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Contents

III Preparatory acts

European Economic and Social Committee

**557th plenary session of the European Economic and Social Committee JDE62 – Interactio,
27.1.2021-28.1.2021**

| | | |
|---------------|--|----|
| 2021/C 123/01 | Opinion of the European Economic and Social Committee on the 'Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Report on Competition Policy 2019' (COM(2020) 302 <i>final</i>) | 1 |
| 2021/C 123/02 | Opinion of the European Economic and Social Committee on 'Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking' (COM(2020) 569 <i>final</i> — 2020/260 NLE) | 7 |
| 2021/C 123/03 | Opinion of the European Economic and Social Committee on 'Recommendation for a Council recommendation on the economic policy of the euro area' (COM(2020) 746 <i>final</i>) | 12 |
| 2021/C 123/04 | Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a new Pact on Migration and Asylum (COM(2020) 609 <i>final</i>) | 15 |
| 2021/C 123/05 | Opinion of the European Economic and Social Committee on 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Powering a climate-neutral economy: An EU Strategy for Energy System Integration' (COM(2020) 299 <i>final</i>) | 22 |

EN

| | | |
|---------------|--|----|
| 2021/C 123/06 | Opinion of the European Economic and Social Committee on 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — A hydrogen strategy for a climate-neutral Europe' (COM(2020) 301 <i>final</i>) | 30 |
| 2021/C 123/07 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EEC) No 95/93 as regards temporary relief from the slot utilisation rules at Community airports due to the COVID-19 pandemic' (COM(2020) 818 <i>final</i> — 2020/0358 (COD)) | 37 |
| 2021/C 123/08 | Opinion of the European Economic and Social Committee on 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on "A new approach to the Atlantic maritime strategy — Atlantic action plan 2.0 — An updated action plan for a sustainable, resilient and competitive blue economy in the European Union Atlantic area"' (COM(2020) 329) | 42 |
| 2021/C 123/09 | Opinion of the European Economic and Social Committee on 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Stepping up Europe's 2030 climate ambition — Investing in a climate-neutral future for the benefit of our people' (COM(2020) 562 <i>final</i>) | 59 |
| 2021/C 123/10 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council on amending Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies' (COM(2020) 642 <i>final</i> — 2020/0289 (COD)) | 66 |
| 2021/C 123/11 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council establishing a catch documentation programme for Bluefin tuna (<i>Thunnus thynnus</i>) and repealing Regulation (EU) No 640/2010' (COM(2020) 670 <i>final</i> — 2020/0302 (COD)) | 72 |
| 2021/C 123/12 | Opinion of the European Economic and Social Committee on 'Proposal for a Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030' (COM(2020) 652 <i>final</i> — 2020/0300 (COD)) | 76 |
| 2021/C 123/13 | Opinion of the European Economic and Social Committee on 'Proposal for a Directive of the European Parliament and of the Council on the minimum level of training of seafarers (codification)' (COM(2020) 739 <i>final</i> — 2020/0329 (COD)) | 80 |
| 2021/C 123/14 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic road freight and road passenger connectivity following the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (COM(2020) 826 <i>final</i> — 2020/0362 (COD)) | 81 |
| 2021/C 123/15 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic air connectivity following the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (COM(2020) 827 <i>final</i> — 2020/0363 (COD)) | 82 |
| 2021/C 123/16 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council on certain aspects of aviation safety with regard to the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (COM(2020) 828 <i>final</i> — 2020/0364 (COD)) | 83 |

| | | |
|---------------|---|----|
| 2021/C 123/17 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council laying down specific and temporary measures in view of the COVID-19 outbreak concerning the renewal or extension of certain certificates, licences and authorisations and the postponement of certain periodic checks and periodic training in certain areas of transport legislation, for reference periods subsequent to those referred to in Regulation (EU) 2020/698' (COM(2021) 25 <i>final</i> — 2021/0012 (COD)) | 84 |
| 2021/C 123/18 | Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/2403 as regards fishing authorisations for Union fishing vessels in United Kingdom waters and fishing operations of United Kingdom fishing vessels in Union waters' (COM(2020) 830 <i>final</i> — 2020/0366 COD) | 85 |
| 2021/C 123/19 | Opinion of the European Economic and Social Committee on 'Proposal for a Decision of the European Parliament and of the Council amending Council Decision 2008/971/EC as regards the equivalence of forest reproductive material produced in the United Kingdom to such material produced in the Union' (COM(2020) 852 <i>final</i> — 2020/0378 (COD)) | 86 |
| 2021/C 123/20 | Opinion of the European Economic and Social Committee on 'Proposal for a Decision of the European Parliament and of the Council amending Council Decisions 2003/17/EC and 2005/834/EC as regards the equivalence of field inspections and the equivalence of checks on practices for the maintenance of varieties of agricultural plant species carried out in the United Kingdom' (COM(2020) 853 <i>final</i> — 2020/0379 (COD)) | 87 |

III

(Preparatory acts)

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

**557TH PLENARY SESSION OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE JDE62 –
INTERACTIO, 27.1.2021-28.1.2021****Opinion of the European Economic and Social Committee on the ‘Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Report on Competition Policy 2019’***(COM(2020) 302 final)**(2021/C 123/01)*Rapporteur: **Gonçalo LOBO XAVIER**

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|---------------------------|--|
| Referral | European Commission, 12.8.2020 |
| Legal basis | Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Section for the Single Market, Production and Consumption |
| Adopted in section | 11.12.2020 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 230/0/6 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) welcomes the European Commission's (EC) report on Competition Policy 2019, in which the EC develops an approach aimed at strengthening the single market, and promoting economic development and social policy objectives that are essential for the European development process.

1.2. As it has pointed out in several previous documents, the EESC considers an effective and principled competition policy to be one of the pillars of the European Union and an essential tool in achieving the internal market, pursuant to the Treaty on the Functioning of the European Union, and in line with the Sustainable Development Goals (SDGs), the construction of a social market economy and the implementation of the European Pillar of Social Rights ⁽¹⁾. These points remain current.

1.3. The EESC agrees that the EC should take measures to boost fair competition in markets that are important to EU citizens and businesses, such as the digital and telecommunications sectors, energy and the environment, manufacturing, financial services, taxation, agriculture, food and transport. These measures should provide confidence to consumers and clearly define the proper conditions for companies to operate. The pace of economic and social change is very swift. Continuous adjustment to a modern, sustainable, green and digital economy is urgent and necessary and competition policy is key to this achievement.

⁽¹⁾ Articles 7, 9, 11 and 12 TFEU.

1.4. The new and constant challenges arising from the use of data, algorithms and markets are evolving rapidly in an increasingly digital environment. As a result, cooperation networks between the Member State authorities and the EC need to be made more robust in order to uphold fair competition in the single market. The EU must therefore be in line with the digital age, and the EESC is aware of the need for changes: it urges the necessary adaptation to be made. The EESC strongly believes that the digital market and online platforms are part of a new economy that is crucial for Europe but that there is also a need to set clear and fair rules for all stakeholders.

1.5. The EESC draws the attention of the EC to the need to continuously create the economic and political conditions to boost the growth of SMEs on a level playing field that also allows the participation of big companies in the economic process. Europe must be perceived as a strong economic area that permits fair competition and clear rules for all players.

1.6. The EESC calls for the same social and environmental rules to be guaranteed where competition with companies from outside the EU is concerned, in order to ensure a level playing field. Europe cannot have different approaches to the same challenges. And Europe cannot be 'naive' regarding competition policy.

1.7. The EESC supports the coordinated measures put in place by the EC for the manufacturing sector but would like the EU to go further and propose a permanent solution to boost the level playing field in close cooperation with the Member States. The temporary measures regarding the supply of specific products from non-EU markets must be made permanent, especially regarding the importing of vital medical equipment and other key products. This pandemic has shown up all the weaknesses of a hesitant policy. A strong and resilient manufacturing sector should be one of the pillars of the competition policy.

1.8. In the sector of agriculture and food, it is important to protect products of European designation of origin from imitations or 'copies'. The seeds and pesticides sector is essential for farmers and consumers, but also raises concerns that go beyond consumer protection, food safety and ensuring compliance with environmental and climate standards.

1.9. Transport remains one of the most difficult service sectors regarding competition among Member States in the internal market. Clear rules and the need for balance must be a constant priority not only for the companies but also for the end users.

2. General comments

2.1. Competition policy is critical to the aim of an efficient and fair single market that can boost Europe's values and the European project. Bearing this in mind, it is essential to better clarify the entire policy and guidelines in order to ensure that the single market is perceived as bringing added value to globalisation and that Europe's leadership towards sustainable and fair trade not only provides opportunities but also tangible outcomes that can have an impact in other economic regions.

2.2. While the launch of the 'fitness check' of State aid rules was a major achievement in 2019, its implementation and monitoring seem to be far from perfect and swift. These processes, including public consultations, must be accurate and faster. The EESC believes that civil society organisations can be involved in the process in order to facilitate the contact with the right stakeholders.

2.3. The existence of the 'eLeniency' online tool makes it easy and less burdensome to submit statements and documents to the EC, including leniency applications in cartel cases. Lessons must be learned to understand the relevance of the procedure regarding the need to ensure fair public participation, easily accessible tools and procedures, as well as benchmarking with other tools.

2.4. The EESC shares the EC's concern regarding the need to tackle the effects of the distortion caused by foreign subsidies and public ownership, and considers that additional instruments are needed to prevent harmful effects. These can be effectively identified by, firstly, making proper use of the European Competition Network and, secondly, tackling selective aid systems.

2.5. The EESC advocates developing and strengthening services of general interest within the EU as an effective means of safeguarding the 'European way of life'. If services of general interest are to be provided properly, it must be accepted that digital infrastructure is a key factor in digitalisation. Proper broadband infrastructure must therefore be put in place. The EESC advocates adopting a State aid system that stimulates investment in introducing all of these new technologies, while addressing territorial imbalances at national level.

2.6. Projects of common European interest play an important part in research and technological development, and in applying innovation. Their development should be fostered on account of the added value they bring, and the EESC hopes that the Communication on important projects of common European interest (IPCEI) can serve as an effective instrument for implementing them properly. It is important to supervise corrections to the application of the criteria under which the Member States may support transnational projects of strategic importance to the EU.

2.7. The EESC believes that the EU's competition policy should adopt a more forward-looking approach in order to be able to adjust to both the digital challenge and the competition it faces on the global stage. The EESC therefore calls on the Commission to put competition policy high on the list of priorities for the work programme of the Fit for Future Platform.

3. Specific comments

3.1. *Further enhancing the effectiveness of EU competition policy and enforcement*

3.1.1. EU competition policy should be designed and implemented in a more comprehensive framework, considering its close links with other key policy areas and the need for a coherent approach. EU competition rules should go hand in hand with tax law (with fair taxation including in the digital sector), consumer, social protection and labour law. Harmonisation in the field of unfair competition is needed to achieve tangible results.

3.1.2. In order to fight effectively against unfair competition practices, the EESC suggests addressing the issue of market dominance through a new method: not only by assessing the dominant conduct or abuse but also by monitoring the whole economic presence of an employer across different sectors, not just sector per sector.

3.1.3. The EU should also focus on other anticompetitive practices such as predatory expansions and monopolisation; tacit collusions; and lock-in effects (preventing workers from being active simultaneously on multiple platforms) that can undermine the balance of the market.

3.1.4. SMEs are the pillar of the European economy and therefore need to be taken more into consideration in the design and implementation of competition policy. State supports are a useful tool but not all SMEs are aware of their existence. The EESC recommends improving communication towards SMEs in order to better support their activities.

3.1.5. The EC must remain alert as regards the detection and prosecution of cartels and abusive positions on the market. Two EC investigations have particular significance for the protection of consumers, who were greatly affected:

- a) the ongoing cartel investigation into BMW, Daimler and the Volkswagen Group, in which the EC sent a Statement of Objections setting out its preliminary findings that the EU's competition rules were breached between 2006 and 2014 by collusion aimed at obstructing rules in developing technology to reduce the emissions of diesel and petrol cars;
- b) the Mastercard decision, in which the EC fined the card company for preventing traders from accessing cross-border card payment services, breaching the EU's competition rules. The cross-border rules that produced higher prices for traders and consumers have been abolished, doing away with restricted cross-border competition and artificial market segmentation. As a result of this and other steps, the financial sector has been strengthened in the context of the Banking Union, thanks to a number of EC decisions.

3.2. *Tackling new challenges in the digital, telecoms and media sphere*

3.2.1. The EESC considers the digital economy and in particular the position of the GAFA as a serious challenge to the EU's competition law. Since these companies do not abide by the same rules as European companies, the updated EU competition rules should propose new efficient tools acknowledging this situation.

3.2.2. Although it is still early, we must be alert to the impact of applying Regulation (EU) 2019/1150 of the European Parliament and of the Council ⁽²⁾ of 20 June 2019, which introduced new EU rules on transparency for business users of online platforms. The widespread use of online platforms on the market means the arrival of new players and a new context on the internal market, the consequences of which are still not entirely clear. For the greater security of market players and citizens, especially during the current pandemic, proper competition rules must be applied and if they are not sufficient, new solutions must be envisaged.

⁽²⁾ OJ L 186, 11.7.2019, p. 57.

3.2.3. The EESC welcomes the fact that the Digital Services Act will not be in conflict with the possible legal framework to address the issue of working conditions on online platforms.

3.2.4. Competition rules designed for traditional business are not a good fit for online platforms. There is an urgent need to adapt methodologies and objectives with a view to adapting to the changing business landscape.

3.2.5. The EESC believes that the digital market and online platforms are part of a new economy that is crucial for Europe but that there is also a need to set clear and fair rules. Oligopolistic market structures are underpinned by many of the features that also characterise monopolisation practices and the aggregate effects of ecosystems mobilised by online platforms as well as by dominant corporations. Characteristics such as vertical integration, lack of transparency for users, lock-in and network effects coupled with high concentration levels result in structural competition problems, affecting both consumers and workers.

3.2.6. Platforms can build their market dominance on user-generated content, be it consumer data and behaviour or services performed by individual providers of labour. Users experience a lack of access to information and cannot influence the conditions under which they operate. Similarly, recommendations and rankings on platforms are characterised by a lack of transparency. Unfair and discriminatory ranking practices must be considered as unfair competition practices.

3.2.7. Economies of scale are a fundamental source of market domination for digital platforms. Marginal costs for expanding a business are close to zero, compared to traditional companies, as those platforms providing labour-intensive services through abusive practices shift a large part of the costs and risks onto individual providers of labour. Platforms sometimes claim that the economies of scale are limited to the physical capacities of individual drivers/riders/workers, but the 'recruiting' (or 'disconnecting') of additional labour providers to expand the market requires no investment.

3.2.8. The current EU competition legal framework does not adequately take into account competition concerns impacting the labour market, such as employer monopsony power, undercutting social standards, which also has harmful consequences both for employers, who are subject to unsustainable competitive pressure, and for Member States, who forego tax revenue and social security contributions⁽³⁾. Competition rules should not be an obstacle to collective bargaining for all workers, including platform workers, in order to negotiate innovative tools and agreements, as various examples at national level show.

3.2.9. Assessment of market power in the digital economy must take greater account of aggregated activities in different markets and their total impact on relevant online as well as offline markets. Similarly, access to user-data-feeding algorithms for the purpose of personalising products, offers, advertising and pricing must also be taken into consideration, with due respect for the fundamental rights of data subjects.

3.3. *Competition policy in support of the EU's low-carbon energy and environment objectives*

3.3.1. The EESC shares the EC's aim of ensuring the long-term competitiveness of the European Union by means of sustainability and the transition towards an economy that is secure, climate-neutral and more resource-efficient, and by fostering and strengthening the circular economy.

3.3.2. The EESC calls for the Green Deal to be strengthened, as a major European agreement to achieve the zero greenhouse gas emissions target for 2050. The role of civil society organisations and the social partners can be decisive in this regard. A 'fitness check' of the environmental directives would be appropriate in order to meet EU commitments.

3.3.3. The EESC favours promoting State aid measures in relation to the post-2012 greenhouse gas emissions trading system (ETS Directives). It supports the revision of this State aid system and its adaptation to the new EU emissions trading system for 2021-2030, in which much hope has been placed.

⁽³⁾ OJ C 429, 11.12.2020, p. 173.

3.3.4. The EESC advocates striving to meet the 'zero pollution principle' in the EU and adopting and implementing all the planned energy efficiency measures. Sustainable investment in the EU must be facilitated. To this end, the criteria for determining whether an economic activity is considered environmentally sustainable should be applied as soon as possible for the purpose of establishing the degree of environmental sustainability of investments ⁽⁴⁾.

3.3.5. As it has said in previous opinions, the EESC sees support for introducing renewable energies as necessary. While guaranteeing security of supply, State aid should be directed to supporting renewable energy, maximising the environmental, social and economic benefits of public funds.

3.4. *Protecting competition in the manufacturing sector*

3.4.1. The COVID-19 crisis has revealed the weaknesses of the EU manufacturing system, especially in the health sector where the EU has been dependent on non-EU sources for medical equipment including personal protection equipment such as masks and artificial respiratory equipment and other crucial products in the fight against the pandemic. The EU needs a strong manufacturing sector where European companies feed the internal market, especially in vital sectors. The EESC supports the coordinated measures put in place by the EC but would like the EU to go further and propose a permanent solution to this issue in close cooperation with the Member States. The temporary measures regarding the supply of specific products from non-EU markets need to be replaced by a permanent solution, especially regarding the importing of vital medical equipment. A strong and resilient manufacturing sector should be one of the pillars of the competition policy.

3.4.2. The EESC calls for the same social and environmental rules to be guaranteed where competition with companies from outside the EU is concerned, in order to ensure a level playing field.

3.5. *Ensuring a level playing field in the area of taxation*

3.5.1. In the area of taxation, the EESC welcomes the measures put in place by the EC in 2019. At the same time, it is important that fair competition between different countries also be ensured in this area too. In particular, greater vigilance is needed with regard to tax rulings and unfair competitive advantages gained through agreements between certain countries and 'big players'. This behaviour can distort the free market, is damaging to SMEs and creates unfair competition between countries ⁽⁵⁾.

3.5.2. The regulation of digital services is a key issue that the EC should focus on.

3.5.3. It is necessary to adopt a new approach with the GAFA to ensure a level playing field and promote a fair distribution of the tax revenue that is provided by these companies.

3.6. *Making the financial sector more resilient in a Banking Union context*

As a result of the 2008 financial crisis and its impact on the real economy and market confidence, practices within the banking sector are subject to constant scrutiny, due to legitimate concerns that serious problems will resurface. Temporary state aid saved the financial sector from collapse. The restructuring of the sector has seen the disappearance of some institutions, as well as mergers that could be worrying, not only in terms of the stability of the financial sector in the event of further crisis situations, but also with regard to the possibility of distortions to competition resulting from the size of these new groups. The EESC calls on the EC to be attentive and vigilant with regard to potential abuses of dominant position that could harm consumer interests and financing for companies, in particular SMEs.

3.7. *Ensuring fair competition in the food, consumer and health sectors*

3.7.1. In the sector of agriculture and food, it is important to protect products of European designation of origin. The seeds and pesticides sector is essential for farmers and consumers, but also raises concerns that go beyond consumer protection, food safety and ensuring compliance with environmental and climate standards.

3.7.2. Consumer protection must be balanced with action to support and promote innovative companies and SMEs, in ways that do not adversely affect dynamic competition on the market. This is the main way to create quality jobs and to ensure the dynamic sustainability of the production system.

⁽⁴⁾ OJ L 198, 22.6.2020, p. 13.

⁽⁵⁾ OJ C 97, 24.3.2020, p. 62.

3.8. Transport and postal services

The EESC recognises the importance of transport and postal services and the need to create a level playing field to allow the sectors to support the community. In relation to transport, it is recommended that the EC examine whether and to what extent the kerosene tax exemption may constitute undue aid to airlines compared with rail transport.

4. Joining forces in fostering a global competition culture

4.1. The international dimension of competition policy should be key in defining and enforcing the rules. Competition policy evolves in an international arena where the definitions and principles of competition laws are very diverse, putting EU companies at a disadvantage.

4.2. Many SMEs suffer from the inadequacy of EU rules compared to their international competitors. Unfair competition is an issue that needs to be tackled in order to defend EU standards. There are numerous complaints from companies in Europe (lack of flexibility). In some manufacturing areas in third countries, the lack of implementation of EU environmental and social standards creates market distortions to the detriment of European businesses, mainly SMEs. Europe should be concerned about this.

4.3. The EU's competition model needs to be promoted internationally. The EU must lead the way with a global competition culture that provides a system protecting both companies and workers. We need a thorough discussion about the concept of competition law in Europe, in comparison to other economic areas namely the USA and China, for example with regard to sustainable and environmental issues.

4.4. In order to strike a balance between the freedom of the market and concentrations, it is not enough to refer to competition from other major global players, especially if they come from countries that are closed to competition from foreign companies. The Committee underlines the importance of the EU having a consistent approach aimed at linking up the respect of human and labour rights, the implementation of the SDGs, and the promotion of environmental standards and sustainable investments in business operations across the world. The preferential trade and tariff schemes granted to various third countries should be revised and made more conditional on the effective implementation of sustainable development standards, in order to create a fair, competitive level playing field for European businesses. In this regard, the Committee suggests, that as an alternative to company mergers that weaken competition, measures should be put in place aimed at supporting businesses in developing sustainable investments in third markets. These measures could include tax incentives for R&D and encouraging agreements between European producers to coordinate export and investment strategies abroad in line with the EU's economic, social and environmental standards.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking’

(COM(2020) 569 *final* — 2020/260 NLE)

(2021/C 123/02)

Rapporteur: **Louise GRABO**

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| Referral | Council of the European Union, 26.10.2020 |
| Legal basis | Article 187 and the first paragraph of Article 188 of the Treaty on the Functioning of the European Union. |
| Section responsible | Single Market, Production and Consumption |
| Adopted in section | 11.12.2020 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | 240/0/5 |

1. Conclusions and recommendations

1.1. The EESC confirms the validity of this strategic initiative and the added value of a EuroHPC (High Performance Computing) Joint Undertaking (JU) as a tangible step in keeping with the European Union cloud strategy as well as being an integral part of a wider EU strategy (including amongst other things cybersecurity, the Digital Single Market, the European Gigabit Society, Open Science, EU4Health and Resc-EU).

1.2. The EESC considers that the EU's existing investments deployed in recent years and even after the outbreak of the COVID-19 pandemic for the acquisition and operation of world-class supercomputing machines are still not at an optimal level compared to those of its competitors (the US, China and others). Additional resources and investments are called for, including on the part of the EU Member States, particularly those that are less advanced and/or involved in the field. It is vital for these resources to be combined with coherent EU research and innovation programmes and the next 2021-2027 MFF, including the Recovery and Resilience Facility, if the EU is to compete in HPC applications at global level.

1.3. The EESC endorses the industrial approach, within a renewed EU industrial and embedded SME strategy, for developing the next generation of low-power microchips in Europe, making the EU less dependent on imports and securing access to top-quality HPC technology and know-how.

1.4. The EESC calls on the Commission to redouble its efforts to draw up a ‘multiannual roadmap’ that can guarantee EU civil society ownership and contribute in a practical way to the respective levels of JU governance in strategic sectors (health prevention early warning systems, preparedness, pilot programmes on training for disaster risk mitigation and cybersecurity). To this end, beyond the existing HPC competence centres and Digital Innovation Hubs, it is urgent to integrate the added value and multiplier role of a permanent Civil Society Dialogue within existing JU Advisory Groups. The EESC, owing to its very nature, would be the ideal partner for holding an open EuroHPC JU Annual EU Dialogue Forum accompanied by educational awareness campaigns with the active involvement of scientific and knowledge networks, social and economic partners, civil society organisations and the media.

1.5. The EESC deems it necessary to collect EU civil society feedback to better monitor, explain and promote by the EU institutions and Member States the short- and medium-term added value of the EuroHPC JU and the sectoral advantages and opportunities it presents as a legal and strategic instrument. The EuroHPC JU should not only benefit scientific/research communities but should also guarantee greater ‘ownership’ and involvement on the part of interested intermediaries such as public institutions, EU social partners and civil society organisations, industrial and small and medium-sized enterprises (SMEs) representative organisations and value chain actors in software applications development, providing access to infrastructure, of particular importance for smaller countries, and enhancing in-kind contributions to the HPC JU.

1.6. The EESC welcomes the fact that two of the Commission's partners in the contractual public-private partnership (cPPP) could become the first private members, which is key for participation from the very beginning of the JU by EU industries. This is particularly the case as regards micro-enterprises and SMEs offering competitive solutions/adaptability, but that risk being excluded or penalised by public procurement if they are not appropriately covered through a specific legal chapter and/or existing consortium forms. The EESC underlines the importance of modernising the setting of specific public procurement procedures and of awarding criteria to facilitate the involvement of existing or new 'SME clusters' in this specific EU Regulation on a Joint Undertaking ⁽¹⁾ covering classic HPC supercomputers and software applications, but also the procurement of quantum computers/simulators.

1.7. The EESC welcomes the possibility of including more partners but would also insist that for any new partners, in particular those from outside the EU, the requirement of reciprocity be fulfilled.

1.8. The EU should make the most of the opportunity presented by the development of EuroHPC JU technology to develop the relevant European industrial sectors so that they can cover the entire production chain (design, manufacturing, implementation and application).

1.9. The EU should establish as a mid-term goal achieving the capability to plan and produce HPC using European technology.

2. General comments

2.1. On 10 March 2020 the European Commission adopted the communication *A New Industrial Strategy for Europe*, setting out an ambitious industrial strategy for Europe to lead the twin transitions towards climate neutrality and digital leadership. In its communication the Commission underlines the need to strengthen the development of key enabling technologies that are strategically important for Europe's industrial future, including High Performance Computers and quantum technologies. In a subsequent communication dated 27 May 2020, entitled *Europe's moment: Repair and Prepare for the Next Generation* ⁽²⁾, HPC applications were identified as a strategic digital capacity that will be a priority for sources of investment in Europe's recovery, such as the Recovery and Resilience Facility, InvestEU and the Strategic Investment Facility.

2.2. EuroHPC JU applications, using what are known as 'supercomputers' with extremely high computational power, are able to solve hugely complex and demanding problems. Today they represent a key factor for global leadership in scientific, industrial, biological risk and (cyber)terrorism risk strategies, and are thus essential for national security, defence and geo-political challenges and more in general for the digital and green transformation of our society. EuroHPC JU applications also underpin the data economy, enabling key technologies such as artificial intelligence (AI), data analytics and cybersecurity to exploit the enormous potential of big data.

2.3. Furthermore, HPC is also becoming a tool of growing importance at global level for supporting public decision-making by simulating scenarios and supporting global and regional common preparedness response and knowledge networks related to natural risk events (e.g. tsunamis, floods, fire, earthquakes, etc.) as well as anthropogenic ones (e.g. industrial risks). In this framework, EuroHPC JU systems could deploy and increase their added value when multiple risks occur simultaneously, with a significant negative impact on societies.

2.4. EuroHPC JU is involving several industrial sectors in order to innovate and scale up to higher-value products and services to be placed on the internal and global markets, opening up to new industrial applications in combination with other advanced digital technologies.

2.5. HPC applications and infrastructures are essential in nearly every field of research, from fundamental physics to biomedicine, in order to achieve deeper scientific understanding and breakthroughs.

⁽¹⁾ Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking (OJ L 252, 8.10.2018, p. 1).

⁽²⁾ *Europe's moment: Repair and Prepare for the Next Generation* — COM/2020/456 final.

2.6. HPC is being used in connection with the COVID-19 pandemic, often in combination with AI, to accelerate the discovery of new drugs, predict the spread of the virus, plan and distribute scarce medical resources, and anticipate the effectiveness of containment measures and post-epidemic scenarios.

2.7. HPC is also an essential tool for researchers and policy-makers to address major societal challenges, from climate change, migration, smart and green development and sustainable agriculture to personalised medicine and crisis management in the EU, together with neighbouring and third countries.

2.8. According to the Commission's Staff Working Document (SWD) ⁽³⁾ [...], Europe has been, and still is, a world leader in HPC applications, but its supercomputing infrastructure is falling behind in the world ranking.

2.9. A widely accepted headline indicator of regional competitiveness in HPC is the number of systems in the 'top-10' and 'top-500' lists of world supercomputers in each world region.

2.10. The baseline, as defined in the EuroHPC JU IA and the EIB study ⁽⁴⁾, is the following: According to the EuroHPC JU IA, 'Problem No 1 (The EU does not have the best supercomputers in the world ...). Today, none of the 10 leading supercomputers in the world is located in the EU. Collectively, the EU and the Member States are significantly under-investing in HPC technology supply and infrastructures when compared to the US, China or Japan'.

2.11. In the next few years, Europe's leading role in the data economy, its scientific excellence and its industrial competitiveness will increasingly depend on its ability to develop key HPC technologies, provide access to world-class supercomputing and data infrastructures and maintain its present excellence in HPC applications. To make this happen, a pan-European strategic approach is essential through Joint Undertakings (JUs).

2.12. The first EuroHPC JU was established in October 2018 as a legal and financial framework, pooling resources from the EU, 32 countries and two private members: the European Technology Platform for HPC (ETP4HPC) and the Big Data Value (BDVA) Association.

2.13. So far, the JU has used funds from the 2014-2020 Multiannual Financial Framework (MFF) for its strategic investments. After 20 months of operation, it has substantially increased overall investment in HPC at European level and has started to deliver on its mission to restore Europe's position as a leading HPC power. By the end of 2020, it will deploy a world-class supercomputing and data infrastructure accessible to public and private users all over Europe. Its investments are also supporting HPC Competence Centres throughout Europe, which ensure that HPC is widely available in the Union and provide specific services and resources for industrial innovation (including SMEs) and the development of HPC skills, research and innovation in critical HPC hardware and software technologies and applications. This will increase the EU's ability to produce innovative HPC technology.

2.14. The Council Regulation establishing the EuroHPC JU in 2018 ⁽⁵⁾ set a target of reaching the next supercomputing frontier, exascale performance. See preamble, Section 12: 'The Joint Undertaking should be set up and start operating at the latest by early 2019 to reach the target of equipping the Union with a pre-exascale infrastructure by 2020, and to develop the necessary technologies and applications for reaching exascale capabilities around 2023 to 2025'. This increase in computing power would also come from the deployment of quantum computers and from moving to post-exascale technologies.

2.15. The present proposed regulation is in essence a continuation of the existing initiative established under Council Regulation (EU) 2018/1488, introducing modifications to adapt the 2018 regulation to the next multiannual financial framework (MFF) programmes, but also to reflect the priorities of the Commission and to make it possible for the JU to use funding from the new MFF programmes for 2021-2027.

2.16. The European Commission Staff Working Document (SWD(2020) 179 final) analyses the development of key socio-economic and technological drivers and of user requirements affecting the future progress of HPC and data infrastructures, technologies and applications in the EU and worldwide, taking into account the EU's political priorities for 2020-2025.

⁽³⁾ *Equipping Europe for world-class High Performance Computing in the next decade* SWD/2020/179 final

⁽⁴⁾ *Equipping Europe for world-class High Performance Computing in the next decade* SWD/2020/179 final

⁽⁵⁾ Council Regulation (EU) 2018/1488.

2.17. HPC is used in more than 800 scientific, industrial and public sector applications that play a major role in boosting industry's innovation capability, advancing science and improving people's quality of life. Europe is today a leader in HPC applications in a wide range of areas such as personalised medicine, weather forecasting, the design of new aeroplanes, cars, materials, and drugs, and energy, engineering and manufacturing.

2.18. The governance and allocation of voting rights of the proposed JU remain identical to the ones defined in Council Regulation (EU) 2018/1488. The EuroHPC JU will continue to implement the HPC strategic roadmap as defined by the multiannual strategic research and innovation agendas developed by the EuroHPC JU Research and Innovation Advisory Group (RIAG) and the EuroHPC JU Infrastructure Advisory Group (INFRAG), complemented by the Strategic Research Agenda of the of the EuroHPC JU private members to establish the HPC ecosystem. The Union's financial contribution to the JU under the 2021-2027 MFF would be EUR [XXX], matched by at least an equal amount of total contributions from the participating states and private members of the EuroHPC JU. The JU will use these funds mainly to implement its activities under the five pillars described above.

2.19. The main expected outcomes for the proposed EuroHPC JU in the next decade would include:

- a federated, secure and hyper-connected EuroHPC JU and data infrastructure with mid-range supercomputers and at least two top class exascale and two top class post-exascale systems (at least one of each category built with European technology),
- hybrid computing infrastructures integrating advanced computing systems,
- quantum simulators and quantum computers in HPC infrastructures,
- secure cloud-based HPC and data infrastructure for European private users,
- HPC-powered capacities and services based on European public data spaces for scientists, industry and the public sector,
- next generation technology building blocks (hardware and software) and their integration into innovative HPC architectures for exascale and post-exascale systems,
- Centres of Excellence in HPC applications and industrialisation of HPC software, with novel algorithms, codes and tools optimised for future generations of supercomputers,
- large-scale industrial pilot test-beds and platforms for HPC and data applications and services in key industrial sectors,
- national HPC Competence Centres, ensuring wide coverage of HPC in the EU, with specific services and resources for industrial innovation (including SMEs),
- a significant increase in Europe's workforce in HPC skills and know-how,
- reinforced data storage, processing capacities and new services in areas of public interest across the Member States.

2.20. Main achievements by joint undertakings:

- The EuroHPC JU has substantially increased the level and quality of investments in HPC at European level in a single and coordinated effort with Member States.
- By the end of 2020 EuroHPC JU will provide the EU with the best world supercomputers.
- EuroHPC JU will provide a European source of key technologies.
- European HPC technology supply and market.
- The EuroHPC JU strategy and its impact on the HPC value chain.

3. Market trends and main lessons learnt

3.1. The Commission's Working Staff Document (WSD) presents the latest EuroHPC JU market figures and provides an overview of the main lessons learnt from the JU's activities so far.

3.2. Lessons learnt from the EuroHPC JU's governance and administration: the EuroHPC JU has already acquired solid working experience, with extensive discussions among stakeholders on the governance, administration and other operational aspects. Examples include:

- the 13 meetings of the EuroHPC JU Governing Board with the regular participation of delegates from the European Commission and the 32 participating states,
- the JU's advisory groups (RIAG and INFRAG) have already held numerous meetings and have been supported by the active involvement of the two private members (ETP4HPC and BDVA),
- the selection of the eight hosting sites and the launch of the procurement procedure for the eight EuroHPC JU supercomputers, and the launch of the JU's 2019 and 2020 calls.

3.3. There are 22 implementation aspects from which the main lessons learnt so far can be summarised as follows:

- simplification of the co-funding scheme,
- the combination of EU and national funds in the different EuroHPC JU activities needs to be simplified and optimised,
- recommendations include a single set of eligibility criteria for participation (instead of 32 different national eligibility criteria),
- implementation of central management of all financial contributions (except in duly justified cases), in line with Article 8(1)(c) of the proposed Regulation establishing Horizon Europe and flexibility in introducing different percentages of EU and national funding to fund participants in R&I activities,
- more flexibility in the contribution of private members and other private actors to the activities of the EuroHPC JU, notably by including novel forms of cooperation, for example co-funding specific HPC infrastructure for industrial use.

4. Specific comments

4.1. The majority of project partners are from research organisations (75 % of the total funding of the Future and Emerging Technologies projects), whose mainspring is not industrialisation of results achieved. Enhanced and sustained training efforts will also be a major factor in fully exploiting not only the next EuroHPC JU-funded pre-exascale and exascale supercomputers but also future computing generations. Moving from simulation-centric HPC to integrating HPC in a full continuum of IT infrastructure, from Edge to HPC, is a major challenge. This would require developing a strong relationship between the HPC community with other ecosystems such as big data, AI and the Internet of Things (IoT). Europe can be a worldwide leader here if the momentum created by Horizon 2020 continues.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Recommendation for a Council recommendation on the economic policy of the euro area’

(COM(2020) 746 *final*)

(2021/C 123/03)

Rapporteur: **Judith VORBACH**

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| Referral | European Commission, 27.11.2020 |
| Legal basis | Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Economic and Monetary Union and Economic and Social Cohesion |
| Adopted in section | 14.12.2020 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 234/1/8 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1 The EU has entered the deepest recession in its history. Uncertainty prevails, and severe risks must be allowed for. The pandemic crisis is also likely to exacerbate imbalances and inequalities. In light of this, the EESC welcomes the Commission's recommendations. The EESC also advocates an economic policy approach to support recovery, increase investment, further integrate the single market, ensure fair working conditions, and deepen the EMU. The EESC strongly supports the Next Generation EU package and urges that the necessary agreements be reached as soon as possible.

1.2 The recovery will only be successful if it is accompanied by a restructuring of our economy and society. Rebuilding confidence is key so as to stabilise demand. Fiscal rules should be shifted towards a more prosperity-oriented economic governance, including a golden rule, and should not take effect again until unemployment falls significantly. The impact of the crisis on inequality and socio-economic insecurity should be more carefully considered. Both the business and the social environment should be improved. Better involvement of social partners and civil society in climate policy and the national recovery and resilience plans is called for, as well as decisive reform of tax policies in order to tackle economic, social and environmental challenges. The Banking and Capital Market Unions must be completed, while prioritising financial market stability.

2. Background

The Commission recommends that euro area Member States take action to:

2.1 Ensure a policy stance which supports recovery: fiscal policies should remain supportive throughout 2021. When conditions allow, phase out support in a way that mitigates the social and labour-market impact of the crisis, ensure debt sustainability. Improve public financial management and focus public expenditure on recovery and resilience needs.

2.2 Implement reforms that strengthen productivity and employment, increase investment to support a recovery consistent with fair green and digital transitions. Further integrate the single market. Ensure active labour market policies, fair working conditions and involvement of the social partners in policy-making. Address tax challenges arising from digitalisation, combat aggressive tax planning and support carbon pricing and environmental taxation.

2.3 Strengthen national institutional frameworks: frontload reforms to ensure the use of EU funds, strengthen administrative effectiveness, reduce the administrative burden for firms, put in place effective frameworks to counter fraud, corruption and money laundering. Improve insolvency frameworks, non-performing exposures and allocation of capital.

2.4 Ensure macro-financial stability: maintain credit channels to the economy and measures to support viable companies. Keep sound banking sector balance sheets, including by continuing to address non-performing loans.

2.5 Make progress on deepening the EMU to increase resilience. This will contribute to the international role of the euro and promote Europe's economic interests globally.

3. General comments

3.1 The dismal outlook of the Spring 2020 Economic Forecast, according to which in 2020 'the EU has entered the deepest economic recession in its history' has been borne out. The COVID-19 crisis has produced a series of demand- and supply-side shocks that translate into an expected decline in GDP of 7,8 % in 2020. The labour market situation has also deteriorated, although due to ambitious policy measures — such as short-time work schemes — the economic slump is not fully reflected in unemployment rates. We nevertheless face a drop in total hours worked and a decline in activity rates as discouraged workers have left the labour market.

3.2 The recovery in 2021 is projected to be slower than expected. Considerable uncertainty predominates. The EESC stresses the importance of anticipating a set of severe risks, including a double-dip recession, mass unemployment, bankruptcies, financial market instability, deflation, and the negative effects of uncertainty on consumption and investment itself. The pandemic crisis is also likely to exacerbate existing problems, for example the low level of investment, widening divergences across Member States and regions, inequalities within societies, and political tensions. Moreover, developments in 2021 could translate into negative long-term effects, while tackling the climate crisis will still be an urgent issue.

3.3 In light of this, the EESC welcomes the Commission's package of recommendations. Many of the considerations expressed in the EESC's additional opinion on *Euro area economic policy 2020* ⁽¹⁾ are reflected in them. Moreover, the recovery will only be successful if it is accompanied by a restructuring of our economy and society in order to achieve a more integrated, more democratic and socially better-developed Union. In 2021, the key responsibilities of economic policy-makers will be to create an environment conducive to sustainable and inclusive growth. It is therefore essential to rebuild confidence.

3.4 The EESC strongly supports the robust response at EU level to combat the crisis, including the Recovery and Resilience Facility. There is an urgent need for solidarity to enable a quick and effective recovery. European businesses, workers and civil society require resources to weather the crisis. Therefore, the recovery plan should neither be called into question nor its implementation delayed. All the necessary agreements should be reached as soon as possible.

4. Specific comments

4.1 The EESC welcomes the Commission's recommendation to ensure a policy stance that supports recovery. Phasing out supportive measures too early would dwarf the effects of EU measures to combat the crisis. Governments should be able to deploy the necessary measures irrespective of their current debt level. The best way to achieve sustainable public finances is to safeguard sustainable and inclusive growth. Supporting productivity could accelerate deficit reduction in the upcoming years ⁽²⁾. To prevent a return to old fiscal rules and manage a shift towards a prosperity-focused economic governance ⁽³⁾, the EESC urges that the review process be resumed as soon as possible. Modernised fiscal rules should in any case not take effect until unemployment falls significantly.

4.2 The EESC welcomes the Commission's recommendation to enhance the level of private and public investment. To achieve a recovery in the short run, strengthen competitiveness, remain a global economic power and safeguard a social and environmental basis for the well-being of future generations, there is an urgent need to switch to sustainable and green investment, investment in infrastructure and healthcare and/or investment that creates higher productivity. Spending on reskilling of workers should also be considered an investment. The EESC points to its recommendation to adopt a 'golden rule'.

⁽¹⁾ OJ C 10, 11.1.2021, p. 79.

⁽²⁾ The National Bank of Belgium estimates that the one-off deficit in 2020 that is crisis-related has a potential one-off effect of - 4,6 % of GDP.

⁽³⁾ OJ C 429, 11.12.2020, p. 227.

4.3 The pandemic is increasing inequalities and social exclusion. Many women, migrants, disabled or young people are bearing the brunt of the crisis. Those who were vulnerable before the crisis are likely to be hit hardest. But many employees with high-quality jobs also feel at risk of deteriorating working conditions, incomes or unemployment. The EESC calls for combating inequality to become a priority in all envisaged recovery measures. The impact of the crisis on social exclusion but also on rising socio-economic insecurity, which affects a substantial part of the population, has to be more carefully considered. The benefits of the recovery should be equally distributed. This is also critical to strengthening confidence and stabilising demand.

4.4 Further integration of the single market should remain a top priority. This also includes implementing the principles of the European Pillar of Social Rights. Improvement of the business and the social environment must go hand in hand. The EESC points to the Commission working document on *Delivering on the UN's Sustainable Development Goals*, which notes: '... the SDGs will keep the EU focused on a sustainable growth path compatible with planetary boundaries, on wellbeing, inclusion and equity. This recognises that the economy must work for the people and the planet'. Initiatives for a more social Europe include — amongst many others — a proposal for a directive on adequate minimum wages and an action plan to implement the European Pillar of Social Rights. The EESC has also adopted opinions on a European framework directive on a minimum income ⁽⁴⁾ and European minimum standards in the field of unemployment insurance ⁽⁵⁾.

4.5 Also welcome are the Commission's recommendations on the labour market, including fostering fair working conditions, ensuring involvement of the social partners in policy-making and strengthening social dialogue and collective bargaining. The EESC calls for higher standards in relation to involving the social partners and civil society in climate policy. Structural change to achieve a carbon-free economy could be supported by a social dialogue between the regions and social partners concerned in order to safeguard the social aspects. It will also be crucial to ensure civil society involvement in drawing up and implementing the national plans for the Recovery and Resilience Facility, which is also expected to be monitored by the Semester process.

4.6 Effective frameworks are needed to combat tax evasion, aggressive tax planning, money laundering and corruption. The EESC calls for decisive reform of tax policies in order to tackle economic, social and environmental challenges. This includes shifting the tax burden away from labour to tax bases that are less detrimental to labour supply taking into account the related distributional impact and avoiding regressive effects. The EESC also asks for urgent action on QMV under the terms recommended in its previous opinions ⁽⁶⁾. The concept of minimum effective taxation of corporate profits and its possible application should be explored. Finally, the EESC calls for substantial progress on introducing new own resources as outlined in the recovery plan.

4.7 The EESC agrees with the Commission that the Banking and Capital Market Unions should be completed, with financial market stability being a priority. In the banking sector, dividend payouts are now — mainly voluntarily — limited. The possibility of continuing these limits and reintroducing outright suspension of payouts during the period of recovery should be considered for banks which are benefiting from several public support measures. This would reduce the risk of financial market instability and could also improve banks' expected returns.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁴⁾ OJ C 190, 5.6.2019, p. 1.

⁽⁵⁾ OJ C 97, 24.3.2020, p. 32.

⁽⁶⁾ OJ C 353, 18.10.2019, p. 90, OJ C 364, 28.10.2020, p. 29.

Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a new Pact on Migration and Asylum

(COM(2020) 609 final)

(2021/C 123/04)

Rapporteur: **José Antonio Moreno Díaz**

Co-rapporteur: **Cristian Pîrvulescu**

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| Referral | European Commission, 11.11.2020 |
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| Plenary session No | 557 |
| Outcome of vote | 203/0/19 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1. The EU needs to strike the right balance between effective and realistic migration management that is humane and sustainable, while ensuring security and control of its external borders. In addition, the EU must send a clear message to Europeans that migration can be better managed collectively.

1.2. The EESC takes note of the presentation of the new PMA, which details the Commission's five-year work plans on common immigration and asylum management. In this sense, it is more of a Commission work agenda than a pact. The proposals accompanying the PMA are important but insufficient for the development of the common European framework for migration management, which would be both effective and in line with the EU's values and objectives. The EESC regrets that the new PMA devotes most of its proposals to the management of external borders and return, while failing to pay due attention to regular channels for immigration, safe pathways for asylum or the inclusion and integration of non-EU nationals in the EU.

1.3. The EESC regrets that the PMA makes no mention of the United Nations' Global Compact for Safe, Orderly and Regular Migration (2018) as a multilateral precursor to a proposal for international migration management. We support the strengthening of a rules-based global multilateral system⁽¹⁾, including in the area of mobility and migration, and encourage the Commission to coordinate the new Agenda with the global policies and instruments⁽²⁾. Moreover, we encourage EU institutions and Member States to place migration and mobility within the larger Sustainable Development Goals UN Framework.

1.4. The PMA correctly highlights the inconsistencies between Member States' asylum and return systems, and emphasises the need to boost solidarity. However, it is not clear if the principle of voluntary and selective solidarity will help solve major coordination challenges. No mention is made of the incentives for the Member States to participate in this mechanism, especially following the refusal by some of them to participate in the previous relocation programme. If they are incentivised to participate, it is not in the area of relocation — the most pressing, difficult and costly issue — but in the area of capacity-building and return.

⁽¹⁾ OJ C 14, 15.1.2020, p. 24.

⁽²⁾ The Commission work programme for 2021 provides for the adoption of a Joint communication on strengthening the EU's contribution to rules-based multilateralism in the second quarter of 2021.

1.5. The EESC considers that the projected pre-entry screening system and border procedures are inadequate. First, the screening system does not provide enough procedural guarantees for the respect of the fundamental rights by persons accessing it. As it stands now, it puts greater pressure on countries to take a swift decision and thus not show due regard for the individual rights enshrined in the 1951 Geneva Convention, especially non-refoulement. Second, as was the case with the hotspot approach, the conditions of reception for migrants and asylum-seekers alike are a serious concern which has to be fully addressed ⁽³⁾.

1.6. The EESC looks forward to receiving the EU's strategy on voluntary return and reintegration, a document which hopefully will significantly advance strong reintegration measures, and thus move away from an approach centred primarily on policing. Return should involve various social, economic and political actors who can create a more comprehensive and humane environment.

1.7. The Committee welcomes rescue initiatives at sea that genuinely seek to save lives. For the EESC, search and rescue at sea is an international legal obligation to be fulfilled by Member States, with effective and adequate public mechanisms being provided for this purpose. Related to that, the EESC considers that sustained efforts are necessary to prevent the criminalisation of humanitarian actors who perform much-needed search and rescue operations.

1.8. The EESC welcomes the initiatives to improve shared responsibility and better governance of migration flows with non-EU countries. The Committee is, however, concerned about the use of cooperation mechanisms that could lead to the externalisation of EU migration management or turn migration management into a negative incentive for these countries, as well as the temptation to make development aid and cooperation conditional on the development of migration control and/or readmission policies.

1.9. The EESC welcomes the development of safe and legal pathways to access European territory, especially through resettlement and community-sponsored programmes. However, it considers that these channels only meet the needs of individuals with a specific profile and do not provide comprehensive, effective or secure responses to the need for regular channels of immigration into the EU. The EESC regrets that measures to improve legal entry routes are confined to attracting talent and to revising the Blue Card and study and research directives. A comprehensive approach to mobility is essential in order to offer alternatives that go beyond border control and return.

1.10. The EESC would like to draw attention to the working and living conditions of numerous third-country nationals, especially those in agriculture. Member States and their specialised bodies must confront the cases of abuse and exploitation and civil society organisations and trade unions must be encouraged to engage with third-country nationals, irrespective of their level of employment and pay.

1.11. The EESC is concerned that the fight against networks could have the effect of breaching the rights of trafficking and smuggling victims, and is concerned in particular at the involvement of non-EU countries where the fundamental rights of such individuals, or decent living conditions, are not respected. We have for example seen how the fight against human trafficking is used to try to criminalise humanitarian action.

1.12. The EESC believes that the fight against people-smuggling and trafficking networks must continue, and fully recognises the need to make the directive on sanctions for those who employ people illegally more effective.

1.13. The EESC looks forward to the development of the Action Plan on Integration and Inclusion for 2021-2027 ⁽⁴⁾ presented recently. The EESC is disappointed that this issue, which is crucial to coexistence in our societies, warrants so little attention in the PMA. There is no indication in the Communication of the scale and structure of support for the integration measures. The EESC has extensive experience with the issues related to integration and unfortunately the new PMA in its current form lacks ambition and clarity regarding the tools and incentives offered to different stakeholders.

2. Background

2.1. On 23 September, the European Commission presented its new work agenda on immigration and asylum, *A New Pact on Migration and Asylum*. This document follows on from the work agendas that have been developed in this area since 1999, in chronological order: Tampere (1999), The Hague (2004), Stockholm (2009) and the European Agenda on Migration (2015).

⁽³⁾ The EESC has been active visiting hotspots and engaging with civil society actors involved in all the dimensions of migration and integration.

⁽⁴⁾ See COM(2020) 758 final.

2.2. The new Pact on Migration and Asylum aims to provide a new framework for action to ensure freedom of movement in the Schengen area, safeguard fundamental rights and achieve an effective migration policy. The PMA has been in preparation since December 2019, involving two full rounds of consultations with all Member States, the European Parliament, national parliaments, civil society, the social partners and businesses, with the aim of incorporating a range of different perspectives. The PMA will be presented shortly to the Parliament and the Council.

2.3. The 2015 European Agenda on Migration provided an immediate response to the crisis situation in the Mediterranean, but the PMA seeks to ensure a new, lasting European framework to deal with the different challenges facing Member States, both in normal situations and in emergency or crisis situations, in ways that always reflect European values.

2.4. The Commission observes in the PMA that, as of 2019, 20,9 million non-EU nationals live in Europe (4,7 % of the total population) and that around 3 million first residence permits were issued in the Member States in that year. EU countries hosted 2,6 million refugees in 2019 (0,6 % of the total EU population) and 698 000 new asylum applications were submitted in that year. The Commission also notes that in 2019, 142 000 people tried to enter the territory of the European Union illegally, and that only one third of returns were actually carried out.

2.5. To deal with this new context, which is very different from the 2015-2016 period, the PMA seeks to share responsibility more evenly among Member States and improve solidarity between them, making progress on more effective management of migration, asylum and borders, with better governance and closing current gaps.

2.6. The PMA focuses on three main areas: (1) improving cooperation with non-EU countries of origin and transit in order to improve migration management; (2) improving the management of the EU's external borders, stepping up technical cooperation and identification mechanisms and amending and updating procedures to ensure greater clarity in the allocation of responsibilities; and (3) establishing a new permanent mechanism for solidarity.

2.7. Specifically, the PMA seeks to promote the robust and fair management of external borders, including identity, health and security checks; fair and efficient asylum rules, streamlining asylum and return procedures; a new solidarity mechanism for situations of search and rescue, pressure and crisis; stronger foresight, crisis preparedness and response; an effective return policy and an EU-coordinated approach to returns; comprehensive governance at EU level for better management and implementation of asylum and migration policies; mutually beneficial partnerships with key third countries of origin and transit; the development of sustainable legal pathways for those in need of protection and to attract talent to the EU; and support for effective integration policies.

2.8. The presentation of the PMA is accompanied by other new documents, which warrant closer consideration, as they set out the details of the work agenda proposed in the PMA. The Commission (1) proposes an Asylum and Migration Management Regulation, including a new solidarity mechanism; new legislation is proposed to establish a screening procedure at the external border; (2) amends the proposal for a new Asylum Procedures Regulation to include a new border procedure and make asylum procedures more effective; (3) amends the Eurodac Regulation proposal to meet the data needs of the new framework for EU asylum and migration management; (4) sets out a new strategy on voluntary return and reintegration; (5) adopts a Recommendation on cooperation between Member States regarding rescue activities carried out by private entities; (6) presents the Recommendation on legal pathways to protection in the EU, including resettlement; (7) proposes legislation to address situations of crisis and *force majeure* and repealing the Temporary Protection Directive; and (8) presents a Migration Preparedness and Crisis Blueprint.

3. Comments on the presentation of the new Pact on Migration and Asylum

3.1. The EESC takes note of the presentation of the new PMA, as it details the Commission's five-year work plans on common immigration and asylum management. The proposals accompanying the PMA are important but insufficient for the development of the common European framework for migration management, which have to be both effective and in line with EU's values and objectives. The EESC therefore considers it essential to examine them in some detail.

a. A common European framework for migration and asylum management

3.2. The PMA correctly highlights the inconsistencies between Member States' asylum and return systems, and emphasises the need to boost solidarity within the EU by overcoming shortcomings in implementation and to improve and strengthen cooperation with non-EU countries. However, it is not clear if the principle of voluntary and selective solidarity will help solve the major coordination challenges of the last decade.

3.3. The PMA seeks to improve entry procedures by facilitating the swift identification of persons applying for refuge and by pushing forwards the return processes of those trying to reach European territory irregularly. The proposal for new pre-entry screening procedures is intended to facilitate rapid processing, allowing returns to third countries that are safe or of origin, while at the same time ensuring that applications are examined on a case-by-case basis.

3.4. The EESC believes that pre-entry screening mechanisms are a novel contribution worth considering, but wonders how feasible it would be to implement them in practice. Not only does the five-day period for completing the screening not appear to help the countries that receive the greatest numbers of people irregularly by sea; it also looks as though it would put greater pressure on those countries to take a swift decision, and would make it very difficult for this to be done with the necessary guarantees and in accordance with the principles of safety and the protection of rights under the international asylum system, in other words, showing due regard for the individual rights enshrined in the 1951 Geneva Convention. Nor does it seem clear how return procedures will be improved, when most of these have not worked properly — as the PMA itself recognises — not only because of the lack of technical capacity in EU countries, but also because of a failure to react on the part of the host countries.

3.5. According to the proposal, asylum applications made at the EU's external borders must be assessed as part of EU asylum procedures; they do not constitute an automatic right to enter the EU. This procedure will probably create major problems at the sites of pre-entry, sites that must be prepared to accommodate significant numbers of individuals and an additional incentive to proceed to faster returns. Border procedure risks reducing safeguards and risks the increase of detention or detention-like circumstances. The use of the Country of Origin Information and Safe Countries concepts in organising the pre-entry screening are particularly problematic as they work against the evaluation on a case-by-case basis⁽⁵⁾. Granting international protection is not a function of citizenship but of threats and risks on the life of individuals.

3.6. The EESC welcomes the fact that alternative approaches are sought to determine the State responsible for examining an application for international protection in the light of the difficulties that have been identified to date. The EESC wonders, however, what these alternatives will be and what the change will consist of, when the proposal for a new regulation on international protection procedures to include a new border procedure and make asylum procedures more efficient simply sets out the same approach taken by the Dublin regulation currently in force.

3.7. Under the new solidarity mechanism, Member States would be able to participate in the relocation or sponsored return of persons in an irregular situation. The EESC harbours doubts as to the feasibility of this mechanism, which is based, furthermore, on a hypothetical voluntary solidarity. No mention is made of the incentives that Member States would need to participate in this mechanism, especially following the refusal of some of them to participate in the previous relocation programme⁽⁶⁾ or of the lack express obligation: it should be pointed out that this 'solidarity-based' mechanism may also have the contrary effect of relocating the individual concerned to the sponsoring Member State, if the return is not actually carried out within eight months. This might lead to accountability gaps regarding rights of returnees. Furthermore, under the proposed new solidarity mechanism, Member States are incentivised not to participate in relocation — the most pressing, difficult and costly issue, they can opt instead for participation in return⁽⁷⁾.

3.8. The EESC welcomes the shortening of the periods for securing long-term residence from five to three years for persons benefiting from international protection when they decide to stay in the Member State that has provided them with such protection. The aim is clearly to facilitate integration into local communities, although it could be deemed to be limiting mobility within the EU.

3.9. The EESC welcomes the measures to improve coordination between national strategies on asylum and return policies, but regrets that more proposals have been made on coordination for return instruments than on coordination on asylum and refugee reception procedures.

3.10. The EESC also welcomes the planned establishment of the European Union Agency for Asylum, as a necessary step forward in bringing greater convergence and better implementation of the common rules on asylum.

⁽⁵⁾ See OJ C 71, 24.2.2016, p. 82.

⁽⁶⁾ Judgment in Joined Cases Commission v Poland, C-715/17, Hungary C-718/17 and the Czech Republic, C-719/17.

⁽⁷⁾ Unfortunately there are no safeguards against situations in which some governments decide to become key players of return as part of populist mobilisation against migrants and refugees.

3.11. The EESC considers that progress on protecting and providing assistance to the most vulnerable groups, such as migrant minors, especially when travelling without their family, is essential ⁽⁸⁾. The European Guardianship Network should play a greater role in the protection of such individuals, and their integration and inclusion in EU countries should be improved by offering them legal assistance, accommodation, access to education, etc.

3.12. The EESC encourages the Commission and the Member States to take a more proactive stance in the identification and protection of women and girls who become victims of trafficking for sexual exploitation or other forms of gender-based violence.

3.13. The EESC notes the difficulties EU countries face in ensuring effective returns, as well as the Commission's willingness to move towards a common and effective European system of returns. The proposal is based on improving operational support for returns and suggests that national return coordinators be appointed. The EESC regrets that problems in the operation of return programmes are not properly identified ⁽⁹⁾, which make this position — considered to be of strategic importance — dependent on the willingness to collaborate of non-EU countries, whether of origin or transit.

3.14. The EESC looks forward to receiving the EU's Strategy on voluntary return and reintegration, a document which hopefully will significantly advance strong reintegration measures, and thus move away from an approach centred primarily on policing. This is the risk if Frontex extends its mandate to help more effective return processes, and its operations do not link with various social, economic and political actors which can create a more comprehensive and humane environment for return.

3.15. The EESC considers that it is essential to improve the accountability mechanisms for Frontex's actions, and to monitor its activities and ensure that they protect and secure people's fundamental rights.

3.16. The EESC highlights the importance of protecting the personal data recorded in Eurodac and that the need for and proportionality of the measures taken must be justified, given the sensitivity of the data included, especially where applicants for international protection and the confidentiality of the procedure are concerned ⁽¹⁰⁾.

b. A robust migration crisis preparedness and response system

3.17. The EESC welcomes the progress made on improving the prevention and management of migration crises and the potential measures to be adopted to ensure solidarity between Member States and the protection of the fundamental rights of persons likely to be affected by such crises. The EESC regrets, however, that this approach is based on the concept of 'hotspots', which have proven to be places in which the rights of persons seeking international protection in the EU are breached.

3.18. The EESC understands the need to improve the mechanisms for dealing with crisis situations, but questions the value of rethinking the Temporary Protection Directive, for example, when this has not been properly implemented in recent years. As stated before, the EESC urges the Commission and the other EU institutions not to restrict in any way the access to international protection and not to limit its content.

c. An integrated border system

3.19. Management of the external borders is a responsibility shared between the EU and its Member States, and the need to evaluate the implementation instruments is key. The EESC wishes to point out that the use of human or technological resources must always be proportionate to the reality of the situation and must, without exception, show due regard for individuals' fundamental rights and freedoms.

3.20. Reaching full interoperability of IT systems is a necessary step toward building a coherent and effective EU-wide policy. Full interoperability should be achieved quickly and with due regard to protection of personal data and fundamental rights.

3.21. The Committee therefore welcomes rescue initiatives at sea that genuinely seek to save lives, but expresses its concern at the involvement of private companies whose actions are not strictly monitored, nor their adherence to the framework of human rights. For the EESC, search and rescue at sea is an international legal obligation to be fulfilled by States, with effective and adequate public mechanisms being provided for this purpose.

⁽⁸⁾ See OJ C 429, 11.12.2020, p. 24.

⁽⁹⁾ Communication COM(2017) 200 final.

⁽¹⁰⁾ OJ C 34, 2.2.2017, p. 144.

3.22. Related to that, the EESC considers that sustained efforts are necessary to prevent the criminalisation of humanitarian actors who perform much-needed search and rescue operations.

3.23. The EESC wishes to express its concern at the risk of turning private boats into detention centres for asylum-seekers in the light of the passivity shown by some Member States.

3.24. The EESC welcomes the efforts to ensure the normalisation of free movement in the Schengen area and looks forward to seeing more details about the Schengen evaluation mechanisms soon. The EESC also looks forward to the planned Strategy on the future of Schengen, and hopes it will lead to a stronger and more complete Schengen.

d. Strengthening the fight against people-smuggling

3.25. The EESC believes that the fight against people-smuggling and trafficking networks must continue, and fully recognises the need to make the directive on sanctions for those who employ people illegally more effective: the EESC therefore considers it useful to establish mechanisms to encourage the reporting of people or enterprises taking advantage of victims of trafficking, victims of people-smuggling and persons without work permits ⁽¹⁾.

3.26. The EESC is concerned that the fight against networks could have the effect of breaching the rights of trafficking and smuggling victims, and is concerned in particular at the involvement of non-EU countries where the fundamental rights of such individuals, or decent living conditions, are not respected. We have for example seen how the fight against human trafficking is used to try to criminalise humanitarian action.

e. Working with our international partners

3.27. The EESC welcomes the initiatives to improve shared responsibility and better governance of migration flows with non-EU countries. The Committee is, however, concerned about the use of cooperation mechanisms that could lead to the externalisation of EU migration management or turn migration management into a negative incentive for these countries, as well as the temptation to make development aid and cooperation conditional on the development of migration control and/or readmission policies. It is important to reiterate that migration policy, cooperation and development aid policy and trade policy must be differentiated in the EU's external action, and all from the perspective of absolute respect for human rights.

3.28. Similarly, the EESC deems it necessary to strengthen cooperation with those countries that host a considerable number of refugees, provided that this does not mean limiting the opportunities of these individuals to gain access to European territory and provided that the EU takes a proactive interest in their living conditions including the protection of their rights in host non-EU countries.

3.29. The EESC welcomes any joint initiative to make progress on building cohesive societies in non-EU countries, to reduce poverty and inequalities there, and to promote democracy, peace and security, but does not believe that these issues should be linked to cooperation on controlling migratory flows by the countries involved. Helping to strengthen the migration management capacities of non-EU countries is positive, but it should not be linked to their role in controlling outward flows or readmission agreements.

3.30. The EESC notes that the PMA attaches great importance to cooperation with non-EU countries on issues of readmission. However, it should also take into account the risks of breaches of rights to which returnees may be subject, and the incentives that these countries may request in order to accept cooperation with the EU.

3.31. The EESC welcomes the development of safe and legal pathways to access European territory, especially through resettlement and community-sponsored programmes. However, it considers that these channels only meet the needs of individuals with a specific profile (those seeking international protection) and do not provide comprehensive, effective or secure responses to the need for regular channels of immigration into the EU.

⁽¹⁾ For example, Spanish legislation includes the concept of 'working ties', whereby — under certain conditions — if an irregular foreign worker reports his or her irregular employer, he or she will obtain legal documentation. Similarly, Portugal has a permanent case-by-case regularisation process for specific situations.

f. Attracting talent and skills to the EU

3.32. Talent partnerships are a value-added initiative offering a legal pathway, and the EESC welcomes this initiative ⁽¹²⁾ despite the fact that it will have negative consequences for countries of origin, particularly in terms of their ability to implement sustainable development. The EESC regrets that measures to improve legal entry routes are confined to attracting talent and to revising the Blue Card and study and research directives as their scope is limited. A comprehensive approach to mobility is essential in order to offer alternatives that go beyond border control and return.

3.33. The EESC wishes to participate in the public consultations on the attraction of talent and skills to the EU, but reiterates the overarching need to address labour markets beyond these areas.

3.34. The EESC would like to draw attention to the working and living conditions of numerous third-country nationals, especially those in agriculture. Member States and their specialised bodies must confront the cases of abuse and exploitation and civil society organisations and trade unions must be encouraged and stimulated to engage with third-country nationals, irrespective of their level of employment and pay.

g. Supporting integration for more inclusive societies

3.35. The EESC considers that the inclusion and integration of non-EU nationals is key to ensuring social cohesion in the EU and looks forward to analysing the Action Plan on integration and inclusion for 2021-2027. The EESC is disappointed that this issue, which is crucial to coexistence in our societies, warrants so little attention in the PMA.

3.36. There is no indication in the Communication of the scale and structure of support for the integration measures. The EESC expects the new Action Plan on Integration and Inclusion for 2021-2027 to address this shortcoming in the PMA. The EESC has extensive experience with the issues related to integration and unfortunately the current form lacks ambition and clarity regarding the tools and incentives offered to different stakeholders.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽¹²⁾ See OJ C 341, 21.11.2013, p. 50 and OJ C 458, 19.12.2014, p. 7.

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Powering a climate-neutral economy: An EU Strategy for Energy System Integration’

(COM(2020) 299 *final*)

(2021/C 123/05)

Rapporteur: **Lutz RIBBE**

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1. Conclusions and recommendations

1.1. The European Economic and social Committee (EESC) supports the Commission's intention as set out in its Communication: integration of the electricity system with the heat and transport system is vital to reach the goals of climate neutrality, security of energy supply, including reduction of energy imports, and the goal of affordable prices for Europe's consumers and the European economy.

1.2. That said, the EESC is bound to note that the Commission leaves some points of great importance for the success of the European energy transition unanswered in its communication.

1.3. The Commission does not answer the question of how it intends to achieve security of supply using low-carbon or carbon-free energy sources. It states that 84 % of the electricity demand is to be met from renewable sources, but fails to detail the sources from which the rest of the electricity is to be produced. Given the crucial importance of security of supply for the European economy and consumers, this is unacceptable, especially as electrification of the heat supply and the transport sector is expected to boost electricity demand despite progress on efficiency.

1.4. The EESC agrees with the Commission that a lack or inadequacy of CO₂ emissions pricing in the heating and transport sector is a serious problem for system integration. But just describing the problem is not enough. Concrete proposals for solutions are needed. The Commission is far too hesitant and vague on this point.

1.5. Energy system integration requires modernisation and upgrading in certain areas and in some cases the construction of new energy infrastructure. This necessitates massive investments, which could potentially be facilitated by a dedicated European financial framework accessible to businesses in all Member States. These investments could provide important economic stimulus to master the recession triggered by the COVID-19 pandemic and should create good and fair jobs. However, it is important here that investment decisions are taken in such a way as to support energy and climate policy aims. Given the huge capital requirements, it is also essential to make the best use of existing infrastructure. This requires prioritising the technological options available for rapid and efficient system integration. Energy efficiency, in particular in industrial processes, must be given priority over all other approaches. Moreover, this prioritisation must show which technology is best suited to which application that achieves system integration. The right infrastructure investment can then be planned accordingly. The Commission's Communication is far too sketchy on this point.

1.6. The Communication focuses in particular on hydrogen and offshore wind energy. These are important technologies, but their use should only be complementary — where onshore wind energy and solar energy, as well as short-term storage such as batteries, are insufficient. This is because, for the foreseeable future, onshore wind energy and solar are not just the cheapest forms of energy production, but also the best options for attaining an important strategic goal of the Energy Union: decentralisation as a way of creating secure and good jobs and generally making the most of the sociopolitical and regional economic benefits of the energy transition, empowering consumers also as prosumers and putting them at the heart of the energy system, combating energy poverty, increasing security of supply while promoting regional development and fostering buy-in for the transition. In particular, onshore wind energy and photovoltaics enable direct system integration: for example, the use of solar energy on the spot to charge electric cars, or the use of wind energy for power-to-heat applications. The Commission ignores this great potential of onshore wind energy and photovoltaics in its Communication, which the EESC considers to be a huge mistake.

1.7. System integration has the potential to boost innovation in the European economy and so increase its international competitiveness. This will only be successful, however, if the potential of digitalisation for system integration in particular is unlocked: artificial intelligence and machine learning can be a game-changer in demand-led supply of energy for the electricity, heat and transport sectors. However, the deployment of such technology must be carefully weighed against its usefulness and potential ethical problems, particularly with regard to data sovereignty, and should be preceded by an initiative to train suitable specialists. It defies comprehension that the Commission does not acknowledge this in the Communication.

1.8. Finally, system integration requires completely reconfigured energy markets, to be designed in such a way as to promote community energy and empower consumers. Only then can the relevant objectives of Directive (EU) 2019/944 of the European Parliament and of the Council⁽¹⁾ on the internal market for electricity and Directive (EU) 2018/2001 of the European Parliament and of the Council⁽²⁾ on renewable energy be met. System integration will be much faster if consumers can exercise their rights, including as prosumers, self-producers and members of renewable energy communities. At the same time, attention should be paid to the public sector's role in security of supply. These aspects are entirely absent from the Communication.

1.9. The EESC supports the Commission's idea of organising a major event on energy system integration and is ready to play an active role in this. In this regard, the Committee wishes to address the issues raised in this opinion that are not sufficiently covered in the Commission's Communication. In particular, it must be emphasised how important the active involvement of citizens is for energy system integration. On this point specifically, the Commission's Communication is disappointing as it only sees citizens as consumers who merely lack sufficient information.

2. General comments on the Commission document

2.1. The Commission's Communication relates to the European Council's commitment to achieving climate neutrality by 2050. Given that the energy system is responsible for 75 % of greenhouse gas emissions, the most crucial step towards this goal is the creation of a largely zero-emission and carbon-neutral energy system.

2.2. The integration, or coupling, of the various hitherto only very loosely connected energy sectors — electricity, transport and heating (including cooling and process heat) — plays a crucial role in this, an aspect dealt with only very sketchily in the Clean Energy Package, despite the fact that there are applications that have been putting system integration into practice for a very long time, such as combined heat and power (CHP) generation.

2.3. In its description of the situation at present, the Commission highlights the fact that the energy system has so far been characterised by various parallel vertical value chains.

⁽¹⁾ OJ L 158, 14.6.2019, p. 125.

⁽²⁾ OJ L 328, 21.12.2018, p. 82.

2.4. The notion of energy system integration is now being put forward as an alternative. By this the Commission understands the coordinated planning and operation of the energy system 'as a whole', the aim being to better knit together energy sources, infrastructure and consumption sectors. The Communication sets out the various benefits of such system integration: the contribution to meeting climate goals, more efficient use of energy resources, greater flexibility in the energy system itself and, finally, more empowerment of consumers, improved resilience, and greater security of supply, though it remains unclear whether security of supply is at EU or Member State level. And yet this is an important matter, since Member States sometimes have very different strategies on this and the conditions with regard to generally available energy sources are sometimes very different in the various Member States.

2.5. To achieve this, the Communication sets out a plan resting on six pillars:

1. a 'circular energy system' with a clear focus on energy efficiency (actions include: making the 'efficiency first' principle operational; reviewing the Primary Energy Factor; and promotion of waste-to-energy approaches);
2. greater electrification of end-use sectors (actions include: expansion of offshore wind energy; mandatory consideration of renewable energy in public procurement; promoting electrification of heating for buildings; expansion of charging points for electric vehicles; revision of the Renewable Energy Directive; new CO₂ emission standards for cars and vans, and reworking of the Alternative Fuels Infrastructure Directive);
3. use of biofuels in certain areas (actions include: a European certification scheme for renewable, low-carbon and sustainable fuels; possibly additional measures such as minimum shares or quotas in specific end-use sectors; scaling up the capture of carbon for its use in the production of synthetic fuels);
4. making energy markets fit for decarbonisation and distributed resources (actions include: ensuring non-energy price components are consistent across energy carriers; harmonising energy taxes; possible expansion of the Emissions Trading System; phasing out of direct fossil fuel subsidies; adaptation of the gas regulatory framework; an information campaign on consumer rights; and improved consumer information);
5. an integrated energy infrastructure (actions include: new regulation for the trans-European networks and ramped-up investment in smart district heating and cooling networks);
6. a digitalised energy system and a supportive innovation framework (actions include: a Network Code on cybersecurity; implementing acts on interoperability requirements).

3. The EESC's general comments

3.1. The analysis of the current problematic situation is very accurate and the Commission's basic approach is certainly to be welcomed: there is an urgent need to push forward with integrating the energy system — especially given the need to speed up decarbonisation in the transport and heating/cooling sectors in Europe. System integration is important not only for achieving climate neutrality, but also for stable security of supply and affordable prices for private consumers and the economy. The EESC therefore strongly supports the Commission's plan to advance the integration of the electricity, heating and transport sectors. However, the plan must not be used as a reason to further liberalise services of general interest before the effects of the previous liberalisation initiative have been assessed. However, the EESC also warns that the Commission should encourage the European Union's neighbours, and primarily the Eastern Partnership countries, to follow this plan and make it their own policy. The question of whether a CO₂ border tax could be helpful here should be explored.

3.2. The six concepts referred to in point 2.5 constitute correct and effective approaches. The majority of the measures themselves are persuasive, despite the occasional lack of clarity as to how much they really contribute to energy system integration.

3.3. The criticism that can be levelled, however, is that the strategy's political aims, its consistency and logical structure fall short. In addition, the role that citizens/consumers play — or would be expected to play — is more or less completely neglected. This is all the more frustrating because the Commission was still promising in the Clean Energy Package to put citizens at the centre of the energy transition.

3.4. The Commission fails to define clear, ambitious and specific sub-targets derived from the overarching objective of climate neutrality. This is particularly true for the expansion of renewable energy, which is lagging behind the targets in many Member States.

3.4.1. The Commission is, admittedly, very (self-)critical when it comes to the chances of this becoming reality. It writes, for example, that: 'Without robust policy action, the energy system of 2030 will be more akin to that of 2020 than a reflection of what is needed to achieve climate neutrality by 2050. [...] The steps taken in the next five-to-ten years will be crucial for building an energy system that drives Europe towards climate neutrality in 2050.'

3.4.2. But the Commission itself lacks political courage, as the Communication proves. Because the statement that — with the share of electricity in final energy consumption expected to rise sharply — a share of 55-60 % of renewable energy in the electricity mix by 2030 and of 84 % by 2050 will be enough leaves a lot of questions unanswered. The most important of these is: how is stable security of supply supposed to be achieved? Biogas, biofuels, including synthetic biofuels such as hydrogen, and, under certain circumstances, hydropower can be used to offset the fluctuations of wind and solar energy. There are also two technology options that could make up the 16 % shortfall and be considered carbon-free or low-carbon: nuclear and gas or coal power plants with carbon dioxide capture and storage (CCS). These, however, involve major economic, environmental and social challenges. Even though it is for the Member States to determine their exact energy generation mix, it is incomprehensible that the Commission does not explain how it intends to achieve carbon-free security of supply.

3.5. The timidity is also seen elsewhere. As the Commission rightly suggests, one of the main reasons why energy system integration is progressing so slowly is the lack of carbon pricing of fossil fuels used in transport and, above all, in heating. Add to that the fact that many Member States tax electricity heavily, even if it comes from renewable sources. Excessive network charges are also a problem in a number of Member States. This market distortion means, for example, that in many configurations the use of surplus electricity for the production of heat (power-to-heat) — in other words, the simplest form of system integration — is not economically feasible.

3.6. Only if the problem of market distortion is solved will energy system integration really make headway. The announcement of 'further work towards the phasing out of direct fossil fuel subsidies' and a 'possible proposal for the extension of the ETS to new sectors' rings hollow and falls short. Society has been hearing these platitudes from the Commission for years, without anything of substance changing. The technological support that the Commission describes primarily in the first three pillars of its strategy (see points 3.1 to 3.3 above) will be markedly less effective if the Commission does not act robustly to remove the market distortions described above.

3.7. It is welcome that the Commission proposes a sequence for technological tasks. However, it should have made it clear on this point that, in terms of efficiency, the combustion of fuels can never compete with the direct use of photovoltaic or wind power, except in the case of combined heat and power plants where the heat is used directly in the immediate locality. This aspect is particularly important for transport decarbonisation, which in certain areas cannot be achieved through electrification. The Commission covers the issue cursorily with examples at certain points in the Communication. However, it does not take efficiency as the key criterion for assessing different technology options, which would be essential for integration of the energy system from the energy technology and energy economy perspectives.

3.8. The Commission also fails to recognise the fundamental importance of infrastructure. An economically efficient design of system integration can only be achieved if the existing energy infrastructure is taken into account as an important basis for planning and implementing system integration, or if the infrastructure implications of different technology options are recognised. If this were done, what we would see is the following:

- a) For charging electric vehicles: photovoltaics (including roof solar panels in particular) are particularly suitable, as photovoltaic systems usually feed electricity at a low-voltage level and electric vehicles are charged at that level.
- b) Power-to-heat applications, for example via heat pumps or a heat storage device: wind turbines or larger solar farms can be suitable if the heat is to be delivered via a remote or local heating network. This is because more electricity is needed to operate the pumps or the heat storage device.
- c) Long-term storage of surplus electricity as hydrogen: gas storage facilities are particularly suitable.

3.9. None of these power-to-X technologies necessarily requires entirely new infrastructure. It is more a question of using the existing technologies wisely and modernising and upgrading them where necessary ⁽³⁾. In many Member States, infrastructure has suffered from a policy of austerity. Cost-efficiency is an important aspect of the modernisation and development of infrastructure, but it also has to be about creating good jobs. With this in mind, the Commission should consider making the promotion of power-to-X applications conditional on the use of an existing infrastructure, at least in the short to medium term, so as to first unlock potential that requires least effort. In this light, the Communication's one-sided focus on offshore is open to question.

3.10. While the Communication mentions digitalisation, it fails to grasp its real potential. Smart grids, which give specific signals to market players and thus also make markets smart, are essential for efficient and secure energy supply. Assuming that the right information is made available to market participants through digital applications, electric cars (especially as vehicles-to-grid), heat pumps or hydrogen storage devices can provide important ancillary services and take pressure off the grid. Artificial intelligence, machine learning and the automation of energy consumption processes, whether at household or industrial level, will help take load shifting to a new level and incorporate it into virtual power plants.

3.11. Finally, the Communication ignores many points that the Commission has deemed important in previous Communications — e.g. on the Energy Union framework strategy — or that are already EU law as part of the Clean Energy Package, which is about the 'active consumer' as characterised in Directive (EU) 2019/944 on the internal market for electricity, and who was supposed to have access to all relevant electricity markets. That idea does not feature at all in the Communication — and nor do the activities of self-consumers or renewable energy communities which were codified in Directive (EU) 2018/2001 on renewable energy. The Communication states: 'Citizens have a central role in system integration. This means that they should contribute to shape the implementation of this Strategy' This rings very hollow when the only concrete measure is an information campaign.

3.12. The EESC has repeatedly pointed out that in many Member States there are significant hurdles that effectively prevent citizens from helping to shape the strategy. This makes it all the more incomprehensible that the Communication ignores the problem. Other goals highlighted in similar places and ignored in the Communication are: reducing dependence on energy imports, strengthening regional economic cycles, and creating fair and good jobs. These are criteria that need to be taken on board when designing energy integration and which make certain technology options more advantageous than others. The Commission should also encourage third countries to take these aspects on board in their energy policy. Here, too, border taxation could be a strategic option.

⁽³⁾ Just one example: even though fossil gas will play an increasingly limited role, existing gas networks could instead or also be used for 'green gas' or hydrogen.

3.13. There would be a lot of opportunities to make citizens players in sector coupling who can take action and benefit themselves. Just one example: the latest wind farms provide enough electricity under average conditions to meet the demand of around 7 000 electric cars. With investment costs of less than EUR 10 million, it makes a lot of sense to promote community wind farms to power local charging stations. However, such approaches, which would enormously boost acceptance — not least because they would drastically cut costs for citizens and have a positive economic impact regionally — are not even touched on in the present Communication.

3.14. Consumer rights need to be strengthened if people are to benefit from system integration. And they must apply to prosumption as well as the traditional consumer role. The Communication regards citizens as merely customers or consumers, who should only be given tailored information. This is more than disappointing for the EESC, not least given the promises of the European Energy Union.

3.15. While the Commission does recognise in abstract terms the need for action on the rights of consumers in the gas and district heating sector, only the empowerment of gas customers is announced as a key measure under a new legal framework for the gas sector for 2021. There are no specific measures for local and district heating, although this is precisely where consumer rights are much worse than in the electricity and gas sectors. However, to preserve existing system integration, no further liberalisation measures must be taken in the heating sector.

3.16. In this connection, the EESC reaffirms its position that a second-class energy society is to be avoided at all cost ⁽⁴⁾. We cannot have a situation in which only affluent and technologically well-equipped households benefit from the energy transition and all the rest have to bear the costs. Quite the contrary: tangible measures are needed to tackle energy poverty both nationally and at European level. These include better accessibility of support for thermal renovation or replacement of heating systems for energy-poor households, mandatory basic supply models and general safeguards for consumers in the energy sector, including against excessive electricity network charges and abuse of monopolies.

4. Specific comments

The circular energy system

4.1. The EESC has already presented the concept of a circular energy system in its own-initiative opinion TEN/660, and welcomes the Commission taking up the idea.

4.2. However, the term should not refer, as in the Communication, only to energy saving and energy efficiency, but to energy flows in general. This is particularly important for rapid integration of the energy system locally, i.e. at the place of final consumption.

4.3. The EESC welcomes the Commission's announcement that it will review the level of the Primary Energy Factor. It is clear even now that current practice in many Member States is less favourable for power-to-heat applications and biofuels. Consideration should also be given to clearly aligning the Primary Energy Factor with CO₂ emissions.

4.4. Implementation of the 'energy efficiency first' principle, which is mentioned as a key measure in section 3.1 of the Communication, could encourage the setting of higher energy prices. However, attention should be paid here to vulnerable energy consumers and an increase in energy poverty avoided. The Committee has repeatedly called for strategies to this end and has also made tangible proposals (see, for example, opinion SC/53). This aspect is particularly — though not uniquely — important for a large number of citizens in Eastern Europe and for the regions in transition. Regionally differentiated approaches are therefore necessary to achieve the high efficiency goals.

Accelerating the electrification of energy demand

4.5. The Commission's approach is right: electrification of the heat and transport sector is the best way to tackle system integration. For this to be in line with the goal of climate neutrality, a rapid expansion of renewable energy is required, but one based and focused on need.

⁽⁴⁾ See OJ C 429, 11.12.2020, p. 85.

4.6. It would have been desirable for the Commission to make clearer the exact implications of this for the revision mentioned of Directive (EU) 2018/2001 on renewable energy. The EESC believes that the expansion objectives set out are much too limited.

4.7. Section 3.2 of the Communication clearly focuses on offshore wind. Photovoltaics and onshore wind get no mention at all. This is incomprehensible, because in their case, as explained in point 3.7 above, potential for system integration can be tapped quickly and efficiently, whereas offshore wind for hydrogen production requires huge investment in energy infrastructure. The Commission would therefore be advised to follow the ‘first things first’ rule in sequencing its actions.

The role of hydrogen

4.8. There is no doubt that hydrogen will be an indispensable part of a climate-neutral energy mix. Hydrogen will be essential for three areas in particular when direct electrification reaches its limits:

- for long-term electricity storage to overcome ‘Dunkelflaute’ events, i.e. moments of insufficient solar radiation and wind supply;
- as fuel for aviation, waterborne transport and, in a few specific cases, heavy goods road transport, as well as in a few specific sections of public transport;
- for certain industrial processes.

4.9. However, hydrogen production is costly and entails large energy loss. The Communication should therefore make it clear that hydrogen can only be an option if direct heating or electrification are not technically feasible (or possible only at significantly higher costs).

Market design and openness

4.10. The rigid concentration on a central wholesale market to be found in a lot of Member States prevents the integration of the energy system in many instances. It might, for example, make much more sense technically (in terms of relieving the electricity grid) and economically (in terms of cost-efficiency) to use local surplus electricity for mobility or power-to-heat applications that also trigger local electricity demand. Such direct integration of different energy sectors in the same place, ideally by involving established public and municipal utilities with their sustainable networks, is often made impossible by central wholesale markets.

4.11. The Commission’s failure to recognise that the rigid focus on a few central wholesale electricity markets prevents system integration is all the more surprising given that other forms of trading are already mentioned and acknowledged in existing legislation: for example, the Directive (EU) 2019/944 on the internal market for electricity explicitly grants active consumers the right to peer-to-peer trading and energy-sharing within energy communities. Both are forms of trading that make it possible for not just citizens, but also SMEs and municipalities, to drive system integration forward very effectively on the ground. The Commission Communication is therefore disappointing on this front. At no point is it spelt out how the market should be organised so that consumers can play that role.

The integrated energy infrastructure

4.12. The commitment to wrap-around infrastructure planning is welcome, as there is expected to be considerable demand for investment, which could be addressed where appropriate by a pan-European financing framework. However, it is important here to include the existing infrastructure and its optimisation and expansion in terms of energy production options and consumption patterns, including making consumption more flexible, and to factor in the interaction between market or trading systems and infrastructure. This is a challenge the Commission has yet to live up to.

4.13. It fails to recognise that the infrastructure determines which technologies are to be preferred, namely those which, all other things being equal (*ceteris paribus*), best use the existing infrastructure.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — A hydrogen strategy for a climate-neutral Europe’

(COM(2020) 301 *final*)

(2021/C 123/06)

Rapporteur: **Pierre-Jean COULON**

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|---------------------------|--|
| Referral | European Commission, 23.9.2020 |
| Legal basis | Article 304 of the Treaty on the Functioning of the European Union |
| Plenary Assembly decision | 14.07.2020 |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted in section | 16.12.2020 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 229/4/3 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1. The EESC considers that the European Union must overcome the COVID-19 crisis by building a new model for society, one which will make our economies more green, just and resistant to future shocks. European recovery funds must enable businesses, innovators, workers and investors to affirm their role as world leaders in the expanding clean energy markets.

1.2. Accordingly, the EESC supports the European Commission's strategy to create an enabling environment to boost supply and demand of hydrogen to deliver a climate-neutral economy. It stresses that clean hydrogen must be prioritised, including by the European Hydrogen Alliance, as this is the only option compatible with climate neutrality.

1.3. The EESC would point out that establishing a clean hydrogen economy in Europe is just one strand of the strategy seeking to link up the EU's various energy sectors more effectively. The EESC therefore emphasises that the EU should revise its ambitions upwards to allow for the emergence of a clean energy system, incorporating renewable energy and energy efficiency, so as to provide European businesses with both a solid internal market where innovation can be rolled out safely and an integrated industrial strategy which can export clean energy solutions to the rest of the world.

1.4. The EESC notes that due to the high production and transport costs, clean hydrogen should be used only in cases where other decarbonisation options are not possible, for example in sectors where it is difficult to reduce carbon emissions⁽¹⁾ or in some very specific applications in the transport and construction sectors.

1.5. The EESC stresses that if clean hydrogen is to take off, European funds should not subsidise fossil fuels, and it calls on the Commission to apply the ‘do no harm’ principle to all public funding under the MFF, InvestEU, the EU Recovery Fund and State aid.

⁽¹⁾ Also referred to as ‘hard-to-abate sectors’ (e.g. steel, petrochemicals, aluminium, cement and fertilisers), defined as such because decarbonisation is a more costly way of reducing emissions than current technologies with a higher carbon content.

1.6. The EESC stresses that establishing a hydrogen economy requires buy-in by Europeans in their role as entrepreneurs, workers or consumers. The EESC feels that it is unfortunate that there has been no discussion on the strategy's implementation in the various sectors and calls for Europeans to be given a greater role in this process by means of direct, representative consultation and participation. The EESC also asks the Commission to assess the impact of developing clean hydrogen on energy costs for households.

1.7. The EESC points out that the success of the energy transition will be diluted if some workers lose out or if the most vulnerable are unable to benefit from it. At a time of particularly high unemployment ⁽²⁾, especially among young people, it is crucial that we harness the full potential for job creation in developing sectors, just as it is vital to ensure that the transition does not drag some regions down into economic decline, generating structural unemployment. The EESC therefore calls on the European Commission to carry out a study identifying the skills of workers in declining sectors which would be useful for new hydrogen-related jobs.

1.8. The EESC emphasises the key role played by the European Clean Hydrogen Alliance in speeding up the transformation of European industries ⁽³⁾, and asks to be involved as the representative of organised civil society. The EESC also recommends that the Commission provide a detailed description of the timeframes for transition in each industry, tailored to the specific needs of each sector. The steel, cement and chemicals industries need help to change their production methods; failing that, the EESC points out that these industries — which are making a significant contribution to the reduction of CO₂ emissions — may not survive the transformation.

1.9. The EESC welcomes future partnerships with neighbouring countries. However, it calls for greater clarity from the European Commission on the deployment of 40 GW of electrolyzers to produce renewable hydrogen in the EU neighbourhood ⁽⁴⁾, which currently includes countries that are politically unstable and have very different energy transition and renewable energy development policies. The EESC also stresses that in its Framework Strategy for a Resilient Energy Union ⁽⁵⁾, the Commission sets itself the objective of reducing the EU's dependence on energy imports ⁽⁶⁾.

1.10. The EESC would also point out that the competitiveness of European businesses is based on their capacity for innovation. Research and innovation also play a key role in bolstering the resilience of our society which has been buffeted by the COVID-19 pandemic. To this end, the EESC stresses the need to provide sufficient budgetary resources for clean energy under Horizon Europe and the European Innovation Council (EIC).

2. Gist of the European Commission communication

2.1. The Commission reaffirms its ambition to speed up the transition towards a sovereign, competitive climate-neutral economy, at a time when the European economy is being buffeted by the COVID-19 pandemic ⁽⁷⁾.

2.2. The European Commission points to the key role played by clean hydrogen in creating a sovereign, smarter, more integrated and optimised energy system, in which all sectors can contribute fully to decarbonisation. Clean hydrogen and its value chain can play an important role in offsetting variations in renewable energy flows and supplying sectors which are not suited to electrification. Europe needs to establish a hydrogen economy if it is to realise this potential.

2.3. Accordingly, the Commission has presented a three-phase strategy to run until 2050:

- 2020-2024: 6 GW of electrolyzers to produce renewable hydrogen so as to decarbonise existing hydrogen production,
- 2025-2030: 40 GW in the EU and 40 GW in the countries located near the EU with exports to the EU to decarbonise new applications, such as the steel industry and some forms of transport,

⁽²⁾ According to Eurostat data published in August 2020, COVID-19 reduced employment in the EU by 2,6 % in the second quarter.

⁽³⁾ I.e. the carbon-free creation of goods and services.

⁽⁴⁾ Including the Western Balkans, Ukraine and the southern neighbourhood countries.

⁽⁵⁾ See COM(2015) 80 final.

⁽⁶⁾ See COM(2020) 299 on *Powering a climate-neutral economy: An EU Strategy for Energy System Integration*.

⁽⁷⁾ The EU GDP shrank by 11,9 % in the second quarter of 2020, according to Eurostat, the EU statistics office.

— 2030-2050: a huge upscale in the capacity installed so that hydrogen can decarbonise all ‘hard-to abate’ sectors ⁽⁸⁾.

2.4. The Commission is focusing on five key dimensions in its strategy to make renewable hydrogen competitive in the EU:

- investments in the EU,
- boosting demand and scaling up production,
- designing the right infrastructure and market rules,
- supporting research and innovation (R&I),
- the international dimension.

2.5. In order to build this ecosystem, the Commission considers that between EUR 320 bn and 458 bn will have to be invested throughout the current decade in order to meet the hydrogen strategy’s 2030 goals: EUR 24 bn to 42 bn on electrolyzers, EUR 220 bn to 340 bn on boosting the production of solar and wind power (80 to 120 GW), around EUR 11 bn on updating existing CCS facilities and EUR 65 bn on hydrogen transport, distribution and storage, and refuelling stations. By 2050, EUR 180 to 470 bn will be needed merely for production capacity. What is more, money will also have to be invested in adapting end-use sectors, such as EUR 160 m to 200 m to convert a typical EU steel plant and EUR 850 m to 1 bn to set up 400 small hydrogen refuelling stations.

2.6. The main strategic levers available to the EU to boost private investment in clean hydrogen are described below.

2.6.1. Developing clean hydrogen applications in industry and mobility will boost demand. In order to achieve this, the strategy proposes a two-phase approach: first, hydrogen will be used to decarbonise steel production and could be developed in captive uses, such as urban buses or some trains when electrification is not cost competitive, as well as for heavy-duty road vehicles in parallel to electrification. The forthcoming strategy on sustainable development and smart mobility, to be published by the end of the year, should tackle the role of hydrogen in transport. With this in mind, demand support policies will be considered and may take the form of renewable hydrogen quotas or minimum percentages in specific end-use sectors (such as chemical and transport applications).

2.6.2. In order to increase production, the Commission emphasises that investors and industry will need greater clarity and certainty. It will therefore propose a common low-carbon standard for the promotion of hydrogen production installations based on their direct greenhouse gas performance. It could also propose a comprehensive terminology and European-wide criteria for the certification of renewable hydrogen, building on existing initiatives such as CertifHy. Furthermore, the next revision of the EU emissions trading system (EU ETS) should bring in additional mechanisms to encourage the production of renewable and low-carbon hydrogen. The CCfD (Carbon Contract for Difference), a call for long-term contracts with a public counterpart, could be considered to cover the difference between the CO₂ strike price (i.e. EUR 55-90/tCO₂) and the actual CO₂ price. Lastly, direct and transparent market-based support schemes for renewable hydrogen, awarded through calls for tenders, might be considered.

2.6.3. The Commission proposes gradually rolling out the infrastructure alongside the roll-out of devices running on clean hydrogen. Initially, demand for hydrogen will be met by on-site or local supply. Subsequently, regional clusters will be developed (‘Hydrogen Valleys’) leading to a growing need for dedicated infrastructure, not just for industrial and transport applications and electricity balancing but also to heat residential and commercial buildings. The existing gas network could be partly used to carry renewable hydrogen over longer distances and large-scale storage facilities will become necessary.

2.6.4. In order to promote the emergence of European champions, the Commission is establishing a European Clean Hydrogen Alliance, a partnership between public authorities, industry and civil society. The goal of this alliance will be (1) to develop an investment programme and a pipeline of projects; (2) to facilitate cooperation in networks of regional, national and European investment projects along the hydrogen value chain, including important projects of common European interest (IPCEI); and (3) to increase financing to help close the investment gap. The alliance should provide a wide forum to coordinate investments by all stakeholders.

⁽⁸⁾ Defined as such because the costs of reducing emissions are high and progress has been slow and hesitant.

2.6.5. The Commission intends to support strategic investments in clean hydrogen through its recovery and resilience plan, and particularly through InvestEU's European strategic investment window (from 2021).

2.6.6. The Commission will also support research and innovation (R&I) by means of a formal partnership on clean hydrogen and key partnerships on transport and industry, such as 2Zero and Clean Steel. The Commission will provide targeted support for sound projects in the Member States through dedicated instruments (such as InnovFin EDP and InvestEU). An interregional innovation investment instrument with a pilot project on hydrogen in carbon-intensive regions will be financed during the next framework period of the European Regional Development Fund (ERDF).

2.6.7. Lastly, in order to be proactive in promoting further opportunities for cooperation on clean hydrogen, the strategy proposes rethinking energy partnerships with neighbouring countries and regions (to the east of the EU, particularly Ukraine, and the southern neighbourhood) through the relevant international bodies, such as the Energy Community and the Clean Energy Ministerial. This will be flanked by investment support, with the neighbourhood investment platform and the Western Balkans Investment Framework. The Commission will develop a benchmark for euro denominated transactions in hydrogen in order to consolidate the role of the euro in trade of sustainable energy, and will incorporate clean hydrogen into the EU's international, regional and bilateral diplomacy on energy, climate, research, trade and international cooperation.

3. General comments

3.1. The European Green Deal, which aims to achieve climate neutrality in Europe by 2050, needs tangible policies to become reality. The European Union is also currently facing a dual health and economic emergency triggered by the COVID-19 pandemic. The European Union and the Member States must therefore coordinate their responses to these crises, so that economic recovery can be a springboard for a clean and resilient future. For that future to become reality, the EU's economic sovereignty must be bolstered, partly by developing renewable energy and the relevant storage capacity.

3.2. Accordingly, the EESC supports the European Commission's strategy to create an enabling environment to boost supply and demand of hydrogen to deliver a climate-neutral economy. However, it would point out that the success of clean hydrogen depends on a substantial increase in the efficiency of our energy system and massive deployment of renewable energy in order to extend electrification of uses.

3.3. Whilst the EESC welcomes the strategy's ambitious targets with regard to the deployment of electrolyzers for the production of renewable hydrogen, it points out that priority must be given to boosting renewable capacity installed in Europe to meet the growing demand for electricity. This is due to the increase in electrification of end uses, plus the electricity needed to produce clean hydrogen. The development of renewable energy does not currently include hydrogen production, and only about a third of the EU's electricity consumption is sourced from renewable energy⁽⁹⁾.

3.4. The EESC welcomes the Commission's clarifications regarding the definition of clean hydrogen, defined as being produced through electrolysis using renewable electricity from wind, solar and hydraulic power or the biochemical conversion of renewable biomass. It is pleased that this is a priority for the EU, since it is the only option which is compatible with climate neutrality.

3.5. The EESC does however note that the strategy remains open in the short and medium term to other forms of low-carbon hydrogen produced using fossil fuels with carbon capture and storage (CCS)⁽¹⁰⁾, a technology which is still being deployed. The EESC points out that hydrogen with CCS can never be considered a source of green energy if its use is linked to direct or indirect extraction of fossil fuels. The EESC underscores the need to have carbon analysis tools throughout the hydrogen value chain along with CCS in order to be considered low-carbon rather than zero-carbon⁽¹¹⁾ and to avoid a situation where the emissions savings are insufficient to meet the long-term emissions targets.

⁽⁹⁾ Eurostat data [nrg_ind_peh].

⁽¹⁰⁾ Or from electrolysis with a significantly reduced GHG emission life-cycle.

⁽¹¹⁾ This allows for 60 to 85 % life-cycle emissions savings compared to using natural gas in boilers.

3.6. The EESC would also point out that according to the European Court of Auditors' analyses, EU financing for CCS support, such as NER 300, 'has delivered no successful carbon capture and storage project' ⁽¹²⁾. There is thus much uncertainty about the technological feasibility of CCS, and little certainty about public support for it.

3.7. The EESC takes note of the Commission estimate that carbon prices in the region of EUR 55-90 per tonne of CO₂ would be needed to make fossil-based hydrogen with carbon capture competitive with fossil-based hydrogen. It asks the Commission to describe the financial model for investments leading to this offset cost, particularly the impact of the cost of capital leveraged through private investments which result in projects having a higher price tag. The EESC would ask the Commission to provide details of estimates for the clean hydrogen prices necessary to obviate the need for subsidies and to explore the mechanisms required to achieve these prices, in particular during the forthcoming revision of the EU Emissions Trading System (EU ETS).

3.8. The EESC would also point out that whilst renewable hydrogen will have to be able to compete with fossil-based hydrogen and fossil-based hydrogen with carbon capture, most importantly it must be able to compete with fossil fuels. For that, its price must be less than 1 USD/kg ⁽¹³⁾. Reducing the investment costs (CapEx) of green hydrogen is therefore key. The EESC asks the European Commission to provide hydrogen price scenarios linked to the cost of financial capital leveraged for green hydrogen projects.

3.9. The EESC would also point out that previous attempts to start up a hydrogen economy have failed, chiefly because the demand for hydrogen has never materialised. The EESC is therefore glad that the Commission has clearly identified end-use sectors which will have to use hydrogen: industry and some forms of transport, as well as stationary electricity storage to boost battery storage capacity.

3.10. Clean hydrogen should therefore be used only in cases where other decarbonisation options are not possible, and the EESC calls on the Commission to focus investments on applications where hydrogen can play a major role, such as industry, mobility (shipping and aviation) and renewable energy storage. Wherever batteries are operational — particularly for cars, taxis, bus fleets and urban vans and lorries, as mentioned in the strategy — hydrogen is likely to provide less cost-effective solutions. It could also be one of the possible options for decarbonising long-distance road freight ⁽¹⁴⁾.

3.11. The COVID-19 pandemic has both worsened and widened inequality in our society and increased poverty in Europe. It is therefore important that the hydrogen strategy for a climate-neutral Europe does not leave anyone behind. Accordingly, the EESC asks the Commission to monitor and assess requests for employment restructuring linked to the hydrogen strategy.

4. Specific comments

The social dimension

4.1. Due to the COVID-19 pandemic and the resulting crisis, unemployment is expected to reach 9 % in the European Union, hitting young people and unqualified workers particularly badly. The EESC therefore points out how important it is to provide good quality training for workers and how necessary to make the energy sector more attractive to young Europeans. With this goal in mind, the European Union could set up European centres of excellence for apprentices in jobs specific to the energy transition (such as conducting energy audits and installing heat pumps). By granting subsidies and expanding the ErasmusPro programme, the EU could make young Europeans key actors in the energy transition, particularly in the field of clean hydrogen.

4.2. Fostering job creation by deploying renewable hydrogen necessarily means providing support for European SMEs, which account for almost two thirds of European private sector, non-financial jobs ⁽¹⁵⁾. The EESC calls on the Commission to develop specific financial instruments to support them ⁽¹⁶⁾.

⁽¹²⁾ Opinion of the European Economic and Social Committee on the *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank — A Clean Planet for all — A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy* (OJ C 282, 20.8.2019, p.51).

⁽¹³⁾ Hydrogen produced through the reforming of natural gas costs about 1 USD/kg. Source: Platts Hydrogen Assessments.

⁽¹⁴⁾ See the annual T&E report for 2019.

⁽¹⁵⁾ <https://www.touteleurope.eu/actualite/les-entreprises-dans-l-union-europeenne.html> (French only).

⁽¹⁶⁾ I.e. regional investment funds, a public guarantee covering 60 % of green financing for SME development, and insurance provisions covering SMEs' development risk in the field of green hydrogen.

4.3. The EESC would also point out that in order to make the EU more competitive and resilient, it must keep control of its assets and industries, and address the issue of industrial dumping from other regions of the world.

4.4. Lastly, the EESC calls on the EU to make full use of the new, more sustainable business models which are based on dialogue between all stakeholders, including enabling workers to play a strong role in corporate strategy ⁽¹⁷⁾.

Investment needs in the EU

4.5. The EESC stresses that European funds should not subsidise fossil fuels, calling on the Commission to apply the 'do no harm' principle to all public funding under the MFF, InvestEU, the EU Recovery Fund and State aid. At any rate, hydrogen produced directly or indirectly by means of CCS cannot be eligible for the green taxonomy of European financing.

4.6. The EESC is very glad that the new recovery and resilience tool supports investments and reforms undertaken by Member States which are crucial for sustainable recovery, particularly in the renewable hydrogen sector. The EESC calls on the Commission to ensure that the Member States' recovery and resilience plans are devised in line with the European Green Deal and the National Energy and Climate Plans. In order to do so, the Commission must make contributing to the green transition a prerequisite when evaluating the Member States' projects.

4.7. The Clean Hydrogen Alliance will play a pivotal role in the deployment of hydrogen in Europe, not least by drawing up the investment programme and the regional, national and European project pipeline. The EESC therefore emphasises just how important it is to ensure that all stakeholders are represented fairly, including civil society in all its dimensions, workers and non-governmental organisations. As it stands at present, it is largely made up of private actors ⁽¹⁸⁾. The EESC genuinely represents organised civil society, and as such it must play a part in the discussions and consultations.

Boosting demand and stepping up production

4.8. The EESC is convinced that auctions in Carbon Contracts for Difference (CCfDs) play an important role in ensuring that industrial processes are rapidly converted to hydrogen. CCfDs can send a positive signal to investors and industry ⁽¹⁹⁾. However, the EESC would like to highlight the following two points.

4.8.1. Whilst emphasising the pertinence of CCfDs, the Commission acknowledges that the EU ETS in its present form is not able to send price signals strong enough to trigger the investments needed to achieve climate neutrality. This is partly due to the fact that there are still high subsidies for fossil raw materials in the EU. According to the European Commission's report on energy subsidies, subsidies for natural gas used to produce hydrogen with carbon capture and storage (CCS) have actually increased ⁽²⁰⁾. This has therefore created a massive market distortion, hindering investment in climate protection technologies such as green hydrogen or making them unnecessarily expensive. Moreover, even after being reformed, the EU ETS still does not reflect the true carbon price. If subsidies for fossil raw materials were scrapped and if the ETS were further improved, there would be no need for CCfDs. These two tasks should therefore be the Commission's top priority.

4.8.2. As CCfDs are nevertheless necessary, tenders should be framed in such a way that hydrogen electrolysis will only be financed if surplus renewable electricity is used for this purpose ⁽²¹⁾. The EESC therefore stresses that a European funding system and specific calls for tenders for renewable hydrogen are essential to ensure that the development of hydrogen involving carbon capture and storage (CCS) is not slowed down.

⁽¹⁷⁾ EESC Resolution of 11 June 2020 on EESC proposals for post-COVID-19 crisis reconstruction and recovery (OJ C 311, 18.9.2020, p. 1).

⁽¹⁸⁾ See the Clean Hydrogen Alliance's list of members.

⁽¹⁹⁾ These auctions have contributed to the development of offshore wind energy in the UK as they made it possible to achieve low bids.

⁽²⁰⁾ See Annex 2 to COM(2020) 950 final.

⁽²¹⁾ For example, if an electrolyser operator shows that it receives electricity for electrolysis directly from a newly-built renewable energy plant, or has an electricity supply contract that is activated only when wholesale market prices are negative.

The international dimension

4.9. The EESC questions the justification for developing future energy partnerships which aim to deploy 40 GW of electrolyzers to produce renewable hydrogen in the countries located near the EU ⁽²²⁾. At a time when the leaders of the Member States are calling for stronger European sovereignty, the EESC urges the Commission to develop a coherent approach.

4.10. The EESC also flags up how difficult it is to attract European investors in politically unstable countries. The EESC would nonetheless recommend that the Western Balkan countries on the path to EU membership be included in all discussions and initiatives related to the implementation of the hydrogen strategy.

4.11. The EESC also calls on the Commission to provide more details on the capacity of these countries to develop these future partnerships, since the strategy currently refers to a very wide range of countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine ⁽²³⁾, Syria and Tunisia) which have widely diverging policies on energy transition and the development of renewable energy. In these countries, the arrangements for financial support for SMEs recommended by the EESC must also be given priority, given the high proportion of SMEs in these countries and the considerable level of banking intermediation.

4.12. The EESC questions whether these countries have the capacity to deploy sufficient numbers of electrolyzers to produce enough renewable hydrogen to meet European as well as domestic demand. In North Africa and Ukraine, deploying 40 GW would require 76 GW of renewable energy by 2030, tripling the capacity of these countries in a decade ⁽²⁴⁾.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽²²⁾ Including the Western Balkans, Ukraine and the southern neighbourhood countries.

⁽²³⁾ This designation must not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

⁽²⁴⁾ https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/May/SDG7Tracking_Energy_Progress_2020.pdf

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EEC) No 95/93 as regards temporary relief from the slot utilisation rules at Community airports due to the COVID-19 pandemic’

(COM(2020) 818 final — 2020/0358 (COD))

(2021/C 123/07)

Rapporteur-general: **Thomas KROPP**

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| Referral | European Parliament, 18.1.2021 Council, 21.1.2021 |
| Legal basis | Article 100(2) and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | 225/1/4 |

1. Conclusions and recommendations

1.1 On 16 December 2020, the European Commission (EC) proposed a new amending regulation⁽¹⁾ regarding temporary relief from the ‘use-it-or-lose-it’ clause for the period beyond 27 March 2021. In essence, the Commission proposed that the ‘use-it-or-lose-it’ rule should reapply but that, for a limited period, the threshold for slot utilisation should be set at 40 % instead of 80 %. Furthermore, the EC proposed that it should have delegated powers to extend the slot relief, in accordance with a number of criteria related to the duration and intensity of the crisis.

1.2 The EESC commends the EC on its initiative to extend the temporary relief from the slot regulation rules of the European Community, and supports the proposal to mandate the Commission to adapt the threshold until the 2024/2025 winter season.

1.3 However, in order to create a truly flexible response mechanism, the proposal should also contain airlines’ entitlement to return to a full series of slots in combination with a variable utilisation threshold.

1.4 The extension is justified because the global economic crisis experienced in early 2021 is worse than was anticipated 12 months ago, during the first quarter of 2020. Contrary to expectations, the COVID-19 pandemic has not yet been contained. In fact, the second wave of exponential increases of infections in the second half of 2020 has so far had even harsher health, social, economic and financial implications than the first wave across Europe. Transport, trade and tourism are among the hardest-hit economic sectors. Furthermore, a highly infectious mutation of the virus is currently spreading across Europe. The United Kingdom recently imposed a third lockdown to contain the ‘third wave’ of the virus.

1.5 The EESC urges the EC and the co-legislators to reconsider the Commission’s proposal in light of the recommendations developed by the World Airline Slot Board (WASB), which is composed of airlines, airports and slot coordinators, and which published its recommendations for slot relief for the summer 2021 scheduling season⁽²⁾ on 20 November 2020 (IATA, A4E, ACI-Europe and EUACA support the WASB-recommendation). The recommendations consist of a combination of (i) a full waiver of the ‘use-it-or-lose-it’ rule for full slot series that are returned to the pool

⁽¹⁾ COM/2020/818 final.

⁽²⁾ WASB-Recommendation, Airport slot alleviation measures for Northern Summer 2021, <https://www.iata.org/contentassets/4820c05b19f148e2855db91f2a579369/wasb-northern-summer-21-recommendation-for-slot-use-relief.pdf>

before the start of the season and (ii) a utilisation threshold of 50 % for slot series that airlines retain. It also contains certain conditions and provisions on the justified non-use of slots specific to the COVID-19 situation.

1.6 The EESC believes that it is imperative to maintain a balance between the need to avoid measures that negatively impact the aviation sector's ability to recover from this crisis, the long-term objective of airlines to maintain costly slots at airports, and the need to ensure an appropriate level of competition for such scarce slots.

1.7 Finally, the EESC regrets that the EC seems focused on addressing the relief measures from the EU slot allocation rules without bearing in mind that such measures will be mirrored globally by other parts of the world. It is therefore preferable to pursue modifications that are operationally feasible and agreed globally — such as the WASB recommendations.

2. General comments

2.1 Council Regulation (EEC) No 95/93 ⁽³⁾, which was partially amended by Regulation (EC) No 793/2004 of the European Parliament and of the Council ⁽⁴⁾, determines the procedures and rules for the allocation of slots at EU airports. Article 10 of this Regulation specifies that air carriers must use at least 80 % of their allocated slots within a given scheduling period in order to maintain these slots for the corresponding scheduling period in the following year (hence, 'use-it-or-lose-it').

2.2 On 30 March 2020, the European Union adopted an amendment to the Slot Regulation ⁽⁵⁾ to waive the 'use-it-or-lose-it' rule for the entire summer 2020 scheduling period, ending on 24 October 2020. That amendment also empowered the EC to extend the period covered by the waiver until 4 April 2021. On 14 October 2020, the Commission adopted a delegated act ⁽⁶⁾ extending the period waiving the 'use-it-or-lose-it' rule until the end of the winter 2020/2021 scheduling season on 27 March 2021.

2.3 The EESC supported the proposed suspension of the EU rules on airport slot allocation in its position paper, adopted on 25 March 2020. This report advocated planning stability for airlines and the possibility to react swiftly and flexibly to market developments without losing the slots required to re-establish functioning networks.

2.4 Citing the need to establish a pathway to return to normal application of the 'use-it-or-lose-it' rule, the Commission proposed that from the summer 2021 scheduling period, the application of the slot utilisation requirements under the Slot Regulation should reapply, but that the threshold should be set at 40 % instead of 80 %. In addition, the Commission would have delegated powers up to and including the 2024/2025 winter season to further extend the slot relief by adjusting the rate of slot utilisation based on a number of indicators, such as actual and forecast air traffic data, load factors and fleet utilisation. The proposal further contains certain conditions regarding, inter alia, exclusions for newly allocated and exchanged slots, as well as a time limit for the return of slots.

2.5 On 20 November 2020, the WASB, composed of airlines, airports and slot-coordinators, announced that it had reached an agreement on recommendations for slot relief for the summer 2021 scheduling season ⁽⁷⁾. IATA, A4E ⁽⁸⁾, ACI-Europe and EUACA support the WASB-recommendation. In contrast to the EC's proposal, it recommends a

⁽³⁾ Council Regulation (EEC) No 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports (OJ L 14, 22.1.1993, p. 1).

⁽⁴⁾ Regulation (EC) No 793/2004 of the European Parliament and of the Council of 21 April 2004 amending Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports (OJ L 138, 30.4.2004, p. 50).

⁽⁵⁾ Regulation (EU) 2020/459 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports (OJ L 99, 31.3.2020, p. 1).

⁽⁶⁾ Commission Delegated Regulation (EU) 2020/1477 of 14 October 2020 amending Council Regulation (EEC) No 95/93 as regards the temporary extension of exceptional measures to address the consequences caused by the COVID-19 pandemic (OJ L 338, 15.10.2020, p. 4).

⁽⁷⁾ WASB-Recommendation, Airport slot alleviation measures for Northern Summer 2021, <https://www.iata.org/contentassets/4820c05b19f148e2855db91f2a579369/wasb-northern-summer-21-recommendation-for-slot-use-relief.pdf>

⁽⁸⁾ A4E member Ryanair does not share this position and will communicate its views separately.

combination of (i) a full waiver of the 'use-it-or-lose-it' rule for full slot series that are returned to the pool long enough before the start of the season and (ii) a utilisation threshold of 50 % for slot series that airlines retain. It also contains certain conditions and provisions on the justified non-use of slots specific to the COVID-19 situation.

2.6 The EESC supports continued relief from the EU's 'use-it-or-lose-it' slot-regulation rule for the summer 2021 season. However, it believes that the EC's proposal should include the ability to return complete series of slots, in addition to a lowering of the threshold. Indeed, connectivity in the medium to longer term is better served if airlines are supported in their financial recovery and are able to re-establish their networks once traffic returns. In addition, waivers of slot utilisation rule in third countries are often conditional on reciprocity, suggesting the need for a globally compatible approach.

2.7 The EESC supports the thrust of the recommendations of the WASB, published, on 20 November 2020, which include an option for airlines to return entire strings of slots during the crisis. The EC seems focused on addressing the relief measures from the EU slot allocation rules without bearing in mind that such measures will be mirrored by all other regions in the world. It is therefore preferable to pursue modifications that are operationally feasible and agreed globally. The Committee urges the EC and the co-legislators to consider the Commission's proposal in light of the recommendations of the WASB.

3. Specific comments

3.1 In total, by 31 December 2020, 6,1 million flights, or 1,7 billion passenger journeys, had been lost to European Air Traffic in comparison to the previous year⁽⁹⁾, as a result of the COVID-19 pandemic.

3.2 To reduce the virus's growth rate, governments imposed severe restrictions on international air traffic and on the mobility of their respective citizens. Air carriers had to severely reduce capacity and ground aircraft. In several EU Member States, entire airlines were temporarily grounded.

3.3 This situation continues unchanged into 2021, placing severe pressure on the financial viability of all aviation stakeholders, notably the social partners, who all have justified concerns about the future of their employment. While a vaccine has been found and has been administered in the EU since 27 December 2020, a rate of vaccinating the population sufficient to enable the removal of general restrictions and measures aimed at reducing infections will not be attained until late 2021 or even 2022⁽¹⁰⁾. There are no indications that demand in the Summer 2021 season will return to anywhere close to the level of recent years. Existing uncertainty will remain and might even be increased by the appearance of new, even more infectious or deadly variants of COVID-19. Indeed, according to industry projections, the recovery period could last until at least 2024 or 2025⁽¹¹⁾.

3.4 Slots are essential to operate to and from congested airports and are important for air carriers to gain access to scarce airport capacity in order to maintain their networks and the connectivity they provide to their customers. Carriers have taken years to develop their networks and acquire the necessary slots for intra-European, intercontinental and feeder traffic. To maintain their slots in the absence of a provision neutralising the 'use-it-or-lose-it' rule, air carriers would be obliged to continue operating flights with an extremely low seat-load, exacerbating financial losses and posing an unnecessary environmental burden.

3.5 All measures implemented in 2020 were based on the assumption that they would help secure effective control of the further spread of the virus within a short, at least foreseeable, period of time. These expectations have so far not been fulfilled; in fact, the process for recovery from this unprecedented crisis can as yet not be reliably forecast.

⁽⁹⁾ Idem.

⁽¹⁰⁾ Questions and Answers: COVID-19 vaccination in the EU, 21 December 2020, https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_2467

⁽¹¹⁾ Aviation Round Table Report on the Recovery of European Aviation, November 2019, <https://www.aci-europe.org/downloads/resources/Aviation%20Round%20Table%20DECLARATION%20FINAL%2016.11.2020.pdf>

3.6 Demand for air services has not improved sustainably since the EU's implementation of the original COVID-19 waiver in March 2020. While there was a slight rise in traffic during the Summer months to — 51 % compared to the previous year, traffic slowed down after Summer 2020, as the second wave of the pandemic hit and Member States introduced new lock-down measures. On 14 September 2020, Eurocontrol significantly adjusted its forecast downward. However, even the revised traffic scenario is proving too optimistic. In November, traffic was at — 62 % and — 60 % in December compared to the previous year against Eurocontrol's forecast of — 58 % and — 54 % respectively. The Eurocontrol forecast is — 60 % and — 50 % in January and February 2021, respectively ⁽¹²⁾.

3.7 In view of the continued and repeated spread of the virus and the severity of the measures taken by governments to contain it, demand for air services continues to be at a very low level, continuing to place the aviation sector under significant, if not existence-threatening, financial pressure. In the EESC's view, relief from the burden of the 'use-it-or-lose-it' rule is therefore justified and necessary.

3.8 The EESC commends the stakeholders — airlines, airports, and slot coordinators — on coming together to arrive at a compromise solution at the WASB. The EESC is aware that the general regulation of slots is a contentious issue for them. In the opinion of the EESC, the WASB recommendation adequately addresses the general and specific objectives pursued by the Commission as stated in the Staff Working Document accompanying its proposal ⁽¹³⁾.

3.9 The EESC is supportive of the Commission's general objective of overcoming certain shortcomings and challenges associated with a full season waiver, stimulating connectivity, encouraging competition and facilitating a phase-out of the slot relief. The EESC also supports the Commission's specific objectives, in particular to minimise the harmful effects on the environment caused by operating flights with very low load factors.

3.10 In its proposal to insert a new paragraph 2a in Article 10a, the Commission merely proposes that, for a series of slots allocated for the period from 28 March 2021 until 30 October 2021, air carriers will be entitled to the same series of slots in the next equivalent scheduling period, where they have used 40 % of the slots in that series. This means that carriers will need to service even uneconomical flights with extremely low load factors up to at least 40 %, instead of being able to return such slots without the danger of losing them. Incentivising airlines to fly near-empty aircraft is not compatible with the Commission's stated aim of minimising harmful effects on the environment. This could be remedied if airlines were able to return full series of slots for which they know demand will be low (e.g. on weak traffic days or at off-peak times).

3.11 Similarly, the EC's proposal does not meet its stated aim of ensuring efficient airline operations and the efficient use of airport capacity. By not allowing the return of full slot series, airlines are not incentivised to return slots early, which allows for the optimised reallocation of slots and planning for airports, airlines and consumers. The ability to return full slot series enables airports to better adjust their own operations. Above all, it makes slots available for reallocation and ad hoc use, for example, for cargo flights, depending on changes in demand. The proposed addition of a paragraph 7 in Article 10a of the regulation providing for a 3-week deadline for the return of slots cannot have a similar effect ⁽¹⁴⁾. Instead, there is a danger that a lower threshold on its own may lead to significantly fragmented schedules, to the detriment of the few remaining customers.

3.12 While the EESC is supportive of the Commission's general objectives of promoting connectivity, encouraging competition and facilitating a phase-out from the slot relief, it believes that a longer-term perspective must be maintained. Connectivity and competition (especially with non-EU carriers) is best served in the medium to long term by ensuring that otherwise viable enterprises survive the current crisis without losing assets they require once traffic returns. At the same time, regulation must not be over-protective, in order to avoid complacency and to safeguard competition. Given the

⁽¹²⁾ Eurocontrol, Think Paper #8: What COVID-19 did to European Aviation in 2020, and Outlook 2021, 1 January 2021. <https://www.eurocontrol.int/publication/what-covid19-did-european-aviation-2020-outlook-2021>

⁽¹³⁾ SWD/2020/341 final.

⁽¹⁴⁾ In addition, this particular provision is ineffective as the non-observance has no consequences. Slot allocation in the following season depends on airlines reaching the threshold, irrespective of whether they return slots within the 3-week period or not.

uncertain development of demand in the summer season and the Commission's own assumption of a traffic level of 50 % compared to 2019 ⁽¹⁵⁾, the EESC finds it too early to reapply the slot utilisation requirements under the Slot Regulation, even at 40 %. At the same time, the continuation of the full waiver would not counter the challenges and meet the objectives correctly set out by the Commission. The EESC finds that the recommendation made by the WASB, combining the alleviation effects of a full waiver with the controlling effects of a threshold is a solid basis from which a return to the normal application of the slot usage requirements can begin.

3.13 The delegated act proposed in paragraph 4 of Article 10a should empower the Commission not only to amend the percentage values referred to in paragraph 2a of Article 10, but also to extend the option to return full series of slots at the beginning of the respective season. While the Commission's proposal allows for a full slot utilisation waiver (i.e. 0 %), it does not provide for the possibility of combining the two elements. Only this will constitute a truly flexible response mechanism.

3.14 Slot coordination is a global issue. An EU Regulation on slots must therefore be compatible with the regulations of third countries, which often require reciprocity. With a full waiver, this is not an issue, as it is the widest possible means of alleviating the conditions for the utilisation of slots. The WASB recommendation is similarly likely to achieve global recognition ⁽¹⁶⁾.

3.15 The EESC is of the view that, in the interests of resilience and smart regulation, consideration should be given to the introduction of provisions that allow for alleviation of the slots usage regulations under Regulation (EEC) No 95/93, not only for cases relating to COVID-19, but also for future events that have a significant effect on the aviation industry. The current situation is not the first time that amendments to the slot utilisation rule in Regulation (EEC) No 95/93 have been necessary:

- in 2002, in the aftermath of the 9/11 terrorist attacks (Regulation (EC) No 894/2002 of the European Parliament and of the Council ⁽¹⁷⁾),
- in 2003, following the outbreak of SARS (Regulation (EC) No 1554/2003 of the European Parliament and of the Council ⁽¹⁸⁾),
- in 2009, during the global financial crisis (Regulation (EC) No 545/2009 of the European Parliament and of the Council ⁽¹⁹⁾).

Such arrangements should entail the ability to respond quickly, without the need for additional regulation and with the possibility of a flexible response, ranging from full waivers and adjusted thresholds to a combination of early slot returns and thresholds, as suggested by the WASB for the 2021 summer season.

3.16 The EESC reaffirms its willingness to contribute to further discussions on how best to re-establish a viable and competitive European aviation sector. Such an approach should be comprehensive and include discussions with all stakeholders, in particular the social partners, who are being severely affected by the COVID-19 crisis. A comprehensive approach of this kind should include the review of any regulation or measure that places an undue burden on the aviation sector.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽¹⁵⁾ See footnote 7, recital 11.

⁽¹⁶⁾ At the time of this report, New Zealand, Malaysia and Canada (Vancouver) have already adopted the WASB-proposal for Summer 2021. Brazil has prolonged the existing Slot Waiver of Winter 2020/2021. The FAA in the US launched a consultation regarding (only) these two options: extension of the existing (full) waiver and the WASB-proposal.

⁽¹⁷⁾ OJ L 142, 31.5.2002, p. 3.

⁽¹⁸⁾ OJ L 221, 4.9.2003, p. 1.

⁽¹⁹⁾ OJ L 167, 29.6.2009, p. 24.

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “A new approach to the Atlantic maritime strategy — Atlantic action plan 2.0 — An updated action plan for a sustainable, resilient and competitive blue economy in the European Union Atlantic area”

(COM(2020) 329)

(2021/C 123/08)

Rapporteur: **Carlos Manuel TRINDADE**

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|---------------------------|--|
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| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1. The EESC agrees with the Commission’s assessment that the Atlantic maritime area under the jurisdiction of EU Member States is a key factor in the economic and social development of these countries, as well as of the EU as a whole. According to the latest data available, set out in the Communication from the Commission, in 2017 the Atlantic blue economy generated EUR 73,4 billion in gross value added (GVA) and employed 1,29 million people ⁽¹⁾.

1.2. The EESC also points out that where environmental sustainability is concerned, the crucial role of the ocean in decarbonisation, producing oxygen, feeding humans and combating climate change and acidification is recognised by the EU and the UN.

1.3. Against the backdrop of the COVID-19 crisis, the heightened importance of the blue economy in driving European recovery and safeguarding and creating jobs has been recognised.

1.4. The EESC welcomes the creation of this Atlantic action plan 2.0 on account of the contribution it will make to economic recovery, safeguarding and creating jobs, while also boosting the preservation of coastal and marine ecosystems and contributing to climate change adaptation and mitigation.

1.5. Linking action plan 2.0 to the principles of the European Green Deal underlines the central role of the blue economy in pursuing sustainability objectives.

1.6. The EESC also takes a very positive view of the European Commission’s approach to the Atlantic: the role of ports in the sustainable development of coastal tourism, aquaculture, shipbuilding, ocean renewable energy and innovation; building blue skills thanks to a drive for high-quality ocean literacy; the role of marine renewable energy as a vehicle for the energy transition; and a drive for a healthy ocean and resilient coasts.

1.7. The EESC, however, proposes a more comprehensive vision, making room for projects that harness the natural interaction between the areas matching the different pillars.

⁽¹⁾ The time lag in the statistics makes it difficult to define European policies reflecting the current situation in the Member States and jeopardises support for them. The EESC believes that a strong commitment should be made in this area.

1.8. The EESC also recommends focusing on maritime spatial planning and management, since without a duly planned maritime space it will be difficult to successfully ensure the sustainable development of the blue economy, from the point of view of both the environment and project investment. The EESC believes that proper Maritime Spatial Planning (MSP) promotes the sustainable growth of maritime economies and of use of marine resources through better management of conflicts between activities and greater synergy between different maritime activities, in line with the resolution adopted by the European Parliament on 15 January 2020 on giving the European Green Deal a blue dimension.

1.9. The EESC believes that the action plan should set out the broad guidelines for partnerships on a transatlantic basis, as the Atlantic basin has several shores and the ocean has no borders. It is, however, understood that the development of the blue economy is intended to promote projects in the maritime space under the sovereignty of the EU coastal states.

1.10. The EESC is critical of the lack of objectives and measures concerning fisheries and tourism, and recommends that the Commission give greater weight to these activities in the plan.

1.11. The EESC also regrets that the Commission has not defined specific measures or objectives for archipelagic areas, since these are outermost regions where the sea economy weighs even more significantly than in the rest of the Atlantic region. For this reason, it recommends that Commission include such measures and objectives in the plan.

1.12. The EESC advocates clearly defining objectives and rules with regard to partnerships between Member States and non-EU countries. The EESC considers that, in addition to the rules between Member States, particular emphasis should be placed on the framework for partnerships with European third countries: the United Kingdom, Norway and Iceland. It considers that, especially in the case of the United Kingdom, particular attention should be paid to measures that prevent information from being lost and cooperation from being undermined.

1.13. Where funding is concerned, the EESC considers that in such a key document as the Atlantic maritime strategy, in addition to simply listing the sources of funding, the broad guidelines for the approval of projects should also be set out.

1.14. The EESC proposes that innovation, scientific research, ecological sustainability, the contribution to social development and location within a properly-planned maritime space be included in the terms of reference for financing decisions, in line with a matrix containing clearly-defined indicators.

1.15. The EESC strongly recommends establishing a dedicated funding line for projects developed under action plan 2.0, as exists for other sectors of activity receiving European public funding. Otherwise, there is the risk they will be relegated to applying to funding schemes where they are not the core of the programmes.

1.16. The EESC considers that taking on board the recommendations set out in this opinion concerning the evaluation and financing of projects and their supervision and monitoring will help to enhance the quality and scale of the social, economic and environmental results to be achieved by implementing Atlantic action plan 2.0.

1.17. Lastly, the EESC considers that the recommendations set out in previous EESC opinions increase the chances of success in implementing the plan, particularly as regards creating an Atlantic macro-region and re-establishing the Atlantic Forum.

2. Background

2.1. The Maritime Strategy for the Atlantic Ocean Area⁽²⁾ was adopted in 2011 with the aim of supporting the sustainable development of the blue economy in the EU Member States bordering the Atlantic and, with a view to its implementation, the European Commission presented an Atlantic action plan in 2013⁽³⁾.

⁽²⁾ COM(2011) 782 final, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52011DC0782>

⁽³⁾ COM(2013) 279 final, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013DC0279>

2.2. The EESC analysed each of these instruments and issued two opinions with relevant conclusions and recommendations ⁽⁴⁾ (some of which are of strategic importance for Europe's economic, social and environmental development, such as the possible creation of the Atlantic macro-region, along the lines of the Baltic Sea and Danube regions), and they remain topical and relevant.

2.3. Since then, a number of sectoral strategies have been defined which have had an effect on the capacity to achieve the objectives of the Atlantic maritime strategy and boosted implementation of the action plan: these include the European Green Deal ⁽⁵⁾ adopted by the European Commission in December 2019; the new EU Biodiversity Strategy for 2030 ⁽⁶⁾; and the Farm to Fork Strategy ⁽⁷⁾.

2.4. In view of these developments, and in order to respond to the unprecedented socio-economic crisis triggered by the COVID-19 pandemic, the European Commission considers it necessary to update the priorities for regional cooperation and give a new boost to a sustainable maritime economy that can create jobs.

2.5. For the same purpose, the European Commission has adopted measures to help repair social and economic damage, boost European recovery and protect and create jobs, and has presented a new recovery instrument called Next Generation EU ⁽⁸⁾.

2.6. The EESC points out that the EU's efforts focus on the concept of sustainability, with the aim of making Europe the first climate-neutral continent by 2050.

2.7. The new sectoral strategies highlight the central role of the blue economy as a key driver for the sustainable development of the EU and the planet and for mitigating the effects of climate change.

2.8. The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions presents a 'new approach to the Atlantic maritime strategy — Atlantic action plan 2.0', providing an 'updated action plan for a sustainable, resilient and competitive blue economy in the European Union Atlantic area' ⁽⁹⁾ ⁽¹⁰⁾.

2.9. The Commission explains that this revised action plan is based on a mid-term review ⁽¹¹⁾ of the previous one, and on consultations with stakeholders and Member States in the Atlantic region. The review showed the previous plan had created more than 1 200 maritime projects and nearly EUR 6 billion of investments, mostly from the EU budget.

2.10. The EESC notes with interest that one of the conclusions of this review was '... the need for improvements regarding the thematic focus of the plan, the governance structure and the introduction of a monitoring framework' ⁽¹²⁾, which were recommendations of the EESC opinions mentioned above.

3. A new approach to the Atlantic maritime strategy — Atlantic action plan 2.0

3.1. The European Commission sets the main objective of the Atlantic action plan 2.0 as developing and unlocking the potential of the blue economy in the Atlantic area, with high job creation potential for coastal regions, while preserving marine ecosystems and contributing to climate change mitigation, in line with the global commitments on sustainable development and the political priorities for 2019-2024, including the European Green Deal.

3.2. Action plan 2.0 is organised in four thematic pillars, with the aim of achieving seven objectives through practical actions mobilising all Atlantic stakeholders.

3.3. **Pillar I** is based on promoting Atlantic ports as gateways and hubs for the blue economy.

⁽⁴⁾ EESC opinion on the EU Strategy for the Atlantic Region, OJ C 229, 31.7.2012, p. 24 and EESC opinion on the Action Plan for a Maritime Strategy in the Atlantic area (OJ C 341, 21.11.2013, p. 77).

⁽⁵⁾ COM(2019) 640 final.

⁽⁶⁾ COM(2020) 380 final.

⁽⁷⁾ COM(2020) 381 final.

⁽⁸⁾ COM(2020) 456 final.

⁽⁹⁾ COM(2020) 329 final.

⁽¹⁰⁾ SWD(2020) 140 final.

⁽¹¹⁾ SWD(2018) 49 final, https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/swd-2018-49_en.pdf

⁽¹²⁾ *Ibidem*.

3.3.1. The starting point for this pillar is that ports and their operators have an important part to play in the sustainable development of core blue economy activities: coastal tourism, aquaculture, shipbuilding and emerging activities such as ocean renewable energy. They can act as catalysts for innovation in these and other blue activities.

3.3.2. It is expected that ports, interacting with each other, will be able to mobilise funding for smart infrastructure and contribute to the decarbonisation of maritime sources.

3.3.3. The plan lays down that two specific goals are to be achieved through the concrete actions set out: 'ports as gateways for trade in the Atlantic' and 'ports as catalysts for business'.

3.4. **Pillar II** focuses on creating an appropriate set of future-proof blue skills and ocean literacy as a way to attract young talent to the blue economy and also increase competitiveness.

3.4.1. At the heart of this pillar is the need to create more educated and better informed generations.

3.4.2. To this end, action plan 2.0 lays down 'quality education, training and life-long learning' and consolidating 'ocean literacy' as the specific goals for this pillar.

3.5. **Pillar III** focuses on marine renewable energy as a key element for the transition to a climate-neutral economy.

3.5.1. The Communication states that the EU Atlantic region is the leader in and testbed for the development of novel marine renewables, and that '[t]o reach the next step of development, namely the commercial maturity of successful prototypes, [it] is essential to maintain technological leadership, retain talent and provide affordable clean energy while taking into account potential impacts on the marine environment and the way to mitigate them'.

3.5.2. Action plan 2.0 lays down that one specific goal is to be achieved through the concrete actions set out: 'the promotion of carbon neutrality through marine renewable energy'.

3.6. **Pillar IV** focuses on a healthy ocean and resilient coasts.

3.6.1. The intensity of human activities on the EU Atlantic coast makes it vulnerable.

3.6.2. This is compounded by the negative effects of severe storms, floods, erosion and the continued and rapid rise in sea levels, which tend to worsen as a result of climate change generating an increase in extreme weather events.

3.6.3. Noise and marine pollution, particularly from plastics, are reaching very high levels, undermining natural capital and economic activities.

3.6.4. The action plan identifies the need for climate risk management and adaptation measures, as well as support for the circular economy, zero pollution, energy efficiency and biodiversity preservation, as guiding principles for development and employment.

3.6.5. To pursue this approach, action plan 2.0 sets the specific objectives of this pillar as the creation of 'stronger coastal resilience' and 'the fight against marine pollution'.

3.7. Regarding **governance of the action plan**, measures are laid down for implementation and reporting, and for mobilising funds and financing.

3.7.1. Concerning **coordination**, there are two levels: political coordination, a matter for the designated ministers for maritime affairs of the Member States making up the Atlantic area; and regional coordination, ensured by the Atlantic Strategy Committee, which can involve representatives of coastal regions or other representatives.

3.7.2. With regard to **implementation and reporting**, rules are laid down to clarify the procedures.

3.7.2.1. A set of key conditions for implementing the action plan and for the monitoring and reporting mechanism is established for both public and private stakeholders, and the shared responsibility of the EU and the Member States involved is underlined.

3.7.2.2. The purpose of the monitoring and evaluation mechanism is to measure how far the goals of the action plan have been achieved, and future amendments to the action plan will be made in consequence.

3.7.3. With regard to **mobilising funds and financing**, a number of observations are made that should be highlighted.

3.7.3.1. It is underlined that no funding is earmarked in the EU budget for the Atlantic action plan, relying mainly on any EU and national funds and financial instruments that can be mobilised.

3.7.3.2. The funds, programmes and mechanisms that can be used by EU Member States and coastal regions are listed.

4. General comments

4.1. The EESC takes a positive view of the European Commission's initiative to present an updated Atlantic action plan, incorporating the various recently adopted European sectoral strategies.

4.2. The EESC welcomes the fact that, in the present revised plan, the Commission has incorporated the comments and recommendations made by the EESC in its opinions on the strategy for the Atlantic area and the previous action plan, particularly as regards the thematic approach, governance structure and monitoring framework.

4.3. The EESC welcomes the more structured approach of action plan 2.0, which defines the steps to be implemented by thematic area, as a result of the mid-term review and bottom-up consultations.

4.4. The EESC highlights the way the thematic areas are aligned with the European sustainability objectives as regards the development of blue economy activities, the creation of skilled jobs and ocean literacy, the promotion of decarbonisation and clean energy transition and the restoration and protection of natural capital and coastal ecosystems.

4.5. The EESC recommends that, with regard to the creation of blue skills, measures be introduced to better harness professional experience when defining training courses for maritime occupations.

4.6. However, the EESC regrets the lack of objectives and measures concerning fisheries and tourism, as these are the two blue economy activities that make the greatest contribution to GVA and job creation, as well as in terms of impact on the marine ecosystem, in the areas directly covered by the Atlantic region. It therefore recommends that the Commission give greater prominence to these activities in order to plug this gap.

4.7. The EESC also regrets that the Commission has not defined specific measures and objectives for archipelagic areas, since these are outermost regions where the sea economy weighs even more significantly than in the rest of the Atlantic region. For this reason, it recommends that the Commission include such measures and objectives in the plan.

4.8. The EESC draws attention to the greater quality and transparency resulting from the introduction of a monitoring framework which will make it possible to adjust future amendments to the plan in the light of its actual implementation and the extent to which the objectives have been met.

4.9. The EESC regrets that the Commission has not taken on board the recommendations of previous EESC opinions to develop an Atlantic macro-region along the lines of those existing in the Danube and the Baltic Sea, or to preserve the Atlantic Forum.

5. Specific comments

5.1. The EESC considers that the compliance of action plan 2.0 with the EU's **Integrated Maritime Policy** (IMP) needs to be examined ⁽¹³⁾.

5.2. The IMP is a policy framework to promote the sustainable development of all maritime activities and coastal regions by improving the coordination of policies on oceans, seas, islands, coastal and outermost regions and maritime sectors, and by developing cross-cutting instruments.

5.3. The main aims and areas of action under the IMP are: maximising the sustainable use of the oceans and seas; building a knowledge and innovation base for the maritime policy; delivering the highest quality of life in coastal regions; promoting Europe's leadership in international maritime affairs and, at European level, through the European Neighbourhood Policy; and raising the visibility of maritime Europe.

5.4. The IMP covers the following convergent areas of action: blue growth ⁽¹⁴⁾; knowledge and data on the marine environment ⁽¹⁵⁾; maritime spatial planning; and integrated maritime surveillance.

5.5. The EESC recommends that the information, data and knowledge produced in this context be freely accessible — free of charge — for organisations, the scientific community and education and for projects in areas relating to the sea, even if subject to confidentiality or reserve conditions where this might be necessary. In this setting, the EESC recommends closer coordination between the various monitoring bodies in the Atlantic region with a view to establishing efficient, accessible and interoperable databases.

5.6. The EESC considers that such a key document as the Atlantic maritime strategy must be clear and concise as regards the objectives and the way in which it proposes to achieve them. To this end, the EESC recommends that the document go into greater detail regarding issues that appear crucial for such a strategic document.

5.7. The EESC considers that action plan 2.0 attaches great importance and value to the blue economy and knowledge, which is to be welcomed. However, it is recommended that due consideration be given to the importance of maritime spatial planning and management and international partnerships.

5.8. Turning to **maritime spatial planning and management**, the increasing human impact on the oceans, together with the rapid growth in demand and competition for maritime space for different purposes such as fishing, offshore renewable energy installations and ecosystem conservation, have highlighted the urgent need for integrated ocean management and the establishment of a framework for maritime spatial planning (MSP) ⁽¹⁶⁾.

5.8.1. The EESC believes that proper MSP promotes the sustainable growth of maritime economies and of use of marine resources through better conflict management and greater synergy between different maritime activities, in line with the resolution adopted by the European Parliament on 15 January 2020 on giving the European Green Deal a blue dimension.

5.8.2. Creating a common European MSP framework offers a range of benefits: it makes it easier to reduce conflicts between sectors and creates synergies between different activities; encourages investment by creating predictability, transparency and clearer rules; increases cross-border cooperation between Member States to develop energy production platforms and grids, shipping lanes, pipelines, submarine cables and other activities, but also to develop coherent networks of protected areas; and protects the environment through early identification of impact and opportunities for multiple use of space.

5.8.3. Promoting the definition of maritime spatial planning schemes and enhancing MSP, meeting the 2021 deadline for its establishment, together with coordination between the different Member States, contributes to all the environmental, social and economic sustainability objectives of the Atlantic maritime strategy and the IMP.

⁽¹³⁾ COM(2007) 575.

⁽¹⁴⁾ COM(2012) 494; COM(2014) 254; COM(2008) 768; COM(2013) 229; COM(2014) 008; COM(2014) 086; Strategic roadmap Building Ocean Energy for Europe.

⁽¹⁵⁾ Marine Knowledge 2020 roadmap (SWD(2014) 149).

⁽¹⁶⁾ Directive 2014/89/EU of the European Parliament and of the Council (OJ L 257, 28.8.2014, p. 135).

5.8.4. To this end, the EESC considers that action plan 2.0 of the Atlantic maritime strategy should take full account of this issue: otherwise, it will be difficult to successfully ensure the sustainable development of the blue economy, both from an environmental and social point of view and from the point of view of project investment.

5.8.5. The EESC recommends that action plan 2.0 place greater emphasis on the importance of maritime spatial planning for the development of the blue economy, in particular with regard to pillars I, II and IV.

5.8.6. The EESC also recommends that the planned monitoring and evaluation be carried out in the context of MSP, in accordance with the respective indicators, making it a precondition for access to funding that projects be located in a properly-planned maritime space.

5.9. The EESC advocates clearly defining objectives and rules with regard to **partnerships between Member States and non-EU countries**.

5.9.1. The Atlantic basin has several shores and the ocean has no borders. The EESC therefore believes that social, environmental and economic partnerships, as well as innovation and scientific research, should be considered on equal terms under the four pillars of action plan 2.0.

5.9.2. The EESC considers that, in addition to the rules between Member States, particular emphasis should be placed on the framework for partnerships with European third countries: the United Kingdom, Norway and Iceland. It considers that, especially in the case of the United Kingdom, particular attention should be paid to measures that prevent information from being lost and cooperation from being undermined.

5.9.3. The EESC recommends that, while it believes that the development of the blue economy is intended to promote projects in the maritime space under the sovereignty of the EU coastal states, the Atlantic maritime strategy action plan include the definition of broad guidelines for partnerships on a transatlantic basis, concerning both partnerships with the coastal states on the Atlantic shores of America and with African countries⁽¹⁷⁾.

5.10. With regard to the **mobilisation of funds and financing**, the EESC also recommends that action plan 2.0 clearly and unambiguously spell out the sources of funding, the rules for allocating funding and how project performance can be monitored and evaluated.

5.10.1. The EESC welcomes the fact that, as stated in the European Commission's communication, successful implementation of the actions identified in the Action Plan will require public investment from national and EU budgets to be combined with private funds.

5.10.2. To this end, a list of the funds and programmes that can be used by Member States and their coastal regions is provided. The EESC recommends that this list be exhaustive, including other funding mechanisms, such as the EEA Grants mechanism⁽¹⁸⁾, which will be particularly useful in future partnerships with third countries in Europe.

5.10.3. The EESC considers that such a key document as the Atlantic maritime strategy, in addition to simply listing the sources of funding, should also indicate broadly how project approval decisions are made.

5.10.4. The EESC recommends establishing a monitoring and evaluation matrix with clearly-defined indicators, including innovation, scientific research, ecological sustainability, contribution to social development and integration into a planned maritime space, which will be the reference point for financing decisions.

⁽¹⁷⁾ An example of best practice is the High Level Panel for a Sustainable Ocean Economy, comprising 14 countries two of them European: Portugal and Norway.

⁽¹⁸⁾ EEA Grants — The EEA and Norway grants are a result of the participation of Iceland, Liechtenstein and Norway in the internal market in the areas covered by the EEA Agreement.

5.10.5. **The EESC strongly advises establishing a dedicated funding line, as is the case for other European basins and other sectors of activity receiving European public funding.** Implementing the Atlantic action plan is not in fact the primary objective of any of the listed funds and programmes, which weakens its capacity to deliver.

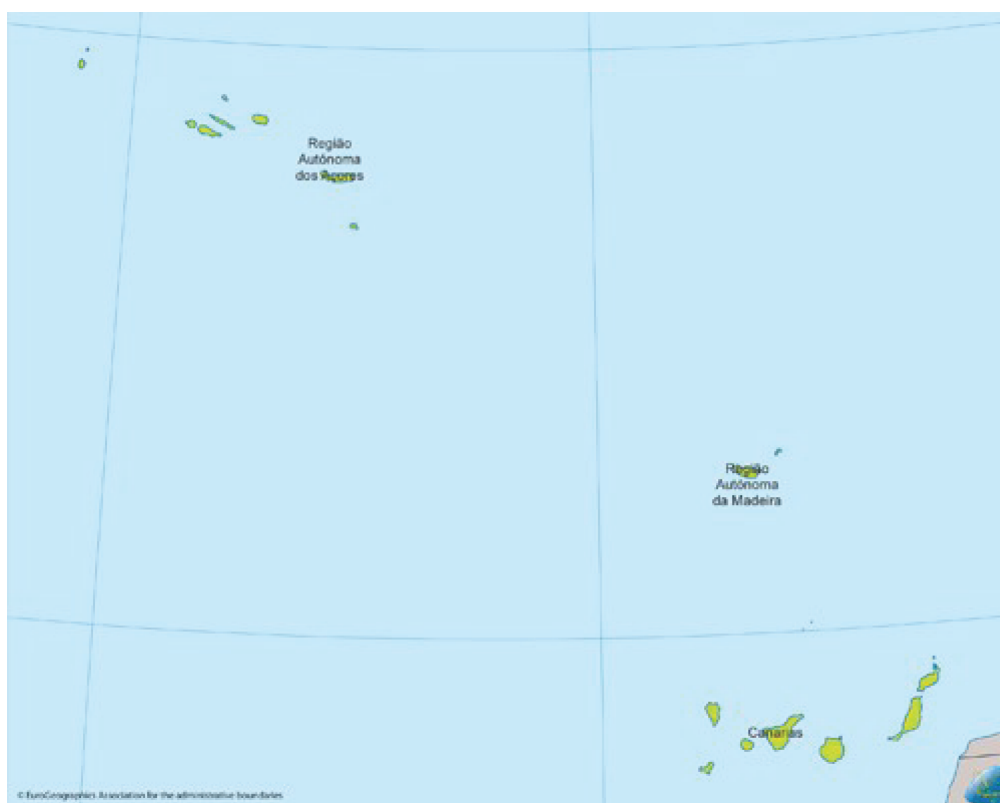
Brussels, 27 January 2021.

*The President
of the European Economic and Social Committee*
Christa SCHWENG

ANNEX I

ATLANTIC REGION ⁽¹⁾

⁽¹⁾ ECO/306 — CEE 1298/2012.

ATLANTIC REGION — Outermost regions

ANNEX II

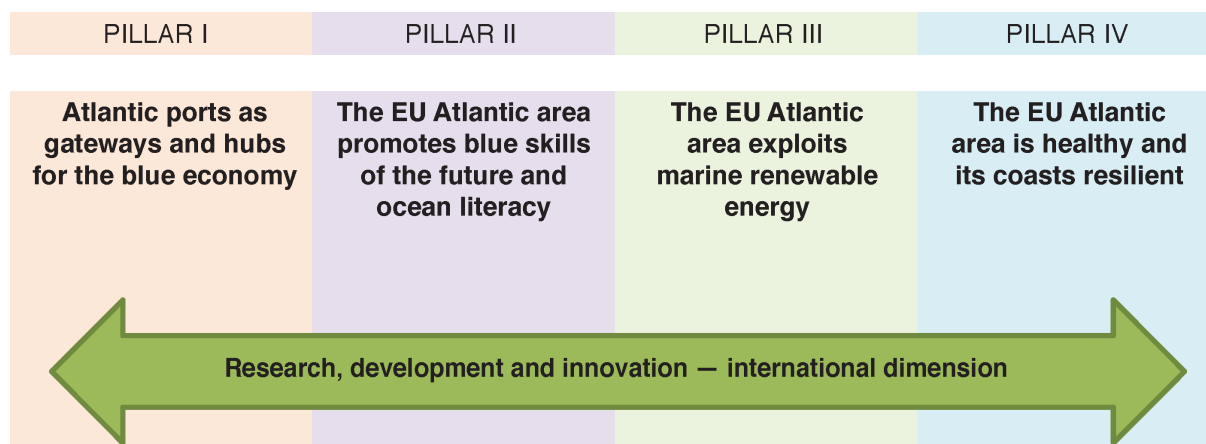
REGIONAL (NUTS 2) GDP PER CAPITA
PPS (purchasing power standards), EU-28

| REGION | 2009 | 2017 |
|---------------------------------|-------|------|
| PORTUGAL | | |
| North | 63,6 | 65 |
| Algarve | 84,6 | 83 |
| Centre | 66,5 | 67 |
| Lisbon | 112,4 | 100 |
| Alentejo | 72,2 | 72 |
| Autonomous Region of the Azores | 75,2 | 68 |
| Autonomous Region of Madeira | 104,9 | 73 |
| SPAIN | | |
| Canary Islands | 87,3 | 75 |
| Andalucia | 79,1 | 68 |
| Galicia | 92,7 | 82 |
| Principality of Asturias | 95,8 | 82 |
| Cantabria | 100,0 | 83 |
| Basque Country | 134,4 | 121 |
| FRANCE | | |
| Aquitaine | 96,3 | 91 |
| Poitou-Charentes | 86,4 | 83 |
| Pays-de-la-Loire | 96,4 | 94 |
| Brittany | 90,5 | 88 |
| Lower Normandy | 84,1 | 81 |
| Upper Normandy | 93,0 | 88 |
| UNITED KINGDOM | | |
| Cornwall and Isles of Scilly | 71,9 | 68 |
| Devon | 86,5 | 77 |

| REGION | 2009 | 2017 |
|--|-------|------|
| Hampshire and Isle of Wight | 110,3 | 104 |
| Dorset and Somerset | 93,5 | 81 |
| East Wales | 99,3 | 94 |
| West Wales and the Valleys | 68,4 | 66 |
| Gloucestershire, Wiltshire and Bristol/Bath area | 114,1 | 106 |
| Merseyside | 79,2 | 79 |
| Lancashire | 83,4 | 84 |
| Cheshire | 113,1 | 128 |
| Cumbria | 87,6 | 89 |
| South Western Scotland | 99,9 | |
| Highlands and Islands | 84,4 | 93 |
| Northern Ireland | 83,0 | 81 |
| ÉIRE/IRELAND | | |
| Border Midland and Western | 88,6 | |
| Southern and Eastern | 142,0 | |

Source: Eurostat GDP per capita 2009, 2017.

ANNEX III

ACTION PLAN 2.0 — THEMATIC PILLARS ⁽¹⁾⁽¹⁾ COM(2020) 329 final.

ANNEX IV

ACTION PLAN 2.0 — GOALS AND ACTIONS

PILLAR I: ATLANTIC PORTS AS GATEWAYS AND HUBS FOR THE BLUE ECONOMY

The Pillar includes **two specific goals** and a set of actions:

Goal 1: Ports as gateways for trade in the Atlantic*Actions*

- Develop the TEN-T Motorways of the Sea in the Atlantic
- Create a network of green ports by 2025
- Foster short-sea shipping links in the Atlantic area to better integrate Ireland
- Launch an Atlantic strategy on liquefied natural gas
- Develop eco-incentive schemes to upgrade port infrastructure
- Jointly develop waste and handling plans for Atlantic ports

Goal 2: Ports as catalysts for business*Actions*

- Develop a blue accelerator scheme for Atlantic ports to help scale up innovative businesses
- Share best practices, exchange ideas and tackle problems jointly
- Expand data collection beyond traditional (logistics) data
- Increase communication and availability of data on the economic potential of ports

PILLAR II: BLUE SKILLS OF THE FUTURE AND OCEAN LITERACY

The Pillar includes **two specific goals** and a set of actions:

Goal 3: Quality education, training and life-long learning*Actions*

- Identify blue skill gaps in the EU Atlantic area
- Harmonise data collection in the area of blue careers
- Create a business intelligence scheme and promote liaison centres for improved cooperation between businesses and training providers

- Identify through peer learning best practices for matchmaking employers and jobseekers that serve as inspiration
- Take advantage of existing information platforms for job opportunities and harvest their potential for blue jobs

Goal 4: Ocean literacy

Actions

- Launch an Atlantic Ocean literacy pilot curriculum
- Create 25 Atlantic blue schools by 2025
- Implement an ocean literacy component (dissemination) in relevant projects
- Making use of the All-Atlantic Ocean Youth Forum
- Engage citizens in ocean-related actions in the EU Atlantic area
- Engage citizens in activities organised for European Maritime Day, International Ocean Day and under the future EU4Ocean platform

PILLAR III: MARINE RENEWABLE ENERGY

The Pillar includes **one specific goal** and a set of actions:

Goal 5: The promotion of carbon neutrality through marine renewable energy

Actions

- Set specific deployment objectives for marine renewable energy in the Atlantic regions taking into account their environmental impacts
- Define best sites for marine renewable energy farms (including offshore wind) and adjacent ports across the Atlantic, taking into account potential impacts on the marine environment
- Implement incentives for deployment of innovative renewable energy installations
- Pool together different marine renewable energy initiatives covering the EU Atlantic area, based on the philosophy and furthering the objectives of the Strategic Energy Technology plan (SET plan)
- Develop public awareness using appropriate communication tools on marine renewable energy in the Atlantic
- Strengthen cooperation in the European ocean energy community
- Develop a specific ocean energy framework for EU islands in the Atlantic

PILLAR IV: HEALTHY OCEAN AND RESILIENT COASTS

The Pillar includes **two specific goals** and a set of actions:

Goal 6: Stronger coastal resilience

Actions

- Demonstrate a comprehensive alert and observing system for increased storms and floods due to climate change
- Develop synergies between existing EU infrastructures for coastal observation and protection, as well as for alert and monitoring and increase the development of in-situ ocean observatories
- Develop test spaces, pilot areas to test methods of coastal protection and promote nature-based solutions
- Promote sustainable practices in coastal and maritime tourism
- Compile an inventory of national and regional climate change coastal adaptation strategies and measures, linked to the risk assessments and risk management plans, share best practices
- Create information campaigns for Atlantic coastal communities
- Educate young people and coastal communities on the evolution of the coastline and ways to adapt to sea level rise
- Share best practices on the application of maritime spatial planning to coastal adaptation, resilience, and applicable environmental assessments (EIA ⁽¹⁾, SEA ⁽²⁾, AA ⁽³⁾)
- Map coastal wetlands for preservation and to monitor their role as carbon sinks

Goal 7: The fight against marine pollution

Actions

- Develop a pilot project of 'litter-free' coastal communities
- Make use of available tools to identify major sources, pathways and hotspots of marine litter, as well as accidental or deliberate pollution
- Promote business actions based on the circular economy, develop incentives and environmental certification schemes

⁽¹⁾ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1), as amended by Directive 2014/52/EU of the European Parliament and of the Council (OJ L 124, 25.4.2014, p. 1).

⁽²⁾ Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

⁽³⁾ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7), as amended by Council Directive 97/62/EC (OJ L 305, 8.11.1997, p. 42), Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1), Council Directive 2006/105/EC (OJ L 363, 20.12.2006, p. 368), Council Directive 2013/17/EU (OJ L 158, 10.6.2013, p. 193).

-
- Launch joint actions to promote a public perception of the problem, e.g. beach days where communities meet to clean the beach
 - Promote fishing-for-litter actions to encourage all fishermen to bring ashore the waste caught in their nets during their normal fishing operations
 - Engage under OSPAR to implement collective actions of the marine litter regional action plan
 - Promote coordinated and effective implementation of actions against marine litter and underwater noise required under the MSFD for the EU MS
 - Support the work under the Union Civil Protection Mechanism and of Bonn and Lisbon Agreements towards effective prevention, preparedness and response to deliberate and accidental pollution
 - Promote cooperation among sectors for a coordinated at-sea and shoreline response
-

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Stepping up Europe’s 2030 climate ambition — Investing in a climate-neutral future for the benefit of our people’

(COM(2020) 562 final)

(2021/C 123/09)

Rapporteur: **Arnold PUECH D’ALISSAC (FR-I)**

Co-rapporteur: **Jan DIRX (NL-III)**

| | |
|---------------------------|--|
| Referral | European Commission, 11.11.2020 |
| Legal basis | Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Section for Agriculture, Rural Development and the Environment |
| Adopted in section | 11.1.2021 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 216/6/3 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1. The EESC warmly welcomes the Commission Communication *Stepping up Europe’s 2030 climate ambition — Investing in a climate-neutral future for the benefit of our people*. The Commission’s choice to increase the greenhouse gas emissions reduction target for 2030 to 55 % is largely in line with the Committee’s earlier opinion on the European Climate Law.

1.2. Working with net zero from the intermediate targets is only possible on the condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed.

1.3. The EESC believes it is very important that citizens and social partners should be able to know how the emission target goals can be achieved and what this means for their work and life. This is essential for support for all measures to be taken. Therefore measures should be taken to guarantee that the risks and opportunities be shared equally to ensure certainty and stability.

1.4. The Committee agrees with the Commission that post-COVID-19 recovery spending must combine with ambitious climate action to avoid wasted money and stranded assets, leading to additional resource needs later on. It must be ensured that these investments are actually used in the spirit of a sustainable climate policy that puts citizens at the centre.

1.5. The Commission intends to come forward with the necessary detailed legislative proposals by June 2021. The EESC invites the co-legislators not to exceed this timeframe and to complete the legislative process by December 2021, because otherwise the timeframe to achieve the 2030 target will be too tight.

1.6. The EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels.

1.7. The EESC suggests that new climate targets for agriculture in the Next Generation EU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition.

1.8. The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains.

1.9. The EESC underlines the conclusion in the Impact Assessment that achieving a 55 % reduction in greenhouse gas emissions by 2030 would not only put the EU firmly on track to achieve climate neutrality, but would also make EU business and industry global trailblazers. In doing so, the EU must ensure that its trade policy and its trade agreements are consistent with its climate ambition. We do also recommend that the Commission pay special attention to the possible consequences for low-income third-country citizens.

1.10. The EESC strongly endorses the Commission's statement that citizens are 'crucial partners in the fight against climate change', because we believe that active participation of 'all parts of society' is a necessary condition for climate policy to be successful within the EU. That is why we also reiterate our proposal to set up a European Climate Pact Stakeholder Platform.

1.11. The EESC also calls on the Member States to work on the introduction of common criteria and common indicators at European level as a first step towards better measuring energy poverty, following the Commission's Recommendation of 14 October 2020 on energy poverty [C(2020) 9600 final].

1.12. The EESC congratulates the Commission, which rightly calls for the necessity for the transition of our economy to be accompanied by investment in retraining and further training and permanent education of many professional groups. Furthermore, measures must be taken to ensure that new employment opportunities trigger the growth of jobs with decent wages and good working conditions.

2. General comments

2.1. The EESC warmly welcomes the Commission Communication *Stepping up Europe's 2030 climate ambition — Investing in a climate-neutral future for the benefit of our people*. The Commission's choice to increase the greenhouse gas emissions reduction target for 2030 to 55 % is largely in line with the Committee's earlier opinion on the European Climate Law ⁽¹⁾.

2.2. Contrary to what the Commission is now proposing for the first time with regard to the 2030 reduction target, the EESC's opinion for a 55 % reduction target was not a net target, while the Commission's is. This means that the Commission is lagging behind our advice in terms of its objective.

2.3. The EESC does believe, as the Commission applies a net-zero target for 2050 in the European Climate Law, that carbon sinks should ultimately be fully taken into account. To work towards this, it is logical to work with net zero from the intermediate targets. However, this is only possible on the condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed.

2.4. The Committee supports the Commission's conclusion that raising the EU's ambition of greenhouse gas emissions reductions to 55 % by 2030 is necessary. Reducing greenhouse gas emissions can improve living conditions and health, can create employment, and can lower energy bills, provided that the necessary private and public investments can and will be made in the right sustainable direction. By stepping up the climate ambition, the EU is also showing its global responsibility. But we think it is important and necessary to clarify in the short term how the new goal can be achieved in this relatively short period of time up to 2030.

2.5. We also acknowledge that the social and economic impact on European citizens and businesses at an individual level in meeting the existing and new 2030 target is by no means entirely clear. The EESC believes it is very important that citizens and social partners should be able to know how these goals can be achieved and what this means for their work and life. This is essential for support for all measures to be taken, because they will affect European citizens across Member States and regions in a diverse manner. Therefore measures should be taken to guarantee that the risks and opportunities in relation to this process be shared equally to ensure certainty and stability.

⁽¹⁾ OJ C 364, 28.10.2020, p. 143.

2.6. We recommend the Commission pay special attention to the possible consequences for low-income third-country citizens. The EU should strive to mitigate any negative consequences. The EU should support their development towards climate neutrality, keeping in mind that developing countries are entitled to reasonably increase GHG emissions in the Paris Agreement.

2.7. The Committee agrees with the Commission that the pandemic we are now facing is not an argument for putting tackling climate change to rest. On the contrary, as the Commission also writes, '[t]he unprecedented European economic response to COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy'. In order to be able to develop policy as effectively as possible in this situation, the Committee advises the Commission to thoroughly investigate how the Market Stability Reserve mechanism (EU ETS) and the effort-sharing approach work with regard to the current decline in greenhouse gas emissions, with a view to reducing to a certain extent unused legal possibilities for emissions.

2.8. By working energetically now on the increased reduction target for 2030, it will make it easier for future generations to actually achieve the set 2050 target of climate neutrality. Because the less action the EU takes in the next ten years, the steeper and more challenging the reduction path will be after 2030. The Committee therefore looks forward to the proposals for achieving the 55 % target by 2030, which the Commission will present by June 2021 at the latest. We recommend an approach with a diverse instrument mix with, in addition to legislation, financial instruments as well, such as the Benchmark Regulation and the Taxonomy Regulation. It is important to assess the effect of these new approaches carefully.

2.9. The Committee agrees with the Commission that '[w]e must combine recovery spending with ambitious climate action to avoid wasted money and stranded assets, leading to additional resource needs later on'. It must be ensured that these investments are actually used in the spirit of a sustainable climate policy that puts citizens at the centre. The Committee already addressed this in detail in its resolution proposals for the post-COVID-19 crisis reconstruction and recovery ⁽²⁾.

2.10. As one of the advantages of the energy transition, the Commission cites the reduction of dependence on the import of fossil fuels (p. 6). However, the Committee wishes to consider this international trade aspect in its fullest extent. International trade agreements and value chains must meet the requirements of ecological and sustainable development and must include binding due diligence obligations for companies or, as the European Council stated in its recent December meeting, 'the EU will ensure that its trade policy and its trade agreements are consistent with its climate ambition'. We consider a thorough investigation into this highly desirable.

2.11. While making impact assessments, it is important to recognise that the COVID-19 crisis has unprecedented economic, social and environmental consequences, which for their part have implications on the impacts of the measures to be taken for the mitigation of climate change.

2.12 The EESC stresses that it is of prime importance that the increase of the greenhouse gas emissions reduction target must be established in conjunction with a well-funded Just Transition Fund at European level and measures to support citizens, workers and businesses to adjust to the forthcoming changes. The EESC doubts whether the EUR 7,5 billion from the MFF and EUR 10 billion from the Next Generation EU recovery fund are enough.

3. Legislation

3.1. The Commission intends to come forward with the necessary detailed legislative proposals by June 2021. The EESC invites the co-legislators not to exceed this timeframe and to complete the legislative process by December 2021, because otherwise the time frame to achieve the 2030 target will be too tight. Relatively simple amendments to the regulations are available, such as an increase in the linear factor EU ETS ceiling and a percentage reduction in the emission allowance per Member State for ESR.

3.2. While bearing in mind the principles of a just transition, the EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels. Expenditure on direct or indirect subsidies of fossil fuels, for example through tax exemptions and reductions, should be used to accelerate the development of sustainable energy sources. Or as the Paris agreement (Article 2) says: 'Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development'. We insist, however, that these measures must not be at the expense of food production, as the Paris Agreement also states (Article 2(1)(b)).

⁽²⁾ OJ C 311, 18.9.2020, p. 1.

3.3. The Committee supports, provided that the reliability of the system is not endangered (monitoring, reporting, verification), the Commission's intention to include all emissions from fossil fuel combustion in the EU ETS. However, it is necessary to consider by what number emission allowances need to be reduced (reduction of the cap), because only then will the EU ETS be effective.

3.4. The EESC welcomes the starting point to do no harm (p. 5). This approach is also put forward by the Commission in its proposal for the eighth General Union Environment Action Programme (COM(2020) 652 final), stating that 'all EU initiatives [have to] live up to a green oath to "do no harm"'. The meaning of this 'oath' relates to 'strengthening the integrated approach to policy development and implementation, notably by mainstreaming sustainability in all relevant initiatives and projects at national and EU level.' We support the importance of mainstreaming and integration for stepping up the climate ambition by 2030, but wonder what actions the Commission would like to take to realise this. We also wonder why the approach is called a 'principle' (while it is called an oath in other Commission documents) and how this eventual 'principle' then relates to Article 11 TFEU, and to the principles codified in Article 191 TFEU.

3.5. The Committee supports the Commission in its intention to opt for a carbon border adjustment mechanism as one of the tools to avoid carbon leakage — together with market creation for low-carbon products, the availability of cost-competitive carbon neutral energy sources, and financing programmes — in the situation of absence of comparable increases in ambition by our partners, as the EU increases its climate ambition. It is important to pay attention to the effectiveness and robustness of the mechanism and to the effects of the application of this mechanism for developing countries. If these measures lead to a brake on the economic development of certain countries, compensatory measures such as technology transfer are desirable.

3.6. The Committee advises the Commission to provide an update on the compliance rate with current EU climate and energy law and on what infringement actions have started in that respect. We also advise the Commission to provide clear information on compliance by Member States with the RED and EE directives on its website. Could the Commission — with the help of the EEA — make an annual comprehensive update on the effectiveness of current climate and energy laws (all together) including mentioning non-compliance issues?

3.7. An impact assessment should investigate possibilities for enhanced GHG sinks in agricultural soils, forests and biomaterials. The Parliament's position on carbon crediting schemes should be elaborated to scale up carbon removals. The opportunity to create new business models through market-based carbon farming measures and privately funded carbon crediting schemes gives the possibility to sustainably increase productivity in line with climate, biodiversity and soil fertility goals and to decrease the risk of desertification. In addition, we believe that ownership of sink and carbon credit should accrue to those who have made the necessary investments, and that can be both private and public parties.

4. Agriculture

4.1. Climate adaptation should be strengthened, and the EU should develop and implement adaptation strategies. The vulnerability of forestry, agriculture and food systems to the adverse impacts of climate change must be reflected in the adaptation actions.

4.2. The EU's Green Deal, the Farm to Fork Strategy and the Climate Law are all focused on climate neutrality by 2050, as endorsed by the EP, the EC and the Council. However, to address this it is necessary that sufficient resources are made available in the MFF, the CAP budget and the Next Generation EU recovery fund. Otherwise, farmers cannot be expected to do what is necessary to reach the set goals. Value for low-carbon products must be created through carbon markets if funds cannot be made available. Farmers play their role in the solution and will ask for higher funding if necessary.

4.3. The current COVID-19 crisis shows that food security cannot be taken for granted in the EU and food production needs special attention in the 2030 climate ambition. In our post-COVID-19 resolution mentioned above, we stated the need to '...increase the resilience and sustainability of our food system by re-building more diversified farming models, promoting localised food distribution hubs and shorter supply chains, and improving market access for small-scale farmers, low-impact fishers and aquaculture producers'. At the same time, sustainable agri-food chains are essential to enhance food security globally for a growing global population.

4.4. The EESC suggests that new climate targets for agriculture in the Next Generation EU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition. To achieve climate targets, it is of crucial importance to implement measures that are simple, cost-efficient and accessible such as biogas plants, water management and carbon crediting (hedgerows, soil carbon sequestration).

4.5. The EESC supports an EU framework for carbon crediting schemes that can be used to guide the achievement of the climate targets, as laid down in the Parliament report on the Climate Law. Carbon must also have a price in the bioeconomy. Furthermore, research and innovation should be supported to find technical and sustainable solutions as much as possible, to reduce greenhouse gas emissions and to encourage carbon sequestration in agriculture.

4.6. At present, the way methane is accounted for does not reflect up-to-date science. It is essential to adopt the most recent scientific methodology when assessing the climate impact of food. An emission reduction to net zero in 2050 must factor in the climate effect of methane as a short-lived greenhouse gas that does not have to be net zero in order to achieve climate neutrality or to have no additional warming effect.

4.7. Appropriate research and innovation funding on climate adaptation and mitigation in the agricultural sector must be prioritised. Investments in innovative practices and cost-efficient sustainable production technologies and methods must be encouraged and incentivised in order to reduce GHG emissions while maintaining room for improvements in terms of the EU livestock production potential to guarantee the population a balanced diet. Water management and irrigation of arable land will be needed even more in the future. New investments should be encouraged in systems that are more efficient and prevent water pollution.

4.8. New technology and innovations must be recognised when climate targets are to be achieved. The EU food chain is already climate competitive on a global scale. Adapting the sector to climate change and making it resilient to the negative effects of it ensures that the carbon footprint in EU food production continues to decline. In this respect uptake of e.g. new breeding techniques (NBT, etc.), a shift in production from animal proteins to vegetable proteins, smart and digital farming technologies and innovation are the key to making the EU food system resilient.

4.9. The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains. The promotion of synergies between renewable energy via biogas production and manure management is of paramount importance for decentralised renewable energy production which also supports rural livelihoods.

5. Industry, materials, energy and transport

5.1. The EESC welcomes the conclusion in the Impact Assessment that achieving a 55 % reduction in greenhouse gas emissions by 2030 would not only put the EU firmly on track to achieve climate neutrality, but would also make EU business and industry global trailblazers. This includes sustainable steel produced with hydrogen instead of coal, where the hydrogen is made with sustainable electricity. A first pilot factory has recently opened in Sweden for this purpose.

5.2. As stated in earlier opinions, for example, the recent opinion 'Between a trans-European super grid and local energy islands', the EESC has pointed out how important it is to recognise that the energy transition is not just a technological issue but also a profoundly social and political challenge. Not only businesses but also workers, trade unions and consumers must be involved in the energy transition, as promised by policy-makers and strongly called for by the EESC. However, here too, the Commission and the Member States leave more questions open than they answer. Moreover, current energy policy initiatives will prevent rather than encourage broad participation from the public. After all, Europe's energy transition first and foremost requires investment certainty for both public and private sectors, which can only be achieved if clear fundamental decisions are made.

5.3. The Committee supports the Commission's intention, as set out in its Communication 'An EU Strategy for Energy System Integration', that integration of the electricity system with the heat and transport system is vital in terms of reaching the goals of climate neutrality, security of energy supply, including reduction of energy imports, and the goal of affordable prices for Europe's consumers and the European economy. It goes without saying that sufficient public and private financial resources will have to be made available in the coming years in order to be able to make the necessary investments.

5.4. With regard to the economic and social policy consequences, the EESC reiterates its position that decentralised energy systems provide major impetus for regional development and can lead to the creation of new, high-quality and skilled jobs in the regions.

5.5. We fully agree with the Commission that the building sector, currently responsible for 40 % of final energy consumption and 36 % of greenhouse gas emissions in the EU, has a large cost-effective potential to reduce emissions. We will discuss this in more detail in our opinion on *A Renovation Wave for Europe — greening our buildings, creating jobs, improving lives*.

5.6. The EESC welcomes the position taken by the Commission (p. 16) that the aviation and maritime sectors belong to economy-wide measures, which are necessary to address in view of the Paris Agreement. These global transport modes are, together with some industrial emissions, those that currently are furthest from cost-efficient new non-fossil fuels, although promising tests are on-going. Aviation and shipping are also difficult to regulate through national or even European legislation and a large part of their emissions are outside EU territory. Since the EU international emissions from navigation and aviation have grown by more than 50 % since 1990, we do support the Commission's focus on finding constructive ways to include aviation and shipping in the EU climate policy. Aviation, within and between EU Member States, is already included in the European Emissions Trading System, and the Commission is currently assessing if shipping could also be included in ETS in the same way. For emissions outside EU territory we support the Commission's aim to be proactive in the work of UN organisations like the IMO and the ICAO to find effective and binding global emissions reduction schemes.

5.7. The Committee supports the Commission's recently published Strategy for a Sustainable and Smart Mobility, because the transport sector remains behind in the reduction of emissions. In spite of more efficient vehicles and the introduction of low-emitting fuels and motors, road transport has increased its emissions by over a quarter since 1990, mainly through rising transport demand. The strategy includes a broad spectrum of actions and initiatives that are needed to speed up the transition away from fossil fuel dependency towards sustainable mobility. Citizen engagement is essential for a smart transition, as cars have been and still are a major symbol of freedom.

5.8. For bioenergy and biomaterial, a full recognition of greenhouse gas emission savings made in agriculture and forestry, thanks to biogenic sources, is necessary to acknowledge the full carbon sink. Substituting fossil fuels and materials can generate emission savings greater than 100 % depending on the fossil CO₂ and non-CO₂ substitution effects.

6. Public participation, citizens and consumers

6.1. The EESC strongly endorses the Commission's statement that citizens are 'crucial partners in the fight against climate change, and can support it through political mobilisation and consumer choices', because we believe that active participation of 'all parts of society' is a necessary condition for climate policy to be successful within the EU, considering that it is the civil society actors (enterprises, workers, consumers and citizens and their organisations) who implement the climate objectives in practice.

6.2. The EESC therefore welcomes that the European Commission opened, on 29 October, public consultations to hear views on reviewing policies necessary to increase its emission reductions target for 2030.

6.3. That is why we also reiterate our proposal to set up a European Climate Pact Stakeholder Platform, as set out in our opinion on the Climate Pact, to organise and facilitate the active participation of all parts of society ⁽³⁾.

⁽³⁾ OJ C 364, 28.10.2020, p. 67.

6.4. The EESC believes that special attention should be given to citizens with lower incomes. They are often wary of the energy transitions, because they fear that it will make life more expensive. That is why it is crucial what the Commission says about it: 'In order to avoid negative impacts on vulnerable consumers, social and energy efficiency policies are important to target the renovation of their houses and keep the impact on their heating and electricity bills in check.' We will discuss this in more detail in our opinion on *A Renovation Wave for Europe — greening our buildings, creating jobs, improving lives* ⁽⁴⁾.

6.5. The EESC also calls for the introduction of common criteria for their definition and common indicators at European level as a first step towards better measuring energy poverty, following the Commission's Recommendation of 14 October 2020 on energy poverty [C(2020) 9600 final ⁽⁵⁾]. In order to adapt this definition to different national circumstances, Member States must develop more statistical tools that allow effective targeting of vulnerable households.

6.6. The Committee agrees with the Commission that renewables will lead to a high degree of decentralisation, providing opportunities for consumers to get engaged, for prosumers to generate, use and share energy themselves, and for local and notably rural communities to encourage local investments in renewables. It will also trigger new employment locally. We would like to point out, however, that attention must be paid to the legitimate concerns of citizens about, for example, the damage to the landscape or the disruption of their enjoyment of life. Active participation and a direct benefit from the financial and/or energy yield of the renewable energy installations to be built can alleviate these concerns. Furthermore, measures must be taken to assure that new employment opportunities trigger the growth of jobs with decent wages and good working conditions.

6.7. The Commission rightly calls for the necessity for the transition of our economy to be accompanied by investment in retraining and further training and permanent education of many professional groups. The EESC would like to emphasise the desirability that young people should also dare to choose the profession of farming again, because aging in agriculture poses a long-term threat to a sustainable food supply. Good preconditions and financial resources are necessary at European and national level.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁴⁾ COM(2020) 662 final.

⁽⁵⁾ <https://ec.europa.eu/transparency/regdoc/rep/3/2020/EN/C-2020-9600-F1-EN-MAIN-PART-1.PDF>

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council on amending Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies’

(COM(2020) 642 final — 2020/0289 (COD))

(2021/C 123/10)

Rapporteur: **Arnaud SCHWARTZ**

Co-rapporteur: **Isabel CAÑO AGUILAR**

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| Referrals | European Parliament, 19.10.2020 Council, 20.10.2020 |
| Legal basis | Articles 192(1) and 304 of the Treaty on the Functioning of the European Union |
| Bureau decision | 28.10.2020 |
| Section responsible | Agriculture, Rural Development and the Environment |
| Adopted in section | 11.1.2021 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 254/2/7 |
| for/against/abstentions) | |

1. Conclusions and recommendations

1.1 The EESC welcomes the Commission's proposal ⁽¹⁾ to strengthen the internal review mechanism contained in the Aarhus Regulation ⁽²⁾ and appreciates its potential.

1.2 The EESC supports the four priority actions identified in the Commission's Communication, namely the Member States' obligation to fully and correctly transpose access to justice requirements stemming from EU secondary law, the need for co-legislators to include provisions on access to justice in new and revised EU legislation concerning environmental matters, the review by Member States of their own national legislative and regulatory provisions that prevent or undermine access to justice, and the obligation of national courts to guarantee the right of individuals and NGOs to an effective remedy under EU law.

1.3 Nevertheless, the EESC points out to the Commission that its proposal contains loopholes which may be used by institutions to avoid being held accountable.

1.4 Thus for example the EESC does not endorse the Commission's proposal to exclude EU acts entailing 'national implementing measures', because there is a real possibility that this exclusion could nullify or devalue the Commission proposal.

1.5 The EESC is also concerned that allowing civil society organisations (CSOs) to conduct a review only when the implementing measures have been adopted would insulate many, if not most, EU acts and omissions from internal review.

1.6 Despite the arguments set out by the Commission, the EESC notes that non-legally binding EU acts can have significant effects both on the implementation of EU legislation and on its interpretation by the Court of Justice of the European Union (CJEU).

⁽¹⁾ https://ec.europa.eu/environment/aarhus/pdf/legislative_proposal_amending_aarhus_regulation.pdf

⁽²⁾ Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies (OJ L 264, 25.9.2006, p. 13).

1.7 The social partners are key players in environmental issues, and the EESC therefore urges that they be explicitly recognised as regards access to justice.

1.8 The EESC stresses that the new Regulation should permit internal review of Commission state aid decisions.

1.9 The EESC considers that protection of CSOs from extra burdens (like additional costs and bureaucratic measures) at both national and EU levels must be properly ensured in order to make judicial review accessible in practice.

2. Background

2.1 *Introduction to the Aarhus Convention and the Commission's legislative proposal*

2.1.1 The United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) was adopted on 25 June 1998 ⁽³⁾. The Convention establishes a number of rights for the public (individuals and their associations) with regard to the environment. It consists of three pillars:

- **The right of everyone to receive environmental information** that is held by public authorities ('access to environmental information'). This can include information on the state of the environment, but also on policies or measures taken, or on the state of human health and safety where this can be affected by the state of the environment. Applicants are entitled to obtain this information within one month of the request and without having to say why they require it. In addition, public authorities are obliged, under the Convention, to actively disseminate environmental information in their possession.
- **The right to participate in environmental decision-making.** Arrangements are to be made by public authorities to enable the public and environmental non-governmental organisations to comment on, for example, proposals for projects affecting the environment, or plans and programmes relating to the environment, to take these comments into due account in decision-making, and provide information on the final decisions and the reasons for it ('public participation in environmental decision-making').
- **The right to review procedures** to challenge public decisions that have been made without respecting the two aforementioned rights or environmental law in general ('access to justice').

2.1.2 The EU is a party to the Aarhus Convention. The Aarhus Regulation adopted in 2006 ⁽⁴⁾ contributes to the implementation of the obligations arising under the Convention for EU institutions and bodies.

2.1.3 In the European Green Deal Communication ⁽⁵⁾, the Commission committed to 'consider revising the Aarhus Regulation to improve access to administrative and judicial review at EU level for citizens and NGOs who have concerns about the legality of decisions with effects on the environment' and to 'take action to improve their access to justice before national courts in all Member States'.

2.1.4 On 14 October 2020, the European Commission adopted a legislative proposal amending the Aarhus Regulation ⁽⁶⁾ with the stated objective to 'improve the implementation of the Aarhus Convention' by revising the internal review mechanism 'for the benefit of NGOs with regard to administrative acts and omissions of EU institutions and bodies'.

2.1.5 The European Commission emphasised in its proposal, based on the CJEU judgments on the relevance of the Aarhus Convention in the EU legal order, that judicial and administrative procedures relating to access to justice in the field of environmental law are 'in principle' covered by the law of the Member States. Therefore, any improvement in access to administrative and judicial review at EU level is complementary to access to justice in EU environmental matters at the level of national courts in the Member States.

⁽³⁾ Text of the Aarhus Convention: <https://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf>

⁽⁴⁾ Regulation (EC) No 1367/2006.

⁽⁵⁾ Communication from the Commission *The European Green Deal* — COM(2019) 640 final.

⁽⁶⁾ COM(2020) 642 final — https://ec.europa.eu/environment/aarhus/pdf/legislative_proposal_amending_aarhus_regulation.pdf

2.1.6 National courts are under an obligation to grant access to justice in environmental matters pursuant to Article 9(2) and 9(3) of the Convention, also when implementing EU environmental law. However, if at national level the NGOs concerned discover shortcomings in the adopted administrative procedures, they should first seek redress from the competent national court in the Member State. NGOs subsequently obtain access to the CJEU under the preliminary reference procedure provided for in Article 267 TFEU. This procedure can also concern the validity of acts of the EU institutions.

2.2 Gist of the European Commission document

2.2.1 The proposed amendments by the Commission are in particular intended to improve the possibilities for environmental NGOs to request the EU institutions to review acts where the NGOs consider that they may contravene EU law related to the environment.

2.2.2 This should foster openness and accountability when it comes to environmental protection, contribute to greater transparency and more effective pursuit of the EU environmental objectives and, thus, help achieve the systemic societal changes required by the European Green Deal.

2.2.3 The proposal amends Regulation (EC) No 1367/2006 which was adopted by the European Parliament and the Council in 2006, following the EU's ratification of the Aarhus Convention in 2005.

2.2.4 In 2017, the Compliance Committee under the Convention found that the EU had failed to meet its obligations concerning access to justice in environmental matters. The Commission legislative proposal is intended to address these findings.

2.2.5 The legislative proposal is accompanied by a Commission Communication ⁽⁷⁾ aiming to facilitate access to justice in environmental matters for individuals and NGOs in EU Member States.

2.2.6 National and local authorities take many important decisions when applying EU environmental laws, for example when granting permits to infrastructure projects or industrial installations that may pollute nature and soil, air or water.

2.2.7 It is important to improve public scrutiny of these decisions as well. The Commission will take measures to help Member States improve their systems such as training, information sharing and capacity building, but is also prepared to take legal action in case of breaches of EU law.

2.3 Next steps

2.3.1 The Commission's proposal is now to be negotiated and adopted by the European Parliament and the Council. The Commission will engage constructively with both institutions to facilitate adoption of the revised Aarhus Regulation before the Meeting of the Parties to the Aarhus Convention in October 2021.

3. General comments

3.1 The EESC recalls the conclusions from its previous opinion on *Access to justice at national level related to measures implementing EU environmental law* ⁽⁸⁾:

3.1.1 recognising that consistency in Access to Justice across the EU is an essential factor underpinning the single market and the consistent implementation of EU law rights in the Union, and provides necessary clarity and certainty for markets and investors;

3.1.2 **supporting the Aarhus Convention and its full implementation by and within the EU.** It remains therefore essential that the findings on compliance of the Aarhus Convention Compliance Committee (ACCC), appointed by the Parties, are fully endorsed by the Parties;

⁽⁷⁾ COM(2020) 643 final — https://ec.europa.eu/environment/aarhus/pdf/communication_improving_access_to_justice_environmental_matters.pdf

⁽⁸⁾ EESC Opinion on the Access to justice at national level related to measures implementing EU environmental law (Communication) (OJ C 129, 11.4.2018, p. 65).

3.1.3 in a global context of harassment and persecution of environmental defenders, asking the EU to take the lead in facilitating Access to Justice;

3.1.4 prioritising with environmental NGOs and civil society, a broad and ambitious approach to the ways and areas in which the EU can improve the implementation of the Convention and Access to Justice within and by the EU Institutions. A parallel and complementary approach to Access to Justice within and by the EU institutions, associated guidance and rollout activities should also be addressed.

3.2 The EESC also recalls its position in the opinion on *Actions to improve environmental compliance and governance* ⁽⁹⁾ that **current shortcomings are undermining people's trust in the effectiveness of EU legislation**, and calls on the Member States and the EC to mobilise substantial funding for the recruitment of additional staff, in order to monitor the implementation of environmental governance and legislation.

3.3 The EESC, referring to its opinion on *A more constructive role for civil society in implementing environmental law* ⁽¹⁰⁾ calls again on the Commission:

3.3.1 to work on improving access to justice for civil society e.g. with the right for CSOs to stand before the European Court of Justice and having specialised judges and prosecutors at EU, national and local level;

3.3.2 to enable individuals to approach the European Court of Justice directly, as in the case of the European Court of Human Rights (ECHR), when the transposition of EU law into national law is at stake and domestic remedies have been exhausted;

3.3.3 to consider establishing an environmental injunction for issues other than emergencies, with which Member States must comply, whereby work is suspended pending a decision by the Court of First Instance in the event of there being any immediate harm to the environment;

3.3.4 to create an appropriate mechanism in order that fines paid for causing environmental damage are invested in actions aimed at supporting environmental protection.

4. Specific comments

4.1 The EESC welcomes the Commission's proposal to strengthen the internal review mechanism contained in the Aarhus Regulation and appreciates its potential.

4.2 The EESC supports the four priority actions identified in the **Commission's Communication**, namely the Member State's obligation to fully and correctly transpose access to justice requirements stemming from EU secondary law, the need for co-legislators to include provisions on access to justice in new and revised EU legislation concerning environmental matters, the review by Member states of their own national legislative and regulatory provisions that prevent or undermine access to justice, and the obligation of national courts to guarantee the right of individuals and NGOs to an effective remedy under EU law.

4.3 The EESC emphasises, however, that these actions do not replace adequate access to the CJEU by way of the internal review request, or the need for a horizontal directive regulating access to justice at Member State level.

4.4 The EESC agrees with the Commission about the need to strengthen the implementation and enforcement of EU environmental law by Member States and EU institutions given the need for the European Green Deal to deliver on its targets and promises.

⁽⁹⁾ EESC Opinion on the Actions to improve environmental compliance and governance (OJ C 283, 10.8.2018, p. 83).

⁽¹⁰⁾ EESC Opinion on A more constructive role for civil society in implementing environmental law (OJ C 47, 11.2.2020, p. 50).

4.5 The EESC warns therefore the Commission of the fact that this proposal contains **problematic loopholes** which may be used by institutions to avoid being held accountable.

4.6 The EESC reminds the Commission that civil society organisations (CSOs), including all the social partners, are asking the EU for strong enforcement mechanisms allowing them to hold EU institutions to account if and when they fail to deliver on goals relating to the environment and human health.

4.7 The EESC considers that, without appropriate changes, this proposal will neither make the EU institutions accountable, nor ensure compliance with the EU's international law commitments.

4.8 The EESC does not endorse the Commission's proposal to exclude EU acts entailing 'national implementing measures'. There is a real possibility that this exclusion could nullify or devalue the Commission proposal.

4.9 Since it is often unclear which EU acts will entail implementing measures, the EESC believes that delay and legal uncertainty could be avoided, if the proposal not only allowed CSOs to ask for the review of such acts once the implementing measures have been adopted. The EESC is concerned that its wording would insulate many, if not most, EU acts and omissions from internal review. The EESC emphasises in that regard that access to the national courts with the potential of a preliminary reference is no replacement for access to the internal review mechanism.

4.10 The EESC considers that the definition of administrative acts should be aligned with the long-established case law of the Court of Justice of the European Union (CJEU), so that all 'legally binding' acts are covered by the internal review mechanism, including the preparatory acts that are the basis of the regulations, thus complying with the precautionary principle that is fundamental for environmental litigation.

4.11 The EESC also considers that the definition of administrative acts subject to administrative and judicial control is not exhaustive, requiring express clarification in the sense that all administrative acts **relating to the environment** may be examined.

4.12 The EESC also considers that non-legally binding EU acts can have significant effects both on the implementation of EU legislation and its interpretation by the CJEU. These kind of acts should therefore also be covered by the internal review mechanism.

4.13 The EESC also emphasises that the proposal should permit internal review of Commission state aid decisions. As confirmed by the CJEU ⁽¹¹⁾, the EC must comply with EU environmental law when adopting state aid decisions and it is therefore crucial that these decisions can be challenged by CSOs where they consider that the Commission has failed to meet this requirement.

4.14 The EESC considers that protection of CSOs from extra burdens (like additional costs and bureaucratic measures), at both national and EU levels, must be properly ensured in order to make judicial review accessible in practice.

4.15 The Aarhus Regulation should specify that the CJEU's judicial review of an internal review decision must cover the substantive and procedural legality of the decision.

4.16 The EESC underlines the need for coherent regulation, in the sense that any procedural deadlines for administrative and/or judicial control apply only once the content is known of the contested administrative act relating to the major public interest protected by environmental law and irreversibility of ecological damage. This is necessary in order to avoid practices that could violate Article 9 of the Aarhus Convention and the case law of the CJEU (see Case C-261/18, *Commission v. Ireland* ⁽¹²⁾), giving rise to arbitrariness.

⁽¹¹⁾ Case C-594/18 P, *Austria v Commission*, ECLI:EU:C:2020:742, paras 42-46.

⁽¹²⁾ Case C- C-261/18 — *Commission v Ireland (Derrybrien Wind Farm)*, ECLI:EU:C:2019:955, paras 80 and 95.

4.17 Last but not least, the social partners are key players in environmental issues, and the EESC therefore calls for them to be explicitly recognised as regards access to justice. The EESC considers that Article 11 of the Aarhus Regulation is currently incompatible with Article 2(5) of the Aarhus Convention and that it should be amended so as to not restrict the access of CSOs to justice, providing that it be enough for a non-governmental organisation to have, among other things, the objective of environmental protection.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council establishing a catch documentation programme for Bluefin tuna (*Thunnus thynnus*) and repealing Regulation (EU) No 640/2010’

(COM(2020) 670 final — 2020/0302 (COD))

(2021/C 123/11)

Rapporteur working alone: **Florian MARIN**

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| Referral | European Parliament, 11.11.2020 Council, 11.11.2020 |
| Legal basis | Article 3(1)(d) and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Section for Agriculture, Rural Development and the Environment |
| Adopted in section | 11.1.2021 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | 250/0/9 |

1. Conclusions and recommendations

1.1 The EESC considers the adoption of the International Commission for the Conservation of Atlantic Tunas (ICCAT) recommendations to be important and appropriate because the EU has been a contracting party of ICCAT since 1986 and must ensure compliance with all the measures approved by ICCAT within EU law.

1.2 The EESC recommends that facilitating and ensuring access to information resources and technical assistance for fishermen and actors in the distribution chain for using the eBCD (electronic Bluefin tuna Catch Document) system must remain a priority for the European Commission and the Member States.

1.3 The deadlines stipulated at the level of ICCAT Recommendation 18-13 must take into account the impact and situation of the COVID-19 pandemic, including possible delays in achieving the reporting requirements imposed by ICCAT.

1.4 The EESC considers that all necessary efforts must be made to ensure compliance, accuracy and synergy between BCDs and eBCDs, as well as an efficient traceability, validation and verification process.

1.5 The EESC considers that Article 4 is in part taken from Recommendation 18-13, Part II, Validation of BCDs, point 11 to the effect that the validation process for each ton caught, landed, caged, harvested, transhipped, domestically traded or exported must be performed each time it lands, transfers, harvests, tranships, domestically trades or exports Bluefin tuna.

1.6 The EESC recommends expanding the proposal based on ICCAT Recommendation 18-13, Part II — Validation of BCDs, 12, which regulates situations in which the section of BCD format does not provide enough room to ensure complete tracking of BFT from catch to market. An annex could be attached to the original BCD using the original BCD format and number.

1.7 The EESC recommends adding to Article 2(5)(b) the word ‘trap’ as in Article 2(5)(a). It would then read as follows: ‘trade, in one Member State or between two or more Member States, in farmed Bluefin tuna caught in the Convention area by a Union catching vessel or trap, and which is caged in a farm established in the territory of the Union’.

1.8 The EESC recommends adding to Article 3(2) the word 'lot'. It would then read as follows: 'A BCD shall be completed for each lot of Bluefin tuna caught by a fishing vessel or trap, transferred, landed or transhipped at ports by fishing vessels or traps, or caged or harvested by farms.'

1.9 The Commission should consider the impact of implementing Article 5, 3, (b) because although it is an ICCAT recommendation it will require companies to alter their logistics — disassembling pallets and re-identifying each package.

1.10 The EESC would like the Commission and the Member States to consider registration and validation of fish parts, even without the validation of caging, in order to maximise value and avoid waste. At present, when tuna die after arriving at the farm, they may not be sold because the caging has not yet been validated. Caging depends on an assessment made with stereoscopic cameras, which takes about two months, so these specimens must be frozen or destroyed. This goes against the Commission's initiatives on food losses and food waste.

2. Gist of the Commission proposal

2.1 The purpose of the present proposal ⁽¹⁾ is to transpose into EU law new Bluefin tuna Catch Documentation measures adopted by the International Convention for the Conservation of Atlantic Tunas (ICCAT), to which the European Union (EU) has been a contracting party since 1986.

2.2 The ICCAT Convention provides for a framework for regional cooperation on the conservation and management of tuna and tuna-like species in the Atlantic Ocean and adjacent seas, and for the adoption of recommendations applicable in the ICCAT Convention area which become binding on the Contracting Parties.

2.3 The European Union thus has an obligation to ensure compliance with all the measures approved by ICCAT within EU law. The proposed regulation repeals Regulation (EU) No 640/2010 of 7 July 2010 by integrating new ICCAT measures related to the mandatory use of the electronic Bluefin tuna Catch Document (eBCD) system with a view to identifying the origin of all Bluefin tuna, allowing paper BCDs only for exceptions.

2.4 The proposal provides for delegated powers to be conferred on the Commission, pursuant to Article 290 of the Treaty on the Functioning of the European Union, enabling it to swiftly incorporate future amendments to the ICCAT recommendations into EU law.

2.5 EU legislation should implement the ICCAT recommendations in order to place EU and third country fishermen on an equal footing and to ensure that the rules are fully accepted and implemented by all.

2.6 The measures envisaged in the proposal concern the technical specifications of the Bluefin tuna Catch Document and re-export certificate, its validation by the Member States, the recording and validation of catch and subsequent trades in the eBCD system, the tagging provisions, Member States' verifications of information and annual reporting to ICCAT.

2.7 Catching vessel masters, trap operators, farm operators, sellers and exporters must complete a BCD for each lot of Bluefin tuna caught, landed, caged, harvested, transhipped, domestically traded or exported. All trade events must be recorded and validated in the eBCD system.

2.8 Each lot of Bluefin tuna re-exported must be accompanied by a Bluefin Tuna Re-export Certificate validated by the Member State. The operator responsible for the re-export will issue the Bluefin Tuna Re-export Certificate and will request the validation.

3. General comments

3.1 The EESC considers it appropriate and important to transpose into EU law the measures adopted by the International Commission for the Conservation of Atlantic Tunas (ICCAT), which have a beneficial role to play in managing Bluefin tuna stocks. The EESC welcomes the efforts made by the European Commission and the Member States to comply with all the conditions and recommendations made by ICCAT by transposing them into specific legislation, as they have had both an economic and a social impact at Member State level.

⁽¹⁾ Proposal for a Regulation of the European Parliament and of the Council laying down management, conservation and control measures applicable in the Inter-American Tropical Tuna Convention area and amending Council Regulation (EU) No 520/2007 (COM/2020/308 final): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0308&qid=1603701098515>

3.2 The EESC appreciates the efforts and sacrifices made by the Commission, the Member States and the fishing industry to recover Bluefin tuna stocks by applying the strict rules of ICCAT. The management of Bluefin tuna stocks in the Eastern Atlantic Ocean and the Mediterranean is a success story, as stocks are at a historic high.

3.3 The EESC generally agrees with the proposed regulation, as it transposes an ICCAT recommendation. At the same time, the EESC considers that the existence and use of an electronic documentation system has made it possible to collect and use much faster data on Bluefin tuna traceability, the system that has been fully implemented since January 2017. The use of digital solutions to ensure the control of the sustainability of Bluefin tuna stocks facilitates easier and more efficient interpretation of data.

3.4 The EESC recommends compliance with the rules and recommendations made by ICCAT and transposed by the European Union into its legislation to ensure fair and equitable conditions for all fishermen.

3.5 The EESC recommends that the European Commission and the Member States facilitate and ensure access to information resources and technical assistance for fishermen and actors in the distribution chain to use the eBCD system correctly, in a way that is both compliant and efficient.

3.6 The deadlines stipulated at the level of ICCAT Recommendation 18-13 must take into account the impact of the COVID-19 pandemic, recognising that delays may occur in achieving the reporting situations imposed by ICCAT.

3.7 The EESC recommends that all necessary efforts be made to ensure compliance, accuracy and synergy between BCDs and eBCDs in the interest of successful and compliant documentation of the Bluefin tuna traceability and reporting system, especially in the case of exceptions and derogations mentioned in recommendation 18-13.

4. Specific comments

4.1 The EESC considers that Article 4 is in part taken from Recommendation 18-13, Part II, Validation of BCDs, point 11 to the effect that the validation process for each ton caught, landed, caged, harvested, transhipped, domestically traded or exported must be performed each time it lands, transfers, harvests, tranships, domestically trades or exports Bluefin tuna.

4.2 The EESC recommends expanding the proposal based on ICCAT Recommendation 18-13, Part II — Validation of BCDs, 12, which regulates situations in which the section of BCD format does not provide enough room to ensure complete tracking of BFT from catch to market. An annex could be attached to the original BCD using the original BCD format and number for the rare cases in which this may be necessary.

4.3 The EESC recommends adding to Article 2(5)(b) the word 'trap' as in Article 2(5)(a), to read as follows: 'trade, in one Member State or between two or more Member States, in farmed Bluefin tuna caught in the Convention area by a Union catching vessel or trap, and which is caged in a farm established in the territory of the Union'.

4.4 The EESC recommends adding to Article 3(2) the words 'lot of' to read as follows: 'A BCD shall be completed for each lot of Bluefin tuna caught by a fishing vessel or trap, transferred, landed or transhipped at ports by fishing vessels or traps, or caged or harvested by farms.'

4.5 The Commission should consider the impact of implementing Article 5, 3, (b) because although it is an ICCAT recommendation it will require companies to alter their logistics — disassembling pallets and re-identifying each package.

4.6 The EESC would like the Commission and the Member States to consider registration and validation of fish parts, even without the validation of caging, in order to maximise value and avoid waste. At present, when tuna die after arriving at the farm, they may not be sold because the caging has not yet been validated. Caging depends on an assessment made with stereoscopic cameras, which takes about two months, so these specimens must be frozen or destroyed. This goes against the Commission's initiatives on food losses and food waste.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030’

(COM(2020) 652 final — 2020/0300 (COD))

(2021/C 123/12)

Rapporteur-general: **Lutz RIBBE**

| | |
|---------------------------|---|
| Referral | European Parliament, 11.11.2020 Council, 5.11.2020 |
| Legal basis | Article 192(1) and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Agriculture, Rural Development and the Environment |
| Date of Bureau decision | 1.12.2020 |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | 227/4/4 |
| (for/against/abstentions) | |

1. Conclusions and recommendations

1.1 The European Economic and Social Committee (EESC) can only see at best marginal added value in the current proposal for an 8th Environment Action Programme (EAP). This added value comes from the announcement of an improved monitoring model and better reporting. Otherwise, the proposal focuses more on general descriptions of situations and declarations of intent than on substance and action. But there is no need for an ‘action’ programme just to achieve better governance.

1.2 The EESC wonders whether an 8th EAP of this type really is needed to give further impetus to the EU’s environmental policy, which — through the European Green Deal (EGD) — has definitely arrived at the very heart of EU policies.

1.3 The EESC feels much supported by the Commission’s proposal in its view — one which it has been reiterating for years — that there is no lack of knowledge about what needs to be done. What is lacking is the implementation of well-known measures, often decided upon long ago, as well as political will.

1.4 The EESC would therefore see benefit in, for example, the strategic initiatives presented by the Commission to implement the EGD, such as the Biodiversity Strategy, the Farm to Fork Strategy and the Circular Economy Action Plan, along with their respective detailed requirements, being integrated and included in the 8th EAP. Furthermore, the Council and the European Parliament (EP) could also oblige the Commission via an 8th EAP to perpetuate and deepen the EGD, by giving it an explicit mandate to present, at the latest in the new term of office, a legislative proposal for an ‘EU Agenda 2050’ (as an amended and expanded ‘EGD 2’), which would add a concrete and detailed list of measures as an appendix to the 8th EAP. However, no plans have been made for this.

1.5 The EESC therefore calls for a fundamental debate on the sense and value of the environmental action programmes and reiterates its call for a separate ‘EU 2050 Sustainable Development Agenda’ to be drawn up. It views the EGD as being a good and solid basis for this.

2. Background to the opinion

EU environment action programmes

2.1 Environmental action programmes (EAPs) have been in place at EU level since the early 1970s. The 7th EAP ran until 31 December 2020.

2.2 In its proposal for an 8th EAP, the Commission describes the environmental programmes as having ‘guided the development of EU environment policy’. However, it does also indirectly admit that, in the end, these programmes have not had the promised effect. It concludes that ‘progress related to nature protection, health and policy integration [is] not sufficient’. It refers to the European Environment Agency’s report *The European Environment — State and Outlook 2020*, published in December 2019, which shows that ‘current environmental, climate and sustainability challenges are of an unprecedented scale and urgency, requiring immediate and concerted action and systemic solutions’. For ‘with the current growth model, environmental pressures are expected to increase further, causing direct and indirect harmful effects on human health and well-being. This is especially true for the sectors with the highest environmental impact — food, mobility, energy as well as infrastructure and buildings.’

2.3 This statement is in keeping with the 2020 Europe Sustainable Development Report presented last December by the Sustainable Development Solutions Network (SDSN) and the Institute for European Environmental Policy. One of the key conclusions of this report is that Europe is facing its greatest SDG (sustainable development goal) challenges in the areas of sustainable diets and agriculture, climate and biodiversity.

2.4 The European Commission makes clear that, with the European Green Deal on 11 December 2019, it decided on an ambitious agenda that would help the EU to a) become the first climate neutral continent by 2050, b) protect, conserve and enhance the EU’s natural capital and c) protect the health and well-being of citizens from environmental risks and impacts.

2.5 The Council, European Parliament and Committee of the Regions nevertheless called upon the Commission to draw up a proposal for an 8th EAP, which would then be decided upon by the Council and the EP. The Commission presented this *Proposal for a Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030* (8th EAP) on 14 October 2020, almost one year after the presentation of the EGD and only two and a half months before the end of 7th EAP.

Content of the 8th EAP

2.6 The 8th EAP consists of just six articles.

2.7 Article 2 lists EU environmental objectives that are already known and also acknowledged by the Council and the EP, such as greenhouse gas reduction, climate neutrality by 2050, adaptation to climate change, zero-pollution ambition for a ‘toxic-free environment’, protecting, preserving and restoring biodiversity, etc., and declares these to be ‘thematic priority objectives’ of the 8th EAP. In contrast to the 7th EAP, specific instruments or measures to achieve the objectives or environmental actions have not been set out. This is surprising, especially as in some cases particularly ambitious claims are made. One stated aim is for us to advance ‘towards a regenerative growth model that gives back to the planet more than it takes’⁽¹⁾.

2.8 Likewise, Article 3 only mentions ‘enabling conditions’ that have been known about for a long time, which are necessary for achieving the priority objectives. These include:

- effective and efficient implementation of Union legislation on the environment and climate;
- mainstreaming the priority objectives in all relevant strategies, legislative and non-legislative initiatives, programmes, investments and projects at Union, national, regional and local levels; and
- phasing out environmentally harmful subsidies at Union and national level.

2.9 Article 4 describes the actual focus of the 8th EAP. This lies in the promise to create an improved monitoring and reporting framework to provide policy-makers and the public with a better overview of progress (or shortcomings). It points out, inter alia, that the Council and the EESC, for example, have ‘called for measuring economic performance and societal progress beyond GDP’. It will also develop ‘headline indicators’ for better monitoring of, for example, biodiversity and the circular economy. The European Environment Agency and the European Chemicals Agency have a key role to play here and their staff numbers should therefore be increased.

⁽¹⁾ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2020:0652:FIN:EN:PDF>, Article 2 (2)(c).

2.10 Finally, Article 5 stipulates that the Commission will, by 31 March 2029, have to carry out an evaluation of the 8th EAP. Consequently, there are no plans for a mid-term review.

2.11 Article 6 determines the entry into force of the decision.

3. Comments

3.1 The EESC agrees with the Commission that the environmental action programmes have long guided the development of EU environmental policy. However, the environmental policy of the 70s, 80s and 90s can no longer be compared with that of today; this raises the question as to the role and function of the environmental action programmes.

3.2 For that reason, the EESC wonders whether an 8th EAP is really needed to give further impetus to the EU's environmental policy, which — through the European Green Deal (EGD) — has definitely arrived at the very heart of EU policies, particularly since the 8th EAP is hallmarked by general descriptions of the situation and declarations of intent rather than by substance and action. This is an action programme without action!

3.3 The EESC does not of course have any doubt that the priorities set out in Article 2 are good ones and that the 'enabling conditions to achieve ... [the] priority objectives' set out in Article 3 are appropriate. However, what is the benefit for environmental policy if the 8th EAP simply reiterates the objectives already set out, *inter alia*, in the EGD, without even prescribing implementation instruments or measures that would become binding through the Council and European Parliament decision? And what are the real benefits of simply listing 'conditions' that have been known about for a long time, if no binding plan is presented and adopted for securing these conditions?

3.4 The EESC feels much supported by the Commission's proposal in its view — one which it has been reiterating for years — that there is no lack of knowledge about what needs to be done. What is lacking is the implementation of well-known measures, often decided upon long ago, as well as political will. The Commission and, in some cases, also the European Court of Justice have for years been complaining about the fact that Member States often do not properly implement much of the existing environmental legislation. No environmental action programme can compensate for inadequate implementation of such legislation or a lack of political will.

3.5 Even if there were no environmental action programme, the European institutions and the Member States have enough opportunities to deliver on given promises. One example of this is biodiversity policy.

3.6 Since the 2nd EAP (which ran from 1977 to 1981), nature protection, conservation and restoration has been listed as an explicit 'priority objective' in all(!) environmental action programmes, and this is again the case in the 8th EAP. The fact that biodiversity has been the focus of these programmes for more than 40(!) years, and yet the Commission nevertheless needed to state in its May 2020 Biodiversity Strategy that 'nature is in a state of crisis', does not say much for previous environmental action programmes.

3.7 Beyond all the environmental action programmes, however, there are clear ideas and proposals as to how to remedy the situation. For example, a long list of measures is to be found in the Biodiversity Strategy⁽²⁾ presented by the Commission. Both the Council and the European Parliament would have had sufficient opportunity, *inter alia* in the reform of the Common Agricultural Policy (CAP), to implement the specific requirements set out in these programmes. This opportunity has been wasted. It is not clear to the EESC what could be improved upon now in this 8th EAP, to be decided upon by the Council and the EP.

3.8 However, this also makes it clear in what way an 8th EAP could bring added value: by formally integrating the Biodiversity Strategy, Farm to Fork Strategy and other similar policy documents presented by the Commission for the implementation of the EGD with their specific detailed requirements; the Council and the Parliament would thus be coming out in favour of implementing concrete proposals.

3.9 Furthermore, the Council and the European Parliament could also, via an 8th EAP, oblige the Commission to perpetuate and deepen the EGD, by giving it an explicit mandate to present, at the latest in the new term of office, a legislative proposal for an 'EU Agenda 2050' (as an amended and expanded 'EGD 2'), which would add a concrete and detailed list of measures as an appendix to the 8th EAP.

⁽²⁾ EU Biodiversity Strategy for 2030, COM(2020) 380 final.

3.10 However, there are no plans for any of this at present, making the added value of the 8th EAP in its present form limited to announcing an improved monitoring model and better reporting. Yet for better monitoring and governance, however important they may be, there is no need for an 'action' programme'.

4. Concluding remarks

4.1 The importance and impact of the previous Environment Action Programmes (EAP) and the upcoming 8th EAP are clearly viewed as being greater by the Commission than by the EESC. The EESC definitely does not, for example, share the Commission's view that the 7th EAP 'anticipated the United Nation's 2030 Agenda'. The UN 2030 Agenda is much more complex than could be reflected in a still so innovative European environmental policy. Every environment policy should, of course, also take into account poverty, hunger, education and gender issues, but these cannot be adequately addressed therein.

4.2 Precisely for this reason, the EESC has called for the EU to devise a separate 'EU Agenda 2050', which must, of course, also include a strong environmental dimension. Even the current EGD is not sufficient to implement the UN 2030 Agenda, since social issues — in both the European and global contexts — are not adequately addressed. However, the EESC is particularly keen to stress that it sees the EGD as a good and solid basis for a comprehensive 'EU Agenda 2050' sustainable development strategy.

4.3 It also recommends that the political ambitions set out in Commission texts be formulated in such a way that Europeans can picture how they are to be implemented. The 8th EAP is said to promote a 'regenerative growth model' that 'gives back to the planet more than it takes'. Much of the general public, as well as many politicians, may well be unclear as to what is meant by 'regenerative growth model' and what it would mean for everyday life to give back to the planet more than is taken from it.

4.4 Lastly, the EESC strongly recommends launching a general debate on the role of possible future environmental action programmes. It would be helpful to carry out an assessment thereof earlier than merely nine months before the end of the 8th EAP.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Directive of the European Parliament and of the Council on the minimum level of training of seafarers (codification)’*(COM(2020) 739 final — 2020/0329 (COD))**(2021/C 123/13)*

| | |
|--|---|
| Referrals | European Parliament, 23.11.2020 Council of the European Union, 27.11.2020 |
| Legal basis | Article 100(2) and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | unanimous |

Since the Committee unreservedly endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic road freight and road passenger connectivity following the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community’

(COM(2020) 826 final — 2020/0362 (COD))

(2021/C 123/14)

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| Referrals | Council of the European Union, 11.12.2020 European Parliament, 14.12.2020 |
| Legal basis | Articles 91(1) and 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | unanimous |
| (for/against/abstentions) | |

Since the Committee unreservedly endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic air connectivity following the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community’

(COM(2020) 827 final — 2020/0363 (COD))

(2021/C 123/15)

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| Referrals | Council of the European Union, 11.12.2020 European Parliament, 14.12.2020 |
| Legal basis | Articles 100(2) and 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | unanimous |
| (for/against/abstentions) | |

Since the Committee unreservedly endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council on certain aspects of aviation safety with regard to the end of the transition period mentioned in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community’

(COM(2020) 828 final — 2020/0364 (COD))

(2021/C 123/16)

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| Referrals | Council of the European Union, 11.12.2020 European Parliament, 14.12.2020 |
| Legal basis | Articles 100(2) and 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote | unanimous |
| (for/against/abstentions) | |

Since the Committee unreservedly endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council laying down specific and temporary measures in view of the COVID-19 outbreak concerning the renewal or extension of certain certificates, licences and authorisations and the postponement of certain periodic checks and periodic training in certain areas of transport legislation, for reference periods subsequent to those referred to in Regulation (EU) 2020/698’

(COM(2021) 25 final — 2021/0012 (COD))

(2021/C 123/17)

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|---------------------------|--|
| Referrals | Council of the European Union, 28.1.2021 European Parliament, 8.2.2021 |
| Legal basis | Articles 91, 100(2) and 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Transport, Energy, Infrastructure and the Information Society |
| Adopted at plenary | 27.1.2021 |
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| Outcome of vote | unanimous |
| (for/against/abstentions) | |

Since the Committee unreservedly endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/2403 as regards fishing authorisations for Union fishing vessels in United Kingdom waters and fishing operations of United Kingdom fishing vessels in Union waters’

(COM(2020) 830 *final* — 2020/0366 COD)

(2021/C 123/18)

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| Referral | European Parliament, 14.12.2020 Council, 11.12.2020 |
| Legal basis | Article 43(2) and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Agriculture, Rural Development and the Environment |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | unanimous in favour |

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

*The President
of the European Economic and Social Committee*
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Decision of the European Parliament and of the Council amending Council Decision 2008/971/EC as regards the equivalence of forest reproductive material produced in the United Kingdom to such material produced in the Union’

(COM(2020) 852 *final* — 2020/0378 (COD))

(2021/C 123/19)

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| Referral | European Parliament, 18.1.2021 Council, 8.1.2021 |
| Legal basis | Article 43, paragraph 2 and Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Agriculture, Rural Development and the Environment |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | unanimous in favour |

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

*The President
of the European Economic and Social Committee*
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Decision of the European Parliament and of the Council amending Council Decisions 2003/17/EC and 2005/834/EC as regards the equivalence of field inspections and the equivalence of checks on practices for the maintenance of varieties of agricultural plant species carried out in the United Kingdom’

(COM(2020) 853 *final* — 2020/0379 (COD))

(2021/C 123/20)

| | |
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| Referral | European Parliament, 18.1.2021 Council, 8.1.2021 |
| Legal basis | Article 43, paragraph 2 and article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Agriculture, Rural Development and the Environment |
| Adopted at plenary | 27.1.2021 |
| Plenary session No | 557 |
| Outcome of vote (for/against/abstentions) | unanimous in favour |

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided unanimously, at its 557th plenary session of 27 and 28 January 2021 (meeting of 27 January), to issue an opinion endorsing the proposed text.

Brussels, 27 January 2021.

*The President
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Christa SCHWENG

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