignty for the EU and once again highlights the critical importance of a well-funded CAP to the EU.

4.7. The COVID-19 emergency should reinforce the importance of the CAP to the EU ⁽³³⁾ and strengthen the original policy objectives of CAP set down in Article 39 TFEU, particularly:

- To ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- To ensure that supplies reach consumers at reasonable prices.

⁽³¹⁾ <https://blogs.imf.org/2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/>

⁽³²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0456>

⁽³³⁾ EESC Opinion on CAP— legislative proposals (OJ C 62, 15.2.2019, p. 214).

4.8. The importance of a strong economic response from the EU to the COVID-19 emergency cannot be overemphasised. The Commission's response in terms of agriculture has so far being disappointing with emergency market measures involving funding of a mere EUR 78m.

4.9. In terms of revitalising the European economy following the COVID-19 crisis, the EU has launched the Next Generation Recovery Plan, involving an additional EUR 750bn and together with the EU budget for 2021-2027 will amount to EUR 1,85 trillion.

4.10. The importance of a strong economic response from the EU to the COVID-19 emergency cannot be overemphasised. The EU Commission's response must help to restore and strengthen the economy, food security, sustainable supply chains, provision and, linked to a one health approach, availability of medical devices, and farming and the agri-food sector so as protection of the environment.

Brussels, 18 September 2020.

The President
of the European Economic and Social Committee
Luca JAHIER
